

**Dalberg**

# Gendered financial products and services for women in Kenya

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DEEP DIVE STUDY OF URBAN FEMALE RETAIL TRADERS

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# Background to the study



## Context

- Despite increases in female formal financial inclusion, **gaps remain in the use and relevance of finance in meeting the needs of women**
- Data suggest women's rich use of financial tools (often informal, but also increasingly formal) to manage their financial lives; however, this **research is scattered across a range of studies**, which need to be brought together to derive a more complete picture of the gendered use of finance
- Within the broader market, urban female retail traders represent a significant segment with limited access to finance; **through a better understanding of their cash flow, needs, and aspirations, financial providers can unlock access to a more diverse range of financial products for these women that go beyond simple short-term loans**



## Objectives & Approach

This study is intended to achieve five core objectives:

1. To **understand the financial needs and demands of urban female retail traders in Kenya** across their lifetimes
2. To **evaluate existing financial services and the appropriateness of financial markets** (formal and informal) in supporting that urban female retail traders' needs and driving their wider economic inclusion (gaps and achievements)
3. To **examine the supporting policies that enable the supply of financial services** to urban female retail traders
4. To **analyze the barriers to more extensive uptake and use of different financial products** by urban female retail traders
5. Develop **recommendations for FSPs and policymakers** to promote the financial inclusion of urban female retail traders



## Research Overview

- Over five weeks Dalberg used a combination of research methods to better understand the use of financial products by urban female retail traders in Kenya
  - Conducting a **literature review** to understand work conducted to-date and inform key research areas for further investigation in primary research (focus group discussions and FSP interviews)<sup>1)</sup>
  - Conducting **six remote focus group discussions** with urban female retail traders to explore female urban retail traders' financial needs, use of financial products (incl. barriers) and what ideal products might look like<sup>1)</sup>
  - Conducting **five interviews with FSPs** serving women in Kenya to understand the current supply of products (e.g., products, providers, channels) and efforts to-date in delivering gendered financial products and services<sup>1)</sup>

1) Further details can be found in the Appendix

# Existing research provided a foundational understanding of female traders to probe further in primary research (1/2)

Module	Understanding from secondary research	Key questions for primary research <sup>1)</sup>
<b>Urban female retail traders' financial needs</b>	<ul style="list-style-type: none"> <li>Urban female retail traders' have personal and business needs that can be categorized according to three categories of financial needs               <ul style="list-style-type: none"> <li>Managing the day-to-day: paying for basic personal/household needs (e.g., food, water, rent, utilities); paying operating expenses (e.g., restocking, rent, trading licences/permits)</li> <li>Coping with risk: paying for healthcare; responding to bereavements marketplace security</li> <li>Investing in the future: paying for school fees (for self or children); business expansion (e.g., buying land or capital equipment)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>What impact has COVID-19 had on the financial needs of urban female retail traders?</li> <li>How do financial needs vary by different segments (e.g., lifecycle stages, business type, location)?</li> <li>What non-financial livelihood needs could FSPs support?</li> </ul>
<b>Supply of financial products and services</b>	<ul style="list-style-type: none"> <li>Banks (e.g., Equity, KCB) offer a wide range of products (i.e., transactions, savings, credit, insurance) but have a limited focus on serving women or mSMEs</li> <li>MFIs (e.g., Faulu, KWFT) also offer a wide range of products (i.e., transactions, savings, credit, insurance) and have a greater focus on serving women/mSMEs</li> <li>SACCOs offer a wide range of products (i.e., transactions, savings, credit, insurance) but have a limited focus on serving women or small businesses; they are also highly fragmented and localized</li> <li>Fintechs have disrupted the market to provide savings and borrowing platforms with lower registration requirements and easy digital access (albeit without a specific gender focus)</li> <li>Statutory insurance schemes (e.g., NHIF, NSSF) are more prevalent than use of private companies (e.g., Britam, ICEA LION) but neither apply a gender lens</li> <li>A significant share of urban female retail traders are served by informal channels (e.g., chamas, supplier credit, family and friends) which provide greater accessibility than formal channels</li> </ul>	<ul style="list-style-type: none"> <li>How do FSPs design products to meet the needs of female traders (e.g., channels used, registration processes, product terms)?</li> <li>How do FSPs collect and use gender disaggregated data to inform product design?</li> <li>What training/support do FSPs provide to support urban female retail traders' financial inclusion?</li> <li>How do FSPs accommodate urban female retail traders' use of informal channels?</li> <li>How are FSPs incentivized to serve female traders?</li> </ul>

1) Non-exhaustive

# Existing research provided a foundational understanding of female traders to probe further in primary research (2/2)

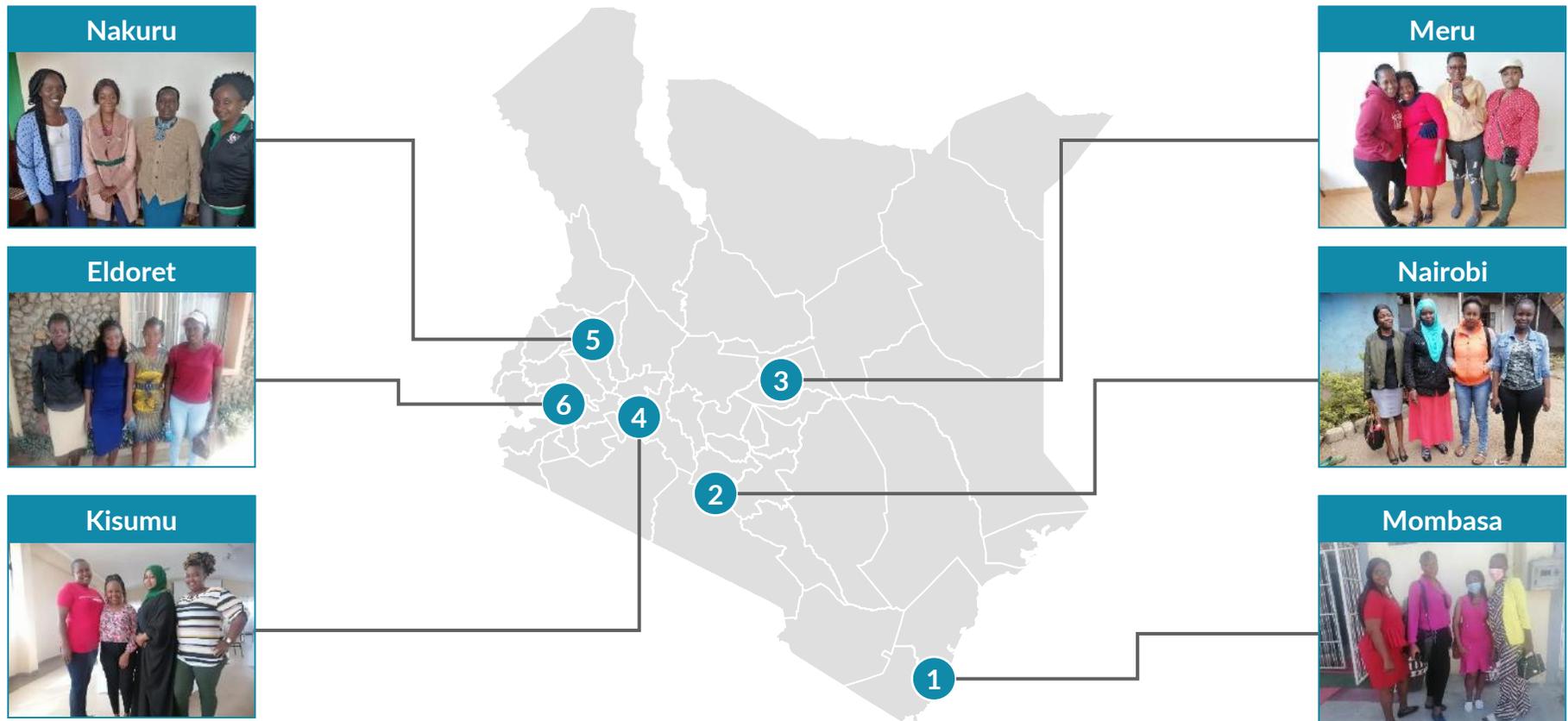
Module	Understanding from secondary research	Key questions for primary research <sup>1)</sup>
<b>Policy and regulation</b>	<ul style="list-style-type: none"> <li>• Despite pursuing policies to promote female financial inclusion, the government lacks a coherent strategy that mainstreams gender in financial inclusion</li> <li>• A range of financial regulations create potential impediments to female financial inclusion (e.g., lack of consumer protection, KYC requirements, collateral requirements, credit reference bureaus/blacklists)</li> <li>• There is no regulation/coordination for the collection of gender disaggregated data that could help to inform female-centric financial product design</li> <li>• Trading regulations (e.g., licensing requirements) also create regulatory barriers that can create additional hurdles for female traders in registering for finance, whilst regulations in response to COVID-19 (e.g., travel bans, reduced trading hours) have challenged female traders' ability to meet their financial needs</li> </ul>	<ul style="list-style-type: none"> <li>• What do FSPs see as the key regulatory barriers to serving urban female retail traders?</li> <li>• What are urban female retail traders' views of credit blacklisting? How does it affect their behavior?</li> <li>• How are urban female retail traders affected by market trading regulation? How has this been impacted by COVID-19?</li> </ul>
<b>Urban female retail traders' use of financial products and services</b>	<ul style="list-style-type: none"> <li>• Urban female retail traders use transactions, savings, credit and insurance products in decreasing amounts</li> <li>• Urban female retail traders are more likely to use informal channels to meet their financial needs (e.g., relying on assistance from family/friends) than men; chamas are also a prevalent channel for meeting financial needs, although some of these have been disrupted by COVID-19</li> <li>• Women are more risk averse than men and are more likely to use savings to finance their business growth than men</li> <li>• Despite women having slightly lower digital literacy than men, digital financial platforms (e.g., MPESA, M-Shwari, Pezeshu) are becoming increasingly popular due to their greater accessibility and ease-of-use</li> <li>• Social relationships and trust are an important influence on female traders' financial behavior (e.g., selecting trusted channels, the social benefits of participating in a chamas, suppliers sometimes offering finance to retailers)</li> </ul>	<ul style="list-style-type: none"> <li>• How do female retail traders choose financial products and channels to meet their needs?</li> <li>• Do such women use products/channels designed specifically for them?</li> <li>• What are the key enablers of financial inclusion for urban female retail traders (e.g., accessibility, product terms)?</li> <li>• What is limiting uptake of financial products by urban female retail traders?</li> <li>• How has urban female retail traders' financial behavior been affected by COVID-19?</li> </ul>

1) Non-exhaustive

# Dalberg conducted six remote focus group discussions to test key hypotheses for female traders' use of financial products

## FGD approach<sup>1)</sup>

- Dalberg conducted six remote focus groups, each with four female retail traders, in three cities and three municipalities
- Participants were recruited based on a set of pre-defined baseline recruitment criteria to enable diversity of opinions (e.g., occupation, lifecycle stage, use of financial products and services)
- N.B. the sample was not trying to be nationally representative but instead trying to achieve sufficient diversity to test key hypotheses across urban female traders' use of financial products



1) Further details can be found in the Appendix

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# Dalberg's scope of work included five objectives concerning female traders' use of financial products and services

## 1 Understand financial needs

Understand the financial needs and demands of urban female retail traders in Kenya across their lifetimes

## 2 Evaluate existing financial services

Evaluate existing financial services and the appropriateness of financial markets (formal and informal) in supporting that urban female retail traders' needs and driving their wider economic inclusion

## 3 Understand the drivers/constraints of product use

Understand the drivers that inform urban female retail traders' use of products and channels to meet their financial needs and analyze the barriers to their more extensive uptake of such products

## 4 Examine policies and regulations

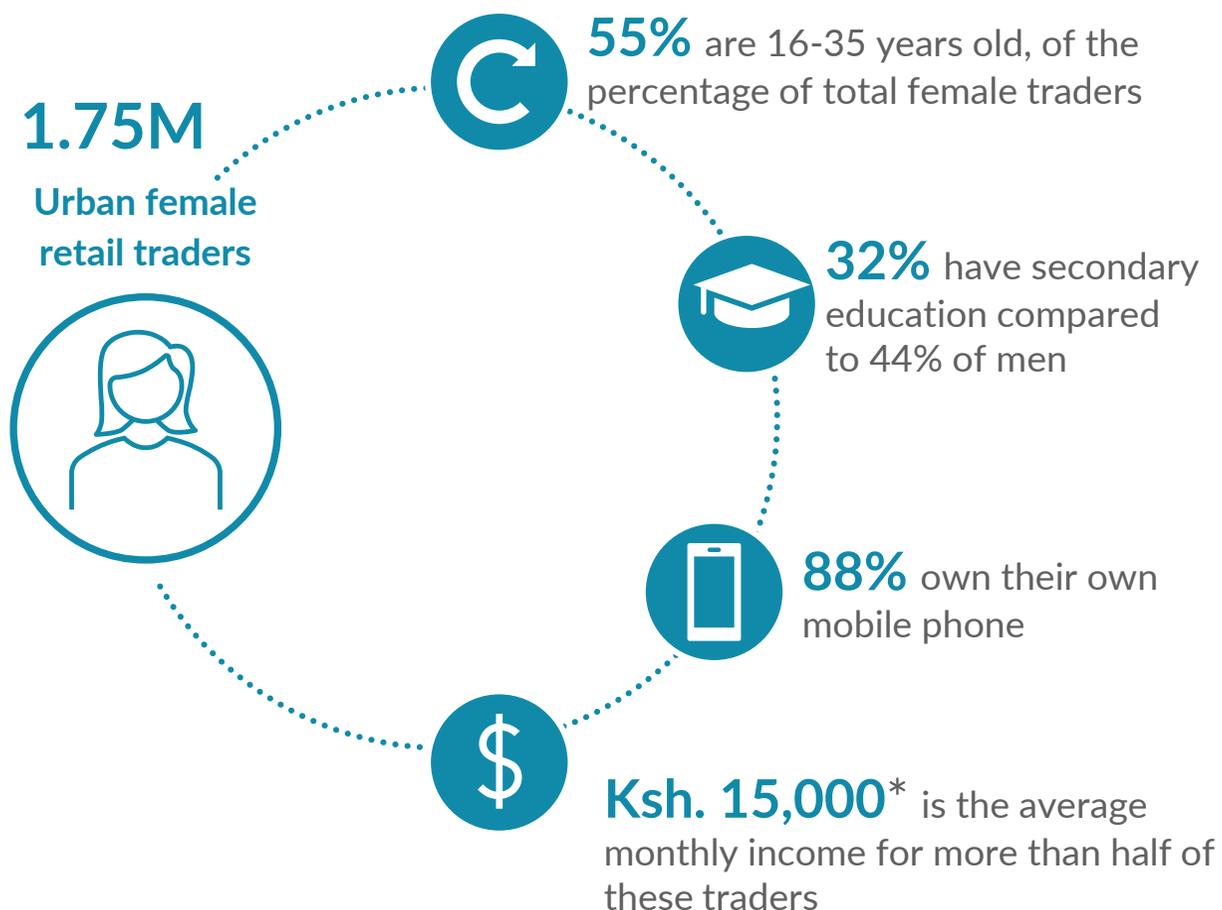
Examine the supporting policies that enable the supply of financial services to urban female retail traders

## 5 Develop recommendations

Develop recommendations for how FSPs and policymakers can promote the financial inclusion of urban female retail traders

# There are 1.75M urban female retail traders who run businesses either out of necessity or purposefully for growth and expansion

## Who are urban female retail traders?



## Why are women in retail trading?

Urban female retail traders can be broadly segmented in two categories according to their choice of career<sup>1)</sup>:

**“Push entrepreneurs”** who run their business out of necessity and to keep busy

**“Pull entrepreneurs”** who purposefully start and seek to expand their business

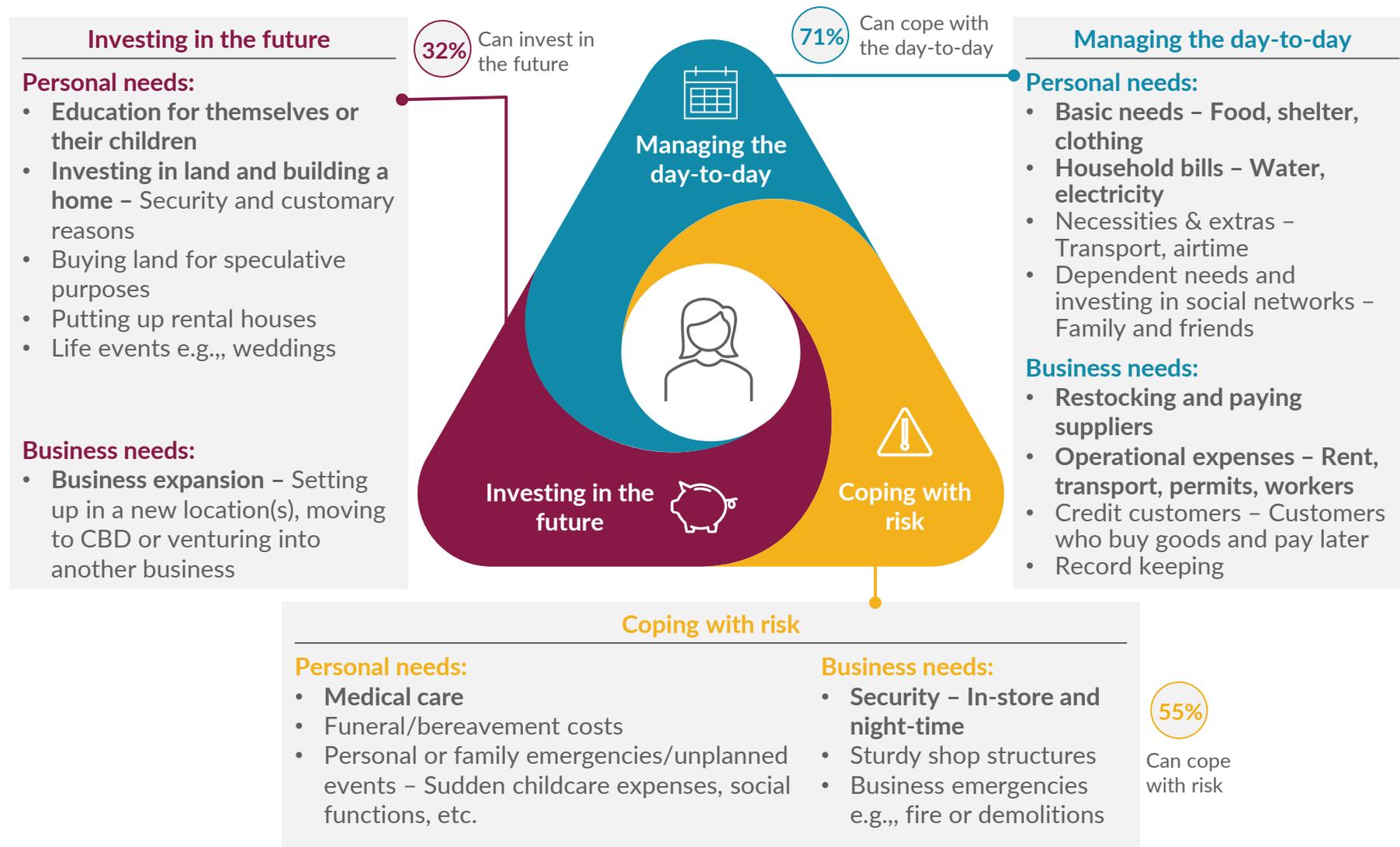
Most are *low sophistication, micro-sized businesses*

28% of female-only retail trade businesses are of low sophistication compared to just 8% that are high sophistication

1) FSD Kenya, Challenges facing women and youth grocery traders in Kenya, 2020;

\*-not gender-aggregated applying to all small urban business traders

# The business and personal needs and aspirations of urban female retailers create three main categories of financial needs



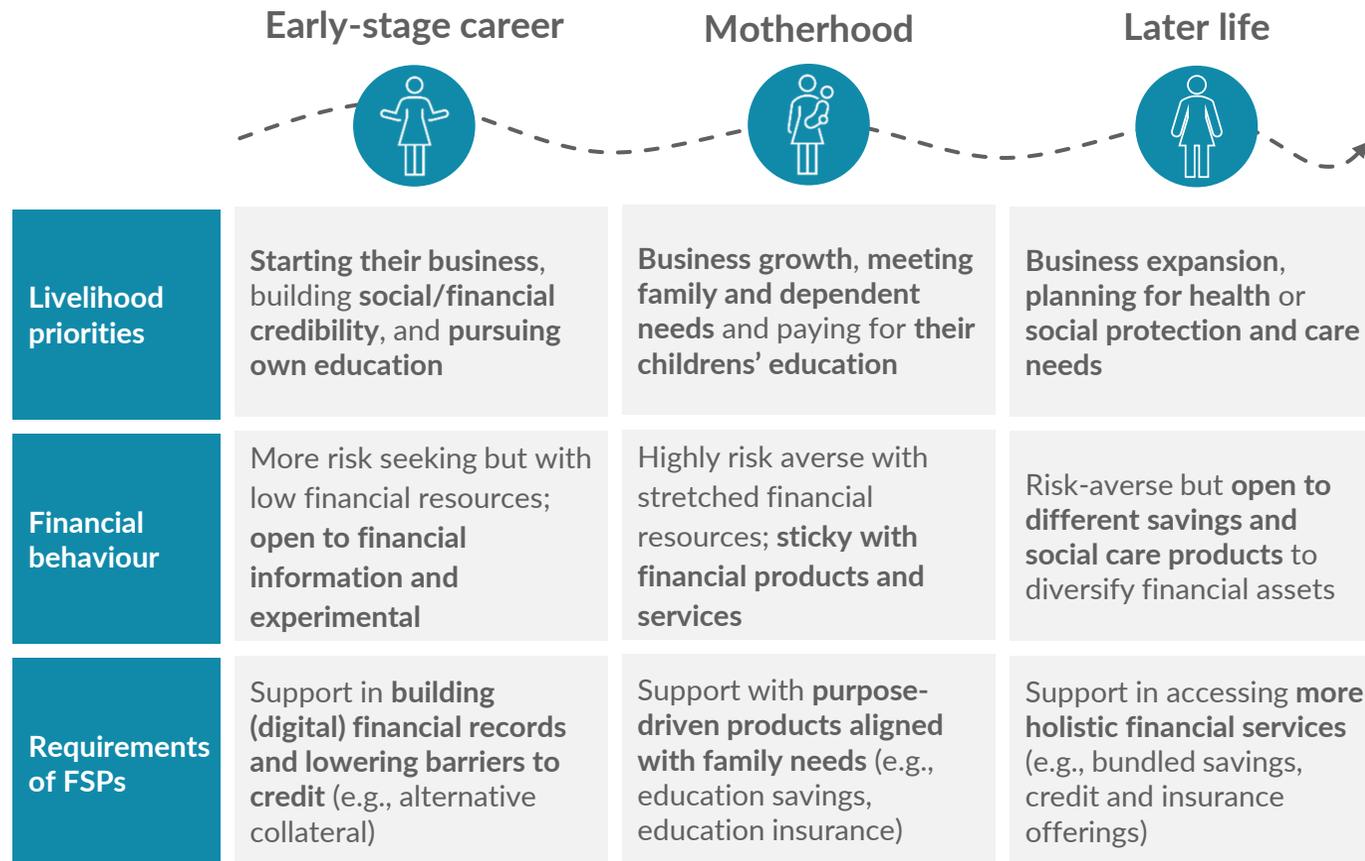
\***Bold highlights represent key needs and priorities**

1) FSD Kenya; 2) FinAcess 2019; 3) Dalberg focus group discussions and interviews

2) Figures shared on coping day-to-day, with risk and investing in the future are not gender-disaggregated

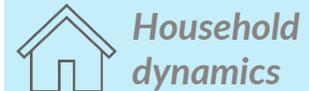
# Lifecycle stages, amongst other factors, influence these financial needs of urban female retail traders

These financial needs can vary across the lifecycle of urban female retail traders



*FSPs ought to tailor products with an awareness of these needs over the different life stages based on the shifting factors*

Other differentiators of financial needs include:



Household size and marital status can affect level of autonomy and dependency (e.g., women in family business can have lower autonomy)



Different business sectors have varying financial needs (e.g., perishable goods have higher inventory turnover)



The location of a business can impact sales and operating costs (e.g., travel costs, trading permit/licence fees)

# Although many female traders were meeting their daily needs, COVID-19 has diverted resources away from longer-term needs

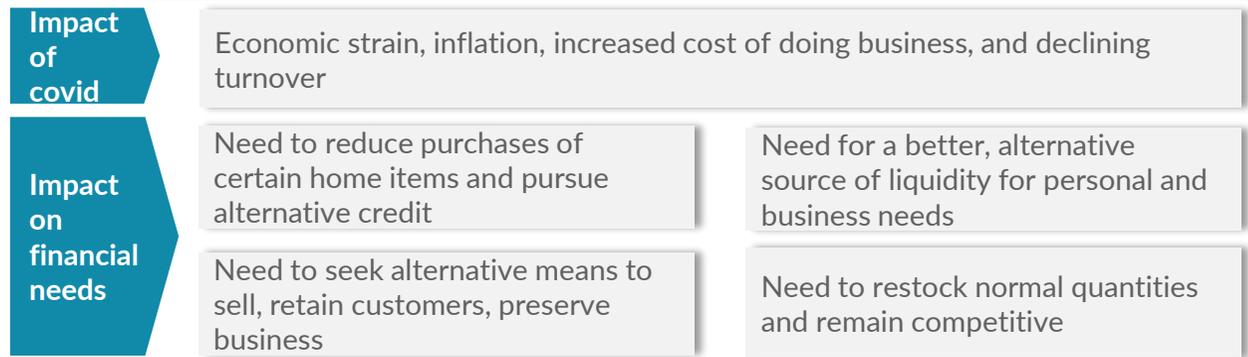
Illustrative

Urban female retail traders reported managing their needs generally well before the pandemic

...however, the pandemic has created a liquidity crunch, shifting resources from risk and investment to daily pressing needs

- The needs of urban female retailers have not changed in principle due to Covid-19. Liquidity for regular expenditures, management of basic needs, expansion of business, and savings/investments were their key needs

-The shift has been in the prioritization of needs and how differently they need to be met to adjust for survival and resilience. Liquidity needs and meeting the basics still form the core needs while saving and investing have been deprioritized



COVID-19 has forced female traders to divert resources from coping with risk and investing in the future to managing day-to-day needs

“You have to rely on promises because you hope people will pay you. Sometimes you can't be able to go buy stock because customers have not paid.”  
Marion | Nakuru

“Household expenses have increased; school expenses and school fees has increased. I borrowed Fuliza when my daughter was going back to school. Things at the market have also increased.”  
Annie | Nakuru

“Before Covid, the suppliers used to credit. Right now, they can't credit you. You have to pay cash.”  
Lynette | Eldoret



Key indicating resources:

- Managing day-to-day
- Coping with risk
- Investing in the future

Source: i) FSD, Understanding the unmet financial needs and opportunities of key segments in Kenya, 2020, ii) Dalberg, Behavioral Model for Financial Health

# The supply-side landscape review of financial service providers revealed varied targeting for women and mSMEs

Type	Sub-type	Description	Examples	Degree of targeting <sup>1)</sup>	
				Targeting women	Targeting mSMEs
Banks	Tier 1	Financial service providers regulated and supervised by Central Bank of Kenya; banks offer a range of products targeting women and/or mSMEs amongst their broad portfolios (e.g., women-specific savings accounts/loans, group savings accounts)	Equity, KCB		
	Tier 2		Family bank		
	Tier 3		Sidian bank		
MFIs		Formal financial players providing financial services to non-traditional banking clients; MFIs offer products (e.g., individual/group savings accounts, micro-credit) that are well-suited to women/mSMEs	Faulu, KWFT		
SACCOs		Formal financial service providers regulated by SASRA; SACCOs have a limited targeting of women and/or mSMEs	Centenary, Tower, Stima		
Insurance providers	Statutory	Formal institutions that underwrite risk through the payment of premiums; insurance providers have a very limited targeting of women and/or mSMEs	NHIF, NSSF		
	Private		Britam, ICEA		
Fintech		Financial services provided through mobile technology; fintechs have a limited targeting of women and/or mSMEs but offer features that appeal to these segments (e.g., alternative credit scoring through digital records)	M-Shwari, Fuliza		
Informal	Chamas/welfare	Financial provision that is not regulated by a legal institution and is self-driven or based on a social agreement; chamas have a relatively high targeting of female traders through female-only groups (e.g., merry-go-rounds, welfare groups)			
	Suppliers				
	Personal				
	Friends/family				

Key:  No degree of targeting  High degree of targeting

1) Qualitative indication informed by a range of sources (e.g., secondary research, FSP interviews, FGD feedback) and factors such as the extent to which categories of FSPs offer products designed and marketed exclusively to women and/or mSMEs

# Female traders' financial needs are served through different use cases that have different product/channel requirements

	Use cases	Summary of key requirements	Prominent channels	Extent to which needs are met <sup>1)</sup>
Managing day-to-day	<b>A</b> Day-to-day transacting	Female traders prioritize ease of access, low/no transaction charges, security of payments and interoperability with other financial channels to conduct regular transactions with customers and suppliers	M-Pesa, cash	
	<b>B</b> Accessing savings for liquidity	Female traders prioritize ease of access, integration with mobile money, security and low fees for savings accounts used for regular withdrawals	M-Shwari, bank accounts, SACCOs, chamas	
	<b>C</b> Borrowing for liquidity	Female traders prioritize quick access and flexibility in disbursement amount when borrowing money to meet short-term liquidity needs	M-Shwari, chamas, supplier credit	
Coping with risk	<b>D</b> Planning for healthcare	Female traders prioritize affordability of premiums that reduce the burden of out-of-pocket expenditure and the added treatment benefits (e.g., scans, emergencies) when opting for health cover	NHIF	
	<b>E</b> Planning for social care	Female traders prioritize affordability, ease of withdrawal, specialized features (e.g., education-only policies), and favorable interest rates when opting for social care (i.e., social security, pensions) policies	NSSF	
	<b>F</b> Responding to emergencies	Female traders look for speed, built in flexibility of terms and accessibility in seeking emergency funds to respond to unexpected emergencies	Chamas, digital lenders	
Investing in the future	<b>G</b> Building a platform for borrowing	Female traders seek channels that are easy to use, encourage a savings habit and enable them to build a record of financial credibility when opening/using accounts to serve as a platform for future borrowing	M-Shwari, bank accounts, chamas	
	<b>H</b> Saving to meet goals	Female traders prioritize longer-term savings channels that offer security, favorable interest rates and accounts designed for specific goals	Bank accounts, SACCOs, chamas	
	<b>I</b> Borrowing to meet goals	Female traders prioritize loan size, interest rates, ease of registration and security for longer-term borrowing to meet goals	Banks accounts, SACCOs, chamas	

Financial needs are met by existing channels    
 Financial needs are not met by existing channels

1) Qualitative indication informed by a range of sources (e.g., secondary research, FSP interviews, FGD feedback)

# The FGDs helped better understand female traders' use of products/channels, chamas and emerging products

## Key findings from focus group discussions

Are women's needs met?



Urban female retailers' day-to-day needs are largely met with existing products, although less so through borrowing channels; female traders' longer-term needs, such as ability to cope with risk (e.g., planning for health/social care) and investing in the future (e.g., saving/borrowing for education or business, **are not as well met by existing products and services**)

What influences women's choice of products or channels?



Among more formal channels, **flexibility, affordability, and social referral** drive many women's choice of specific financial products or institutions; for example:

- Physical proximity and/or availability of digital platforms are significant factors due to the greater time poverty that women face
- Word of mouth from trusted family and friends plays an important role in convincing women to adopt certain products or channels

However, informal channels are often preferred due to their **greater accessibility (e.g., lower registration requirements, greater speed of registration)**

What is the role of chamas?



Chamas are particularly important, likely due to **ease of access, social capital and the sense of financial inclusion** that women derive from meeting, planning and executing on shared goals

- **The strength of social networks is important. Yet, this relationship goes beyond the financial relationship**, with some women securing external borrowing simply to be part of chamas for their social benefits
- This was not any different with suppliers, as the sector and sub-sector dynamics seemed to matter more than just tenure

What emerging products are experiencing uptake in adoption?



The **greater accessibility, ease of use and interoperability of digital financial services** (e.g., M-Pesa and M-Shwari) has driven significant usage by female traders and their importance has been **reinforced during COVID-19**; the **use of more sophisticated formal products, such as insurance, remains low** (although more women demonstrated use of health insurance (NHIF) than other formal mechanisms to manage risk, such as NSSF and private pensions)

# Govt. policy and regulation create opportunities to promote the provision and adoption of gendered financial products

● Constrains female financial inclusion ○ Does not constrain female financial inclusion

		Policy and regulation	Impact on gendered financial services	
1	Government strategy	Despite pursuing policies that include provisions to promote female financial inclusion, the government lacks a coherent strategy that mainstreams gender in financial inclusion	○	
2	Financial regulation	A Consumer protection	Although banks, deposit-taking MFIs, SACCOs and insurance companies fall under specific regulations, there is limited regulation of digital credit providers and credit-only microfinance institutions, which raises concerns over consumer protection (e.g., predatory lending, fraud, data protection)	○
		B KYC requirements	FSPs must adhere to regulations requiring consumers to submit KYC documentation to register for financial products and services; although ownership of National ID and SIM cards is balanced, female ownership of KRA PIN is lower than men, thereby discriminating against women	○
		C Collateral requirements	The Central Bank does not enforce FSPs to adhere to minimum collateral requirements but FSP themselves often require borrowers to meet stringent collateral requirements; in an effort to reduce this barrier, the CBK has adopted reforms to diversify collateral requirements and increase the accessibility of borrowing to segments, including women, with lower capital ownership	○
		D Credit information	FSPs are required to adhere to regulations set by Credit Reference Bureaus, which monitor consumer borrowing data and maintain blacklists, which can act as a deterrent to formal borrowing	○
		E Data collection	There is no regulated or coordinated collection of gender disaggregated data amongst FSPs, which could be used to inform the development to gender-specific financial products; instead, such data collection is fragmented and rarely used to inform product design	○
3	Trading regulation	A Trading requirements	Trade fees, fragmented and contradictory trade laws, regressive taxes and cross-border regulations create complexity and an administrative burden for traders	○
		B COVID-19	COVID-19 travel restrictions have limited inter-county and in-land cross-border movement, curfews have reduced hours of operation and social distancing rules have limited market interactions, which have all had a detrimental impact on ability to trade	○

# We have identified key findings across literature, FGDs and FSP interviews for use of financial products and systemic constraints



## Female traders use of financial products

### Value of trust



Female traders often make financial decisions based on trusted relationships (e.g., recommendations from friends or family) rather than a systematic evaluation of different products

### Loyalty of customers



Female traders with formal bank accounts rarely seem to switch between providers and are mostly comfortable with their first ever account, stressing the importance for FSPs to capture customers early

### Importance of social relationships



Female traders place a significant importance on cultivating strong relationships and credibility with informal sources of finance (e.g., supplier credit, chamas)

### Preference for saving



Female retail traders are more risk averse than male counterparts and are more disciplined savers, often appreciating channels that instill a sense of savings discipline

### Prevalence of digital



Despite having slightly lower digital literacy than men, women value the accessibility and interoperability of digital financial services, such as M-Pesa and M-Shwari; the importance of digital channels has been amplified during COVID

## Shortage of gender disaggregated data



Gender disaggregated data is not consistently used or applied by FSPs to inform the design of gender-specific financial products, often because FSPs lack guidance on how to collect such data or understanding of the value it holds

## Difficulties keeping trading records



Many female traders perceive difficulties and costs in keep official records, such as county trading permits, licences and tax records, which could otherwise serve as inputs into credit scoring

## Regulation of digital lenders



Low regulation of digital credit providers, poses a risk to consumer protection via predatory digital lenders, whilst also constraining the lending capabilities of more reputable digital lenders (e.g., by limiting their access to CRB data)

## KYC requirements



KYC requirements for more advanced products are deterring adoption by some female traders; KRA PIN requirements appear a large barrier for opening bank accounts, particularly given the disparity in ownership between men and women



## Systemic constraints to serving female traders needs

# FSPs can develop innovative products and better serve female retail traders' needs according to five recommendations

- |  |   |  |   |
|--|---|--|---|
| <b>1</b> Capture and retain the youth opportunity                              |    | <p>Target the youth bulge amongst Kenya's female traders – who represent a sizeable, long-term opportunity given the tendency of female traders to remain loyal to their first formal FSP – by explaining the benefits of formal financial products and how they support female traders' long-term needs (e.g., the cheaper borrowing costs of banks vs chamas, insurance products' longer-term benefits)</p>  |    |
| <b>2</b> Generate more accurate risk assessments of prospective borrowers      |    | <p>Develop more accurate assessments of female traders' risk profiles and credit worthiness by measuring financial activities that provide a fairer reflection of their financial credibility (e.g., chama/supplier repayments, digital transactions) and do not discriminate against women's lower ability to meet traditional borrowing requirements (e.g., low collateral ownership)</p>  |    |
| <b>3</b> Harness the social relationships cultivated through informal channels |    | <p>Harness the trusted (and highly valued) relationships that female traders cultivate through informal channels (e.g., chamas, supplier relationships) to increase outreach and adoption of formal financial products by:</p> <ul style="list-style-type: none"> <li>• Incentivizing product referrals (e.g., through chama/supplier-based mutual incentive/referral bonus schemes)</li> <li>• Providing alternative sources of credit worthiness (e.g., through chamas or suppliers acting as guarantors)</li> <li>• Using alternative marketing channels (e.g., shopkeepers, chamas)</li> </ul> |    |
| <b>4</b> Integrate digital financial services with traditional formal channels |   | <p>Promote the integration of digital financial services (e.g., M-Pesa, M-Shwari) with more traditional formal channels (e.g., banks, insurance providers) to provide a more accessible conduit for channeling short-term savings towards longer-term products (e.g., purpose-driven savings accounts)</p>   |   |
| <b>5</b> Create digital platforms to host informal channels                    |  | <p>Create digital platforms to host informal channels (e.g., chamas) to capture their social benefits (e.g., peer interactions) and economic activity (e.g., savings/borrowing history, transactions), which could provide financial record-keeping to integrate with existing digital financial products (e.g., M-Pesa, M-Shwari) and provide alternative credit scoring</p>  |  |

# Policymakers can address systemic constraints to serving female retail traders' financial needs through four key recommendations

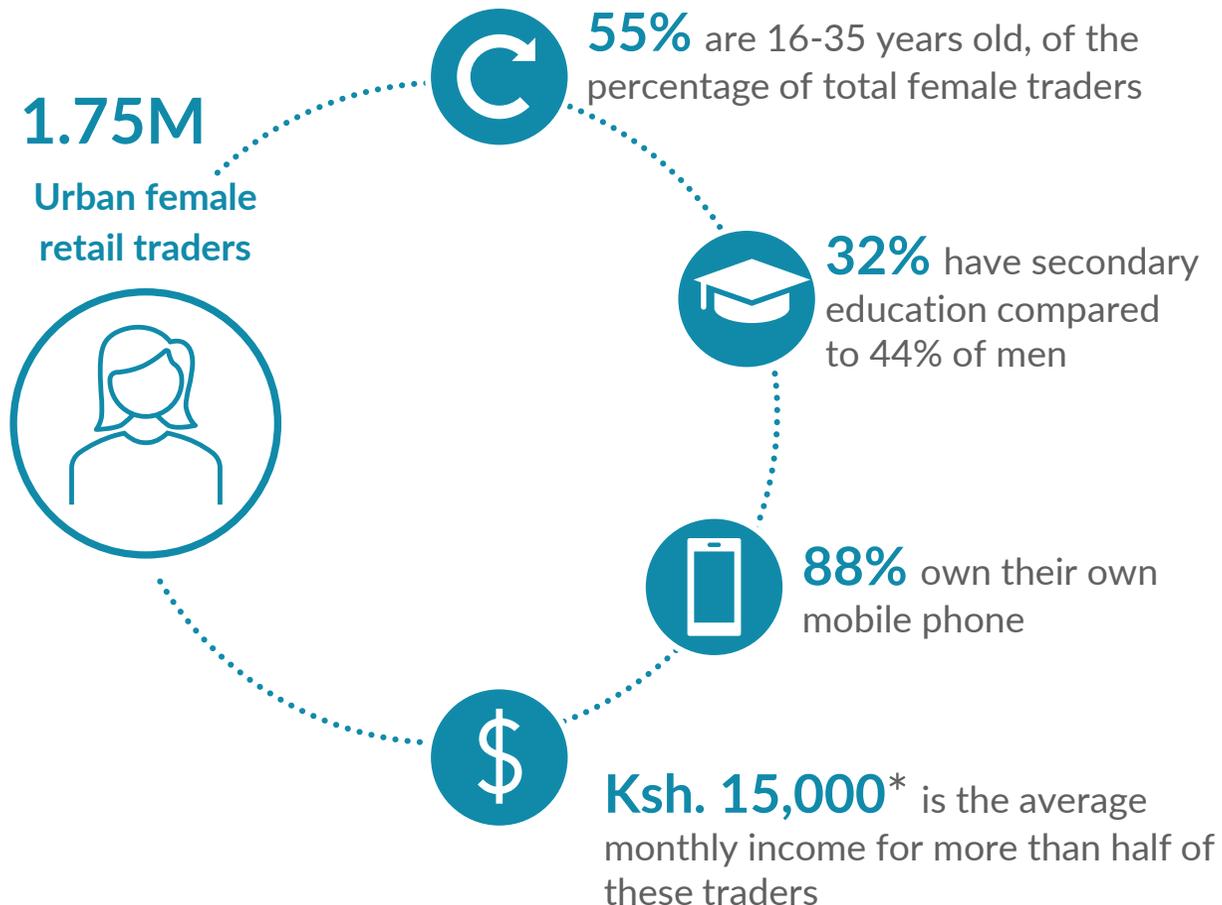
Demand-side	1	Ease barriers of trading/licensing requirements for low-income traders		Generate additional digital records that could be used as inputs for more accurate credit risk assessment by removing the barriers that restrict traders from obtaining official records (e.g., by providing a waiver to low-income female traders for county permits and trading licences, digitizing registration processes and increasing awareness of these improved processes)	
	2	Partner with trusted channels to ease barriers in obtaining a KRA PIN		Promote registration for KRA PIN and, in turn, increase accessibility of formal financial products by partnering with trusted channels (e.g. local agents, business associations, social groups) to explain the benefits of KRA PIN registration (e.g. greater access to finance, tender applications) and help female traders navigate the registration process (e.g. through educational support)	
Supply-side	3	Regulate the collection of gender disaggregated data		Enable FSPs to develop female-centric financial products (e.g., with more appropriate credit terms) and better assess the credit worthiness of prospective borrowers by regulating the collection of gender disaggregated data (e.g., with mandated guidelines for data collection requirements) and promoting awareness (alongside other stakeholders e.g., system-support actors) of the value this can create for FSPs to create more consistent repositories of gendered data	
	4	Implement regulation of predatory digital lenders		Enable digital credit providers to more accurately assess credit risk (e.g., by accessing Credit Reference Bureau data) and increase female traders' confidence in these lenders by implementing regulation to increase consumer protection against predatory lending (e.g., through the proposed Central Bank Amendment Bill)	

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## Who are urban female retail traders?



## Why are women in retail trading?

Urban female retail traders can be broadly segmented in two categories according to their choice of career<sup>1)</sup>:

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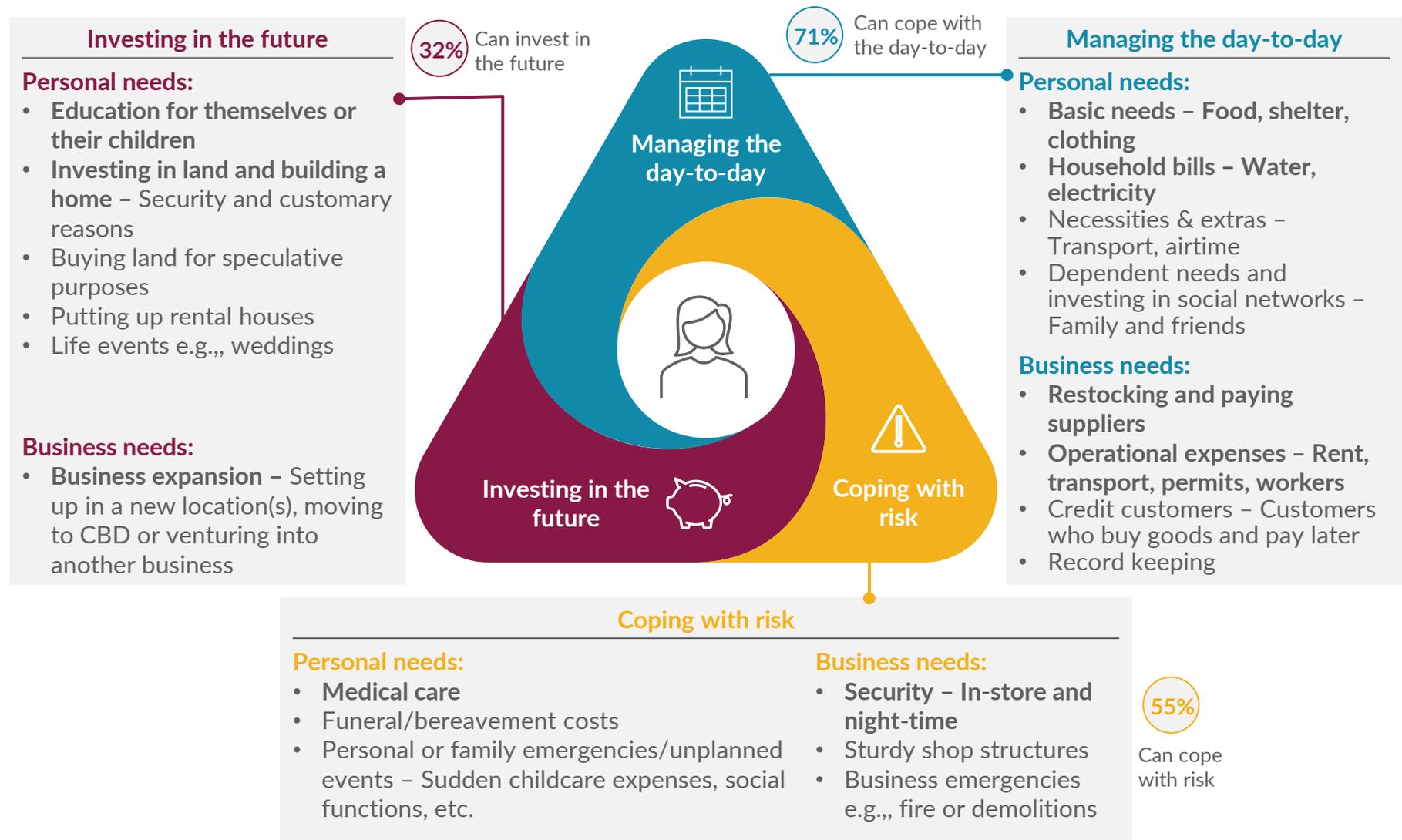
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1) FSD Kenya; 2) FinAcess 2019; 3) Dalberg focus group discussions and interviews  
 2) Figures shared on coping day-to-day, with risk and investing in the future are not gender-disaggregated

# Although many female traders were meeting their daily needs, COVID-19 has diverted resources away from longer-term needs

Illustrative

Urban female retail traders reported managing their needs generally well before the pandemic

- The needs of urban female retailers have not changed in principle due to Covid-19. Liquidity for regular expenditures, management of basic needs, expansion of business, and savings/investments were their key needs

-The shift has been in the prioritization of needs and how differently they need to be met to adjust for survival and resilience. Liquidity needs and meeting the basics still form the core needs while saving and investing have been deprioritized

...however, the pandemic has created a liquidity crunch, shifting resources from risk and investment to daily pressing needs

Impact of covid

Economic strain, inflation, increased cost of doing business, and declining turnover

Impact on financial needs

Need to reduce purchases of certain home items and pursue alternative credit

Need for a better, alternative source of liquidity for personal and business needs

Need to seek alternative means to sell, retain customers, preserve business

Need to restock normal quantities and remain competitive

COVID-19 has forced female traders to divert resources from coping with risk and investing in the future to managing day-to-day needs

“You have to rely on promises because you hope people will pay you. Sometimes you can't be able to go buy stock because customers have not paid.”

Marion | Nakuru

“Household expenses have increased; school expenses and school fees has increased. I borrowed Fuliza when my daughter was going back to school. Things at the market have also increased.”

Annie | Nakuru

“Before Covid, the suppliers used to credit. Right now, they can't credit you. You have to pay cash.”

Lynette | Eldoret



Key indicating resources:

Managing day-to-day    Coping with risk    Investing in the future

Source: i) FSD, Understanding the unmet financial needs and opportunities of key segments in Kenya, 2020, ii) Dalberg, Behavioral Model for Financial Health

# Individual, household, sub-sector and location factors emerged as the main differentiators of the needs

Individual factors	Lifecycle stage		Our screening of participants intentionally identified a wide range of age sets where we noticed significant differences brought about by lifecycle stage. A closer search for nuance revealed common or differentiating needs, attitudes and behaviours that set apart younger, middle-aged and older women from each other
Household factors	Household dynamics		Household size, marital status, financial autonomy, and the presence of dependents had relevant reflections from the focus group discussions. They had an impact on the economic status of each participant, distinguishing their needs, aspirations, use of finances and choice of financial provider
Sector and sub-sector factors	Nature of business		The participants were selected from different trades to allow for robust sampling. We noted significant differences that had the women carry out certain types of businesses more than others. In addition, we encountered challenges finding participants in male-dominated industries and where they were present, they did not have ownership
Location factors	Location of business		Despite this being a specific urban study, cities and key towns presented different local dynamics based on opportunities, economic activity in the respective areas, security, financial providers and the overall business environment

# Urban female retailers have a multitude of daily needs that differ based on certain factors

## Managing the day-to-day



- Urban female retail traders key personal needs are their recurrent basic expenses and constitute of food, rent, household shopping and education
- For business, their priorities are mostly operational and include restocking and paying suppliers to keep the business afloat. Those who have employees also spend on salaries while some specific retailers, especially clothing and cereal, spend on transport
- Their financial expenses are allocated from their sales and are split between funds for their business, personal use and savings
- Urban female retail traders don't always manage to finance their daily needs due to amplification by Covid-19 and usually turn to credit (digital or chama, sometimes social credit) to cover the shortfall.<sup>1</sup>

## Dynamics across urban female retail trader segments



<b>Lifecycle stage</b>		<p>Younger women have fewer needs compared to middle-aged ones who have families and dependents. Older women are generally more financially stable.</p>	<p><i>"I'm the first born in my family so everybody looks up to me which creates expectations - people think you always have money."</i></p> <p><b>Maureen   Msa</b></p>
<b>Household dynamics</b>		<p>Larger households, and those with dependents create more needs than smaller ones. Retailers employed in family businesses have less financial autonomy but also fewer needs. Single parents can be financially over-extended.</p>	<p><i>"My father pays for my son's expenses - school, accommodation. He also gives me some money for personal use."</i></p> <p><b>Lynette   Eldoret</b></p>
<b>Type of business</b>		<p>Small urban businesses can be affected differently according to products they sell or services they provide e.g., traders with perishable goods have greater inventory turnover and can incur greater loss due to products' limited shelf life.</p>	<p><i>"Sometimes you prepare food for customers, but they do not come so you have to throw it away."</i></p> <p><b>Naomi   Nrb</b></p>
<b>Location of business</b>		<p>The cost of business in terms of regulation varies per location. In some towns, participants have to part with a daily municipal fee while in others, a monthly or annual permit is sufficient.</p>	<p><i>"I pay a daily municipal fee of 50 shillings Sometimes you won't have sold anything but you must part with something like 20 or 30 bob, or they will harass you."</i></p> <p><b>Winnie   Kisumu</b></p>

<sup>1</sup> Based on the focus note by FSD Kenya on small urban businesses, 71% of small urban businesses have the ability to cope day-to-day. However, this data is not gender-disaggregated but from the survey, Covid-19 has made it harder to meet these needs

# Medical costs, bereavement, security and credit customers are female traders' key personal and business risks

## Coping with risk



- Ill health is a commonly expressed risk followed by bereavement.
- In terms of business, security was cited as a key challenge, mostly in the form of petty theft and shop break-ins. Theft was quite common and some participants expressed having lost their entire business to robbery and needing to set up afresh
- Other emergencies, specific to businesses in informal settlements include fire and demolitions
- One of the produce retailers who farmed the goods that she sold mentioned facing the risk of crop destruction and invests in crop insurance to mitigate against the risk

## Dynamics across urban female retail trader segments



Lifecycle stage		Younger women are more willing to try out different businesses more than middle-aged or older women. Older women face increased health risks due to their age although all cite ill health as a key risk.	<i>"I have two shops that sell phones. I also have a shamba where I farm oranges to make more money."</i> Anne   Meru
Household dynamics		Those with dependents or larger households experience increased financial strain due to extensive needs. Women in single parenthood contexts bear more risks that they have to meet single-handedly.	<i>"I must pay medical bills - including for my grandmother."</i> Biata   Msa
Type of business		Retailers with perishable produce or simple eateries tend to operate in semi-solid structures that are affected by weather. The same applies to mobile retailers who lack a specific premise for their wares. Wholesalers also face increased in-store theft.	<i>"The shop is not built properly. Sometimes it gets very windy or it rains a lot and that destroys the shop."</i> Mary   Nrb
Location of business		Traders who are located in cities and moreso in informal settlements, incur additional security costs, either in the form of security fees or safety reinforcements such as steel doors.	<i>"When it comes to living in a slum and having a shop, you don't know when robbers will come. Incidences of theft are very common in the area."</i> Winnie   Kisumu

# Their individual goals towards financial freedom are relatively similar: business expansion, land ownership and education

**Investing in the future** 

- The retailers' key investment goals were business expansion, followed by ownership of land and education
  - Almost all participants desired to expand their businesses by launching in other locations, having a new venture, or moving to CBD
  - Ownership of land signified financial freedom and was also customary especially for those who had sons. Others wanted to build rentals for passive income or hold it for speculative reasons
  - Education was also highlighted for their children or themselves, particularly the younger ones
- Some also purchased equities as a way to save and grow their finances. However, the returns were not favourable but this was still a different form of investing that they considered worth exploring

**Dynamics across urban female retail trader segments** 

<b>Lifecycle stage</b>		Investing in education is a priority for most young women, while middle-aged women do so for their children. Older women save in multiple places (formal and informal) and invest more in assets.	<i>"I bought a one-bedroom house 10 years ago. I also bought a plot."</i> <b>Lucy   Msa</b>
<b>Household dynamics</b>		Larger households struggle to save more compared to smaller ones. This limits their ability to invest significantly. Further, when one household members is financially stable, they support the rest.	<i>"When I was educating my sons, I needed to take loans but now that they finished school, I have more money."</i> <b>Rael   Eldoret</b>
<b>Type of business</b>		Established traders fund their investment goals better due to stability compared to the ones starting out. Start-ups frequently highlight teething challenges which has implications on their business and personal financial management	<i>"I like to save in different places, with different accounts. These insurance plans are like savings."</i> <b>Mary   Nrb</b>
<b>Location of business</b>		Traders in CBD generate more revenue than those in the outskirts. The converse also holds that their costs of living are much higher but they still uphold that the activity in CBD is better for business which increases cashflow for investment	<i>"My major priority is to stabilize my business. I would like to move to CBD because I can make more money there."</i> <b>Anne   Nakuru</b>

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# The supply-side landscape review of financial service providers revealed varied targeting for women and mSMEs

	Type	Sub-type	Description	Examples	Degree of targeting <sup>1)</sup>	
					Targeting women	Targeting mSMEs
A	Banks	Tier 1	Financial service providers regulated and supervised by Central Bank of Kenya; banks offer a range of products targeting women and/or mSMEs amongst their broad portfolios (e.g., women-specific savings accounts/loans, group savings accounts)	Equity, KCB		
		Tier 2		Family bank		
		Tier 3		Sidian bank		
B	MFIs		Formal financial players providing financial services to non-traditional banking clients; MFIs offer products (e.g., individual/group savings accounts, micro-credit) that are well-suited to women/mSMEs	Faulu, KWFT		
C	SACCOs		Formal financial service providers regulated by SASRA; SACCOs have a limited targeting of women and/or mSMEs	Centenary, Tower, Stima		
D	Insurance providers	Statutory	Formal institutions that underwrite risk through the payment of premiums; insurance providers have a very limited targeting of women and/or mSMEs	NHIF, NSSF		
		Private		Britam, ICEA		
E	Fintech		Financial services provided through mobile technology; fintechs have a limited targeting of women and/or mSMEs but offer features that appeal to these segments (e.g., alternative credit scoring through digital records)	M-Shwari, Fuliza		
F	Informal	Chamas/welfare	Financial provision that is not regulated by a legal institution and is self-driven or based on a social agreement; chamas have a relatively high targeting of female traders through female-only groups (e.g., merry-go-rounds, welfare groups)			
		Suppliers				
		Personal				
		Friends/family				

Key: No degree of targeting High degree of targeting

1) Qualitative indication informed by a range of sources (e.g., secondary research, FSP interviews, FGD feedback) and factors such as the extent to which categories of FSPs offer products designed and marketed exclusively to women and/or mSMEs

# Some FSPs like Pezesha have unique products for the supply line while the risk perception varies per provider

## Supplier

## Perspective on segment



- Co-operative bank offers **unsecured loans to this segment and has raised the loan limit for women by observing that they pay back the loans better than men.** Their e-credit product and group loaning products are also popular. For the latter, the bank received an exception to lift the requirement on a group KRA pin which has encouraged individual lending with group guarantors
- Co-operative bank does not collect quantitative disaggregated data but uses focus group discussions to co-create products with the target market (current, past and disgruntled customers); their products are pre- and post- tested with such groups
- The bank hosts MSME clinics through their relationship managers who coach customers on financial management



- **Pezesha serves female urban retail traders with their supplier-merchant financing product. This is where the company partners with suppliers and guarantees payment by the merchant within seven days.** The product was not designed specifically for women but WSSTs<sup>1)</sup> form the greater proportion of users
- They identify women as being cost-conscious and risk-averse but just as other FSPs, lacking proper documentation, transactional data, and even access to digital platforms for access of financial services
- They also offer unsecured loans where the value is less than 200,000 KES which is favourable to women who lack security

1) Women Small Scale Traders

# FSPs offer unsecured loans or SME guarantees to this segment in addition to financial training and related resources

## Supplier

## Perspective on segment

Anonymous  
MFI

- Microfinanciers have found the segment **to be rather risky**. Some of the factors explaining this include **poor banking records, stringent regulation of MFIs, lack of collateral, credit amounts requested relative to financial ability, and a general perception of the risk inherent in lending to small enterprises**
- Most don't collect gender-disaggregated data although some collect credit performance per gender which is used for business purposes. Product design tends to be informed by other sources such as competitor data and continuous customer feedback



- KCB does not have products tailored specifically to this segment of female urban retail traders, but **they have products that target women in general, especially loan products. The loan products that are popularly taken up by this segment include unsecured loans, working capital loans, short term loans and asset based financing)**
- Overall, **women don't always have enough documents or collateral as required by the institution which poses a challenge in serving them.**
- The bank has had a challenge collecting gender-disaggregated data because they have historically considered customers with a universal lens but this is beginning to change as banks, including them, are incorporating a gender lens



- Stanbic relies on their 2-year DADA platform to interact with female urban retail traders. They classify most users as aspirers who they mention are not very good at financial planning and record-keeping. **The DADA digital platform loan offers up to 3 million KES in credit without collateral as long as clients can provide cashflow statements. They are sometimes backed with SME guarantees and provided from grants**
- Stanbic also provides training to women on bookkeeping because their experience has revealed that women are not very good at it. They have so far trained about 7000 women in the past year
- The regulator has supported the platform but gender-disaggregated data collection has been a challenge outside IFC's support

# Most of the Tier 1 banks have some products and services targeted to women but they are rarely solely gender-focused

## A Banks

Non-exhaustive<sup>1)</sup>

■ Offers product □ Does not offer product

Supplier	Products offered				Supplier summary
	Transactions	Savings	Borrowing	Insurance	
	■	■	■	■	<ul style="list-style-type: none"> <li>KCB offers a variety of loans which are targeted towards micro and small businesses - boosting business, restocking, and retail-specific loans</li> <li>They also have accounts and loan options for chamas. KCB is advanced in its digital service provision and integrates with M-Pesa for transactions and quick digital loans</li> </ul>
	■	■	■	□	<ul style="list-style-type: none"> <li>Co-operative bank has a current account offering for chamas as well as an investment loan product for asset acquisition that provides up to 100% financing for 72 months</li> <li>The bank offers term loans and overdrafts to MSMSEs. It also has a specific loan product for women called Msamaria women's loan</li> <li>The loans are targeted towards women in business from as low as Ksh. 5,000</li> </ul>
	■	■	■	■	<ul style="list-style-type: none"> <li>Equity bank pioneered a credit product called Fanikisha loan targeting women entrepreneurs in the informal sector. The bank recently launched SME guarantees for WMSMEs in East Africa</li> <li>They have the EazzyChama Group product that facilitates digitization of group account activities. They also have a Chama Investment Loan product that provides credit to registered groups which includes advisory services</li> <li>Their commonly used digital products are Eazzy Banking and Equitel</li> </ul>
	■	■	■	■	<ul style="list-style-type: none"> <li>Stanbic bank created a platform called DADA that exclusively targets women or chamas for financial and non-financial services. Within the platform there are savings accounts, credit, and even medical, life or business insurance products. The DADA community offers networking, information on wellness with health screening, and general support on financial information</li> </ul>
	■	■	■	■	<ul style="list-style-type: none"> <li>Absa offers various financial services and specifically for women, they have a bundled account called the She Business Account which combines transaction, credit, insurance, mentorship, and access to market information in one account</li> </ul>

1) Key suppliers identified from primary and secondary research

# Tier 2 and 3 banks have similar features to Tier 1; some have tailored their products and services for microenterprises

## A Banks

Non-exhaustive<sup>1)</sup>

■ Offers product □ Does not offer product

	Supplier	Products offered				Supplier summary
		Transactions	Savings	Borrowing	Insurance	
Tier 2		■	■	■	□	<ul style="list-style-type: none"> <li>Family bank has the typical range of products as with most tier 1 banks</li> <li>They have a chama account, different savings products and personal account offerings. Their chama account loans to both formal and informal groups</li> <li>One of its common features is the Pesa Pap digital banking app that gives users instant loans</li> </ul>
Tier 3		■	■	■	■	<ul style="list-style-type: none"> <li>They offer a range of products and services for enterprises, individuals and chamas.</li> <li>For individuals, they have a charge-free transactional account for sole traders or individuals in business. They also have a microfinance individual loan</li> <li>Their chama biashara loan offers credit to chamas and they also have a savings and investment group account</li> </ul>

1) Key suppliers identified from primary and secondary research

# MFIs offer micro loans and chama products which work for women although KWFT & ASA specifically target women

## B Microfinance institutions

Non-exhaustive<sup>1)</sup>

■ Offers product □ Does not offer product

Supplier	Products offered				Supplier summary
	Transactions	Savings	Borrowing	Insurance	
	□	■	■	■	<ul style="list-style-type: none"> <li>Established as a specialized finance institution for women. KWFT mostly offers savings and credit products</li> <li>For MSMEs, they have business loans while for chamas, they have an account for savings groups with at least three members</li> <li>The bank has a subsidiary that has micro business insurance products</li> </ul>
	■	■	■	■	<ul style="list-style-type: none"> <li>Faulu offers all financial services, from personal accounts to business accounts, including micro insurance.</li> <li>Their credit offerings are common with women SMEs as they have micro loans, general business loans, chama loans and short-term emergency loans available through instant digital disbursement</li> </ul>
	■	■	■	□	<ul style="list-style-type: none"> <li>SMEP targets financing for small enterprises but is not necessarily a women-targeted MFI. They loan individuals or chamas that have SMEs</li> <li>For women, they have a bundled transaction and savings account called Queen Hadassah although it doesn't have special features different from the men's account</li> <li>SMEP has a chama account for transactional purposes and a separate one for group savings</li> </ul>
	■	■	■	■	<ul style="list-style-type: none"> <li>Rafiki MFB has a wide range of products and services for personal and business banking. They have a chama account that is charge-free and comes with free training, and free book-keeping software</li> <li>Rafiki's credit options provide small and micro business owners with flexible working capital loans in terms of collateral and repayment periods. One of their unique products is their SACCO account (Current and reserve deposit) for cooperatives and farmer groups</li> </ul>
	□	□	■	□	<ul style="list-style-type: none"> <li>ASA provides small loans to female enterprises by lending to individuals through client groups. The members in the group screen clients and encourage timely repayment. ASA offers business, school fees and motorcycle credit</li> </ul>

1) Key suppliers identified from primary and secondary research

NB: The ASA model by ASA MFI uniquely taps into social capital by offering group-based loans with individual liability; this is done for the small loan product that targets low income or start-up businesses; the small business loan, fees, and motorcycle loans don't use the group mechanism

# SACCO offerings are numerous and distinct per product; their breadth has not yet established specificity for women

## C SACCOs

Non-exhaustive<sup>1)</sup>

■ Offers product □ Does not offer product

Supplier	Products offered				Supplier summary
	Transactions	Savings	Borrowing	Insurance	
	□	■	■	□	<ul style="list-style-type: none"> <li>Centenary SACCO has multiple loan products mostly targeting dairy, coffee and tea farmers</li> <li>Their other FOSA loans target salaried employees where they give advances</li> <li>Other features are their normal loans, instant loans, refinancing loans and asset financing loans</li> <li>For savings they have individual, junior, group and fixed deposit accounts</li> <li>None are directly targeted to women</li> </ul>
	■	■	■	■	<ul style="list-style-type: none"> <li>Their savings accounts include current, business, education, fixed deposit, pension, farmers and group accounts</li> <li>In terms of credit, they offer normal, emergency, school fees, group, special, boda boda, different options for salaried employees, trade, and farming</li> <li>They also have a wide range of insurance products including business insurance.</li> <li>Despite their wide range, none seem to have a specific gender focus</li> </ul>
	□	■	■	□	<ul style="list-style-type: none"> <li>Imarisha SACCO has microsavings and microcredit products which encourage savings for credit</li> <li>The credit options are for individuals or registered groups</li> <li>In addition, they offer salary advance loans for their members</li> <li>They also have savings accounts for individuals, juniors, joint options, fixed deposit and institutional savings accounts</li> <li>No products are women-focused in this SACCO</li> </ul>
	■	■	■	□	<ul style="list-style-type: none"> <li>Solution Sacco has a debit card for transactions, and a variety of savings accounts including education, holiday and fixed deposit</li> <li>Their credit products also include normal loans, education, school fees, emergency and some specific ones targeted to dairy farmers</li> <li>For insurance, they offer a bereavement cover</li> </ul>

1) Key suppliers identified from primary and secondary research

NB: Other SACCOs that were mentioned originated from the employment history of participants: Kimisitu, Bata Kiatu and Umoja (National Youth Service). Stima SACCO and Makina Kibera Youth Self Help Group are the other SACCOs that came up in the study

# Fintech credit is popular due to minimal requirements, easy digital access and interoperability

## D Fintechs

Non-exhaustive<sup>1)</sup>

Offers product  Does not offer product

Supplier	Products offered				Supplier summary
	Transactions	Savings	Borrowing	Insurance	
 M-Shwari by NCBA	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> <li>Allows one to save and borrow and is facilitated by M-Pesa</li> <li>Savings earn an interest rate and loans don't require collateral</li> <li>One builds a certain credit history based on their savings and their repayment behaviour</li> <li>They charge a rollover fee for repayment that exceeds their standard 30 days.</li> <li>This product is not gender-specific</li> </ul>
 FULIZA by Safaricom	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> <li>Fuliza is a continuous overdraft service provided by Safaricom for those who use M-Pesa and need an instant mobile loan. The loan limit is a maximum of Ksh. 70,000</li> <li>Repayments are deducted from M-Pesa balances until the overdraft is fully paid</li> <li>Just like M-Shwari, it is not gender-specific and is eligible to any M-Pesa subscriber</li> </ul>
 TALA	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> <li>Tala is a mobile loan app that offers instant loans and uses one's smartphone data to determine their individual loan limit</li> <li>Their repayment period is 60 days and a one-time extension fee is charged beyond this time period. Tala is not gender-specific</li> </ul>
 KCB M-PESA Account	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> <li>KCB M-pesa also offers credit. With the KCB mobile banking app, one can access instant mobile loans for active KCB account holders</li> <li>The loan is sent to M-Pesa once approved</li> <li>This product isn't gender-specific either</li> </ul>
 pezsha	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> <li>Pezsha identifies as a capital enabler/connector with digital infrastructure that links SMEs to working capital from investors (Direct SME credit)</li> <li>Through its platform that offers alternative credit scoring, underserved SMEs obtain funds for business and financial education. Their supply chain financing product is particularly common among women but it is not a gender-targeted product</li> </ul>

1) Key suppliers identified from primary and secondary research

# No insurance provider is gender-specific although uptake of statutory insurance was observed to be higher than private

## E Insurance providers

Non-exhaustive<sup>1)</sup>

■ Offers product □ Does not offer product

Supplier	Products offered				Supplier summary
	Transactions	Savings	Borrowing	Insurance	
 <small>Afya Yetu. Bima Yetu.</small>	□	□	□	■	<ul style="list-style-type: none"> <li>NHIF is the national medical cover with the lowest priced premiums in its quest to provide universal healthcare in the country and reduce out-of-pocket health expenditure</li> <li>It is compulsory for employers and premiums are deducted off their monthly income. Self-employed persons usually pay at will</li> </ul>
 <small>Growing You For Good</small>	□	□	□	■	<ul style="list-style-type: none"> <li>NSSF is the national pension policy, also with the lowest premiums that offers citizens retirement benefits</li> <li>It is also compulsory for employers and those who are self-employed also pay off their own volition</li> </ul>
 <small>With you every step of the way</small>	□	■	□	■	<ul style="list-style-type: none"> <li>Britam offers insurance products, pension, and investment funds</li> <li>They provide health, education, motor, home, accident, travel and funeral policies</li> <li>Their investment product offerings are unit trusts and unit linked trusts composed of equities, bonds or mixed funds. One of their unit linked investment products is a chama investment plan that allows groups to contribute towards mid-term goals with the benefit of free life insurance for each member</li> </ul>
	□	■	□	■	<ul style="list-style-type: none"> <li>ICEA lion offers insurance products for accidents, property and business, health, education, mortgages and life endowment</li> <li>They have investment funds similar to Britam and in addition offer offshore investment products</li> <li>The other unique product offering is their trusts – from estate planning, to education trusts, and charitable trusts</li> <li>ICEA has different types of pension funds</li> </ul>

1) Key suppliers identified from primary and secondary research

# Chamas exist in various forms with different modes of operation but work towards a unique form of inclusion

## F Informal channels

Non-exhaustive<sup>1)</sup>

Offers product  Does not offer product

Supplier	Products offered				Supplier summary
	Transactions	Savings	Borrowing	Insurance	
 Chamas	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> <li>The use of chamas generated mixed reviews. Those who rely on them save and obtain credit easily. They lean on them for social support with some having membership in multiple chamas. The opposite extreme of those who had bad experiences prefer to save in institutions or obtain credit through other means</li> <li>There are different types of chamas:                             <ul style="list-style-type: none"> <li><b>General chamas operating as savings and loaning associations/table banking chamas (VSLA)</b> – These are the most common where participants pool money, have a set of rules/constitution to operate from, and facilitate lending from the common savings. At the end of the year, dividends are paid out to members. One unique discovery of this is that some of the chamas are purely virtual and not all members may be acquainted, rather introduced on a referral and trust basis. Some participants obtained their start-up capital from such chamas</li> <li><b>Share-based chamas (ASCA)</b> – These operate in an almost similar manner as the savings and loaning associations but the difference is that member contributions are organized on the basis of shares. For instance, a group may determine that one share is the equivalent of Ksh. 250. Pooled funds are often invested in land or other investments, while the others remain with the group to provide credit to members. Some of these chamas can lend money to other individuals or groups outside the chama. Others buy household assets for members by reducing their dividends but building financial discipline by purchasing the actual item</li> <li><b>Merry go-rounds (ROSCA)</b> – This is the most straightforward kind of chama where members meet to pool funds and each member receives the funds at intervals based on their membership number when funds revolve cyclically. A member may borrow in advance of their turn when in urgent need of money</li> <li><b>Welfare groups</b> – This is another type of chama that is specific to close friends who pool money to meet for social purposes, support each other in functions or to purchase items that are shared as common goals (Especially household electronics)</li> </ul> </li> </ul>

1) Key suppliers identified from primary and secondary research

# Supplier credit is rare and relative; personal mechanisms and social credit are the other informal but useful channels

## F Informal channels

Non-exhaustive<sup>1)</sup>

Offers product  Does not offer product

Supplier	Products offered				Supplier summary
	Transactions	Savings	Borrowing	Insurance	
 Supplier credit	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> <li>Our sample size revealed that most suppliers prefer payment in hard cash. However, this differs by value chain</li> <li>Electronics, agrovets, hardware, spare parts and stationery had opportunities to obtain credit, mostly depending on the relationship built with the supplier, the amount of goods purchased and the individual credit terms</li> </ul>
 Personal mechanisms	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> <li>An interesting mechanism that was highlighted was the use of a hard-to-open container (Made of metal or clay and slit narrowly at the top) that would encourage one to save continuously and break it apart for use in the case of an emergency or after a particular saving cycle</li> <li>Others would accumulate small amounts of money and keep away to facilitate payments like transport or simple market groceries</li> </ul>
 Friends or family	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> <li>Family member offer funds for business start-up and some participants work in family businesses. Some have family merry-go-rounds to encourage a joint saving culture and easy access to money within the family</li> <li>Women lean on friends for emergencies, beyond the chamas</li> </ul>

1) Key suppliers identified from primary and secondary research

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# Female traders' financial needs are served through different use cases that have different product/channel requirements

	Use cases	Summary of key requirements	Prominent channels	Extent to which needs are met <sup>1)</sup>
Managing day-to-day	<b>A</b> Day-to-day transacting	Female traders prioritize ease of access, low/no transaction charges, security of payments and interoperability with other financial channels to conduct regular transactions with customers and suppliers	M-Pesa, cash	
	<b>B</b> Accessing savings for liquidity	Female traders prioritize ease of access, integration with mobile money, security and low fees for savings accounts used for regular withdrawals	M-Shwari, bank accounts, SACCOs, chamas	
	<b>C</b> Borrowing for liquidity	Female traders prioritize quick access and flexibility in disbursement amount when borrowing money to meet short-term liquidity needs	M-Shwari, chamas, supplier credit	
Coping with risk	<b>D</b> Planning for healthcare	Female traders prioritize affordability of premiums that reduce the burden of out-of-pocket expenditure and the added treatment benefits (e.g., scans, emergencies) when opting for health cover	NHIF	
	<b>E</b> Planning for social care	Female traders prioritize affordability, ease of withdrawal, specialized features (e.g., education-only policies), and favorable interest rates when opting for social care (i.e., social security, pensions) policies	NSSF	
	<b>F</b> Responding to emergencies	Female traders look for speed, built in flexibility of terms and accessibility in seeking emergency funds to respond to unexpected emergencies	Chamas, digital lenders	
Investing in the future	<b>G</b> Building a platform for borrowing	Female traders seek channels that are easy to use, encourage a savings habit and enable them to build a record of financial credibility when opening/using accounts to serve as a platform for future borrowing	M-Shwari, bank accounts, chamas	
	<b>H</b> Saving to meet goals	Female traders prioritize longer-term savings channels that offer security, favorable interest rates and accounts designed for specific goals	Bank accounts, SACCOs, chamas	
	<b>I</b> Borrowing to meet goals	Female traders prioritize loan size, interest rates, ease of registration and security for longer-term borrowing to meet goals	Banks accounts, SACCOs, chamas	

Financial needs are met by existing channels    
 Financial needs are not met by existing channels

1) Qualitative indication informed by a range of sources (e.g., secondary research, FSP interviews, FGD feedback)

# The FGDs helped better understand female traders' use of products/channels, chamas and emerging products

## Key findings from focus group discussions

Are women's needs met?



Urban female retailers' day-to-day needs are largely met with existing products, although less so through borrowing channels; female traders' longer-term needs, such as ability to cope with risk (e.g., planning for health/social care) and investing in the future (e.g., saving/borrowing for education or business, **are not as well met by existing products and services**)

What influences women's choice of products or channels?



Among more formal channels, **flexibility, affordability, and social referral** drive many women's choice of specific financial products or institutions; for example:

- Physical proximity and/or availability of digital platforms are significant factors due to the greater time poverty that women face
- Word of mouth from trusted family and friends plays an important role in convincing women to adopt certain products or channels

However, informal channels are often preferred due to their **greater accessibility (e.g., lower registration requirements, greater speed of registration)**

What is the role of chamas?



Chamas are particularly important, likely due to **ease of access, social capital and the sense of financial inclusion** that women derive from meeting, planning and executing on shared goals

- **The strength of social networks is important. Yet, this relationship goes beyond the financial relationship**, with some women securing external borrowing simply to be part of chamas for their social benefits
- This was not any different with suppliers, as the sector and sub-sector dynamics seemed to matter more than just tenure

What emerging products are experiencing uptake in adoption?



The **greater accessibility, ease of use and interoperability of digital financial services** (e.g., M-Pesa and M-Shwari) has driven significant usage by female traders and their importance has been **reinforced during COVID-19**; the **use of more sophisticated formal products, such as insurance, remains low** (although more women demonstrated use of health insurance (NHIF) than other formal mechanisms to manage risk, such as NSSF and private pensions)

# Product drivers can be classified into three main categories with their respective definitions applying to key features

Category	Driver	Definition
Product specification	Affordability	Female traders can easily pay for the cost of the product (e.g., insurance premiums)
	Flexibility	The channel provides room for forgiveness, or renegotiation of loan repayment terms
	Interest-earning	The channel provides interest on savings or pension funds
	Size of loan	The channel provides provides relatively larger loan limits
	Specialization	The channel offers additional benefits such as education policy that other similar channels do not offer
Product accessibility	Ease of withdrawal	The beneficiaries can easily withdraw their funds upon maturity or whenever needed
	Physical proximity	The channel is physically near the female traders either by branch, agent, or meeting space
	Speed	The channel has a quick loan application and disbursement process/funds can be pooled together quickly for the user
Consumer experience	Ease of use	Users can operate the product on their own or with minimal support
	Encourages saving	By using the channel and its services, users are encouraged to save
	Future credit	The channel provides an opportunity of obtaining a loan/credit in the future
	Interoperability	The channel can easily integrate and work with other channels
	Security	The channel provides maximum security and safety to users' funds
	Social support	The channel provides space for female traders to provide support and encouragement to each other, which helps in coping with the risk or achieving a common goal
	Traceability	Female traders can easily track transactions which helps in record keeping or in the event of theft

# Mobile money meets many of the requirements for managing day-to-day needs due to its high accessibility and usability

 Driver is a key requirement of use case  
  Driver is not a key requirement of use case  
  Channel meets requirements<sup>1)</sup>  
  Channel does not meet requirements<sup>1)</sup>

Use of financial products and services											
Category	Drivers of use	Use cases			Channel						
		Day to day transacting	Savings for liquidity	Borrowing for liquidity	Cash	Mobile money	Bank	SACCO	Chama	MFI	Fintech
Product specification	Affordability	✓	✓	✓	●	●	◐	◐	◑	◑	◑
	Flexibility	✗	✗	✓	○	○	◐	◐	◑	◑	◑
Product accessibility	Physical proximity	✓	✓	✗	○	◑	●	◐	◑	◑	◑
	Speed	✗	✗	✓	○	◑	◐	◐	◑	◑	●
Consumer experience	Ease of use	✓	✓	✓	●	●	◐	◐	●	◑	●
	Future credit	✗	✓	✗	○	◑	●	●	◑	◑	●
	Inter-operability	✓	✓	✗	○	●	◐	●	○	○	◑
	Security	✓	✗	✗	○	●	●	◐	◑	◑	◑
	Traceability	✓	✗	✗	○	●	◐	◐	○	○	◑

1) Qualitative indication informed by a range of sources (e.g., secondary research, FSP interviews, FGD feedback)

# The exchange of daily transactions is primarily driven by the fluidity of mobile money and familiarity of hard cash

## Day-to-day transacting

The choice of a transaction channel by traders is informed by **ease of use, affordability of transaction charges, security of payments, simplicity of registration and requirements, as well as interoperability with other financial channels**

### Use of financial products and services

- Mobile money and physical cash are the common means of transacting:
  - Mobile money, especially M-Pesa, is utilized as P2B (till number or paybill) or P2P (send money) due to its **ease of use, security and traceability**
  - **Till numbers have more security and lower withdrawal charges** compared to direct transfers to a personal phone number. **Safaricom also offers training and support to retailers** when they sign up for the till number, making adoption much smoother
  - Cash is commonly used in the produce value chain due its **familiarity of use**, although the inconvenience of leaving the shop to obtain change was cited as a cause of theft
- Bank accounts (e.g., Equity's Eazzy banking, Absa and Co-operative bank) are mostly used to deposit money from M-Pesa at the end of the day. Some retailers also use them for directly paying suppliers or making payments, particularly for large amounts. **Their digital apps create convenience and interoperability with mobile money, often at no extra charges**
- MFI and SACCOs, despite offering transactional accounts, were not mentioned as a means of making or receiving payments, with banks cited as having greater stability and security

### Focus group feedback

*"For me, M-Pesa is about convenience; also for record-keeping. You can even trace transactions at the end of the day."*

Cecilia | Msa

*"It's not easy for someone to reverse money with Till number - Safaricom will give you a notification is somebody is trying to reverse."*

Naomi | Nrb

*"I pay my suppliers through the Absa mobile banking account. I found my brother using Absa and Sidian, and he told me they are good banks. There are no charges and they are safe. He is my mentor so I do as he says."*

Anne | Meru

*"I have to carry cash in the market. Sometimes people don't like M-pesa."*

Mary | Nrb

### Impact of COVID-19

- Use of digital transactions have increased, following the government directive to reduce physical contact through cash

# Various factors promote access to savings from key channels such as M-Shwari, formal accounts and chamas

Managing day-to-day

## Accessing savings for liquidity

Products and channels used to hold regularly accessed savings must enable *easy access for withdrawals and integration with mobile money and should be secure and affordable*

### Use of financial products and services



- M-Shwari is the common fintech product used to access savings due to its **integration with M-Pesa, easy mobile access, free transaction charges, and the opportunity to obtain credit** based on saving and credit records
- Banks (e.g., KCB, Sidian and Family bank) were preferred based on **proximity, affordability, minimum balance requirements, social referrals, and opportunity to obtain future credit** based on account ownership and activity.
- MFIs were not a very strong consideration in saving for everyday uses but would be if they were based closer to the users and if their perception of stability compared to banks was altered
- SACCOs (e.g., Kimisitu and Kiutu) were utilized based on **previous history of employment** where some retailers saved in those SACCOs during their tenure and continue to hold membership. Social referral, proximity, integration with digital apps and opportunity for future credit were other factors
- **Chama savings are easily accessible** when retailers need liquidity for the business, especially re-stocking. The deposits were also mentioned to be beneficial for members required to pay recurring bills (e.g., rent)

### Focus group feedback



*"I prefer saving money on M-Shwari - it's easier - once you have cash on M-Pesa, you can just transfer without charges."*

Naomi | Nrb

*"It is cheaper to withdraw with KCB. It is also close to where I have my business so I just walk."*

Martha | Meru

*"Faulu didn't have a bank in Kibera; I didn't want to go to Kawangware."*

Mary | Nrb

*"I save with Stima SACCO. I can access it through my phone and it is close to where I live. I can get my money at any time without delays."*

Caroline | Kisumu

### Impact of COVID-19



- Declining use of SACCOs<sup>1</sup>
- Increased uptake of digital credit from digital saving activity

1. Two participants is Kiutu Sacco and Tower Sacco mentioned inactivity of the accounts since the onset of Covid-19

# Fintechs and chamas are modest in requirements and swift in extending liquidity; supplier credit remains highly contextual

## Borrowing for liquidity

*Borrowing for liquidity requires **speed, flexibility, multiplicity of sources**, whilst additional factors such as **social capital and pre-existing relationships** also influence decision-making*

## Use of financial products and services

- Fintech use is driven by instant loan processing without the need for physical collateral or compound requirements. Some digital creditors like M-Shwari have flexible loan repayment schedules that lift the burden of being blacklisted on the CRB
  - They also create **opportunities for multiple uptake** due to regulations that are not very strict, although they can **charge high interest rates** and call borrowers' contacts in the event of default which creates a risk of social embarrassment (e.g., Tala, O-kash)
- **Chamas build social capital beyond their easy access to liquidity.** Unlike formal institutions, **eligibility is based on referral** and one can join different chamas for different purposes
- **Supplier credit can provide short-term liquidity** and is catalyzed by relationships with suppliers and depends on the value chain. Agri-products, spare parts, hardware, stationery, and gas refill were all open to some form of supplier credit
  - For some retailers such as phone retailers, prices offered by suppliers on credit are cheaper than those offered by wholesalers.
  - However, cash was still the main form of payment used to pay suppliers

## Focus group feedback

*"I'm in two chamas - one is a VSLA where we do table banking, monthly saving and borrowing so no money stays around. The other is a welfare with businesses in the same block for social support."*

**Bernadine | Eldoret**

*"Sometimes I tell them I don't have money to pay for the seeds and I can pay on credit. I fill out a credit form and have an understanding with them where I pay after one week or after harvest."*

**Rael | Eldoret**

## Impact of COVID-19

- Increased uptake of multiple digital credit sources to fill liquidity shortfall
- Divesture from chamas and reduced social interaction in chamas
- Innovation around virtual over physical chamas
- Reduced credit terms by suppliers

# Formal channels are more aligned with planning for health/social care but informal channels better meet emergency needs

 Driver is a key requirement of use case  
  Driver is not a key requirement of use case  
  Channel meets requirements<sup>1)</sup>  
  Channel does not meet requirements<sup>1)</sup>

Use of financial products and services												
Category	Drivers of use	Use cases			Channel							
		Planning for healthcare	Planning for social care	Responding to emergencies	NHIF	Privatehealth (Jubilee, Britam)	NSSF	Private social care (ICEA, Britam, Madison)	Chama	Shylock bank	Home bank	Family/friends
Product specification	Affordability	✓	✓	✗	●	◐	●	◐	○	◐	●	○
	Interest-earning	✗	✓	✗	○	○	●	●	◐	○	○	○
	Specialization	✗	✓	✗	○	◐	○	●	◐	○	○	○
Product accessibility	Ease of withdrawal	✗	✓	✗	○	○	◐	◐	◐	○	◐	○
	Speed	✗	✗	✓	○	◐	◐	○	●	●	◐	●
Consumer experience	Security	✗	✗	✓	◐	◐	◐	◐	◐	◐	●	◐
	Social support	✗	✗	✓	○	○	○	○	●	○	○	◐

1) Qualitative indication informed by a range of sources (e.g., secondary research, FSP interviews, FGD feedback)

# NHIF has affordable premiums and covers the basics in most healthcare centers while private cover offers extra benefits

## Planning for healthcare

*Affordability of premiums that reduce the burden of out-of-pocket expenditure and the added benefits of extensive coverage in the event of hospitalization (e.g., scans, emergencies) were the main determinants in mitigating against the risk of ill health by use of insurance policies*

## Use of financial products and services



- The segment uses formal products for medical cover, mostly through the statutory provider, NHIF
- NHIF is preferred for reasons of **affordability of premiums, evidence of benefits by family and friends, social referral, healthcare practitioner referral**, as well as the overall savings on high out-of-pocket costs
- Some participants were **working towards financial stability to ensure consistency in paying premiums** while others thought themselves young and in **no need of insurance**. One obtained flexibility on default while another found non-utilized premiums wasteful:
  - The participant who defaulted on premiums for some time simply wrote a letter to the insurer who reinstated the cover
  - One participant elicited dissatisfaction from the inability to recover premiums, possibly in the form of annuities, if they did not fall ill
  - Other participants who did not take cover mentioned that they were young and didn't fall sick often, while others were waiting for their businesses to stabilize so that they pay premiums consistently
- **Private providers such as Jubilee health and Britam were regarded as providing more robust cover especially for families**, supplementing the statutory cover by NHIF

Coping with risk

## Focus group feedback



*"I pay both penalties and premiums but I need the insurance."*

Marion | Nakuru

*"I chose NHIF because it's something I can afford to pay monthly."*

Maureen | Msa

*"At first I had to ask a friend of mine - NHIF - stands for what, how will it affect bills? I asked my friend to explain how it worked - I had already taken the cover but he still encouraged and said, it would help me somewhere along the way."*

Naomi | Nrb

*"Britam is good because when my first born daughter is in school and falls sick, they can take her to hospital - even when I'm not there."*

Edith | Meru

## Impact of COVID-19



- Increased default on payment of premiums

# NSSF also has affordable premiums while Britam and ICEA provide more specialized and extensive policies

## Planning for social care

*Affordability, ease of withdrawal, specialized features (e.g., education-only policies), and favorable interest rates are the key requirements of social care policies*

### Use of financial products and services



- There was low uptake formal social care schemes, owing to low prioritization compared to health as
- Those with policy covers were often convinced by **social influence** as well as **knowledge of additional benefits or goals that they deemed necessary** (e.g., education or the assurance proffered with cumulative financial gain)
- **NSSF was the main pension product due to its affordable premiums, potential to accumulate funds ahead of retirement, and the reported experience of its usefulness by family members.** However, one participant noted that the process of retrieving funds on maturity is too long
- Policy holders of ICEA used it for pension and education. For the former, the participant claimed early maturity to retrieve funds for start-up capital while the participant covering the child with Usomi Bora for education preferred it due to its 5-year partial maturity offer
- Madison insurance was also cited for its education benefits
- Britam's common offering is the life cover which the user viewed as affordable at the rate of 2000 KES per month – its greatest benefit was its beneficiary cover in the event of death

Coping with risk

### Focus group feedback



*"The other time I saw my dad retiring and he got his retirement benefits after 21 days. So, I decided to buy NSSF too."*

**Winnie | Kisumu**

*"Once you start following NSSF payments, it's a long process. I would switch from NSSF if there was an easier process to get money."*

**Maureen | Msa**

*"I had insured my son for education with Madison. My friend introduced me to it and I was able to pay for 2 months. I had ordered them to deduct from the Bank, but now my bank account is in the negative when COVID-19 hit."*

**Anne | Nakuru**

### Impact of COVID-19



- Default on payment of premiums leading to loss of cover

# Female traders rely on the speed and access of chamas, social circles, shylocks, or their home banks for emergencies

## Responding to emergencies

*In responding to emergencies, female traders look for speed and accessibility in their channels of preference*

Coping with risk

### Use of financial products and services

- Female urban retail traders turn to chamas and friends whom they trust in emergencies (e.g., sickness, bereavement) to quickly access necessary funds; members in chamas also receive social support and encouragement to help in coping with such emergencies
- Short-term money lenders (e.g., shylocks) also enable female traders to obtain funds easily and urgently. However, they were not mentioned as a popular alternative, with users citing high interest rates and short repayment periods as potential risks
- Home banks<sup>1)</sup> were cited as another alternative source of funds for emergencies. Although their primary purpose is to build financial discipline and create a saving culture, with users feeling more secure if they have money saved in their home banks which is easily accessible
- Overall, there was limited use of insurance in responding to emergencies beyond medical reasons with many female traders either viewing such insurance products as too complex or not fully appreciating their benefits

### Focus group feedback

*"If I am sick or my child is sick, my Chama contributes."*

**Caroline | Kisumu**

*"I have a chama, when you have a funeral or when you are sick, they are able to help you."*

**Leah | Kisumu**

*"They [Money Lender] gives you 28 days to repay the loan and the interest is very high."*

**Annie | Nakuru**

*"In order to encourage my children to save, I put some extra coins/cash in the container. But now I want to open bank accounts for them."*

**Rael | Eldoret**

### Impact of COVID-19

- Due to the economic strain caused by COVID-19, most female traders have stopped contributing in their chamas, creating a shift towards expensive credit offered in shylocks

1) Home banks are secure boxes stored at home that women use to store money in and then break open in times of emergency

# M-Shwari is well suited to building a financial platform; banks and chamas are better suited to saving/borrowing to meet goals

 Driver is a key requirement of use case  
  Driver is not a key requirement of use case  
  Channel meets requirements<sup>1)</sup>  
  Channel does not meet requirements<sup>1)</sup>

## Use of financial products and services

Category	Drivers of use	Use cases			Channel					
		Building a platform for borrowing	Saving to meet goals	Borrowing to meet goals	M-Shwari <sup>2)</sup>	Bank	Chama	SACCO	MFI	Mobile Money
Product specification	Flexibility	✗	✗	✓						
	Interest-earning	✗	✓	✗						
	Size of loan	✗	✗	✓						
Product accessibility	Physical proximity	✓	✓	✓						
	Speed	✗	✗	✓						
Consumer experience	Ease of use	✓	✗	✗						
	Encourages saving	✓	✗	✗						
	Security	✓	✓	✗						

1) Qualitative indication informed by a range of sources (e.g., secondary research, FSP interviews, FGD feedback); 2) M-Shwari was cited as the main Fintech that encourages saving

# Urban female retail traders use digital platforms, chamas, and bank accounts to build credibility for borrowing

## Building a platform for borrowing

*In order to obtain future credit, female traders seek channels that are **easy to use, encourage saving, and enable them to build a record of financial credibility***

### Use of financial products and services



- **Digital finance, chamas, and banks** are the most cited channels urban female retail traders use to build their financial credibility for borrowing
- Account activity is vital for building a financial platform which the digital finance platforms have been able to provide due to their **easy of use**. The quick access to loans through these digital platforms, and the cycle of savings and repayments helps women build their relationship with them as well as credibility
- Chamas also encourage women to build financial credibility through investment contributions which **encourage saving**. However, due to the current liquidity squeeze caused by the pandemic, the popularity of chamas among women has shortly declined
- Banks have also been cited as a channel of preference for women, especially those with custom platforms for women, because of their **flexibility and willingness to provide room for forgiveness/flexibility** when unforeseen challenges arise<sup>1</sup>

### Focus group feedback



*"I asked for M-Shwari and it was so fascinating how fast it was. Now I ask the loan just to keep a good relationship with them. The more you borrow, the more you repay, and the more you save."*

**Priscilla | Eldoret**

*"I like Stanbic because they are understanding. If you bank with them, they can give you a business loan. I was paying 5% before the pandemic. I told them how business was going and they said that I can pay less."*

**Edith | Meru**

*"I got my capital from a chama"*

**Leah | Kisumu**

### Impact of COVID-19



- Increased risks of defaulting on loans have affected credit worthiness and loan limits on platforms like M-Shwari

1. DADA by Stanbic bank was mostly cited

# Urban female retailers look to the safety of banks, synergy of chamas and specialization of SACCOs in saving for goals

**Saving to meet goals** Long term savings channels of preference for female retail traders are chosen because they are **safe, earn interest, provide specialized accounts, allow them to access short-term and long-term credit, and connect female traders with shared goals**

## Use of financial products and services

- **Banks, chamas and specialized SACCOs** are the most popular channels used by urban female retailers for saving to meet their goals
- Saving for long-term goals requires some **sense of purpose and encouragement**, implied by the **popularity for bank or SACCOs accounts that are designed for specific objectives**, especially school fees<sup>1</sup>
- Women also cited chama being the channel that gives them **encouragement through working towards common goals**, such as purchase of home appliances, and a piece of land
- Banks in general are also cited as the preferred channel for their **safety**, and women appreciate the **interest** that these savings accounts accumulate on their deposits
- **Accessibility** and **proximity** were mentioned as drivers, yet, unlike the channels that meet day-to-day needs, women seemed **willing to go through some inconvenience** as well as cumbersome paper work for better products for long-term goals (e.g., going to a specific bank twice due to documentation and other registration requirements)

## Focus group feedback

*"I save for my baby with Equity. It's just a normal school fees account. It was a bit hard to register because they needed my KRA pin and birth certificate, so I had to go back twice."*

Naomi | Nrb

*"The more money I save with Absa, the more commission I receive which has encouraged me to save."*

Anne | Meru

*"I am in a chama where we would contribute money to buy house stuff for people like gas cookers. We don't contribute anymore after Covid but still meet and encourage each other."*

Marion | Nakuru

## Impact of COVID-19

- COVID-19 has created a liquidity squeeze and reducing cash available to save after paying for their recurring short-term expenses. Therefore, this has reduced use or the amount paid to savings accounts

# Female traders borrow through SACCOs and banks to meet their differently sized goals, despite stringent requirements

## Borrowing to meet goals

*In order to meet their goals, female traders borrow through channels which are **convenient**, are **proximal**, and can provide a **larger loan size** if needed*

## Use of financial products and services



- **SACCOs, Banks, and chamas** are the most prominent channels for female traders for borrowing to meet goals
- Female traders cited **proximity** and **speedy loan processing** as key drivers of choice for such borrowing channels
- The requirement of **guarantors** by SACCOs and other loan providers was a significant **hindrance to loan access for female traders**. Guarantors are often deemed hard to find and when identified, charge women a portion of their loan, regardless of familial relations or not
- Banks can provide **larger loan** amounts than other channels, indicating their preference for borrowing to meet goals. However, women are sometimes **discouraged by long applications, registration requirements (incl. the need for financial records), account balance requirements, and high interest rates from banks**
- Female traders also cited preference for chamas for borrowing to meet goals (e.g., starting a business) because of their **flexible** repayment terms and the trust held between group members

## Focus group feedback



*"I have a junior account with Centenary SACCO because they told me I can get an education loan"*

**Martha | Meru**

*"I think with the guarantors, it is a bit challenging because whether they are family or not, they want something at the end of it"*

**Christine | Kisumu**

*"It's been a challenge, most banks relaxed on lending to businesses because it was a high risk, agents or banks would give a lot of procedures"*

*"Interest rates are also high with banks"*

**Bernadine | Eldoret**

## Impact of COVID-19



- Liquidity squeeze has caused female traders to close their accounts with Banks and SACCOs, or leave them dormant, which has made it difficult for them to borrow without account activity

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# Govt. policy and regulation create opportunities to promote the provision and adoption of gendered financial products

● Constrains female financial inclusion ○ Does not constrain female financial inclusion

		Policy and regulation	Impact on gendered financial services	
1	Government strategy	Despite pursuing policies that include provisions to promote female financial inclusion, the government lacks a coherent strategy that mainstreams gender in financial inclusion	○	
2	Financial regulation	A Consumer protection	Although banks, deposit-taking MFIs, SACCOs and insurance companies fall under specific regulations, there is limited regulation of digital credit providers and credit-only microfinance institutions, which raises concerns over consumer protection (e.g., predatory lending, fraud, data protection)	○
		B KYC requirements	FSPs must adhere to regulations requiring consumers to submit KYC documentation to register for financial products and services; although ownership of National ID and SIM cards is balanced, female ownership of KRA PIN is lower than men, thereby discriminating against women	○
		C Collateral requirements	The Central Bank does not enforce FSPs to adhere to minimum collateral requirements but FSP themselves often require borrowers to meet stringent collateral requirements; in an effort to reduce this barrier, the CBK has adopted reforms to diversify collateral requirements and increase the accessibility of borrowing to segments, including women, with lower capital ownership	○
		D Credit information	FSPs are required to adhere to regulations set by Credit Reference Bureaus, which monitor consumer borrowing data and maintain blacklists, which can act as a deterrent to formal borrowing	○
		E Data collection	There is no regulated or coordinated collection of gender disaggregated data amongst FSPs, which could be used to inform the development to gender-specific financial products; instead, such data collection is fragmented and rarely used to inform product design	○
3	Trading regulation	A Trading requirements	Trade fees, fragmented and contradictory trade laws, regressive taxes and cross-border regulations create complexity and an administrative burden for traders	○
		B COVID-19	COVID-19 travel restrictions have limited inter-county and in-land cross-border movement, curfews have reduced hours of operation and social distancing rules have limited market interactions, which have all had a detrimental impact on ability to trade	○

# The govt. has pursued policies that promote female financial inclusion, but it lacks a national financial inclusion strategy



Policy framework exists



Policy framework does not exist

## National policy on Gender and Development

The National Policy on Gender and Development was first adopted by the Kenyan Government in 2000 and updated in 2009. The policy's main objective is to address gender inequalities at all levels of government and private sector and generate efficient and equitable development outcomes through gender mainstreaming.

### Focus on female financial inclusion

- Building capacities of women's entrepreneurial skills linked with start-up capital
- Addressing women and youth lack of collateral including land ownership that restricts their access to credit

## Women Economic Empowerment Strategy

The 2020 – 2025 Women Economic Empowerment (WEE) Strategy was launched by the Kenyan Ministry of Public Service and Gender (MPSG). The WEE Strategy seeks to bring together stakeholders at the national, regional, and international level to build capacity among women for the achievement of their economic empowerment.

### Focus on female financial inclusion

- Strengthening linkages with financing institutions to repackage their products specifically for women
- Facilitating women's access to capital for investment
- Linking women entrepreneurs to markets
- Developing technical skills for women that are linked to business opportunities such as in Agri - business

## Digital Economy Blueprint

The Digital Economy Blueprint highlights the impact of digital financial services in enhancing financial inclusion. The Digital Economy Blueprint puts an emphasis on digital business as a key driver of financial inclusion

### Focus on female financial inclusion

The Digital Economy Blueprint does not apply a gender lens but prioritizes:

- Expanding digital financial services for both men and women
- Developing a legal framework to enforce contracts, resolve disputes and protect consumers for use of digital financial services

## Gender Sector Statistics Plan

This Gender Sector Statistics Plan (GSSP) is part of the Kenya Strategy for the Development of Statistics (KSDS) aimed at strengthening Kenya's statistical capacity in gender statistics.

### Focus on female financial inclusion

- Addressing data gaps required to inform policy, advocacy, accountability and other development issues
- Articulating vision and mission for collection of gendered statistics
- Planning implementation and coordination of such data collection, including the development of delivery mechanisms and budgeting

## National Financial Inclusion Strategy (NFIS)

Kenya is among very few countries in the region with no clear NFIS. The need for a NFIS is of paramount importance because it could provide a clearer pathway for how Kenya intends to reach gender parity in financial inclusion by:

- Defining a nationally acceptable definition and vision of Financial Inclusion (FI)
- Providing gender mainstreaming and in-depth assessment of the status quo of FI and its limitation
- Defining the State's FI priorities, time-specific and measurable FI targets/goals, and implementation plan of the FI strategy

# Regulation of credit only MFIs and non-deposit taking digital lenders is limited, raising concerns over consumer protection

FSP		Regulated	Key regulatory body	Key legislation
Banks		✓	Central Bank of Kenya	Banking Act (1989; amended 2016)
MFIs	Deposit-taking	✓	Central Bank of Kenya	Microfinance Act (2006)
	Credit only	✗	n/a	The CBK does not regulate credit only MFIs, raising concerns about consumer protection (e.g., excessive interest rates)
SACCOs		✓	SACCO Societies Regulatory Authority	SACCO Societies Act (2008)
Insurance providers		✓	Insurance Regulatory Authority	Insurance Act (1987, amended 2004)
Fintechs (Non-deposit taking digital credit providers)		✗	n/a (although most large digital lenders are members of Digital Lenders Association (DLA), which provides some self-regulation of members)	<p>Although non-deposit taking digital credit providers are not officially regulated, the Central Bank of Kenya Act (Amendment) Bill (2021) plans to require the licensing of digital credit service providers by the Central Bank of Kenya. If passed into law it would:</p> <ul style="list-style-type: none"> <li>• Require all digital credit providers to register with the CBK within 6 months of the law's enactment</li> <li>• Confer power to the CBK to license, supervise, suspend or revoke digital credit providers' licenses, and approve digital channels and business models</li> <li>• Allow CBK to set minimum liquidity requirements and capital adequacy requirements for digital credit providers</li> <li>• Regulate more predatory digital credit providers (whilst having a lower impact on those already self-regulated by the DLA)</li> </ul>

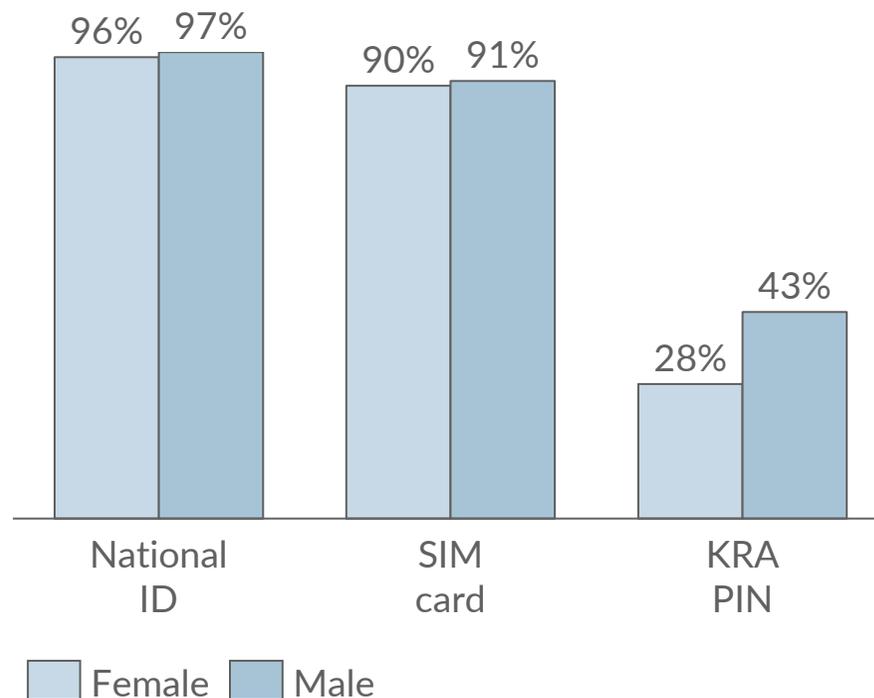
# KYC requirements are gender neutral, but the need for a KRA PIN can unintentionally discriminate against women

Men and women must meet the same KYC requirements to register for financial products in Kenya...

- In order to open a bank account, customers need to present a number of documents for identification and address verification
- The tiered KYC requirements for digital financial services has helped address the exclusion faced by those who lack certain identification documents:
  - The first tier of Kenya's KYC regulations allows mobile money customers to use a valid SIM card to identify themselves
  - Although customers need to present national ID documents to get the SIM card, the gap between female and male ownership of national ID card is relatively slim
- One of the key documents required by financial institutions is the KRA PIN
  - In November 2017, the Central Bank Kenya (CBK) instructed all banks to ask for KRA pin for new accounts due to the Tax procedures Act No. 29 of 2015 which requires KRA PIN when opening accounts with financial institutions and investment banks
  - However, ownership of the KRA PIN is disproportionately lower for women than men, which can discriminate women from accessing financial products

...although ownership of National ID and SIM cards is balanced, female ownership of KRA PIN is lower than men

Kenyan ID ownership by gender, 2021 [%]



# Reforms have been implemented to diversify collateral requirements in an effort to promote financial inclusion

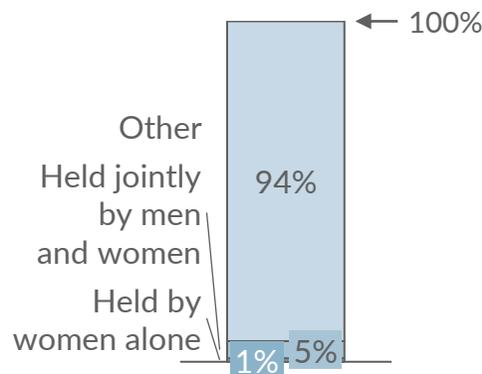
The Central Bank of Kenya (CBK) recognizes the taking of collateral to mitigate credit risk amongst FSPs...

- FSPs use various credit risk mitigation techniques. The most common and permitted techniques are collateral, guarantees, and netting off of loan against deposits of the same borrower or counter-party
- In order to limit internal risk, the Kenyan banking sector operates under the traditional model in which there is an over reliance on collateral lending. Consequently, land and other immovable assets are the most widely utilized forms of collateral

...but women have lower ownership of traditional sources of collateral, limiting their credit worthiness...

- Although women have constitutional rights to land related assets ownership, culture and norms limits their ownership. Only 5 percent of land deeds in Kenya are jointly held by women and men, while only 1 percent of land titles are held by women<sup>1</sup>. Hence, this constrains their ability to qualify for financial products requiring such collateral

Kenyan registration of land title deeds, 2018 [%]



..however, reforms to Kenya's secured transactions law are encouraging the diversification of collateral sources

- Recent reforms to diversify collateral like the 2017 Movable Property Security Rights Act, have the potential to improve financial access to credit for women and increase financial inclusion.
- The law allows individuals or cooperatives with no immovable property to borrow against their movable assets or intangible assets such as Intellectual property and receivables. Although the decision to accept such forms of assets remains in the hands of banks, the act will allow borrowers with disproportionately fewer immovable assets, such as women, to access finance

[1] FIDA Kenya, Women's Land and Property Rights, 2018

# FSPs – mostly recently SACCOs – are required to submit creditor information to CRBs, which can deter borrowing

FSPs are required to submit credit information to Credit Reference Bureaus, including the blacklisting of defaulting borrowers...

- Credit Reference Bureaus require financial institutions including banks and other lenders, to submit a range of information (e.g., national identity card details, employment details, bounced cheques, fraud, bankruptcy, and misused borrowing), in turn providing lenders with their own credit scores and blacklists of defaulted borrowers
- Most recently, these requirements have been extended to SACCOs through the Credit Reference Bureau 2020 regulations, which requires SACCOs to submit creditor information and receive reports from CRBs, which has:
  - Increased the risks associated with defaulting on loans obtained from SACCOs
  - Enabled SACCOs to more effectively screen borrowers with a higher risk of defaulting

....which can deter consumers from using formal credit channels and leave certain segments more vulnerable to predatory lending

- Fear of blacklisting by CRBs can act as a constraint to borrowing via formal channels:
  - Groups that struggle to build robust credit ratings (e.g., urban female retail traders with irregular incomes) are less likely to obtain formal credit and more likely to use unregulated credit providers that carry greater risks (e.g., due to excessive interest rates)
  - This use of creditor information also raises consumer concerns around privacy and data protection, particularly if blacklist information is shared with borrowers' peers (e.g., if friends or family act as guarantors), posing a risk to borrowers' social standing



*“When it gets to them reducing my loan limit it’s when I freak out. Failure to repay the loan, they hand over your details to CRB. When it gets to the red zone, you have to move the mountains so that you can repay the loan”*

Priscilla | Eldoret



# There is no regulation to coordinate the collection and use of gender disaggregated data to inform FSP product design

There is currently no centralized or coordinated regulation for FSPs' collection of gender disaggregated data...

- Kenya's financial ecosystem lacks a coordinated system to collect and consolidate gender disaggregated data that could inform the design of gender-centric financial products and services
- Various financial regulations stipulate FSPs to collect gender disaggregated data but these are fragmented and not applicable to all institutions
- For example, SACCO Societies (Non-Deposit Taking Business) Regulations (2020) require non-deposit taking SACCOs to capture members' data and information, including gender, but these do not have any broader applicability to other financial institutions

...which currently contributes to the inconsistent and fragmented collection and use of such data for the development of gender-specific financial products

- Given the lack of coordination for the collection of gender disaggregated data, FSPs inconsistently collect and use gender disaggregated data
- For example, different FSPs collect different forms gender disaggregated data:
  - KCB collects gender-disaggregated data but only regarding account ownership
  - An anonymous MFI generates daily reports to assess credit performance of men versus women but this is not necessarily used to inform product design
- This inconsistent collection and use of gender disaggregated data can be attributed to a lack of awareness of the value such data holds and technical understanding in how to collect/apply the data (e.g., in defining women segments to collect data for)



*"We have not been able to get gender disaggregated data really well, there are technical challenges in collecting and reporting data for women. The challenge comes in defining the gender segment – e.g., how do you define women-led businesses?"*

KCB

*"There was a push to align teams on the ground to serve women, but there was a challenge of collecting information - IFC helped with data collection to inform the design of the DADA product*

Stanbic

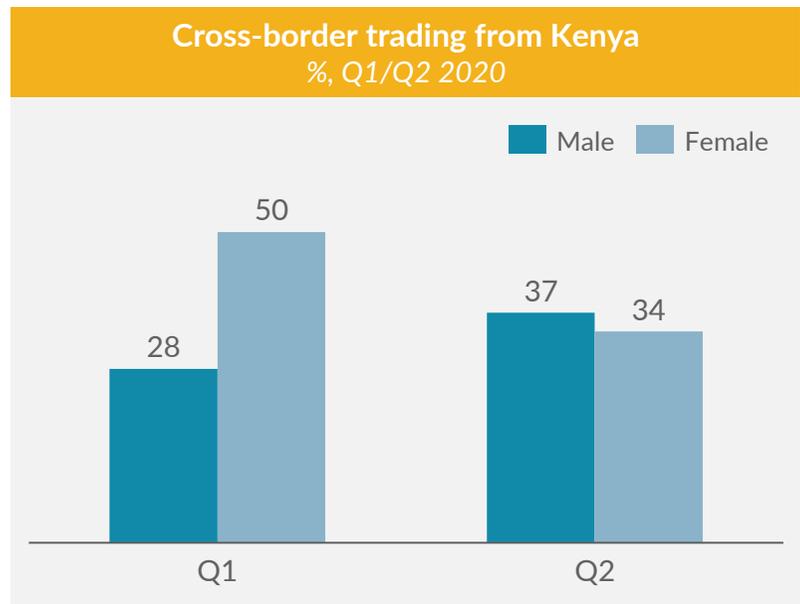
# Trade fees and fragmented regulations, regressive taxes and cross-border regulations negatively impact female traders

		Effects
Trade regulations	<b>County licensing bill, 2019</b> <ul style="list-style-type: none"> <li>Every county government is in charge of establishing business licensing procedures, requirements, and fees depending on the type of business. Hence, trade licensing requirements and fees in Kenya differ per the county that a business is registered in and per the type of business</li> </ul>	<ul style="list-style-type: none"> <li>Traders face an <b>unclear and ambiguous regulatory environment</b>. For instance, Kisumu county offers an annual business license permit to registered businesses but informal traders cannot obtain it and are still required to pay daily market/municipal fees</li> <li><b>National laws contradict local authority laws</b>, furthering the uncertainty of operations</li> </ul>
	<b>Urban areas and cities act, 2011</b> <ul style="list-style-type: none"> <li>The board of the city or municipality may be delegated by the county government to collect rates, taxes levies, duties, fees and surcharges on fees. Hence, these differ by municipality, city, and/or type of business</li> </ul>	
Tax regimes	<b>Finance act, 2020</b> <ul style="list-style-type: none"> <li>The Finance Act, 2020, introduced a minimum tax of 1% on gross turnover. This has however been suspended by court orders and intended to capture taxes on turnover rather than on gains meaning that loss-making businesses are expected to pay tax</li> <li>The Act also introduced a digital service tax of 1.5% payable on income derived or accrued in Kenya from services offered through a digital marketplace. The digital services tax is likely to affect female traders who use digital services in their every-day trading activities</li> </ul>	<ul style="list-style-type: none"> <li><b>Small-scale traders are often unaware of their tax obligations</b>, which makes them fall prey to harassment by officials</li> <li><b>Women spend a higher proportion of their income to buy basic goods and services such as food, yet most food items are subject to Value Added Tax</b>. This tax is regressive, with women paying a large percentage of taxes in proportion to the income they earn</li> </ul>
Cross border regulations	<b>EAC common external tariff</b> <ul style="list-style-type: none"> <li>Kenya applies the EAC Common External Tariff (CET), which relies on 3 bands: 0% (raw materials), 10% (intermediate goods), and 25% (final goods).</li> </ul>	<ul style="list-style-type: none"> <li>Female small scale traders <b>often operate informally and struggle with stringent documentation for imports</b>. Their low awareness of regulations leads them to use <b>illegal, risky and expensive transit routes</b>, sometimes leading to <b>exploitation</b> by smugglers and offences by regulators</li> <li>Most female traders sell food-related items and struggle to meet the sanitary conditions</li> </ul>
	<b>Import fees &amp; rail devpt. Levy</b> <ul style="list-style-type: none"> <li>Other import duties include import declaration form (Fee) on goods entering from the region and Railway development Levy. These fees are charged at the border at a rate of 2% and 1.5% of the value of goods respectively</li> </ul>	

[1] Racaud, S, Ambiguous resource: "informal" Street trading IN Kisumu, Kenya, 2017; [2] Oxfam, Tax and gender from the perspective of informal women traders in Kenya, 2019 ; [3] Global Alliance for Tax Justice, Promoting Gender Concerns through the Kenyan Tax System, 2017; [4]EACA, Opportunities and challenges for small-scale women traders: East African custom unions

# COVID-19 regulations on travel restrictions, curfews, and social distancing have negatively impacted female traders

<p><b>Inter-county travel restrictions</b></p>	<p>During the COVID-19 peak season, movement between the hotspot zones and the rest of the country was strongly discouraged, except for essential and emergency services. This had negative effects on traders who rely on cross county movements for trade. In addition, inland border crossings were prohibited except for commercial trucks. This had more negative effect on female traders than male traders who rely on cross border travel for trade<sup>1</sup></p>
<p><b>Cross border travel restrictions</b></p>	
<p><b>Enforcement of curfews</b></p>	<p>The government of Kenya enforced different curfew times depending on whether a region was in the “hotspot zone” and a nationwide curfew. For instance, the curfew was enforced from 7p.m for counties that were in “hotspot zone” which reduced traders’ hours of operation</p>
<p><b>Bans on social gatherings and social distancing guidelines</b></p>	<p>Social distancing and bans on social gatherings negatively impacted traders, many of whom depend on local market gatherings<sup>2</sup>. Non-food and livestock markets were suspended, which put many traders in this category out of business</p>



“Curfew time has reduced time of operation. Curfew time happens during Peak business hours [7pm to 8pm]”  
Naomi | Nrb

“We have to watch over that customers are following COVID-19 guidelines, which wastes time”  
Esther | Nrb

“We face harassment from police officers when customers are not following COVID-19 guidelines”  
Mary | Nrb

[1] Sauti Africa, Sauti Trade Insights COVID-19 Bulletin, 2020 (Q1/Q2)

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- V Recommendations**
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# FSPs can develop innovative products and better serve female retail traders' needs according to five recommendations

- 1 Capture and retain the youth opportunity**  Target the youth bulge amongst Kenya's female traders – who represent a sizeable, long-term opportunity given the tendency of female traders to remain loyal to their first formal FSP – by explaining the benefits of formal financial products and how they support female traders' long-term needs (e.g., the cheaper borrowing costs of banks vs chamas, insurance products' longer-term benefits) 
- 2 Generate more accurate risk assessments of prospective borrowers**  Develop more accurate assessments of female traders' risk profiles and credit worthiness by measuring financial activities that provide a fairer reflection of their financial credibility (e.g., chama/supplier repayments, digital transactions) and do not discriminate against women's lower ability to meet traditional borrowing requirements (e.g., low collateral ownership) 
- 3 Harness the social relationships cultivated through informal channels**  Harness the trusted (and highly valued) relationships that female traders cultivate through informal channels (e.g., chamas, supplier relationships) to increase outreach and adoption of formal financial products by:
  - Incentivizing product referrals (e.g., through chama/supplier-based mutual incentive/referral bonus schemes)
  - Providing alternative sources of credit worthiness (e.g., through chamas or suppliers acting as guarantors)
  - Using alternative marketing channels (e.g., shopkeepers, chamas)
- 4 Integrate digital financial services with traditional formal channels**  Promote the integration of digital financial services (e.g., M-Pesa, M-Shwari) with more traditional formal channels (e.g., banks, insurance providers) to provide a more accessible conduit for channeling short-term savings towards longer-term products (e.g., purpose-driven savings accounts) 
- 5 Create digital platforms to host informal channels**  Create digital platforms to host informal channels (e.g., chamas) to capture their social benefits (e.g., peer interactions) and economic activity (e.g., savings/borrowing history, transactions), which could provide financial record-keeping to integrate with existing digital financial products (e.g., M-Pesa, M-Shwari) and provide alternative credit scoring 

# Policymakers can address systemic constraints to serving female retail traders' financial needs through four key recommendations

Demand-side	<b>1</b>	<b>Ease barriers of trading/licensing requirements for low-income traders</b>		Generate additional digital records that could be used as inputs for more accurate credit risk assessment by removing the barriers that restrict traders from obtaining official records (e.g., by providing a waiver to low-income female traders for county permits and trading licences, digitizing registration processes and increasing awareness of these improved processes)	
	<b>2</b>	<b>Partner with trusted channels to ease barriers in obtaining a KRA PIN</b>		Promote registration for KRA PIN and, in turn, increase accessibility of formal financial products by partnering with trusted channels (e.g. local agents, business associations, social groups) to explain the benefits of KRA PIN registration (e.g. greater access to finance, tender applications) and help female traders navigate the registration process (e.g. through educational support)	
Supply-side	<b>3</b>	<b>Regulate the collection of gender disaggregated data</b>		Enable FSPs to develop female-centric financial products (e.g., with more appropriate credit terms) and better assess the credit worthiness of prospective borrowers by regulating the collection of gender disaggregated data (e.g., with mandated guidelines for data collection requirements) and promoting awareness (alongside other stakeholders e.g., system-support actors) of the value this can create for FSPs to create more consistent repositories of gendered data	
	<b>4</b>	<b>Implement regulation of predatory digital lenders</b>		Enable digital credit providers to more accurately assess credit risk (e.g., by accessing Credit Reference Bureau data) and increase female traders' confidence in these lenders by implementing regulation to increase consumer protection against predatory lending (e.g., through the proposed Central Bank Amendment Bill)	

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- v Recommendations
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# Dalberg consulted a range of secondary research sources to inform the literature review (1/2)

Source	Document
AFI	Lessons on Enhancing Women's Financial Inclusion Using Digital Financial Services (2020)
Bill & Melinda Gates Foundation	Women's Digital Financial Inclusion (2019)
CBK	Credit Reference Bureau Regulations (2020)
	FinAccess Household Survey (2016) & FinAccess Household Survey (2019)
CDG	Regulatory Impact on Mobile Money and Financial Inclusion in African Countries - Kenya, Nigeria, Tanzania, and Uganda (2015)
CFI	Normative Constraints to Women's Financial Inclusion: What We Know and What We Need to Know
Dalberg	Gates CSF (The Human Account) - Kenya Participant Profiles
	Behavioral Model for Financial Health (2017)
Development in Practice	Barriers to "last mile" financial inclusion: cases from northern Kenya (2019)
FII	Financial Inclusion Tracker Survey (2017)
FSD	The Value of (in)formality: a case study of MSEs in the Nairobi CBD (2021)
	Challenges facing women and youth grocery retail traders in Kenya (2020)
	FinAccess MSE COVID-19 Tracker (2021)
	Financially underserved Kenyans and their market potential: A segmentation study (2020)
	Inclusive Finance? Headline findings from FinAccess (2019)
	Strengthening resilience: Inclusive finance in Kenya (2021)
	Building a better compass: creating financial inclusion measures that are allied with people and their well-being, Part 1 & Part 2 (2017)
	Finance and living well (2017)
	Why economists need to pay attention to social relations (2021)
	Bridging the gender divide: implications for Kenya's 21st century pathway to inclusive growth (2019)

# Dalberg consulted a range of secondary research sources to inform the literature review (2/2)

Source	Document
FSD	Kenya financial diaries (2014)
	How can Digital Financial Services better serve women in Kenya? (2020)
	Understanding the unmet financial needs and opportunities of key segments in Kenya (2020)
	Kantar Tracker Covid-19 EconData Kenya
	Finmark Trust: Covid-19 Tracking Survey Status in Kenya
	Kenyans and Covid-19: Financial Diaries Summary March-Dec 2020
	Gendered Review of Financial Sector Laws in Kenya (2021)
IAJEF	Microfinance Services And Performance Of Women Owned Small Scale Business Enterprises In Nairobi City County, Kenya (2019)
	Informal Finances and Performance of Retail and Whole Business in Kenya (2020)
IMF	Financial Access Survey (2019)
IPA	Women's Economic Empowerment Through Financial Inclusion (2017)
JSWHR	Social Capital as a Coping Mechanism for Women Small Scale Traders in the Informal Economy in Nairobi, Kenya (2018)
KIPPRA	Kenya Economic Report (2020)
Mercy Corps	DigiFarm Segmentation
Microsave	Making Digital Credit Truly Responsible(2019)
Oxfam	Women Small Scale Traders Baseline Report (2016)
Sibel Kusimba	"It is easy for women to ask!": Gender and digital finance in Kenya (2018)
UNCTAD	Gender and trade liberalization in Kenya: The case of women retail traders (2015)
Women's World Bank	Creating a Better Banking Experience for Women-Led Micro, Small, and Medium Enterprises in Kenya (2020)
World Bank	Global Findex (2017)

# Dalberg conducted six remote focus group discussions with urban female retail traders across Kenya (1/2)

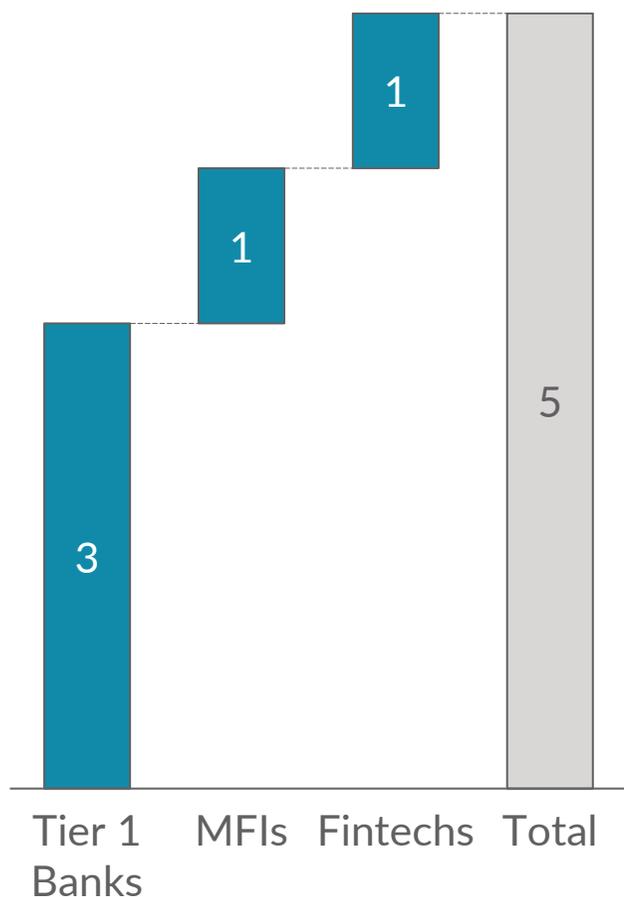
Mombasa		Nairobi		Meru	
	<p><b>AGE &amp; LOCATION:</b> 31, Bamburi  <b>BUSINESS:</b> Outside catering  <b>HH SIZE:</b> 3  <b>TENURE:</b> 9 years  <b>EMPLOYEES:</b> 1  <b>CHANNELS:</b> M-PESA, M-SHWARI, KCB, FAULU, CHAMA, NHIF</p>		<p><b>AGE &amp; LOCATION:</b> 23, Toi market  <b>BUSINESS:</b> Clothing  <b>HH SIZE:</b> 2  <b>TENURE:</b> 2 years  <b>EMPLOYEES:</b> 1  <b>CHANNELS:</b> M-PESA, M-SHWARI, EQUITY, CHAMA, NHIF</p>		<p><b>AGE &amp; LOCATION:</b> 21, Nkubu  <b>BUSINESS:</b> Clothing  <b>HH SIZE:</b> 3  <b>TENURE:</b> 1 year  <b>EMPLOYEES:</b> 1  <b>CHANNELS:</b> M-PESA, CO-OP, EQUITY, FAMILY</p>
	<p><b>AGE &amp; LOCATION:</b> 42, Kiembeni  <b>BUSINESS:</b> Mini supermarket  <b>HH SIZE:</b> 10  <b>TENURE:</b> 21 years  <b>EMPLOYEES:</b> 2  <b>CHANNELS:</b> M-PESA, EQUITY, CHAMA, NHIF, BRITAM</p>		<p><b>AGE &amp; LOCATION:</b> 28, Kibera 42  <b>BUSINESS:</b> Fruits &amp; M-pesa  <b>HH SIZE:</b> 5  <b>TENURE:</b> 1 year  <b>EMPLOYEES:</b> 1  <b>CHANNELS:</b> M-PESA, M-SHWARI, KCB, CHAMA, NHIF, NSSF</p>		<p><b>AGE &amp; LOCATION:</b> 21, Maua  <b>BUSINESS:</b> Phones &amp; accessories  <b>HH SIZE:</b> 1  <b>TENURE:</b> 1 year  <b>EMPLOYEES:</b> 1  <b>CHANNELS:</b> M-PESA, SIDIAN, ABSA</p>
	<p><b>AGE &amp; LOCATION:</b> 36, Mtambo  <b>BUSINESS:</b> Clothing  <b>HH SIZE:</b> 1  <b>TENURE:</b> 1 year  <b>EMPLOYEES:</b> 1  <b>CHANNELS:</b> M-PESA, EQUITY, CHAMA, M-SHWARI, NHIF</p>		<p><b>AGE &amp; LOCATION:</b> 30, Fort Jesus  <b>BUSINESS:</b> Restaurant  <b>HH SIZE:</b> 2  <b>TENURE:</b> 2 years  <b>EMPLOYEES:</b> 3  <b>CHANNELS:</b> M-PESA, M-SHWARI, CHAMA</p>		<p><b>AGE &amp; LOCATION:</b> 30, Makutano  <b>BUSINESS:</b> General shop (duka)  <b>HH SIZE:</b> 3  <b>TENURE:</b> 7 years  <b>EMPLOYEES:</b> 2  <b>CHANNELS:</b> M-PESA, KCB, CENTENARY SACCOM-SHWARI, CHAMA, NHIF</p>
	<p><b>AGE &amp; LOCATION:</b> 31, Bamburi  <b>BUSINESS:</b> Events  <b>HH SIZE:</b> 3  <b>TENURE:</b> 2 years  <b>EMPLOYEES:</b> 1  <b>CHANNELS:</b> M-PESA, KCB, M-SHWARI, NHIF, CHAMA</p>		<p><b>AGE &amp; LOCATION:</b> 40, Karanja  <b>BUSINESS:</b> Fruits &amp; Vegetables  <b>HH SIZE:</b> 5  <b>TENURE:</b> 7 years  <b>EMPLOYEES:</b> 2  <b>CHANNELS:</b> M-PESA, CO-OP, EQUITY, KCB, NHIF, ICEA, BRITAM</p>		<p><b>AGE &amp; LOCATION:</b> 38, Meru CBD  <b>BUSINESS:</b> Cereal &amp; dry grains  <b>HH SIZE:</b> 4  <b>TENURE:</b> 4 years  <b>EMPLOYEES:</b> 1  <b>CHANNELS:</b> M-PESA, STANBIC, EQUITY, SOLUTIONS SACCO, NHIF, BRITAM, NSSF</p>

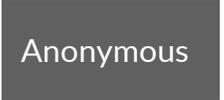
NB: {1} All participants had O-level or College-level education; {2} All businesses fell under the micro definition based on no. of employees (KNBS MSME Study); 'Channels' highlights the main FSPs or use of chamas; further details are captured in prior descriptive slides

# Dalberg conducted six remote focus group discussions with urban female retail traders across Kenya (2/2)

Nakuru		Eldoret		Kisumu	
	<p><b>AGE &amp; LOCATION:</b> 37, Langa Langa  <b>BUSINESS:</b> Clothing  <b>HH SIZE:</b> 4  <b>TENURE:</b> 1 years  <b>EMPLOYEES:</b> 1  <b>CHANNELS:</b> M-PESA, FAMILY, EQUITY, CHAMA, NHIF</p>		<p><b>AGE &amp; LOCATION:</b> 36, Ainabkoi  <b>BUSINESS:</b> Books and stationery  <b>HH SIZE:</b> 4  <b>TENURE:</b> 10 years  <b>EMPLOYEES:</b> 2  <b>CHANNELS:</b> STANBIC, KCB, M-PESA, CONSOLIDATED, KIMISITU, M-SHWARI, NHIF, JUBILEE, CHAMA</p>		<p><b>AGE &amp; LOCATION:</b> 21, Nyalenda  <b>BUSINESS:</b> General shop (duka)  <b>HH SIZE:</b> 2  <b>TENURE:</b> 1 year  <b>EMPLOYEES:</b> 1  <b>CHANNELS:</b> M-PESA, CO-OP, CHAMA</p>
	<p><b>AGE &amp; LOCATION:</b> 34, Zakayo  <b>BUSINESS:</b> Footwear  <b>HH SIZE:</b> 4  <b>TENURE:</b> 3 years  <b>EMPLOYEES:</b> 2  <b>CHANNELS:</b> M-PESA, CO-OP, KIATU SACCO, CHAMA</p>		<p><b>AGE &amp; LOCATION:</b> 25, Kapseret  <b>BUSINESS:</b> Construction hardware  <b>HH SIZE:</b> 5  <b>TENURE:</b> 20 years  <b>EMPLOYEES:</b> 3  <b>CHANNELS:</b> M-PESA, M-SHWARI, KCB, NHIF</p>		<p><b>AGE &amp; LOCATION:</b> 39, Dunga  <b>BUSINESS:</b> Gas &amp; cylinders  <b>HH SIZE:</b> 4  <b>TENURE:</b> 10 years  <b>EMPLOYEES:</b> 2  <b>CHANNELS:</b> M-PESA, M-SHWARI, STIMA SACCO, CHAMA, NHIF</p>
	<p><b>AGE &amp; LOCATION:</b> 35, Freetown  <b>BUSINESS:</b> Clothing &amp; beauty shop  <b>HH SIZE:</b> 4  <b>TENURE:</b> 17 years  <b>EMPLOYEES:</b> 2  <b>CHANNELS:</b> M-PESA, TOWER SACCO</p>		<p><b>AGE &amp; LOCATION:</b> 39, Kapseret  <b>BUSINESS:</b> Spare parts  <b>HH SIZE:</b> 2  <b>TENURE:</b> 21 year  <b>EMPLOYEES:</b> 3  <b>CHANNELS:</b> M-PESA, CO-OP, KCB, CHAMA, NHIF</p>		<p><b>AGE &amp; LOCATION:</b> 33, Pharmacy  <b>BUSINESS:</b> Beauty Salon  <b>HH SIZE:</b> 4  <b>TENURE:</b> 4 years  <b>EMPLOYEES:</b> 2  <b>CHANNELS:</b> M-PESA, ASA MFI, CHAMA, NHIF</p>
	<p><b>AGE &amp; LOCATION:</b> 38, Stadium  <b>BUSINESS:</b> Clothing  <b>HH SIZE:</b> 7  <b>TENURE:</b> 8 years  <b>EMPLOYEES:</b> 2  <b>CHANNELS:</b> M-PESA, KCB</p>		<p><b>AGE &amp; LOCATION:</b> 50, Ainabkoi  <b>BUSINESS:</b> Indian vegetables  <b>HH SIZE:</b> 7  <b>TENURE:</b> 17 years  <b>EMPLOYEES:</b> 4  <b>CHANNELS:</b> M-PESA, M-SHWARI, CO-OP, CHAMA, IMARISHA SACCO, NHIF, ONE ACRE FUND</p>		<p><b>AGE &amp; LOCATION:</b> 30, Migosi  <b>BUSINESS:</b> Fish  <b>HH SIZE:</b> 2  <b>TENURE:</b> 2 years  <b>EMPLOYEES:</b> 1  <b>CHANNELS:</b> M-PESA, EQUITY, CHAMA, NHIF</p>

# Dalberg conducted five FSP interviews: three banks, one MFI and one Fintech



Category	Organization	Representative/s Title
Tier 1 Bank	 Stanbic Bank <small>A member of Standard Bank Group</small>	Head of Personal Banking, Head of Women Banking, Business Coordinator
Tier 1 Bank	 KCB	SME Relationship Manager
Tier 1 Bank	 CO-OPERATIVE BANK <small>We are you</small>	Head of SME Business Banking, Relationship Manager
MFI	 Anonymous	Branch Manager
Fintech	 pezesha	Head of Credit and Financial Education