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Gender saving groups: Formalizing village saving groups with a gender lens

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Abstract

This concept paper introduces a research collection on gender saving groups/ village savings loan association and financial inclusion that sets out to provide insights and evidence that enable the formal financial sector or practitioners to link with the informal financial sector to better reach women with digital financial services. The research brings together some articles and our innovative thoughts on financial inclusion that discuss specific range of interventions and experiences. It also explores and presents the opportunity for and challenges to meaningful financial inclusion for women non-literate and non-numerate populations. This article interrogate the methods used to reach last mile communities (rural and urban) and highlight the need for holistic, multi-layered programming that supports social norm change and addresses the actual constraints faced by members of these VSLA and communities.

Keywords: Gender Empowerment; Financial literacy; Access to Finance and Credit; Financial Inclusion; Inclusive Growth; Capacity Building

1 Introduction

The Cabinet approved the current National Financial Inclusion Strategy (NFIS) November 25, 2019 and launched it on December 4th the same year to advance Liberia agenda to achieve financial inclusion and its national development plan, the Pro-poor Agenda for Prosperity and Development. This NFIS project will result in the improvement of access to finance and financial services, digital financial services, consumer protection and financial capability in the financial ecosystem that will benefit the unbanked, and banking populations, businesses and government. While the achievement of financial inclusion has experienced participation in the formal financial sector after the development and implementation of two previous strategies (2009-2013 and 2014-2018) reaching 36% of the population having bank accounts, the current strategy seeks to reach this percent to 50% by 2024. Howbeit, though the World Bank 2021 FINDEX Report revealed financial inclusion for Liberia 52%, women with an account 44% and poor adults with an account 42%, it is just above the halfway mark of 100 percent.

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Denarau Action Plan: Gender and Women's Financial Inclusion

Women are disproportionately excluded from formal financial services with more than a billion lacking a bank account. Despite significant progress at the national level, the gender gap in account ownership has remained stuck at 9 percent across developing countries since 2011. In some regions, this figure is far higher.

Seeking to narrow this divide, AFI members committed to the Denarau Action Plan, which aims to boost women's access to quality and affordable financial services globally. The 10-point plan emphasizes the importance of measuring and evaluating progress and fosters strong partnerships and collaboration with financial service providers to drive private sector leadership. Among its commitments, members aim to halve the financial inclusion gender gap across their jurisdictions by 2021.

AFI's work in gender and women's financial inclusion builds the case for sex disaggregated data usage and gender considerations for national financial inclusion strategies, while also sharing examples of best practices that have already been implemented to inspire action and provide insights for others.

Figure 1 Denarau Action: Gender and Women's Financial Inclusion

The two previous strategies implemented has been successful in gaining many people from the unbanked population into the formal financial sector. They have also been able to introduce various type of financial services and platforms including mobile money, RTGS, digital financial services, ACH, etc. These were achieved due to aggressive pursuit of product quality, ease of use, flexibility, and customer service. These services and products can be applied to a wide range of uses for business and personal functions. By leveraging our decision for superior quality and user-friendly products and capitalizing on new technology and financial education. This strategic project position itself for effective and easy to use financial services and products. Thus, creating a state where population (15+ years in age) have access to a broad range of affordable, consumer friendly, and quality formal financial services that they can understand and easily use which are designed to meet their diverse needs.

In the framework of Liberia current NFIS 2020-2024 and its commitment to the Maya Declaration and Danaru Commitment the Country seeks women equality/ equity. Despite advances in overall account ownership in Liberia, a gender gap persists. Liberian women are less likely to have an account as compared to men (28.2 percent versus 43.7 percent) . This gap is much wider than the account ownership levels between men and women at the regional level and most other comparator economies, except for Nigeria. For mobile money accounts, the same trend persists (18.3 percent for women versus 23.5 percent for men), but the gap is smaller and aligned with the gender gap at the regional level. Women are regarded as key players in sustainable development and are guaranteed equal rights and protection under the law to economic, social and political opportunities.

The Central Bank of Liberia (CBL) is currently developing a gender-inclusive financial system that addresses the barriers faced by women and has brought women's financial inclusion to the forefront of its NFIS agenda. Among CBL's initiatives is the VSLA/ Saving groups project to enhance financial linkage of women groups so they can avail themselves of the financial services and products that suit their needs. In addition, Saving groups can facilitate the transition of women from the informal to the formal financial system via innovative technology solutions. Savings groups are therefore of interest to regulators and financial institutions since they enable the servicing of new and underserved markets while also contributing to sustainable development goals such as zero poverty and the reduction of gender inequality.

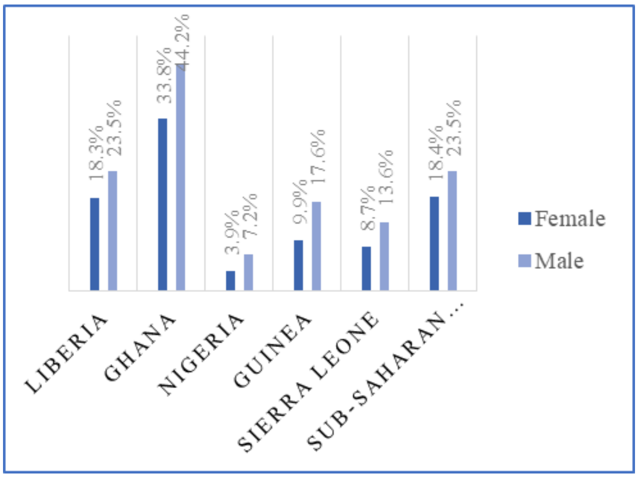

Figure 2 Gender Gap in Overall Transaction Account Ownership (% age 15+)

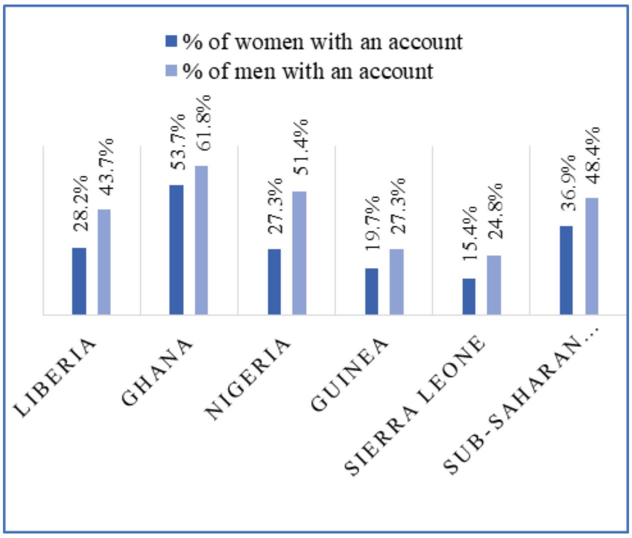

Figure 3 Gender Gap in Mobile Account Ownership (% age 15+)

What is a Saving groups?

As we know, saving groups is a form of village savings and loans association (VSLA). It usually consists of between 15 to 30 members from a community who meet on a weekly basis for mutual financial planning and services. Members can draw loans from a collective fund which they repay over a period of between nine and 12 months, with or without interest. savings group are organized and function as a platform to educate members on the basics of savings, loans and entrepreneurship.

Each group develops a constitution that codifies policies as well as governing structures and procedures. Members' savings and loan transactions are typically recorded in individual passbooks or a central ledger, though some groups operate with paperless, memory based, record-keeping systems. Surplus cash and records are kept in a lockbox and three key-holders each hold one key to prevent unauthorized access. On the maturity of the collective fund, a 'share out' takes place, and each member receives interest income in proportion to their accumulated savings. While variations of the saving groups model have been introduced, the model remains highly standardized. A saving group determines its share price, loan interest rate, maximum loan duration, loan priorities, and social contribution, and establishes a system of fines for infractions of group policies. The social contribution pool of funds can be accessed by members (with the group's permission) in the form of an interest-free loan or a grant in emergency cases.

LEAF: The Loan Extension and Availability Facility (LEAF) Program was conceived and launched in January, 2012. The LEAF was designed to provide soft loans to microfinance institutions, credit unions and village savings and loan associations (VSLAs). Funds obtained from the LEAF were to be used strictly for loans extension purposes. The intent of the LEAF was to ensure inclusive access to finance for Liberians in need - the micro loans was at an interest rate substantially lower (3%) than prevailing formal bank rates (12 – 14%) and for a longer repayment period (maximum three-year period). The LEAF initially provided L$200,000,000 (Two hundred Million Liberian Dollars) as loan to microfinance institutions across Liberia. The LEAF program Central Bank of Liberia, utilizing a risk management process designed to achieve the objectives of the program.

The LEAF Program had it share of cost and risk that undermined its objective from being met. The program experienced major repayment setback that cause continual funding from the initial amount of two million Liberian Dollars (L$200,000,000.00) to six million Liberian Dollars (L$600,000,000.00) instead of being a self-sustaining revolving funding plan.

Figure 4 CBL Financial Product Program for VSLA and MSME

2 A Brief History of Saving groups in Liberia

Traditionally, Village Savings and Loan Association (VSLA)/ Savings groups (SGs) promotion has been led by national and international NGOs and a large extension network of community-based trainers. But recently, governments have deepened their engagement in SGs promotion, through laws and policies, with regulators setting the rules on how savings groups can operate and access formal financial services and through direct investments and priority setting through SGs integration into strategies and programmes. This integration has been witnessed in programs and/ policies related to financial inclusion, social protection, and women empowerment.

The development of Village Savings and Loans Association (VSLA) in Libera begun with the launch of the Inclusive Financial Sector Program at the Central Bank of Liberia between 2005-2007. The program was designed to build up on the groundwork laid by preceding financial inclusion related Projects. The focus of the project therefore was to provide support to financial inclusion in Liberia as outlined in the National Financial Inclusion Strategy (2008-2012). The objective was to build a sustainable microfinance sub-sector integrated in the financial sector to secure diversified and affordable financial service for all.

In accordance with the objectives outlined in the strategy, an annual work plan (AWP) was developed containing four main components.

Three of these components addressed financial inclusion at the macro, meso and micro levels. Whilst the fourth component addresses the issue of increase resource mobilization for the sector.

The rational for the promotion of the VSLA methodology is essentially to serve as an initial step in upgrading village level financial activities that women are already engaged into to the formal sector. VSLAs are usually more attractive to participants than Rotating Saving and Credit Associations (ROSCAs) / Susu groups, because they offer interest on saving and provide Micro Insurance and Loans in useful and varying amounts, usually more than the borrower's saving, at times that are convenient to the borrower and varying lengths of time. In this way, member's funds are constantly earning interest and not just sitting idle in the bank or being directed towards consumption. The savings, insurance and loan facilities allow the members to meet their small- short terms financial needs for income generating activities, social obligations, and emergencies without having to borrow from a money lender, take an expensive supplier advance, or rely on their relatives. This offers a tremendous boost to social security. Though VSLAs are not as widespread as (ROSCAs) / Susu groups, they are more complex to administer and require a system of record-keeping.

To this end, the Danish Government provided funds to the Government of Liberia in line with the Millennium Development Goals Global call to action. Within the context of this initiative, the joint program entitled "Gender Equality and Women's Empowerment/GE-WEE" was sign between the Government of Liberia and the Danish Government in February 2009.

The aim of the program was to directly contribute to the development of sustainable, innovative financial services to the poor and low-income population and micros, small enterprises with a special focus on women. Such support is no longer forthwith.

Over the last few years, there have been many strategic efforts specifically focused on access to financial services. One of which was the Loan Extension Assistance Fund (LEAF) launch in 2012. CBL has led the implementation of two financial inclusion strategies from 2009-2013 and then, 2014-2018. The former focused on establishing a sustainable microfinance industry to enhance access to diversified financial services, and the latter helped bolster national efforts to promote access to financial services more broadly.

The current National Financial Inclusion Strategy (NFIS) 2020-2024 is therefore, aligned to support the government's efforts in achieving the objectives of the national development strategy, the Pro-Poor Agenda for Prosperity and Development (PAPD), which is geared towards poverty reduction and achieving inclusive economic growth.

The National Financial Inclusion Strategy (NFIS), 2020-2024, aims to leverage on progress achieved with previous financial sector development efforts to address remaining challenges. Our vision is to "build a sustainable financial sector that is deeply rooted in digital financial services (DFS) in order to provide access to and enhance usage of a wide range of affordable financial services." The NFIS strives to increase access to formal financial services for the population (aged 15 years and older) by 40 percent from 35.7 percent to at least 50 percent by 2024.

Saving groups/ Village Savings and Loan Associations (VSLAs) are key to providing access to financial services for people living in areas which financial institutions typically ignore and where the cycle of poverty prevails. The poor need financial services for the same reasons as anyone else: to manage risk (e.g. health emergencies, crop failures, etc.), build assets, invest in productive activities, manage cash flows, and smooth incomes. Traditional microfinance institutions, banks and insurance companies have not, for the most part, been able to provide such services because it is too expensive to reach into remote rural areas (although cell phone/ Digital financial services technology is showing promise).

Hence, the goal of the CBL is to link with and transition such groups into the formal financial sector to ensure access to innovative financial products and services; thus, deepening financial development and financial inclusion. Having a closer relationship with these institutions has broader strategic significance of the CBL.

In view of the foregoing, the CBL is currently working on various methodology to link the informal financial groups such as VSLAs into formal financial sector. Howbeit, the CBL in this year 2022 is set to implement the transitioning of the informal financial sector (VSLA, etc.) into the formal financial sector. One key results area in this planned activity is the introduction and usage of digital financial services to replace the traditional cash box usage by saving groups to save money. The plan is to leverage digital technology to design products that will be appropriate to the various informal groups, mainly targeting women. The use of digital financial services will help to secure their savings, link them to formal financial services provider that could see them as a group with attractive asset and potential client for business. Besides, this will help in building a credit history and financial profile of the women, thus facilitating their access to credit with formal institutions based on a cashflow regime. Something that is important to FIs loan analyses. The CBL intends to encourage and facilitate FIs to develop specialized financial products for Gender Savings group then.

Building on the success of the informal savings group model, CBL plans to organize a series of meetings and workshops for all the new project's stakeholders shortly. This is to ensure that the successful aspects of the previous model would be carried forward for the newly developed financial product. The main stakeholders for the pilot project will be:

- Central Bank of Liberia
- Ministry of Gender and Social Protection
- Ministry of Mines and Energy
- National Apex for VSLA
- Banks
- UN Women
- AfDB
- Insurance Companies
- Care International (CARE)
- Orange Liberia
- LoneStar MTN
- TipME Liberia
- Liberia Telecommunication Authority
- Liberia Credit Union National Association
- Financial Intelligent Unit
- National Identification Registry
- UNDP

3 Constraints of the Informal Saving groups Model

The original informal Saving Groups model faced several challenges in its implementation:

Funding

The lack of funding was one of the main barriers to the sustainability of the project because it meant that facilitators who provided weekly information and education sessions on savings and lending to members could not be paid. This hindered the process of scaling up the project.

3.1 Limited opportunities for economic growth

The original Saving groups model is built around aggregating small savings amounts, which reduced members' access to larger loans needed to start up or expand their business. Due to the informal character of socially organized savings groupgroups, it is difficult to link Saving groups to supply chains to overcome this limitation. The lack of formality and documentation also means that even if a member (male or female) had an excellent record of regular savings, she/he could not demonstrate this with a bank to build her credit history. The women in these groups want greater financial independence through savings and borrowings but the current modality cannot fulfil their needs.

4 Linking Informal Savings groups to the Formal Financial System

Offering formal financial products: The initial concept for the pilot project was to formalize Saving groups so that rural women have access to finance through the physical banking sector. By offering them formal financial products, banks are able to assess the savings and repayment patterns behavior of saving groups members. With access to finance and the opportunity to develop their entrepreneurial skills, the women could run their own businesses which would make them more creditworthy to banks.

Several field visits and in-depth interviews with Savings groups members to gain a better understanding of women's perception of banks and their specific financial needs, to design suitable financial products for them can be conducted. The women would express their need for financing to start up their own business, support their children's education, health expenses, and much more.

One option would be to issue the women a debit or prepaid card to reduce their need to come to a physical bank. However, in rural areas there is a lack of ATMs, making accessing funds just as difficult as going to a physical branch.

However, CBL currently has issued agent banking regulations that will allow saving group facilitators to become banking agents, hence reducing time and cost for both the women and the bank. By becoming a banking agent, the facilitators would also be guaranteed a full-time job with a sustainable source of income. Additionally, this would serve as an incentive for the facilitators to scale up the reach of Saving groups. To ensure the success of such model, facilitators can also be provided with the required training to become banking agents. Current regulations if not can be updated to allow group facilitators to be mobile wallet agents performing KYC, cash-in and cash-out transactions.

Introducing digital financial services (DFS): The insights gained from other jurisdictions i.e. Egypt that we agreed is adoptable for Liberia and elsewhere points toward the introduction of DFS as a way to formalize the Saving groups model. This realization was coupled with the fact of Liberia's 69% mobile SIM penetration ratio. Despite advances in overall account ownership, a gender gap persists. Liberian women are less likely to have an account as compared to men (28.2 percent versus 43.7 percent). For mobile money accounts, the same trend persists (18.3 percent for women versus 23.5 percent for men), but the gap is smaller and aligned with the gender gap at the regional level. CBL can began to formalize Saving groups by using a bank-led model of DFS, capitalizing on existing mobile payments regulations and applying simplified KYC regulations. This innovative approach will require multisectoral collaboration. Potentially, it has the scale to support women's access to finance when their physical movement is restricted, especially competing with domestic chores and privacy.

With the introduction of the new digital Saving groups model, members can learn about the uses and features of the mobile wallet that are beneficial in their daily lives (e.g. market transactions, money transfers and bills payments). The choice of mobile network operators (MNO) and others is key to ensure adequate coverage for the level of DFS required.

5 Overcoming digitalization challenges

Digitalizing the saving groups model poses regulatory, technical and cultural/trust challenges since the MNO's wallet must be aligned with the characteristics of the original saving groups model and the women in the group must trust the new system if they are to use it regularly.

5.1 Challenge 1: Creating a group wallet as a digital replacement for Saving groups lockbox

Following consultation with all stakeholders, regulatory bodies, and in cooperation with the Financial Intelligent Unit (FIU) and the Telecommunication Regulatory Authority (LTA) and Corporation (LibTelCO), a group mobile wallet account in the same form as a joint bank account can be created. The introduction of any financial inclusion product must be coordinated with the FIU to avoid any terrorism, fraud or illegal acts. The level of coordination required reflects the need to offer different financial solutions that can meet the needs of the financially underserved population.

5.2 Challenge 2: Security and access to the group wallet.

In the original Saving groups model, the three keys to the physical lockbox are kept by three of the group members to ensure that the box can only be opened during weekly meetings, when all group members and keyholders are present. Each time a member makes a deposit, her savings book is stamped so there is a visible physical record of deposits and withdrawals.

In the case of a group wallet, there is only one password. However, as with the physical lockbox of the original savings group model, there are three members who are authorized to authenticate all transactions on the group wallet. This means there would need to be three unique passwords, or one for each of the three authorized members and this is not possible.

However, as masking of the unique password or giving each of the three authorized members only part of the password may not be possible (for some MNOs), a way will have to be found to create for each of them another type of key that comprises of three parts that need to be used together to "access" the "wallet". The solution that was found most effective and workable in the case of Egypt that we can adopt is for the SIM card, the phone and the password each to be part of this new type of key, with the three authorized members holding one part each. Thus, the three authorized members must meet to combine their "keys" to access the mobile wallet and make the required transactions.

As a further security measure, the group wallet will be linked to the individual wallets of each group member, and an SMS is sent to all members whenever a transaction takes place from the group wallet (sending money to any other wallet). This way all the members know what amount has been withdrawn and who has received it. When a member adds funds to her wallet, the MNO texts her a note that functions as a receipt and proof of deposit into the group wallet.

5.3 Challenge 3: Lack of smartphones in disadvantaged areas

Savings groups members access to smartphones will be quite limited. The initial stage of the pilot will be to provide the first set of members with free feature phones. Over the longer term and as the Saving groups model scaled up, this may be unsustainable though. Also, some people could join the group only to receive a free phone, leading to wastage.

After the first stage, an innovative approach would be needed in stage two. Adopting from Egypt case, the benefit of splitting the pilot into two groups would mean that a pivot in direction is possible. For the second stage of the pilot, the remaining 60 members were given a subsidy of 20 percent toward the cost of a new feature or smartphone. To provide them the choice of cheaper phones, USSD can be adopted for the digitalization of the Saving groups, a data transmission protocol that works with basic (cheaper) feature phones. Besides ensuring wider adoption, this resulted in many women purchasing a secondhand phone, which was both more cost-effective and environmentally sustainable.

As a direct result of this project, there should be increased mobile phone ownership among women in selected villages, as well as higher levels of financial literacy because facilitators could then instruct them, using the phones, on the importance of savings, cash management, budgeting, and loans. Also, it would be worthy to ensure that women are instructed on other potential uses of mobile phones: such as e-learning opportunities and online and e-commerce to access markets for their products and services.

Another tangible impact will be that women are able to use their individual mobile wallets to engage in other transactions, in addition to the weekly group savings activities, such as making utility payments and P2P transactions (at an average of six transactions per month/member). As these transactions could be done from home, they provided the women greater privacy, and thus financial independence.

5.4 Challenge 4: Incentivizing Savings Groups members to use DFS

Another very important challenge will be to identify the incentives for Saving groups members to adopt the newly developed digital solution. CBL had initially identified access to finance as the most important incentive but it's apparent that members are looking for a way to establish or grow their businesses, access emergency loans or asset building (such as home improvement, the expansion of existing homes, construction of new homes, and the acquisition of land). Their limitations in the physical Savings groups are the low amounts that can be accessed for these purposes.

The members themselves will identify that by saving digitally they are able to demonstrate their creditworthiness to the banks, which qualify them for higher loan amounts to invest more quickly in business creation and growth. This will highlight the appetite of the members to save and borrow to invest in their families and businesses.

Complementary incentives can also be provided by the participating bank and MNO, including mobile wallet products for daily use, non-financial services (e.g. financial literacy and capacity-building sessions), free health insurance, and free mobile top-ups with every transaction that takes place on the members' individual wallets.

5.5 Challenge 5: Providing critical infrastructure support

Giving the Economy of Scale there should be the intervention by both the public and private sectors to expand communication infrastructure to support MOMO and communication nationwide outreach. At the moment, rural areas remain hard to reach digitally and hard to reach due to sustained bad road condition.

6 Critical success factors in digitalizing saving groups

Although the digitalization of Savings groups has the potential to increase the number of members across Liberia and facilitate access to financial services for women in rural areas, it is crucial to maintain the touchstones of the original Group Savings model in making the transition from an informal savings pattern to a formal, digital savings pattern.

Maintaining weekly meetings: It is essential to maintain the weekly meetings of the Savings groups members despite the digital nature of the financial product. Weekly meetings are an important aspect of the Savings groups model since it is during these meetings that members become financially educated and update the ledger of their saving books, request loans, and take decisions regarding their saved money. Moreover, the weekly meetings are of great social value because they empower women to manage and decide on their household needs, such as their children's education, family health, or matrimonial matters. By extension, their ability to contribute to their community is also enhanced as they share their experiences of applying what they have learnt. Furthermore, there is an understanding that this approach achieves the highest degree of communication, interaction and cohesion, allowing women to stand up and speak for themselves, and become more economically and socially involved in collective decision-making.

Maintaining "no transaction costs" for the Savings Groups: This is a critical success factor to sought for the digital model, where the bank and the MNO waived all associated cash-in and cash-out fees, in addition to maintaining no fees for transactions between the individual wallets and the group wallet.

7 Piloting the digitalization of savings groups

The digitalization process for Savings groups can be piloted in three stages. The first stage can be the formation of two Savings groups, with a target enrollment of 500 women, mainly from Central Region. Following the success of this stage, three more groups will be formed including more women from western region, one of the neediest regions in Liberia. Many women in the Savings groups pilot will not have a national ID and will be assisted by NIR, etc. to obtain one; the digitalization of the Savings groups requires national ID documentation as a basic requirement for opening a bank account.

Figure 5 CBL LEAF Program Impact Assessment Meeting with VSLA

The pilot will also highlight the importance of financial education for the members. Weekly sessions conducted by NAPEX, etc. will focus on teaching them basic numeracy skills, such as the ability to read numbers and perform basic calculations and applying these to perform financial transactions using the phone. The sessions are intended to enhance the members' entrepreneurial skills and encourage them to establish and run their own businesses.

Lastly it is important to test digital financial product innovations, such as the opportunity to offer savings interest for digital wallets. After discussions with the women in the pilot, CBL should develop the necessary regulations to facilitate this. This provides women with another incentive to move to digital VSLAs as they do not earn interest on their savings with physical groups.

CBL is currently in the process of mapping Savings groups geographically in collaboration with NIR, NAPEX and NGO as part of its plans to scale up the digitalization to reach 75,000 women by 2023 and pave the way to reach millions at later stages.

8 Policy recommendations

An enabling regulatory environment is key to ensuring the successful digitalization of Savings groups. A jurisdiction looking to digitalize its physical VSLAs might take the following recommendations into account: Enact tailored regulations based on evidence- based policies and viable business case studies to increase financial inclusion among vulnerable sections of the population.

In 2014, CBL issued tiered-based mobile money regulations spelled out CDD conditions/ requirements for banks. Besides the CBL also issued E-Payments Regulations in 2020. These regulations here will guide the formation and implementation of this plan and should not be in conflict. Where the latter is the case regulations would take precedent unless otherwise.

8.1 Ensure the application of simplified KYC regulations regarding mobile group accounts:

Given the CBL E-Payment Regulations, the Government of Liberia seeks to require the National biometric ID for access to various services including financial services. The Liberian Telecommunication Authority (LTA) issued a directive that, by end 2021, those whose SIM cards have not been updated with the National ID will have their service disconnected. The CBL also has been engaging the National Identification Registry to leverage its system/data for the modernization of the credit reference system and to also make it mandatory for all bank account holders to have the National ID. CBL is nevertheless concerned that mandating the use of the National ID may have adverse consequences for financial inclusion, especially if steps are not taken to ensure that the ID is accessible and affordable.

8.2 Revise agent banking regulations to enable Savings Groups facilitators to become banking agents.

CBL has in place the agent banking regulations that allows commercial banks to recruit agents in specific categories and come up with innovate ways to support the agent banking concept operationally but with the consent and approval of the CBL. More so, said regulation can be specifically to ensure saving group facilitators are banking agents. Said regulation can cover saving group's facilitators and will be important for facilitators to sustainably continue in their roles besides being an incentive for them to enroll new Savings groups.

9 Outcomes

When this project is completed, it will not just see about 75,000 more women transitioned into the formal financial sector with access to finance and credit. MNOs incomes will increase more than three folds because of the multiplier effect from the change in mobile savings and transactions. Banks savings and loans will increase for the same reason resulting from additional savings and creation of new financial products that create additional credit opportunities for the savings groups and the informal sector thus influencing income increase for the formal financial sector. When implemented this concept note project will generate about 2,500 formal jobs for savings groups facilitators in the rural communities.

On the other hand, the overall macroeconomics output will increase due to impact on indicators i.e., production/ GDP. Giving the shadow economy the informal financial sector transitioning because of integration into the formal financial sector, the shadow economy will shrink causing increase in revenue generation that results from the expansion of the formal sector. The shadow economy accounts for 43.7% of Liberia GDP and by increasing financial inclusion we ensure decline in the shadow economy thus reducing poverty and providing more growth.

Figure 6 Ensuring Digital Financial Literacy to market woman or petty trader

10 Activity

- Pilot field assessment
- Possible external study tour/ missions
- Selection/ formation and training of savings groups
- Mobile phone distribution, National ID registration and accounts (MNO and Banks) opening
- Provision of Basket funds for immediate scaling up and motivation.
- Provision of savings group credits based on specify developed products.
- Review and harmonize agent banking regulations accordingly.
- Based on outcome of all above, expand to other regions/ county and then nationwide.
- Knowledge sharing

11 Partners

No	Partners
1	Central Bank of Liberia
2	MFDP
3	Ministry of Gender, Children and Social Protection
4	Ministry of Mines and Energy
5	National Apex for VSLA
6	Banks
7	UN Women
8	AfDB
9	Care International (CARE)
10	Orange Liberia
11	LoneStar MTN
12	TipME Liberia
13	Liberia Telecommunication Authority
14	Liberia Credit Union National Association
15	Financial Intelligent Unit

16	National Identification Registry
17	UNDP
18	Insurance Companies

12 Conclusion

The tasks to achieve inclusive growth and gender equity will remain daunted if innovative ways are not discovered and add-on to prevailing chores. This project provides a unique way for women to benefit from the fourth industrial revolution (digital economy) in a significant way having access to financial services and products. Linking as much as 75,000 women in a country population but with its adoptability this project idea can reach millions of women around the world, narrow the gender gap more and secure inclusive growth, thus increasing the gains in poverty reduction and meeting the 2030 global agenda for sustainable development, the SDGs.

Compliance with ethical standards

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Disclosure of conflict of interest

To the best of my knowledge and belief any actual, perceived or potential conflicts between my duties as an employee and my private and/or business interests have been fully disclosed in this form in accordance with the requirements of the University of Liberia Conflict of Interest Policy.

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