



EUROPEAN MICROFINANCE AWARD 2022

Financial Inclusion that Works for Women



CONCEPT NOTE

Organised by:



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EUROPEAN MICROFINANCE AWARD (EMA) 2022

The European Microfinance Award (EMA) 2022 on “Financial Inclusion that Works for Women” seeks to highlight **organizations working in financial inclusion that aim to understand and meet women’s challenges and aspirations in order to go beyond traditional gender outreach strategies.**

To be eligible, organizations must be: active in the financial inclusion sector, fully operational for at least two years, and based and operating in a Least Developed Country, Low Income Country, Lower Middle Income Country or Upper Middle Income Country, as defined by the [Development Assistance Committee for ODA Recipients](#).

The evaluation process culminates with the winner of the €100,000 prize (plus the two runners-up, who each win €10,000) being announced during European Microfinance Week in November. All information on the topic, eligibility requirements, and application and evaluation processes can be found on the [European Microfinance Award](#) website.

ABOUT THE AWARD

The European Microfinance Award is a prestigious annual award with €100,000 for the winner and €10,000 for the runners-up, which attracts applications from organisations active in financial services around the world that are innovating in a particular area of financial inclusion. It serves two parallel goals: rewarding excellence, and collecting and disseminating the most relevant practices for replication by others.

The Award was launched in 2005 by the Luxembourg Ministry of Foreign and European Affairs – Directorate for Development Cooperation and Humanitarian Affairs. It is jointly organised by the Ministry, the European Microfinance Platform (e-MFP), and the Inclusive Finance Network Luxembourg (InFiNe.lu), in cooperation with the European Investment Bank (EIB).

The Award is presented in a ceremony which in the past has been in the presence of Her Royal Highness the Grand-Duchess of Luxembourg and the Luxembourg Minister for Development Cooperation and Humanitarian Affairs. The ceremony takes place during the European Microfinance Week.

Previous editions

2021 - Inclusive Finance and Health Care

2020 - Encouraging Effective & Inclusive Savings

2019 - Strengthening Resilience to Climate Change

2018 - Financial Inclusion through Technology

2017 - Microfinance for Housing

2016 - Microfinance and Access to Education

2015 - Microfinance in Post-disaster, Post-conflict Areas & Fragile States

2014 - Microfinance and the Environment

2012 - Microfinance for Food Security

2010 - Value Chain Finance

2008 - Socially Responsible Microfinance

2006 - Innovation for Outreach

Women's financial inclusion

Lending to women clients has been at the center of microfinance since its modern inception. When Dr. Muhammad Yunus loaned his first \$27 in 1976, it was to a group of women in Bangladesh who planned to start a bamboo stool business. To this day, most microfinance clients are women.

Organizations across the sector talk a good game when it comes to women's empowerment and autonomy, and they're happy to publicize the number of women clients the sector serves. They are right – a generation ago, few would have seen low-income women in developing countries as investable borrowers, let alone savers, senders of remittances or insurance policyholders. And while these stereotypes broadly persist, there has undoubtedly been progress in promoting women's financial inclusion, with more low-income women having access to financial services than ever before.

Nevertheless, despite this progress, a myopic focus on outreach (i.e., the number of women clients served) too often undermines the enormous opportunities that can be tapped by **genuinely understanding the specific barriers women face** - at home, in business and in the workplace. Without a clear understanding of how those barriers limit women's opportunities and aspirations, it's harder for the financial inclusion sector to know what to do.

This is why we at [e-MFP](#), as co-organizers of the European Microfinance Award, are pleased to announce that the theme of the 2022 [European Microfinance Award](#) is "[Financial Inclusion that Works for Women](#)." We believe that this focus, combined with the Award's large exposure and strong reputation for rigor and transparency, can provide real impetus to innovation and learning in this field, at a time when many of our partners and colleagues in the financial inclusion sector are recognizing that **having women clients, and actually meeting their needs, are not necessarily the same thing**.

Understanding and meeting women's needs

Key to understanding and meeting women's needs is recognizing that women comprise a group of clients with a **diverse set of situations and circumstances** that are often quite distinct from men's – and from each other's.

When financial products and services are introduced in a market, they arrive in an ecosystem of deeply rooted informal (social norms, beliefs, stereotypes) and formal (laws, policies, regulations) frameworks that govern clients' lives. When it comes to financial inclusion,

women face multiple, compounded barriers at multiple levels of the ecosystem – including supply and demand barriers that often originate from outside the financial sector.

Demand-side barriers

Some demand-side barriers that prevent women to access and use financial services are:

- Lower income (often because of lower-earning economic activities).
- Lower levels of education/literacy, affecting women's financial capability.
- Mobility constraints.
- Limited access to mobile phones.
- Lack of decision-making power and self-esteem.
- Limited access to information and social networks.
- Lack of asset ownership and insufficient property rights.
- Loyalty to informal services (e.g., ROSCAs) due to their social dimension, proximity and immediacy, which may translate to women's limited exploration of formal alternatives.
- Laws which may restrict women's economic independence, inhibit their access to commercial credit, or limit their ownership of and control over assets.
- Social norms that may undermine incentives to invest.
- Inadequate information-sharing systems (e.g. credit bureaus) limiting women's ability to build credit histories.

Supply-side barriers

On the supply-side, some of the barriers constraining women's financial inclusion are:

- Collateral requirements which exclude women, who often lack land/property rights.
- Limited physical outreach and inconvenient working hours among financial services providers (FSPs), which affect women more than men because of mobility and time-poverty issues.
- Documentation requirements which exclude women, who are more likely to lack proof of identity.
- Product features (e.g., eligibility, terms, etc.) which may not meet women's requirements.
- Marketing that's not targeted or geared towards women.
- Service delivery that can be patronizing towards women.
- Physical infrastructure that can intimidate women and may not suit their needs (e.g., lack of access to toilets or child/nursing facilities).

- Lack of gender diversity, particularly in senior management positions of FSPs, regulators, etc.
- FSPs not prioritizing women as a business segment.

These barriers are often anchored in **social norms** which limit women's financial inclusion, resources and economic opportunities, thereby [impeding their economic empowerment prospects](#). That said, despite the sector's evolving understanding, these social norms are often neither fully understood nor adequately tackled in the financial inclusion space – an issue which [has impeded progress](#) toward greater inclusion among women. The complexity of the factors driving women's financial exclusion and the need for comprehensive, multi-level solutions may explain the persistent gender gap.

Women need a **range of financial and non-financial products and services** to meet their diverse needs. These include products and services for their own personal use and needs (e.g., their own health insurance and personal savings), for the diverse needs of their households (e.g., their children's education and health, household improvements, and accessing basic services such as clean energy), and for their business needs. When it comes to business activities, women's needs vary depending on their economic profile – for example, the needs of high-income, formally employed women are quite different from those of women-led small- and medium-sized enterprises, which in turn differ from the needs of low-income informal workers, microentrepreneurs or smallholder farmers.

Moreover, serving women clients isn't limited to providing a specific set of products. Financial services providers (FSPs) must pay close attention to **how those products are delivered**, how they are communicated and how they engage with women clients more broadly. Even a well-designed product may miss the mark if the loan officer expects a woman client to take two hours to show up at the branch, leaving behind business and household responsibilities. Furthermore, providers' efforts to serve women cannot succeed if they ignore the other half of the population. In other words, FSPs need to engage men in this process – including staff and clients' family members – to build a shared understanding of the barriers women face and how they can be overcome.

However, making financial inclusion work for women cannot be limited to focusing on just the clients. Women remain woefully underrepresented in leadership and governance positions across the sector. To be effective at serving women, FSPs can and should embed a **gender-focused strategy within their organization** – and this “gender mainstreaming” should ensure genuine promotion opportunities for women, along with their representation in decision-making roles. It should also provide women with flexible work options, while ensuring and promoting a culture of respect and fairness in all aspects of the organization's operations. Of course, this should apply not just to staff, but to agents and other external

partners as well, and it should include efforts to monitor the implementation and outcomes of these gender-focused strategies. And it's not just the job of FSPs to develop and build financial services that work for women: All financial inclusion stakeholders have important roles to play – from funders and policymakers to researchers and technical assistance providers. As the saying goes, “It takes a village.”

The EMA 2022: Towards a new landscape of financial inclusion for women

Identifying the main barriers that prevent women from accessing and using financial services allows the development of a comprehensive strategy - internal and external alike - to meet their evolving needs.

There are **four components** in this topic that applicants should aim to demonstrate:

1. **Understanding women's challenges and aspirations:** Applicants should have a deep understanding of the specific social, cultural, and economic barriers facing women, as well as the aspirations of their women clients, staff and partners.
2. **Responding to women clients:** Applicants should serve women clients through a range of financial and/or non-financial products and services, which are designed and delivered with their specific needs and aspirations in mind.
3. **Mainstreaming gender within the institution:** Applicants should have relevant strategies and policies in place that are conducive to women's equitable participation and engagement within the organization (including staff, agents, and partners).
4. **Monitoring:** Applicants should have systems in place to monitor the effectiveness of their gender-focused strategies – covering both clients and staff – and which are used to improve the design and implementation of these strategies.

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