

GIZ Gender Competition 2018

Advancing Women’s Financial Inclusion in Egypt – Policy Dialogue (promoting women’s economic empowerment and access to financial services through policy dialogue and enabling the regulatory environment)

Submitted by the GIZ implemented Programme for the “**Promotion of the Microfinance Sector in the MENA Region (MFMR)**”, a Cairo-based regional programme covering Egypt, Jordan and the Palestinian Territories, contact person: **Mehrechane Nayel**, mehrechane.nayel@giz.de and Hayder Al-Bagdadi, hayder.al-bagdadi@giz.de

CBE COMMITMENT AND PROMISE

Reporting	Measurement	Target
 Develop a set of supply-side indicators on women’s access to and use of financial services by the end of 2018	 Determine the baseline gender gap by the end of 2018	 Halve the gender gap by 2021

Central Bank of Egypt logo and page number 26

Central Bank of Egypt’s (CBE) presentation of its commitment for women’s financial inclusion at the Alliance for Financial Inclusion (AFI) Global Policy Forum (GPF) in Sharm El Sheikh, September 2017, highlighting the country’s commitment to create an enabling policy and regulatory environment that allows for greater financial inclusion, especially of women and youth whose exclusion rate is disproportionately high.

Promoting gender equality (40% of marks)

The objective of the MFMR Programme is to improve the framework conditions for broader access to adequate financial services for the low income population in the MENA Region. The programme assists policymakers, regulators and relevant stakeholders in strengthening the legal and regulatory frameworks for financial inclusion with special focus on raising awareness of women’s distinct financial needs. We promote gender sensitive national financial inclusion processes by sensitizing and building capacity of policymakers and private sector actors to implement successful reform and financial sector development programmes in our partner countries and on the regional level through our collaboration with the Arab Monetary Fund (AMF).

In Egypt, we work closely on women’s economic empowerment as part of our overall support on financial inclusion to the Central Bank of Egypt (CBE). In that regard, we support CBE and the National Council for Women (NCW) - which is a national body dedicated solely to addressing the issues of concerns of Egyptian women - on increasing women’s access to financial services drawing on lessons learnt from countries like Zambia, Mozambique and Ruanda where GIZ has accompanies similar reform processes.

While the positive impact of financial inclusion is widely acknowledged and the role of women is stressed, women remain disproportionately excluded from the formal financial system in Egypt. According to the Global Financial Inclusion (FINDEX) Database of 2014, the percentage of Egyptians with an account at a formal financial institution is 14% with women’s

inclusion levels being 9% while men are double that at 19%. Women account for 10-25% of bank clients and more women entrepreneurs cite the lack of access to finance as a major constraint than men. One of the challenges CBE is confronted with is collecting and obtaining gender-disaggregated data from financial institutions. This is a huge bottleneck in designing appropriate interventions by regulators and policy makers, and even advocacy groups, but is an essential requirement to track progress. Broad societal and economic change is fundamental to empowering women in order to engage fully in society and economy, whereas we focus our work on policies related to financial sector development. The high rate of exclusion of women from the financial system is closely correlated to high poverty rates and the large number of women who do not hold formal wage-earning employment. Legal and cultural barriers also play a role in keeping women financially excluded. Regulators need to dismantle these barriers to ensure women have access to quality and affordable financial services and products. This requires that policymakers develop policies that will facilitate the inclusion of women in the financial system. Understanding women's needs and how best financial services can serve these needs may open up potential for new policy actions.

Since 2015, the MFMR Programme has been working on advancing women's financial inclusion in the region through various initiatives. In order to show policy makers and other stakeholders what could be done to facilitate women's access to financial services and to achieve better outcomes for men and women alike, MFMR took the lead in organizing a high-level policy forum on advancing women's financial inclusion in the MENA Region in November 2016. The Policy forum was organized in close collaboration with the Alliance for Financial Inclusion (AFI) and the Arab Monetary Fund (AMF) where it attracted over 200 participants representing policymakers from the Arab region and from around the world in order to share a common understanding about the role that financial regulators can play in advancing financial inclusion for women. The Forum has also facilitated knowledge exchange and peer-to-peer learning on how to develop suitable innovative financial inclusion policies and strategies that would help in closing the financial inclusion gender gap. A main highlight of the event was the announcement of the launch of the Financial Inclusion Initiative for the Arab Region (FIARI) by AMF, AFI and GIZ. Moreover, the partnership between the three flagship organizations on this initiative will ensure much needed support for the formulation and implementation of a regional Action Plan for Women Financial Inclusion in line with the Denarau Action Plan, the AFI Network Commitment to Gender and Women's Financial Inclusion, endorsed by the members of the 2016 AFI Global Policy Forum.

As policy intervention help close the gender gap, we brought the *Policy Brief: Advancing African Women's Financial Inclusion*, published by GIZ MF4A, to the national level in Egypt and exposed the CBE top management through the high-level policy forum to the various experiences on how to develop suitable innovative financial inclusion policies and strategies that would help in closing the financial inclusion gender gap. We engaged with major stakeholders in the sector and decided to underpin the policy recommendations with country-specific data and findings for Egypt which led the CBE to commit to take serious steps to address the gender gap in financial inclusion. The CBE committed under the AFI Maya Declaration to:-

- a) Collect, analyze and use gender-disaggregated data by 2020;
- b) Determine the baseline gender gap by the end of 2018, and
- c) Develop a set of supply-side indicators on women's access to and use of financial services by the end of 2018.

In recognition of the role Mrs. Lobna Helal, Deputy Governor of CBE is exerting to address the gender gap on the national level as well as her contribution to the implementation of the Denarau Action Plan, she was recently elected as the Vice Chair of the AFI Gender and Women's Financial Inclusion Committee.

The policy advocacy and interventions of GIZ MFMR since 2015 with the CBE has helped bringing Egyptian women's economic and financial inclusion as a high priority on the agenda of the CBE. On the national level, the government has made gender equality and women's empowerment a priority, which is evident in its Sustainable Development Strategy (SDS): Egypt Vision 2030 that addresses gender equality and women's empowerment under



National Stakeholders announced and introduced:

- 2017, The President announces to be "The Year of the Egyptian Woman"
- Women's Economic & Financial Empowerment with specific targets in the "National Strategy for Women's Empowerment (NSWE) 2030".
- More than 90% of Takaful and Karama's 2015 beneficiaries are women
- Village Savings & Loans Association scheme (VSLA)
- The One-Village-One-Product (OVOP) project
- The Women's Citizenship Initiative (WCI)
- Taa Marbouta, Egypt's first nationwide campaign for women's empowerment

each of its pillars. Among the main KPIs under the Social Justice pillar of the SDS is “Egypt among the best 20 countries to promote gender equality, a 30% increase of females with permanent formal job, a 50% reduction of gaps in employment, increased female employment, health and education between governorates”.

CBE is taking a number of measures to promote women’s financial inclusion and to address the gender gap. Among which, is the recent Memorandum of Understanding (MoU) signed by CBE and the National Council for Women (NCW) on the margin of the AFI GPF hosted in Sharm El Sheikh, through which CBE and NCW will promote women’s financial inclusion through collaboration with banks to offer specialized products that meet women’s needs as well as financial awareness and literacy programmes.



A high level committee was established following the signing of the MoU and the first meeting was held to discuss the way forward with the following identified areas for cooperation:-

- Endorsement of a national project to promote savings and women’s entrepreneurship building on the VLSA project;
- Setting clear targets for women’s financial inclusion as part of the women 2030 strategy;
- Increase women’s access to formal financial services through Digital Financial Services (DFS) at competitive price and quality;
- Issuing the legal and regulatory frameworks conducive to promote women’s financial inclusion;
- Promoting savings through issuing directives to enable small savers and group savings clubs to have formal accounts;
- Increase the number of women in leadership and decision-making positions in the financial sector;
- Identifying the rural women facilitators in all governorates and building their capacity to:
- Raise awareness on financial education and promote banks’ financial products;
- Identifying women’s needs for financial products and services

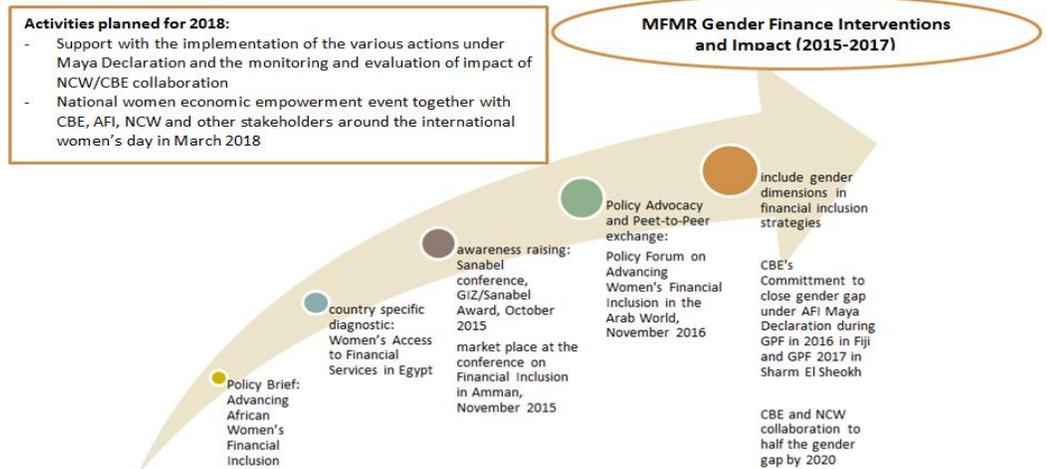
Another development geared towards the women empowerment and leadership promotion is the recent collaboration between CBE, NCW and the 50th Forum, which includes the 100 most influential women in the Egyptian society across different industries, to launch the “Women Mentor Programme/WMP”. The WMP aims to promote and create a pool of women in leadership and decision making positions through identifying qualified calibres in various sectors and industries. This is also within the framework of the Sustainable Development Strategy: Egypt Vision 2030, which addresses gender equality and women’s economic empowerment and leadership promotion under its pillars.

From our work we experienced that to have a national leader championing the initiative is vital and necessary to drive the process. It is important to have role models and innovative ideas that are promoted. Through MFMR policy and advocacy work and sensitizing the policymakers of the need to have a common platform, which can be used to formulate an industry strategy to tackle and address issues of financial inclusion for women, CBE has taken the lead in promoting women economic empowerment through collaboration with national stakeholders such as the NCW and the private sector and committed to halve the gender gap by 2020. With respect to gender equality and diversity, and to set an example for the financial sector, the CBE is currently embarking on developing its own gender diversity policy, which would have a positive effect on both men and women.

Gender as a quality feature of our work (20% of marks)

While we focus in our policy advocacy on gender equality and women's economic empowerment, it is always stressed that the positive impact of financial inclusion on women has also a positive knock-on effect on men, the entire household and consequently, the overall economic situation of a country. Financial institutions, multilateral and bilateral organizations, non-profit entities and the private sector are increasingly aware of the importance of empowering women economically by increasing their access to finance. The FIAIRI Initiative - which is a joint initiative of AMF, AFI and GIZ - provide platform for dialogue and exchange in this field. It is necessary to bundle and build on existing knowledge. Partner who initially were reluctant; tend to see more value

in the topic if there is underlying data and examples from peers. This we noticed with the CBE in Egypt where the institution took a leading role in driving the women's financial inclusion on the national level and made bold commitment under Maya Declaration with clear targets and concluded collaboration agreements with the NCW and private sector to achieve those targets. The topic gets continuous attention from the development partners and we had already meetings with IFC and World Bank, EBRD and others who recognizes our work and want to capitalize on it.



The GIZ MFMR work in the area of financial inclusion at large and women's economic empowerment specifically was recognized during the AFI GPF which took place in Sharm El Sheikh in September 2017. The event, which was co-hosted by CBE, was attended by over 700 international delegates and some 150 national delegates. During the GPF and in the presence of Egypt's President, GIZ signed a MoU with AMF and AFI to establish the Financial Inclusion for the Arab Region Initiative (FIAIRI), which is taking financial inclusion as a driving force for sustainable economic and social developments, aligned with the range of the United National Sustainable Development Goals. In recognition to our work and activities, Mehrechane Nayel has been nominated to become a member of the Economic Committee of the National Council for Women in 2017.

Gender and RBM (20% of marks)

MFMR has a gender sensitive Result Based Monitoring (RBM) system and the gender indicators are documented and reported to BMZ. There is also a country-specific diagnostic on Women and Access to Financial in Egypt that has been conducted and discussed with the stakeholders in Egypt. The results in the area of gender are therefore an integral part of the M&E system and systematically recorded.

Cooperation/Partnerships (20% of marks)

MFMR interventions are closely coordinated with our partner institutions and development partners. For the high-level policy forum, it was jointly organized with the Arab Monetary Fund (AMF) in collaboration with the Alliance for Financial Inclusion (AFI), the Consultative Group to Assist the Poor (CGAP), New Faces New Voices (NFNV) and other regional and international organizations such as WB, IFC and EU for better design of our interventions.

Our three key success factors to promote financial sector development for women in Africa are:

- Identifying a champion /Graca Machel (keynote speakers at the policy forum) as well as a national champion to drive the process (in this case, the Central Bank of Egypt)
- Cooperation between GIZ Programmes
- Private sector perspective

Annex:

- AFI, AMF & GIZ Launch Financial Inclusion in the Arab Region Initiative (FIARI): <http://microfinance-mena.org/news/amf-giz-afi-launch-financial-inclusion-arab-region-initiative-fiari/>
- Advancing Women's FI in 2016: <https://www.youtube.com/watch?v=cjGz-z4Ods&list=PL4fj9imbh5TWdYH-QK5EuyJuQ8VKJ6215>
- Breaking Barriers for Women's Financial Inclusion: from enabling policies to the business case (interview with Mehrechane Nayel): <http://microfinance-mena.org/news/breaking-barriers-womens-financial-inclusion-enabling-policies-business-case/>