

COVID-19 EXCLUSION WORKING GROUP (GENDER)
INTRODUCTION AND STRATEGIC ENABLERS FOR DIGITAL PAYMENTS

A. Introduction

COVID-19 is causing unprecedented health, economic and social crises and threatens the poverty and inclusion gains that have been made over the last decade. It is estimated that COVID-19 will push 71 million people into extreme poverty by 2021, with the global economy estimated to contract by 5 percent in 2020 under a baseline scenario.¹ Women make up the majority of the world’s front-line health workers, so may have higher risks of exposure to the virus, as well as face more negative social and economic impacts than men.² Potential gendered impacts of the COVID-19 pandemic and global recession include the following.

- More women than men work in the health sector or as home and family caregivers, exposing them more to viral risk.
- In many developing countries, most women in paid work are working informally – around 95 percent in Asia and 89 percent in sub-Saharan Africa.³ The sector has been particularly hard hit by lockdown measures, and is often not included in government relief programs.
- Women working in smallholder farming are particularly affected by border closings, market closures, productivity decreases and declines in crop production.
- Women will also likely experience an increased burden on their time, given their multiple care responsibilities, as schools and childcare centers close and confinement measures are adopted, possibly leading to reductions in paid work time and a permanent exit from the labor market.⁴
- The shift in resources towards addressing the public health emergency can entail disruptions to key health services for women and girls, such as reproductive and sexual health services exposing them to risk and creating vulnerability.
- There is evidence of increases in both adolescent pregnancy among out-of-school girls and maternal mortality due to lack of critical resources in similar crises.
- Pregnant women can be particularly vulnerable, and are often excluded from vaccine development and distribution efforts.
- During lockdown, intimate partner and other forms of violence against women and girls have increased across countries, causing UN Women to warn of a “shadow pandemic”.⁵

The COVID-19 exclusion working group has focused efforts on improving the design and deployment of emergency social assistance programs to make them work better for women. Direct financial transfers are a central part of COVID-19 response programming across the globe, including to new beneficiaries,

¹ Measured at the international poverty line of \$1.90 per day. Downside scenarios have extreme poverty levels increasing to 100 million. For more detailed information, see the World Bank Global Economic Prospects Report. A summary blog is accessible at <https://blogs.worldbank.org/opendata/updated-estimates-impact-covid-19-global-poverty>.

² Center for Global Development, 9 April 2020, *Online Event: Approaching COVID-19 Risk and Response through a Gender Lens*, viewed 1 October 2020 from <https://www.cgdev.org/event/approaching-covid-19-risk-and-response-through-gender-lens>.

³ International Labour Office, 30 April 2018, *Women and Men in the Informal Economy: A Statistical Picture* (third edition), International Labour Office, Geneva, viewed 1 October 2020 from https://www.ilo.org/global/publications/books/WCMS_626831/lang-en/index.htm.

⁴ de Paz C., Muller M., Munoz Boudet A.M. and Gaddis I., 16 April 2020, *Gender Dimensions of the COVID-19 Pandemic*, viewed 1 October 2020 from <http://documents1.worldbank.org/curated/en/618731587147227244/pdf/Gender-Dimensions-of-the-COVID-19-Pandemic.pdf>.

⁵ Mlambo-Ngcuka P., 6 April 2020, *Violence Against Women and Girls: The Shadow Pandemic*, UN Women, viewed 1 October 2020 from <https://www.unwomen.org/en/news/stories/2020/4/statement-ed-phumzile-violence-against-women-during-pandemic>; UN Women, COVID-19 and Ending Violence Against Women and Girls, no date, viewed 1 October 2020 from <https://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2020/issue-brief-covid-19-and-ending-violence-against-women-and-girls-en.pdf?la=en&vs=5006>

often in the informal sector, not previously served by existing social protection programs.⁶ It is estimated that over 100 countries have expanded social protection measures in response to COVID-19, with many using digital payments to provide transfers directly into bank accounts or mobile wallets. These programs have reached an estimated more than 1 billion people, a 10-times increase since March 2020.⁷

Integrating gender dimensions into social protection response⁸ will improve the performance of such programs.⁹ It is widely recognized that digitization supports gender inclusivity within these programs, with recent policy discussion focusing on addressing gender inequality through **digitizing** government-to-person (G2P) programs to large scale, **depositing** payments directly into women's accounts, and **designing** appropriately.¹⁰ Appropriate design includes targeting the most vulnerable – including women-headed households, single mothers and widows – and seeking to identify and reach women and girls among newly vulnerable groups, including informal-sector workers, the self-employed, women caregivers and adolescent girls or young mothers at risk. In addition, a gender-responsive approach to social protection implies integrating operational features, communication measures and grievance redress mechanisms that consider the specific economic and social needs of women and girls.

B. Strategic enablers for digital payments

To complement our working group's efforts to map a gender-responsive user journey for cash transfer recipients within the context of COVID-19,¹¹ we also advanced reflections on key enablers for digital payments that can support effective program support for women.¹² These enablers, which can also be referred to as public goods or prerequisites, provide the infrastructure, regulation and policy environment to quickly deploy cash transfers using prepaid cards, mobile wallets, or directly into bank accounts. Key elements of the framework are as follows.

- **Prerequisites:** Digital connectivity and access to adequate telecommunications are enabling environment prerequisites contributing to successful program development. Due to gender barriers, women across low- and middle-income countries are still 8 percent less likely than men

⁶ Interventions implemented by governments seeking to build equity, opportunity and resilience for its beneficiaries. Social protection support can take the form of social assistance (non-contributory benefits and social services), social insurance (contribution-based benefits) and labor (both contributory and non-contributory benefits, as well as employment services), see: Lindert K., George Karippacheril T., Rodríguez Caillava I. and Nishikawa Chávez K., 2020, *Sourcebook on the Foundations of Social Protection Delivery Systems*, International Bank for Reconstruction and Development/The World Bank, Washington DC, viewed 1 October 2020 from <https://openknowledge.worldbank.org/bitstream/handle/10986/34044/9781464815775.pdf>.

⁷ Gelb A. and Mukherjee A., September 2020, *Digital Technology in Social Assistance Transfers for COVID-19 Relief: Lessons from Selected Cases* (CGD policy paper 181), Center for Global Development, Washington DC, viewed 1 October 2020 from <https://www.cgdev.org/sites/default/files/digital-technology-social-assistance-transfers-covid-19-relief-lessons-selected-cases.pdf>.

⁸ Asian Development Bank, June 2020, *Webinar Series on Casting Wider Safety Nets to Reach Asia's Most Vulnerable: Real-Time Policy Recommendations During the COVID-19 Pandemic (Part Three)*, viewed 1 October 2020 from <https://www.adb.org/news/events/casting-wider-safety-nets-asia-policy-recommendations-covid-19-pandemic-three>

⁹ Hidrobo M., Kumar N., Palermo T., Peterman A. and Roy S., April 2020, *Gender-Sensitive Social Protection: A Critical Component of the COVID-19 Response in Low- and Middle-Income Countries* (IFPRI issue brief), International Food Policy Research Institute (IFPRI), Washington DC viewed 1 October 2020 from <https://www.ifpri.org/publication/gender-sensitive-social-protection-critical-component-covid-19-response-low-and-middle>.

¹⁰ For more on the 3D approach and industry-wide policy discussion, see: Consultative Group to Assist the Poor, August 2020, *Digital Cash Transfers in the time of COVID-19: Opportunities and Considerations for Women's Economic Inclusion and Empowerment*, viewed 1 October 2020 from <https://www.cgap.org/research/publication/digital-cash-transfers-times-covid-19-opportunities-and-considerations-womens>.

¹¹ The user journey developed by the working group tracks the opportunities and challenges facing female beneficiaries of emergency COVID-19 cash transfer programs. The framework presents an intersectional gender lens to program design, including registration and onboarding, distribution and payment modalities, communication with and training of beneficiaries, and promoting effective usage of transfers and linkages to financial inclusion. The framework provides examples of global best practices, drawing on examples from, among others, Brazil, Colombia, Kenya, Peru and the Philippines.

¹² See Rutkowski M., Garcia Moragreta A., Bull G.L., Guermazi B., Grown C., 31 March 2020, *Responding to Crisis with Digital Payments for Social Protection: Short-Term Measures with Long-Term Benefits*, viewed 1 October 2020 from <https://blogs.worldbank.org/voices/responding-crisis-digital-payments-social-protection-short-term-measures-long-term-benefits>.

to own a mobile phone, and 20 percent less likely to use the internet on a mobile. This means that in these markets 300 million fewer women than men use mobile internet.¹³

- **Payment infrastructure:** Countries with adequate payment ecosystems can support the rapid deployment of transfers, while those without these enablers may find it difficult to successfully deploy and scale up such programs. Elements of effective digital payments infrastructure include the availability of interoperable payment switches, mobile/bank agency network distribution, universal digital identification in place, and instant notifications to customers on payments. Payment infrastructure should be made gender-responsive to ensure it does not unintentionally exclude women. For example, one in five unbanked women globally cite a lack of valid proof of official ID as one of the reasons they do not have an account;¹⁴ therefore, a payment infrastructure that requires legal ID may prohibit their access to transfer schemes.
- **Policy and regulation:** An amenable policy and regulatory framework for digital financial services is an important element of scaling up an emergency cash transfer program effectively, including for women and girls. Building competitive and interoperable digital financial services ecosystems helps to reduce the costs for beneficiaries to transact at any access point.¹⁵ Countries require a specialized licensing window for non-bank digital financial service providers, the use of third-party agents (for both banks and non-banks) and risk-based customer due diligence to allow for streamlined account openings. Tax and policy regimes that promote the reduction of cash can support the usage of mobile money post-transfer. Dialogue and collaboration between the private and public sectors have proven effective to quickly deploy emergency payments. Lastly, these payments should be done responsibly, addressing the inherent risks that, if not addressed, will reduce the effectiveness of these transfers.¹⁶

Underlying principles for gender-inclusive digital financial service ecosystems

In addition to key enablers, the following elements, some of which are longer term, provide support to gender-inclusive digital financial service ecosystems that can support both emergency COVID-19 payment response and financial inclusion.

- **Legal framework:** Discriminatory laws that prevent women from opening accounts and accessing financial services should be immediately reviewed and amended as a part of the COVID-19 response.¹⁷
- **Sex-disaggregated data:** It is best practice to collect gender-disaggregated data around program outreach and financial inclusion to ensure that women and girls are being reached by transfer schemes. In addition, in many countries, financial service providers either do not collect gender-

¹³ Rowntree O. and Shanahan M., March 2020, *Connected Women: The Mobile Gender Gap Report 2020*, GSM Association, viewed on 1 October 2020 from <https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2020/05/GSMA-The-Mobile-Gender-Gap-Report-2020.pdf>.

¹⁴ See: Better Than Cash Alliance, Women's World Banking and World Bank Group, July 2020, *Advancing Women's Digital Financial Inclusion*, G20 Global Partnership for Financial Inclusion, page 21, viewed 1 October 2020 from https://btca-prod.s3.amazonaws.com/documents/482/english_attachments/Advancing_Womens_Digital_Financial_Inclusion_G20_GPFI.pdf?1595254332.

¹⁵ *Ibid.*, page 43.

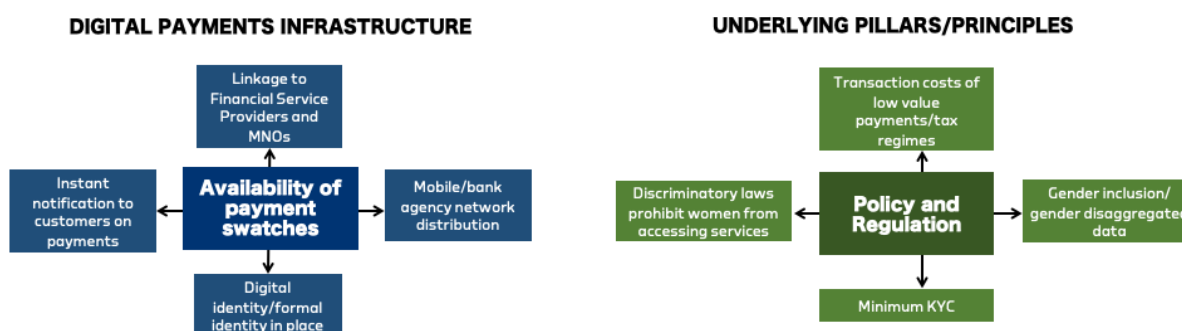
¹⁶ See Better Than Cash Alliance, July 2016, *Responsible Digital Payments Guidelines*, viewed 1 October 2020 from https://btca-prod.s3.amazonaws.com/documents/212/english_attachments/DigitalGuidelines-withMemo-MECH-Update1d.pdf.

¹⁷ See the World Bank's Women, Business and the Law project (<https://wbl.worldbank.org>) for an overview of gender discrimination in law.

disaggregated data on their clients and staff or do not use the data to specialize product design or marketing.¹⁸

- **Gender norms:** Communities and countries that encourage women’s and girls’ equal agency and autonomy – including in their decision-making regarding physical mobility, education, access to and use of technology and financial services, and allocation of their time to paid and unpaid work – create an enabling environment more likely to ensure women’s full and equal access to digital payments and their benefits. Literacy/education will dramatically influence access to digital financial services so any program might start by providing basic literacy/numeracy training for women and girls who have had no access to education. Women’s rights organizations, religious leaders, local government officials, and others all have an important role to play in ensuring community norms support gender equality and women’s and girls’ agency and autonomy.

Figure 1: Strategic enablers for digital payments



Overall, countries with more advanced digital financial service enabling environments will be in a better position to scale up emergency cash transfer programs, driving efficiency through technology and minimizing the risks associated with physical contact. The intersection of cash transfer programming and digital payments offers an important entry point in supporting recovery and promoting resilience among groups negatively impacted by COVID-19, notably women – so long as payment programs are designed and implemented with women’s specific needs and constraints in mind. These programs not only expand coverage of social protection programs to respond to COVID-19, but also offer an opportunity to promote financial inclusion objectives, including regular usage of accounts and access to a broader set of financial services (e.g., savings products, and person-to-person and person-to-business payments).

Future work could examine economic recovery and resilience, including the participation of women-led businesses in emergency liquidity and financing schemes, sector-specific interventions (health, education,

¹⁸ See Better Than Cash Alliance, Women’s World Banking and World Bank Group, July 2020, *Advancing Women’s Digital Financial Inclusion*, G20 Global Partnership for Financial Inclusion, page 32, viewed 1 October 2020 from [https://btca-prod.s3.amazonaws.com/documents/482/english_attachments/ Advancing Womens Digital Financial Inclusion G20 GPFI.pdf?1595254332](https://btca-prod.s3.amazonaws.com/documents/482/english_attachments/Advancing_Womens_Digital_Financial_Inclusion_G20_GPFI.pdf?1595254332).

trade, agriculture), and improving end-user experiences (literacy, redress, language). There is also a need to track and monitor newly vulnerable women as a result of the pandemic.

Figure 2: Strategic enablers for digital payments: a forward look

