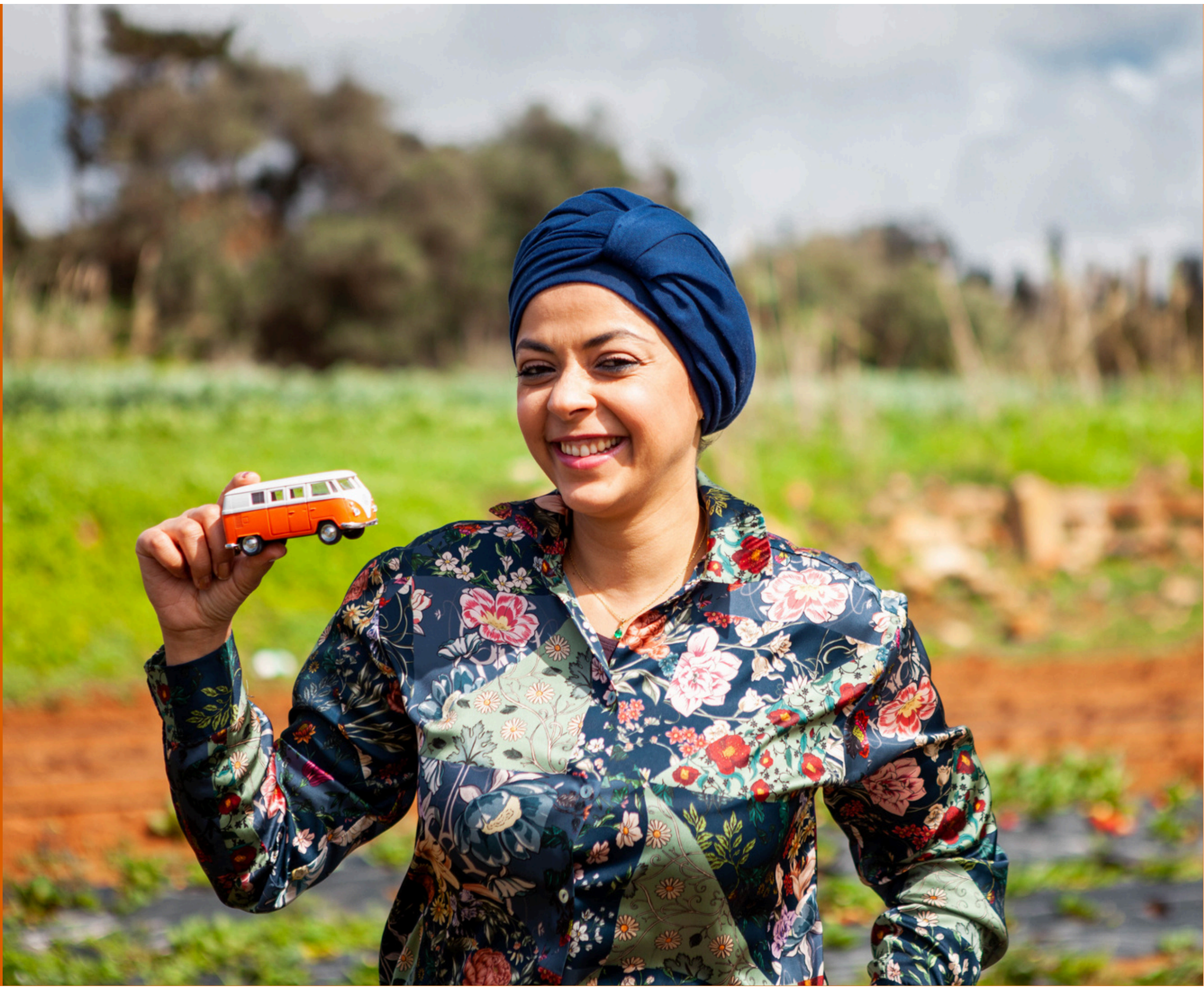
Research Report

Gender mainstreaming within financial institutions - current state and emerging trends



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This report was developed by the initiative of the SANAD Technical Assistance Facility (TAF), and the research was conducted by Sally Yacoub, Senior Gender and Financial Inclusion Expert with a solid track record in providing technical and strategic advice and guidance on gender equality and the inclusion of under-represented groups in various contexts.

Managed by Finance in Motion, the SANAD TAF works alongside the SANAD Fund for MSMEs that works closely with partner Financial Service Providers (FSPs) of the fund to conduct projects that equip the fund's beneficiaries with the knowledge and tools needed to best serve – and improve the potential of – entrepreneurs in the Middle East and North Africa (MENA) and selected countries in Sub-Saharan African (SSA). The TAF also develops the capacity of the financial sector across the region through its network of investees.

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1.Executive Summary

As part of the commitment to women's financial inclusion, the SANAD Technical Assistance Facility, managed by Finance in Motion launched the "Mainstreaming Gender Key Performance Indicators (KPIs)" project to support and build the capacity of Financial Service Providers (FSPs) on mainstreaming Gender KPIs institutionally and within their operations.

In relation to mainstreaming Gender KPIs in Middle East and North Africa (MENA), **progress has been made**. To elaborate, most surveyed FSPs have some understanding of the importance of Gender KPIs and have invested efforts to promote it (to varying degrees). Nevertheless, it is key to further foster the capacity of FSPs to collect, analyse, and use Gender KPIs particularly for decision-making purposes. Microfinance Institutions (MFIs), particularly those with an intentional gender strategy, are in the lead in promoting Gender KPIs. Albeit some inspiring examples, most banks are still in early stages in mainstreaming gender and Gender KPIs – notably because of a lack of business case for this agenda. As for leasing companies, they are the most nascent in relation to integrating gender and Gender KPIs.

When it comes to the **trigger and motivation** to mainstream Gender KPIs, this has been primarily driven by donor support. In fact, donors, notably in the financial inclusion community, have played a key role in influencing and fostering the capacity of FSPs on gender and requiring gender-related reporting in addition to collaborating with financial regulators on requiring and collecting Gender KPIs from FSPs. To that end, financial regulators can play a major role in incentivizing FSPs to integrate Gender KPIs, produce gender-related data, and to focus on the women segment.

Such regulator-imposed reporting may trigger FSPs to analyse their operational and institutional performance as well as their outreach compared to the women market opportunity. That said, the regulator-imposed data (which typically entails outreach indicators) may not necessarily correspond to the granular data (such as in relation to the use of financial products) needed to inform key decision-making processes.

About 80% of surveyed FSPs do **gender-related reporting** - with varying level of detail, frequencies, and target stakeholders (e.g. internal or external) - which is often part of social performance and annual reporting and, in some case, credit and risk reporting. As for the FSPs' **use of collected Gender KPIs** notably for decision-making purposes, this varies dramatically. Most FSPs have some level of use of Gender KPIs for decision-making including in relation to designing, monitoring, and marketing for financial and non-financial services, in monitoring and reporting on social performance, and in monitoring staff and institutional performance. That said, the degree of systematic and comprehensive use of Gender KPIs for decision-making purposes varies whereby some FSPs only focus on operations-related indicators while others only focus on institutional ones and others focus on both. In fact, FSPs often miss out on fully leveraging collected data to make operational and institutional decisions such as in relation to adapting existing/new product offerings and/or staff training. The level of systematic collection and use of Gender KPIs depends on the FSP advancement and strategic focus in relation to mainstreaming gender (e.g. having a gender strategy) as well as on their buy-in and internal capacities on gender and Gender KPIs.

Interestingly and regarding **strategic gender focus**, only 38% of surveyed FSPs have a gender strategy or policy or action plan and only 30% of interviewed FSPs have a gender focal point (who lead on gender-related efforts). Unfortunately, many FSPs cited challenges in maintaining or increasing outreach to women clients while noting the prevalence of gender discriminatory norms, biases, and stereotypes among stakeholders such as men and women staff, clients, and community members.

In relation to Gender KPIs, most surveyed FSPs noted having limited **internal capacities, awareness, and support systems to promote gender and Gender KPIs**. Cited as a key bottleneck, these entail limited capacities and expertise to further, systematically track, analyze, and use Gender KPIs to inform key decision-making including to further assess, understand, target, and serve the women segment accordingly.

It includes the lack of gender-related strategic framework (e.g. gender strategy) or embedding a gender lens in organizational plans. On the other hand, FSPs who excelled in systematically promoting Gender KPIs tended to have solid institutional capacity, clear strategic orientation, focus, and mandate (at all levels) on gender and Gender KPIs, competent and passionate gender focal point, and leadership buy-in couple with a recognition of the importance of promoting gender and Gender KPIs.

Recommended actions:

Based on the assessment, the following is recommended for FSPs to mainstream gender within their institutions:

1) **conducting gender assessments** of where their institution is - in relation to mainstreaming gender operationally and institutionally, in general, and to mainstreaming Gender KPIs, in specific – and to provide recommendations on how to further promote Gender KPIs,

2) **developing a gender strategy** - encompassing Gender KPIs – as a key strategic framework that enables institutions to systematically advance this agenda accordingly,

3) **capacity and awareness building** of staff – at all levels including leadership and board – on integrating gender and Gender KPIs both operationally and institutionally.

2. Introduction

Financial inclusion[1]- notably women's financial inclusion - is a key driver for economic development and social inclusion by enabling investments in health, education, and business. In addition to supporting women and men in establishing and growing their businesses and in managing personal and business financial resources, financial inclusion also promotes resilience and autonomy and contributes to reducing inequalities.

The Middle East and North Africa (MENA) region has a 41%[2] account ownership (ages 15+) and a 13% gender financial inclusion gap which is three times larger than the global average.[3] Such a gender gap is caused by discriminatory social norms and laws as well as unequitable social, financial, and economic systems. This results in barriers for different segments of women in owning and controlling assets (which can be used as collateral), demonstrating creditworthiness, and in being economically active. At the level of Financial Service Providers (FSPs) and other stakeholders, there is limited business case for an in-depth understanding of the women market and of strategies to promote gender-responsive products/services, user journeys, and communication.

To elaborate, contextual barriers including the restrictive social, cultural, and religious gender norms in MENA which negatively impact women in general and limit their economic empowerment and financial inclusion. For example, discriminatory laws and norms in relation to inheritance lead to women's limited ownership and control of key resources such as land, property, or equipment. This in turn puts them at a massive disadvantage when it comes to their ability to access financial services.

Due to unequal unpaid care work, women are persistently time poor, have limited time to be economically active (especially post-marriage/maternity), and continuously struggle to achieve work-life balance. Gender stereotypes in relation to women's occupation (or sector of activity) are prevalent whereby many see that women should not be (or are not good) entrepreneurs. In this context, women often lack self-confidence and end up being over-represented in informal micro-enterprises (some with limited growth potentials). Due to their limited extra-familial social network and mobility constraints (as dictated by social norms), women have a limited (business) network and are often at a disadvantage in accessing information about markets, financial services, among others. Worth noting that women are not a monolith, hence their lived experiences as well as their needs, barriers, and behaviors in relation to financial services vary depending on other social markers such as age, location, revenue, education, among others.

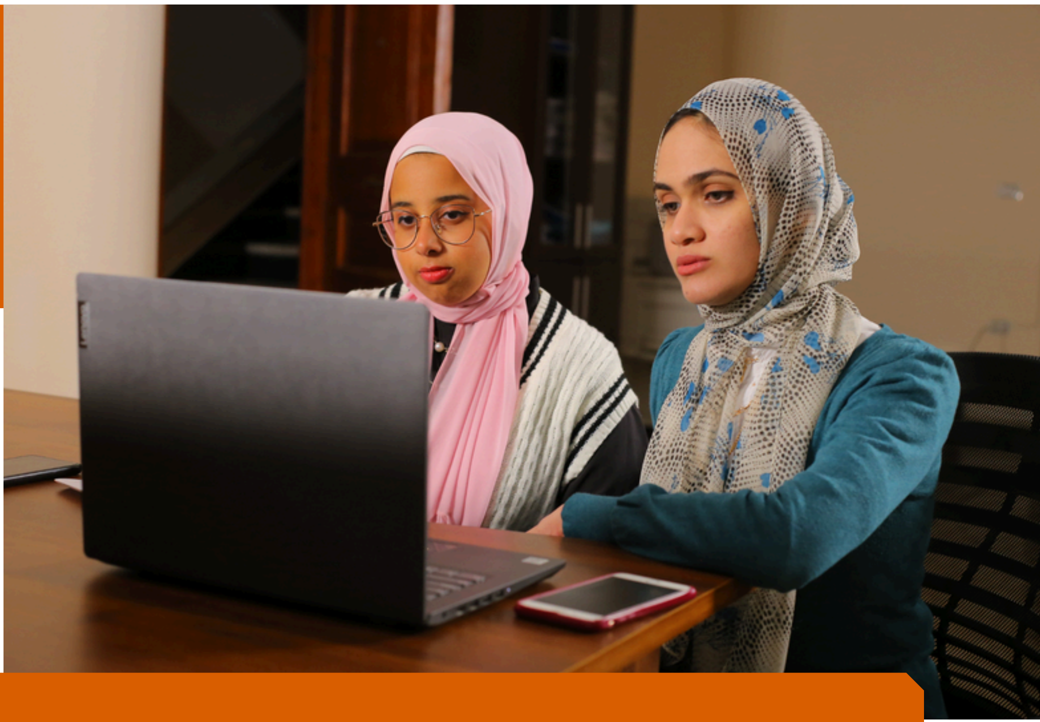
Within such a context, women face discrimination and bias within the society in general as well as within organizational cultures and the workplace. As a reflection of the culture and the society, the legal framework is often not conducive to promoting gender equality. Within (financial) institutions, women staff often suffer from gender bias and discriminatory attitudes and behaviors as well as policies. Moreover, women staff often lack having equitable and fair opportunities in recruitment, performance evaluations, career development opportunities, promotions, and achieving work-life balance (considering the bear the bulk of unpaid care work). Even women who manage to break the glass ceiling and reach leadership levels, they are often faced by discriminatory attitudes and behaviors and, in some cases, lack of acceptance as leaders. Gender bias and discriminatory practices also seep into all operational aspects from credit policies to the design and delivery of different products/services to loan/service approval rates, interest rates, and approved loan amounts to outreach campaigns to all parts of the user journey including the respectful and fair treatment of different segments of women.

> *“There are definitely barriers for women - say a glass ceiling - to have a chance to be promoted to a senior position even when they have the leadership skills and training. - Interviewee”*

To address the gendered financial inclusion barriers, gender-responsive monitoring, evaluation, and learning systems, mainstreaming Gender Key Performance Indicators (KPIs) is crucial. Mainstreaming Gender KPIs refers to the systematic collection, analysis, use, and reporting on gender-related indicators. Such include both quantitative and qualitative indicators that allow for the measurement of the differentiated outreach, uptake, usage, and impact of different interventions, policies, products, and services on different segments of women and men (staff, clients, agents, etc.). It encompasses but is not limited to sex-disaggregated data, statistics and data reflecting gender issues and/or representing the diversity of women and men including but not limited to their needs, challenges, aspirations, and life experiences, data collection methods considering potential stereotypes and other social/cultural factors that may result in gender bias in the data.[4]

To that end, Gender KPIs enable stakeholders including FSPs to gain a nuanced understanding of the different segments of women and men clients and to design and deliver gender-responsive products/services and user journeys. This entails having an in-depth grasp of the social, financial, and economic realities of different segments of women and men as well as the phases of their life cycle. It encompasses understanding the diverse needs, priorities, and preferences of different segments of women and men in relation to financial services as well as the barriers in accessing and using those services accordingly. With Gender KPIs, FSPs and other stakeholders are able to unravel the drivers and influencers of decision-making processes of women and men notably in relation to financial services.

Furthermore, Gender KPIs enable FSPs to assess their gendered performance and impact as well as challenges, and opportunities – in relation to mainstreaming gender both institutionally and operationally – to be able to steer progress accordingly. Such data includes gendered portfolio performance and other indicators on institutional gender mainstreaming such as gender representation, pay gap, among others. When it comes to Gender KPIs, it is key to systematically collect, analyse, report, and use this data – notably to inform key decision-making processes. To achieve this, capacity building[5] of FSPs (and other stakeholders) on Gender KPIs is essential.



3. Objectives

The objective of this research is to analyze the current state of Gender KPIs, notably among the partner Financial Service Providers (FSPs) of the SANAD TAF in the MENA region. This includes researching how SANAD TAF partner FSPs collect, analyse, use, and report on Gender KPIs, through a brief desk research as well as a survey, and consultations/interviews with select FSPs. The research aimed to outline opportunities, challenges, and areas in need of support in addition to showcasing best practices and regional examples on mainstreaming Gender KPIs. The present report distills the key insights and findings, based on the desk research, survey, and interviews. The research responds to the first workstream of the SANAD TAF "Mainstreaming Gender KPIs" project, which has three workstreams, as follows, and aims to: 1) Conduct an analysis of the current state of Gender KPIs, including assessing how financial institutions collect, analyse, use, and report on Gender KPIs while outlining best practices, opportunities, challenges, and areas in need of support; 2) Develop a Gender KPIs Toolkit in Arabic providing strategic and operational guidance on mainstreaming Gender KPIs; 3) Conduct a series of workshops to foster the capacity of select SANAD partner FSPs on Gender KPIs.

The Gender KPIs Toolkit developed under the project can be accessed in **English** and **Arabic** languages. The Toolkit is a practical "How to" guide aiming to provide guidance, best practices approaches, tips, steps, success factors, and resources in mainstreaming gender and Gender KPIs. It is relevant for FSPs in addition to a variety of other stakeholders with varying experiences and proficiencies with mainstreaming gender and Gender KPIs, including international development and government partners, among others.

4. Methodology

The study consisted of a combination of secondary desk review as well as primary research via a survey and interviews with select FSPs – notably due to the limited availability of in-depth public data on the gender-related practices of FSPs.

Secondary research. This encompassed conducting brief desk research on Gender KPIs and their use and prevalence among SANAD's partner FSPs in the MENA region. It entailed a brief review of best practices, challenges, and opportunities in relation to Gender KPIs, in general, and in the MENA region, in specific. It included a review of the impact of regulatory reporting requirements on promoting Gender KPIs.

Primary research. This included the following:

- Conducting **consultations/interviews** (1:1 or small group of 2-4 representatives) with 10 select partner FSPs in addition to five consultations/interviews with experts and development practitioners active in the space of gender, financial inclusion, Gender KPIs, and gender-responsive finance. The consultations/interviews aimed to delve deeper into practices and use of Gender KPIs as well as challenges, opportunities, areas in need of support, and topics of interest in that regard.
- Launching a **survey** targeting 10 additional partner FSPs (not included in the consultations) on their practices, challenges, and areas in need of support in relation to Gender KPIs. Out of 10 FSPs, 8 completed the survey.

The research focused on the SANAD TAF partner FSPs and aimed to include different types of financial institutions, geographical location, interest/advancement in relation to Gender KPIs, and magnitude of outreach. To elaborate, the study included public and private commercial banks, microfinance institutions (MFIs), and leasing companies from Tunisia, Morocco, Palestinian Territories, Lebanon, Egypt, and Jordan (the "FSPs").

5. Findings

When it comes to mainstreaming Gender KPIs, there is **momentum gained**. The research demonstrated that most FSPs have some level of understanding of the importance of Gender KPIs and made some efforts to promote it (to varying degrees) accordingly. That said, there is a need to foster the capacity of FSPs to collect, analyse, and use Gender KPIs notably for decision-making purposes. Mainstreaming Gender KPIs has been most successful when there is leadership buy-in as well as a clear strategic orientation and mandate on gender and Gender KPIs – at all levels – and where the importance of Gender KPIs is adequately recognized.

As a segment that traditionally focused on women, **MFIs, notably those with an intentional gender strategy,** continue to be in the forefront in promoting Gender KPIs. That said, with the commercialization of the microfinance sector and with some MFIs forgoing the group lending methodology (traditionally dominated by women) and going up market (i.e. increasing their loan size), many MFIs across MENA continue to have a shrinking women portfolio.[6] According to an interviewed expert, the representation of women in leadership and CEO positions of MFIs in the region seems to be decreasing and that, with such an imbalanced institutional gender representation, it is nature to have less of a gender focus in operations.

"What you cannot measure you cannot improve so Gender KPIs are key in understanding the status quo and if there is a problem. For that, the right KPIs are needed." - Interviewee

Most **banks are still in nascent phases** in promoting gender mainstreaming and Gender KPIs. As profit-oriented entities and with the lack of business case for gender (hence the missing link with the bottom line), and Gender KPIs tend to be deprioritized. Nevertheless, inspiring regional examples of banks exist. Most surveyed leasing companies are in even more nascent phases (versus banks) with regard to gender and gender integration. According to an expert, in some cases, FinTechs seem to be more advanced in this regard – compared to banks – considering that they are more nascent entities who are quicker in taking actions, often disrupt systems and challenge the status quo, and could leverage on electronically collected data.[7]

Analyzing the trigger and motivation to gender-related advancements, it is evident these are mainly driven by donor support, notably in the financial inclusion community. Donors have been instrumental in influencing, supporting, and building the capacity of some FSPs on gender and requiring Gender KPIs in reporting as well as collaborating with financial regulators on requiring and collecting Gender KPIs from FSPs. By requiring regular gender-related reporting, **financial regulators have a key role** in promoting and incentivizing FSPs to integrate Gender KPIs and a focus on the women segment as well as in producing supply-side gender-related data. To elaborate, the regulator-imposed reporting - typically includes outreach-related KPIs such as the number of active women clients and loan portfolio. This may trigger some FSPs to reflect on their operational and/or institutional performance as well as on their present outreach compared to the women market opportunity. For that to happen, it is essential to have **regulators buy-in and awareness of the importance of Gender KPIs** in understanding the market, identifying inequalities and barriers, and in better serving different segments of women and men. On the contrary, the regulator-imposed data may not necessarily correspond to the in-depth/granular data needed by management and other stakeholders to further inform key decision-making processes. Such granular data may, for example, entail indicators on the use of products by different segments of women and marketing channels that effectively reach them – which are key to inform product development/adaptation and marketing activities. Also, along with the regulatory incentives and requirements, demonstrating the business case for the women is key for FSPs to leverage on and tap into the women market. One example noted on regulatory efforts in promoting Gender KPIs relates to the Central Bank of Egypt which issued a circular requiring banks to report on sustainability metrics as of January 2023, including on social impact part of which is gender.

80% of surveyed FSPs do some **level of gender-related reporting** which is, in many cases, part of their social performance and annual reporting. Some also included some Gender KPIs in credit and risk reporting. Reporting varies in frequency from monthly to quarterly to semi-annual and annual basis and goes to various internal and external stakeholders including executive management and board, partners, donors, and lenders, as well as regulatory bodies.

Approximately 60% of surveyed FSPs regularly track **outreach to women led/owned organizations**. The adopted definition for women-led/owned organizations varies from the use of the 2X challenge definition[8], to simply any loan taken up by a woman, to any business that is completely owned and operated by a woman or where women have a majority ownership (51% and more), to businesses where women have 20% ownership and one or more decision-makers being a woman (e.g. women occupying the position of chair of the board of directors or executive or general manager).

Regarding **strategic gender focus**, only 38% of FSPs have a gender strategy or policy or action plan. In fact, a number of FSPs voiced facing difficulties in maintaining or increasing outreach to women clients – some citing limited number of economically-active women entrepreneurs in their context – whereas some (including two FSPs who have a gender strategy) faced the challenge of a shrinking women portfolio. Many also noted the prevalence of gender discriminatory norms and gender biased mindsets of stakeholders – including men and women staff and clients as well as communities. For instance, FSPs cited examples of FSP staff resisting or rejecting the idea of hiring women staff because “women will be less committed to work, due to reproductive responsibilities” and of women entrepreneurs lacking confidence or of them not being perceived as good entrepreneurs.

As for gender focal points, the majority of FSPs do not have a gender focal point. That said, 30% of interviewed FSPs had a gender focal point[9]. Of those FSPs, 66% had an inter-departmental committee and/or unit focusing on gender with a lead gender focal point. The role of a gender focal point and/or inter-departmental committee entailed leading, coordinating, advocating for, and following up on gender efforts.

As mentioned, **monitored Gender KPIs** varies dramatically, as detailed below.

Institutionally

- 100% of surveyed FSPs track the total number of staff by gender and the percent of board members, senior management, middle management, frontline staff (including loan officers), head/other office by gender, whereas 56% track staff retention by gender and 62% track staff turnover by gender.
- On the other hand, staff promotion by gender, gender pay gap, and salaries by gender (at different levels, e.g. management, and departments) are less tracked.
- One FSP tracked staff learning opportunities by gender, another tracked training provided by gender, whereas another the number and percent of exits during and excluding probation by gender as well as the number and percent of staff reporting to a woman (versus man) supervisor. As for a FSP – who is more nascent with gender – Gender KPIs have not been tracked at all, until recently.

Operationally

- 88% of surveyed FSPs track the percent of loan portfolio, 81% track women borrowers/savers/clients as a percent of total borrowers/savers/clients, 69% track average loan balance and portfolio at risk (> 30 days) by gender whereas 56% track new women borrowers/savers/clients as a percent of total new borrowers/savers/clients (i.e. client acquisition) by gender.
- A number of FSPs also track the number of women active clients by product/service (e.g. individual loan, group loan, etc.), marital status (e.g. single, married, divorced, widowed), location (i.e. rural or urban), and sector (e.g. commerce, agriculture, service, artisans) as well as the number of young active women clients.
- On the other hand, product growth by gender, percent of savings portfolio by gender, percent of women clients below a defined poverty threshold, client retention by gender, percent of women clients that show improvement in food security, managing cash flow, managing emergencies, etc. - are less monitored/tracked yet one FSP noted tracking the number of women staff per client.

In general, impact measurement/monitoring is an area that is significantly underdeveloped. In the case of one FSP who is less advanced in relation to gender, sex-disaggregated data is not available for all products and depends on the whether the product is generic or is women-specific. **When it comes to setting target for Gender KPIs**, a couple of FSPs established some target Gender KPIs including target percent of women clients as well as staff whereas one FSP developed incentives for sales staff to achieve the target percent of women clients.

The majority of surveyed FSPs voiced **having limited capacity and awareness on gender and Gender KPIs**. This includes limited capacity to identify the specific and/or more in-depth Gender KPIs (versus the regularly monitored data) to track, analyze, and use to inform key decision-making. It encompasses limited expertise to assess, understand, and target/serve the women segment accordingly. Even for organizations that track and use some Gender KPIs, the lack of a gender-related strategic framework or strategy or even a gender lens in their organizational/business plan is a key bottleneck.

When it comes to the **use of Gender KPIs to inform its key decisions**, this varies dramatically and it is where things become less concrete, tangible, and systematic. Most FSPs have some level of use of data – including Gender KPIs – for decision-making purposes. FSPs noted using Gender KPIs in designing, monitoring, and marketing for financial and non-financial services as well as for social performance monitoring and reporting in addition to monitoring staff and institutional performance. The level of systematic use of data for decision-making purposes varies – with some focusing only on operations-related Gender KPIs, on institutional, or focus is placed on both - and is dependent on where the organization is on the gender spectrum, the level of awareness, buy-in, and internal capacities in relation to gender and Gender KPIs. While the majority of FSPs collect some level of Gender KPIs including client feedback, they often miss out on fully leveraging this data to get a more in-depth understanding of the women segment and to make institutional and operational decisions such as ones related to adapting existing/new product offerings and/or required field staff training. This may be explained by the limited awareness of strategies to promote Gender KPIs notably in informing decision-making process as well as the lack of strategic focus on and accountability for gender and gender mainstreaming also demonstrated by the limited gender-related strategic framework (e.g. gender strategy).[10] To that end, **institutional gender capacity and strategic focus, having a competent and passionate gender focal point coupled with leadership buy-in and gender-focused institutional structure** – such a cross departmental committee or unit – are conducive factors for the systematic use and analysis of Gender KPIs for decision-making. ("*Ad hoc does not do the job. If nobody is responsible for it – no tangible progress will be achieved*").

Some examples of the FSPs' use of Gender KPIs from an operational point of view include the use of sex-disaggregated data on active loan portfolio, number of active clients, portfolio at risk to track operational performance and trends and to take actions, in case of challenges or in case of a misalignment with the targets or gender strategy, if exists. As noted by FSPs, such actions may range from retargeting a product (e.g. including men as eligible segment for women-only products to avoid women taking loans on behalf of men) to conducting more in-depth research – such as qualitative research with staff or clients - to better understand the causes of an issue to addressing management and information system-related gaps or challenges (e.g. to capture women-led businesses). An example with an institutional perspective is the use of the number of staff by gender and/or pay equity to identify gaps in different levels of the organization and to address those accordingly. As mentioned, only a couple of partner FSPs used Gender KPIs to monitor the impact of different products/services on women's businesses and on the overall quality of life.

Regarding data collection responsibility, this varied depending on the organizational structure as well as the type of reporting. For example, the human resources department often leads on staff-related Gender KPIs whereas marketing often leads on client-related reporting and finance, risk, compliance, or accountability on regulator- and finance-related reporting (e.g. risk, credit, etc.), with inputs and support from other departments including the one responsible for the Management Information System (MIS). In case of having a monitoring and evaluation and/or social performance departments, these may be in the lead in reporting – including gender related ones. Worth noting that most FSPs did not conduct any **formal training for their staff** – notably those responsible for collection/analysis - on gender-responsive research and data collection/analysis. That said, many FSPs voiced their interest in receiving training and capacity building on gender and on how to promote Gender KPIs in their work.

6. Challenges in Mainstreaming Gender KPIs

"Very few understand what gender means so it is key to tackle key concepts and themes. Many also do not see the value in and importance of mainstreaming gender and Gender KPIs and do not know how it may be promoted in processes, products, programming, and strategy." - Interviewee

When it comes to mainstreaming Gender KPIs, FSPs noted a broad range of challenges. In addition to the aforementioned contextual barriers and beyond the conceptual acknowledgement of the importance of the women segment and that women tend to be loyal and good clients ("women pay back loans better than men"), many FSPs have **limited/lack of an evidence-based and quantifiable business case for gender, in general, and consequently for Gender KPIs** – notably on how Gender KPIs have a positive impact on operations as well as on the bottom line. In practice, Gender KPIs are often seen as a "cost center" requiring time, resources, and costs that are not (fully) justifiable – considering the limited evidence on their benefits - notably in relation to the bottom line and/or operations.

Linked to the issue of lack of business case, the limited availability of (country-level) market research on the women segment and women-led/owned enterprises is another challenge. This inhibits FSPs from assessing the women market opportunity, establishing the business case for it, and setting realistic growth targets for this segment accordingly. It also hinders FSPs from gaining a nuanced understanding of the women segment along with needs, barriers, and priorities in relation to financial services, to tailor responsive products/services accordingly, and to build scalable models and delivery mechanisms that work for this market accordingly.

"We are sitting on a treasure of gender data, and we have reports and systems for that but the problem is that we do not have a gender strategy nor a gender lens in our organizational/business plan. How can we use data more effectively to inform decisions?" - Interviewee

The **lack of strategic framework on gender** is a key barrier in promoting Gender KPIs. Because of the common lack of a formalized gender strategy (including gender-related targets) and/or mainstreaming gender in organizational plans, the effective analysis and use of such data to inform key decisions is limited. This translates to a less systemic and intentional approach to mainstreaming gender and Gender KPIs (and to managing the related change). It also limits the ability of FSPs to systematically tailor and diversify its products/services offering to meet the diverse needs of different segments of women (beyond credit).

When it comes to the determination of the specific Gender KPIs to monitor the gendered performance and impact, some FSPs were challenged with the type of in-depth data (versus the regularly monitored data) to track and analyze – for effective decision-making and to better serve the women segment. When it comes to gender equality, quantitative data does not tell the full story hence the need for qualitative data to understand the women segment (including their needs, barriers, and preferences) and/or track the FSP impact on women clients and/or staff. As noted, those require time, resources, and expertise which are often not justifiable and/or available within FSPs.

"Gender equality is related to intangible elements which number alone cannot catch." - Interviewee

Most FSPs voiced having a major challenge in effectively using and analyzing collected Gender KPIs for decision-making, in general, and with the aim of better understanding client segments and to design and deliver tailored products. In some cases, tracked data may not necessarily be what is needed for making business decisions notably for establishing the business case for the women segment ("to see this segment as a business opportunity"). Another common challenge in this regard is the lack of understanding of the importance of Gender KPIs and of a clear mandate at the different levels.. This translates to a disconnect or incoherence between the role of management, business/product team, data analytics team, among others – in the collection, analysis, use of Gender KPIs.

"Beyond the regular indictors – such as loan portfolio or active clients, what more in-depth indicators can we collect to understand what exactly is happening on the ground? For example, we know of cases of gender-based violence by spouses and we want to accompany women to have access to their rights." - Interviewee

The research also unraveled several **institutional barriers** for mainstreaming gender and Gender KPIs. The first being the lack of **leadership commitment and buy-in** without which advancing this agenda is very difficult. **Institutional gender bias and misconceptions** about gender and Gender KPIs is another challenge inhibiting FSPs from fully understanding and tapping into the women segment with responsive products/services. From an institutional perspective, this translates to policies, practices, and work environments that are not gender-responsive and do not offer equitable opportunities to women (e.g. to be promoted, to advance in their career, or maintain work-life balance).

"The challenges faced when monitoring gender-related progress stem from cultural barriers and misconceptions that inhibit the full understanding of the women segment in order to design a product that caters to their specific needs." - Interviewee

One of the most repeatedly voiced barriers to promoting and getting buy-in for Gender KPIs is the **limited capacity and awareness**. According to an expert, because of limited awareness, some FSPs think that focusing on Gender KPIs undermines their neutrality and would translate to discriminating against non-women segments. The limited capacity entails understanding key gender concepts and themes - including gender bias - as well as what mainstreaming gender and Gender KPIs is, why it is important, and how it can be promoted in financial services and within FSPs (institutionally) – including in products, processes, strategy, among others. Even for relatively advanced FSPs, there is a need to build capacity and awareness at all levels of the organization, manage change needed to mainstream gender, and to mainstream gender institutionally – in addition to fostering their ability to advance this agenda even further. Across the board, there is a need to build FSPs capacity to understand the women segment – including behaviors, needs, barriers, aspirations, and preferences – and its potential (also considering the limited available market research and demand-side data). Another recurring feature was FSPs' limited ability to assess/adapt existing and design new/tailored products/services offering with a gender lens as well as to target and service this segment accordingly. This includes building capacity on recognizing and addressing gender bias, of all staff including sales, field, and operations on gender-responsive products/services design, sales, communication, user journey/experience and service.

As for **data-related challenges**, these include:

- Difficulties in establishing and automating Gender KPIs and reports in the MIS system. It is key to note that these were rarely mentioned as a key barrier ("there are ways to go around those, if there is a will") whereby some noted having existing/adequate methodology, systems, and tools (including for data validation).

- For institutions that do (partial) manual data entry, the accuracy, quality, and reliability of the data as well as the integrity of the data analysis.

- The lack of accurate data provided by clients.

- The fragmentation of data on multiple unconnected systems (e.g. MIS, CRM, onboarding, etc.) hence making the reporting and analysis challenging.

- The lack of standardization of information which makes the analysis process difficult.[11]

"Not using the data is a major challenge – it is not data for the sake of data. whereby FSPs do not know the use case of data and what data can help in." – Interviewee

7. Recommendations to Further Mainstream Gender KPIs

Based on the findings of this study, FSPs voiced the **need for support** in

1) **conducting gender assessments** of where their institution is - in relation to mainstreaming gender operationally and institutionally, in general, and to Gender KPIs, in specific – and to provide recommendations on how to further promote Gender KPIs,

2) **developing a gender strategy** - encompassing Gender KPIs – as a key strategic framework that enables institutions to systematically advance this agenda accordingly,

3) **capacity and awareness building** of staff – at all levels including leadership and board – on integrating gender and Gender KPIs both operationally and institutionally. This includes training, coaching opportunities, toolkits/guidelines, and technical support in developing, promoting, implementing strategies, processes, practices, and policies to mainstream gender and Gender KPIs institutionally and operationally. This entails capacity building in identifying the key Gender KPIs needed for an effective gender dashboard enabling FSPs to monitor, analyze, and report on to inform different decision-making processes – at operational and institutional levels. It also encompasses support in using Gender KPIs to assess the gender responsiveness of existing products/services offering and tailor existing/new products/services to better serve different segments of women.

Based on the insights and findings of this research, the **following measures are recommended** to further promote gender and Gender KPIs.

Combine financing with technical support: When it comes to the gender-focused financing facilities, it would be extremely effective to finance a diversity of products/services (e.g. loans, saving, insurance, even leasing, digital financial services, etc.) to meet the needs of different segments of women and men, in different phases of their life cycle. As a condition of such financing facilities and in line with common market practices, development FSPs would include requirements in relation to Gender KPIs and gender-related reporting. Such would include both qualitative and quantitative gender-related data and targets.

Gender assessment: At **the onset of financial and technical partnerships**, a gender assessment should be conducted both at an operational and institutional focus. The assessment should aim to analyze existing institutional policies, practices, and capacities as well as operations - including products/services offering, user journeys, communication, among others – with a gender lens. Such analysis would identify areas of strengths and development. This would be a basis for developing a gender strategy and/or an action plan as well as a roadmap for change, that works for the institution and its context. In relation to the gender assessment, it is recommended for FSPs to have broader scope (beyond only focusing on Gender KPIs) to include an analysis (even if rapid) of how far the FSP mainstreams gender both operationally and institutionally. Building on the Gender KPIs self-assessment tool in the Gender KPIs Toolkit, developing a self-assessment tool for FSPs to continue analyzing their gender-related efforts, progress, and challenges would be extremely valuable.

Technical support:

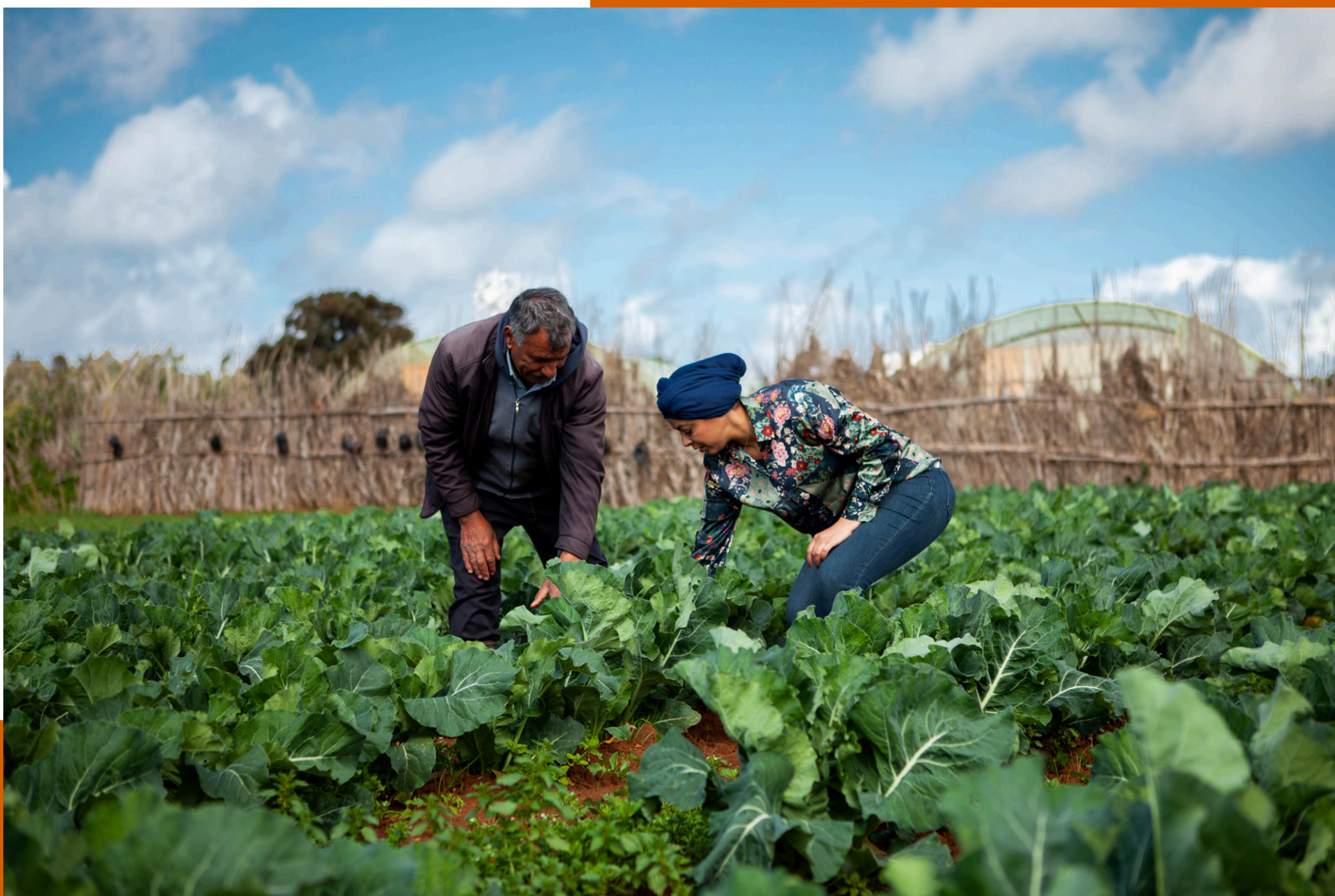
- **Pursuing a tiered-approach in supporting FSPs** at different stages in the gender journey, based on the to-be-developed gender strategy and/or action plan. This would lay the foundation for tailored support to FSPs that are at early stages as well as those that are advanced in relation to gender and Gender KPIs. Such support could be in the form of training, coaching sessions, developing /availing toolkits, and guidelines, among others. This may take several possible forms including providing trainings on demand-driven topics to all or a select number of FSPs coupled with and/or followed by coaching sessions, tailored to the needs of FSPs.

- A key aim of the technical support should be **to establish and strengthen gender-related institutional structures** (i.e. ones focusing on gender, including gender focal points and/or gender unit or committee) **and build the capacity of FSPs' staff** – at different levels including leadership and board - on gender topics and concepts (including bias) and Gender KPIs. This includes fostering training for field, sales, operations, and communication staff on gender-responsive sales communication, and service delivery. It should also entail raising awareness of the importance of and business case for gender and Gender KPIs – particularly in promoting the client-centricity of FSPs and tapping into new revenue streams while adopting a gender lens.[12] It would encompass advice on building buy-in, managing change, and fostering accountability for promoting gender and Gender KPIs – notably within contexts that have discriminatory gender norms.

- Additional technical support should **support FSPs** in developing/promoting /implementing **strategies, processes, practices, and policies to mainstream gender and Gender KPIs** institutionally and operationally. Institutionally, this includes support in collecting and analyzing Gender KPIs and in promoting gender-responsive policies that provide equal opportunities for all and promote an inclusive workplace. This includes areas such as recruitment, pay equity, talent and career development, promotions, and promoting women leaders and gender diversity. Operationally, this encompasses capacity development in collecting, analyzing, and reporting on Gender KPIs, in using data to further understand the women segment – including behaviors, needs, barriers, aspirations, and preferences – and assessing the women segment market potential. It includes support in using data and analyzing and designing/adapting existing/new products/services offering, user journeys, and communication with a gender lens and in targeting/serving this segment accordingly. This includes ongoing support in identifying key Gender KPIs to monitor/analyze, in general, and to include in regularly monitored leadership gender dashboard, in specific, to inform decision-making processes.

- **Recognizing champions and pioneering FSPs in mainstreaming gender** and Gender KPIs would be appreciated by FSPs but may also inspire other FSPs to follow their leads. Publicizing regional and global best practices in mainstreaming gender and Gender KPIs (ideally linked with organizational performance) and of profitable gender-responsive business models would contribute to building the much-needed business case accordingly.

- **Advocating for regulatory requirements** – that are conducive and incentivizing mainstreaming Gender KPIs - with regulators and other stakeholders would be another area to focus on.



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References

[1] Refers to the access to and use of affordable, useful formal financial services.

[2] World Bank Database

[3] Global Findex 2021. Account (%) is defined as the percentage of respondents who report having an account (by themselves or together with someone else) at a bank or another type of financial institution (financial institution account), or report personally using a mobile money service in the past year (see mobile money account).

[4] Source: United Nations 2016

[5] The author uses the term "capacity building" and/or "capacity development" as terms that are frequently used in the development space. That said, the author acknowledges that there are more inclusive terms to use notably to acknowledge the existing and immense strengths, experience, and capacities within partners. Hence the term "capacity exchange" and/or other terms may be better options to use.

[6] According to an expert interview and to insights from partner consultations/interviews.

[7] It is worth noting that the research scope and sample did not include FinTechs. The statement is relying on expert insights.

[8] 2X Challenges definition includes 51% ownership of the business by women or business being founded by a woman.

[9] Two of which are from marketing and communication department and one being the administration manager.

[10] To a lesser degree, this may be related to data quality and integrity concerns.

[11] Gender Data for Financial Inclusion: A Synthesis Brief of Diagnostics in Six Countries, A WFID Partnership Project, Mayra Buvinic, Data2X, and Rebecca Ruf, Financial Alliance for Women

[12] If needed and based on partner need, support in defining and tagging women led/owned business (as well as setting up process/systems to put this in place) may also be considered.

technical assistance facility

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