



Technical Assistance Consultant's Report Gender Gap Analysis

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Republic of the Philippines: Financial Inclusion Framework Strengthening

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Asian Development Bank

GENDER GAP ANALYSIS for TA 9166: PHI: Financial Inclusion Framework Strengthening

1. Introduction

The impacts of financial inclusion on economic productivity, social prosperity, and individual well-being have been widely acknowledged, and particularly emphasized in women's empowerment and gender and development discourse. Gender issues in financial inclusion, however, as it relates to access to, usage and quality of financial services, required continued and deeper attention as bottlenecks remain in the across policy, supply and demand spheres. Contrary to the prevailing financial exclusion of women in most developing countries, latest data indicate that Filipino women's financial inclusion is positively exhibited across different financial products and services¹. Filipino women are more likely to transact with formal financial institutions, own a savings account, or access credit or insurance than their male counterparts².

The financial inclusion agenda in the Philippines is grounded in policy action by the government and significantly driven by financial service providers and partners whose innovations strive to meet evolving needs of clients while contributing to broader national development goals. Similarly, gender and development is being advanced in the public and private sectors. Increasingly, innovations are being monitored and data being produced for either agendas to document progress and improve from lessons learned. The nexus between these two agendas and the breadth and depth of available data to understand this link, however, needs to be understood across stakeholders and sectors relevant in the financial inclusion agenda. Evidence is crucial for policymakers to diagnose the state of financial inclusion for Filipino men and women, set realistic targets, spot barriers and design policies that will have attached monitoring and assessment mechanisms.

In support of the proposed ADB Inclusive Finance Development Program for the Philippines Subprogram 2, this gender gap analysis³ was conducted to highlight gender-related issues in the country's financial inclusion landscape and to propose specific activities that aim to integrate gender elements into some of the identified policy actions. Specifically, the assessment identified gender issues (barriers, drivers, opportunities) within the three themes under Subprogram 2 outputs: 1) Institutional and policy environment; 2) Financial infrastructure and; 3) Capacities of financial service providers. Based on these and aligned with the policy actions proposed for Subprogram 2, specific recommendations are made to ensure that Subprogram outputs contribute to gender mainstreaming in the Philippines.

2. Overview of Filipino financial behaviors

The 2017 Global Findex report states that financial inclusion starts with owning an account at a financial institution and, based on the main indicator of *account ownership*, reveals some gains in the financial inclusion agenda of the Philippines. Overall account ownership in the country has grown from 27% in 2011 to 34% in 2017. Additionally, the Philippines is one of only two Asian countries where there is a reverse gender gap in account ownership, whereby women are more likely than men to own an account. In 2017, 39% of Filipino women owned an account compared to 30% of men. This -9% account ownership gap however is a notable decrease from -15% in 2011⁴. Additionally, the 2017 National Financial Inclusion Survey by the BSP echoes this reverse gender gap trend in account ownership, which is 29.1% for women and 15.45 for men.

¹ BSP. 2017 Financial Inclusion Survey: Moving Towards Digital Financial Inclusion. <http://www.bsp.gov.ph/downloads/Publications/2017/2017FISToplineReport.pdf>

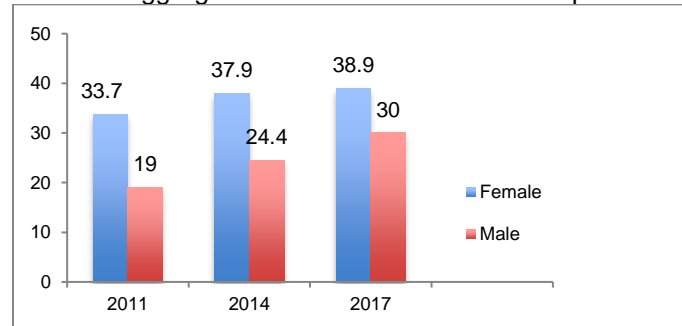
² Llanto, G. and Maureen Rosellon. 2017. What Determines Financial Inclusion in the Philippines? Evidence from a National Baseline Survey. Philippine Institute for Development Studies. Discussion Paper Series No. 2017-38.

³ This analysis builds upon the initial ADB Financial Inclusion Gender Analysis done in October 2017.

⁴ World Bank. Databank on Global Financial Inclusion. <http://databank.worldbank.org/data/reports.aspx?source=global-financial-inclusion&Type=TABLE&preview=on>

Account ownership – a key financial inclusion indicator – has been growing in favor of Filipino women and the rate in gender gap has been diminishing (see Figure 1). But the use of these accounts to access and avail of the needed financial services is not extensively documented.

Figure 1. Sex-disaggregated rates of account ownership in the Philippines



Some gender-disaggregated data are tracked by Global Findex and indicates some patterns of financial service use, for example, on borrowing and savings (see Table 1).

Table 1. Patterns of borrowing and savings behavior in the Philippines⁵

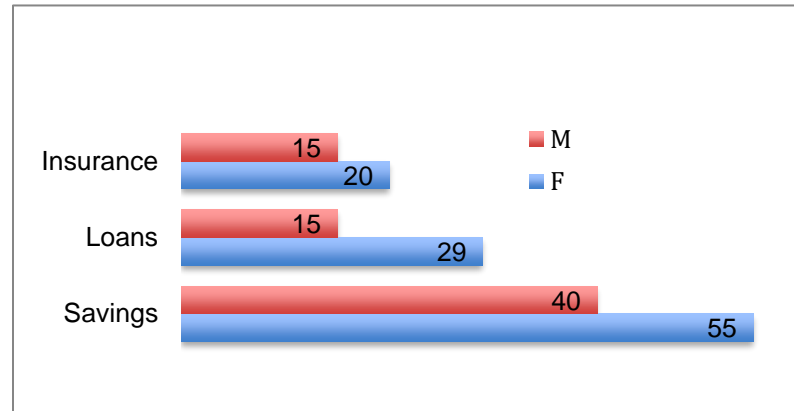
	2011		2014		2017	
	F	M	F	M	F	M
Borrowed any money in the past year (% age 15+)	--	--	71	69	60	58
Borrowed from a financial institution	13	8	14	10	11	9
Borrowed from a savings club	--	--	--	--	5	3
Borrowed from family or friends	37	42	47	51	43	40
Borrowed for education or school fees	--	--	31	29	--	--
Borrowed for health or medical purposes	--	--	27	30	28	27
Borrowed to start, operate, or expand a farm or business	--	--	12	15	3	5
Saved any money in the past year	--	--	66	69	60	56
Saved at a financial institution	18	11	16	14	14	10
Saved using a savings club or a person outside the family	8	5	9	10	10	6
Saved for education or school fees	--	--	40	44	--	--
Saved for old age	--	--	23	27	26	26
Saved to start, operate, or expand a farm or business	--	--	21	25	25	27

-- no available data

The 2017 National Financial Inclusion Survey has also recorded that savings and loans incidences and insurance penetration are higher for Filipino women (see Figure 2).

Figure 2. Sex-disaggregated data on savings and loans incidences and insurance penetration

⁵ Data from World Bank DataBank on Global Financial Inclusion. <http://databank.worldbank.org/data/reports.aspx?source=global-financial-inclusion&Type=TABLE&preview=on>



Across types of financial institutions, microfinance NGOs have been noted as the driving force for increased savings and loans. The growth of savings among adult Filipinos were highest in MNGOs, meanwhile, loan incidence has declined for all types of financial institutions except MNGOs.

These data are helpful in providing a broad view of what and how women and men use different financial services in the country. Women borrowed more than men, though the proportion of borrowers have dropped between 2014 and 2017. More women borrow from a financial institution or a savings club and, on average, more men borrow from family or friends. More men also borrowed for their farm or business, but the proportion of borrowers significantly dropped between 2014 and 2017. While helpful in depicting an overview, it would be difficult to use these data in support of policy- and market- driven solutions without a deeper understanding behind the variances and drivers of the patterns.

Available data is also insufficient to adequately depict the four broad components of financial inclusion as identified by the BSP – access, welfare, usage, and quality. A further breakdown and segmentation of data, for example across regions and provinces, could prove extremely useful for market targeting and designing of financial inclusion programs. Further segmentation of gender-disaggregated data will especially be valuable for sector-focused implementation of the financial inclusion strategy, such as for the agriculture and fisheries sectors.

3. Gender Issues in Financial Inclusion Institutional and Policy Environment

3.1 Policy and institutional landscape

Gender issues are either not prominent or altogether absent in key financial inclusion policies and plans of government agencies. The National Strategy on Financial Inclusion (NSFI) is gender neutral although it acknowledges women as among the unserved and underserved markets. The Tactical Plans on Financial Inclusion (March 2017), the compendium of 13 institution-specific plans aligned with the NSFI, refers to women once, and only as overseas participants to the PESO Financial Literacy Campaign by the Commission on Overseas Filipinos. That these plans are silent on gender elements indicates a low appreciation for the mutual benefits of gender and development and financial inclusion and misses out on opportunities that could be leveraged from incorporating financial inclusion in mandated gender plans and budgets⁶.

The lack of a gender perspective in the abovementioned tactical plans may be attributed to the absence of specific guidelines and targets for incorporating gender elements arising from the NSFI. Two existing guidelines could have been used for reference. First is the Guidelines for the Preparation of Annual Gender and Development Plans and Budget (GPB) and Accomplishment Reports issued jointly by the Philippine Commission on Women (PCW), Department of Budget and Management (DBM), and National Economic Development Authority (NEDA). The GPB Guidelines further prescribes agencies to use the PCW-

⁶ These include (1) Executive Order 273 Approval and Adoption of the Philippine Plan for Gender-Responsive Development 1995 to 2025 (2) PCW-NEDA-DBM Joint Circular 2012-01 Guidelines for the Preparation of the Annual GAD Plans and Budget and Accomplishment Reports to Implement the Magna Carta on Women, (3) Section 36a of Republic Act 9710 (Magna Carta on Women)

developed Harmonized Gender and Development Guidelines (HGDG)⁷ as a supplementary tool which provides specific gender analysis questions and checklists for gender and development indicators to be used for project identification, design and formulation, implementation, monitoring and evaluation. These two references do not seem to have been systematically used in drawing up the tactical plans to ensure that gender elements are integrated. Activities arising from the implementation of the NSFI are gender neutral⁸ and the general impression in the early stages of strategy development was that the mandatory 5% budget allocation for GAD activities by government agencies was sufficient to advance gender issues, without necessarily adding activities linked to financial inclusion.

Similarly, with no clear targets having been set for the collection of sex-disaggregated data from NSFI activities, reporting on NSFI implementation results is almost bare of gender elements. The BSP-published Financial Inclusion Dashboard includes sex-disaggregated data only on the proportion of formal account owners, data which is collected from the World Bank Global Findex. The 2015 and 2016 Financial Inclusion Initiatives reports do not include any gender information or sex-disaggregated data. The 2017 report only mentions that the Philippines chaired the Financial Inclusion Data Working Group of the Alliance for Financial Inclusion to continue the work on sex-disaggregated data collection and promote women's financial inclusion. The 2017 National Financial Inclusion Survey report, following up from the 2015 maiden survey, does highlight gender differences in account ownership across account types, savings behavior, incidences in accessing loan and in receiving remittance money. A further analysis of the survey's raw data can also yield a better understanding of gender differences in such variables as purpose of loans and in insurance and investment penetration. Further exploration is needed to identify gender-disaggregated datasets being produced by different financial inclusion stakeholders and consolidate these for a meaningful interpretation. The HGDG provides some examples of gender-relevant targets and indicators for monitoring, for example microfinance, and these could be relevant for reporting on financial inclusion (see Box 1). Data on these indicators are actually already being collected by some microfinance institutions, but these are not consolidated at the industry level.

The attention to gender issues in the implementation of the NSFI may not always be guaranteed through the Financial Inclusion Steering Committee (FISC) without the permanent representation by the PCW, the main policymaking and coordinating body on women and gender mainstreaming in the country. The FISC, established in 2016⁹ as the main implementer of the NSFI, is chaired by the Bangko Sentral ng Pilipinas and is currently comprised of 15 government agencies¹⁰ that champion sectors including students, entrepreneurs, low-income communities, overseas Filipinos, farmers and fisherfolks and cooperatives. The PCW was in fact a member of the working group that developed the NSFI and it offered recommendations on gender data disaggregation for the strategy. Its permanent membership in the FISC, however, was not considered because the mandate for GPB was deemed sufficient in enabling gender responsive government activities that indirectly promote financial inclusion¹¹.

Box 1. Examples of indicators in the HGDG Checklist for microfinance sector

<p><i>7.0 Monitoring targets and indicators</i></p> <p>Does the project have GAD and women's empowerment targets and indicators for welfare, access? consciousness raising, participation, and control? For instance, will the following be monitored:</p>
<ul style="list-style-type: none"> • Types of enterprises for which microfinance loans are used • Volume of sales and production or net earnings by enterprise partly or fully financed by the project • Number of borrowers and amount of loans by category of borrowers • Rate of utilization of the microfinance facility • Total time and cost involved in applying for and repaying microfinance loans • Number of woman microenterprises that have graduated into SMEs • Participation in training and other project activities

⁷ Harmonized Gender and Development Guidelines. 3rd ed. <http://w3.neda.gov.ph/hgdg/homepage.html>

⁸ Based on phone interview with Rochelle Tomas, Deputy Director, Policy and Literacy Group, Bangko Sentral ng Pilipinas

⁹ Executive Order No. 208. 2 June 2016. Establishment of the Financial Inclusion Steering Committee.

¹⁰ Aside from BSP, FISC includes Department of Finance, Department of Education, Department of Trade and Industry, Department of Social Welfare and Development, Department of Budget and Management, National Economic and Development Authority, Insurance Commission, Commission on Filipinos Overseas, Securities and Exchange Commission, Philippine Statistics Authority, Philippine Deposit Insurance Corporation, Cooperative Development Authority, Department of Agriculture, Department of Science and Technology.

¹¹ Based on interview with Rochelle Tomas, Deputy Director Bangko Sentral ng Pilipinas

<ul style="list-style-type: none"> • Employment generated by the project • Microfinance policies and programs that address credit and other gender needs of clients • Representation or woman beneficiaries in microfinance decision-making bodies
<p>8.0 Sex-disaggregated database</p> <p>Does the proposed project monitoring framework or plan include the collection of sex-disaggregated data?</p>

3.2 Identity-linked financial inclusion

The inability to supply proof of identity as part of Know Your Customer requirements of financial institutions is one of the main barriers to account ownership. Women are particularly unable to comply with this requirement since many of them belong to excluded segments of the population, such as the informal economy, who are not issued government IDs. In the Philippines, as much as 26.8 million Filipinos fifteen years old and over are not participating in the labor force, and almost 70% of them are women¹². Developing a national identification system therefore has to become a policy priority especially as there is growing recognition and evidence that effective identification helps in rationalizing government programs and promoting inclusive finance, particularly for women¹³.

In India, 94%¹⁴ of adults have been issued with Unique Identification numbers (UID) or Aadhaar cards, roughly 1.12 billion enrolments. This has been cited as a factor in reducing the gender gap in account ownership from 20% in 2014 to 6% in 2017¹⁵. In 2016, the Reserve Bank of India also launched eKYC, a biometric Aadhaar authentication system which removed the need for paper documentation in opening accounts. Leveraging these enablers of account ownership, the Indian government initiated the Jan Dhan Yojana (JDY) or universal account ownership scheme that aims to open one account per household by offering zero-balance accounts without opening fees. In a World Bank survey on the perceived ease of opening bank accounts in India since the start of the JDY scheme, it was found that account ownership had increased particularly for women and the poor and that women were more likely to apply for the scheme than men¹⁶. Box 2 describes the salient features of the JDY scheme.

Box 2. The Jan Dhan Yojana (JDY) Scheme, India's Flagship Financial Inclusion Program

To open a JDY account, the only documentation required is the applicant's biometric 12-digit Aadhaar identification number. For those without an Aadhaar number, they need only to present one other official document (ex. voter ID card, driving license, PAN card, passport). If these documents are unavailable, a temporary "small" account is opened for a period of one year and converted to a permanent account once required documents are submitted. JDY accountholders are eligible for a RuPay debit card, accident insurance of INR 100,000 and life insurance coverage of INR 30,000 (for accounts opened prior to January 26, 2015). After six months of account ownership and depending on the account owner's creditworthiness, JDY account holders become eligible for an overdraft facility of INR 5,000 at the discretion of the bank. One of the main reasons cited for opening JDY accounts was to receive government payments for social benefit programs. Widespread misconception, however, might have driven many Indians into opening an account - including that of automatic receipt of public benefits regardless of whether or not accountholders meet the criteria for the benefit programs. Another misconception was that citizens would be given a cash bonus for opening an account. By 2016, after two years since its launch, JDY had yielded 250 million accounts. The proportion of the unbanked, however, remains high even with the complementation of JDY, high Aadhaar coverage and eKYC use. Researchers have pointed to the importance of clear and effective communication about the documentation requirements in further promotion of JDY.

In Pakistan, the government mandated that SIM cards be registered against citizens' Computerized National Identity Cards (CNIC). Telenor Microfinance Bank leveraged the nationwide SIM registration to introduce women to identity-linked financial services, including mobile money platform Easypaisa – the first and largest branchless banking platform in Pakistan. Telenor was able to open Easypaisa accounts for

¹² PSA. 2018. Employment Situation in January 2018. <https://www.psa.gov.ph/content/employment-situation-january-2018-final-results>

¹³ Gelb, Alan and Julia Clark. 2013. Identification for Development: The Biometrics Revolution. Working Paper 315, January 2013. Center for Global Development. https://www.cgdev.org/files/1426862_file_Biometric_ID_for_Development.pdf

¹⁴ GSMA. 2017. Understanding the Identity Gender Gap: Insights and opportunities for mobile operators to help close the divide.

¹⁵ Global Findex 2017.

¹⁶ World Bank. 2017. Making It Easier to Apply for a Bank Account. World Bank Policy Research Working Paper 8205.

customers as soon as biometric details were taken, giving women options to use the accounts via mobile wallets or ATM cards. Easypaisa has eased digital transfers of cash benefits to more than 1.2 million female beneficiaries of the Benazir Income Support Program and provided income support to more than 4,000 women participants of the Cash for Work program with CARE International¹⁷. Easypaisa received the Best Mobile Product or Service for Women in Emerging Markets Award at the GSMA's 2014 Mobile World Congress.

The Philippine Identification System Act of 2018 has been signed into law¹⁸. The Philippine Statistics Authority (PSA) is the lead agency for its implementation and a third party will be enlisted to collect biometric information across the country. The ID will have only a minimal set of data (biometric data, name, date of birth, sex, address) since it is not intended as proof of entitlement or eligibility unlike such functional IDs as a passport, driver's license or social welfare ID¹⁹. Applicants only need to submit their birth certificate to register and receive the PhilID, though alternative documents may be presented to verify identity if the certificate is unavailable. Though PhilSys is expected to be a key enabler of increased formal accounts opened and account-linked payment and transfer transactions, particularly for small-value transactions, the incentives for acquiring the ID will have to be clarified and communicated. Already, issues of information security and practicality of acquiring the ID for Filipinos in remote rural areas are casting doubts over the necessity for the system.

The extent to which the PhilSys enables financial inclusion will require clear, measurable, and gender-disaggregated monitoring indicators. Improving access to government-issued identification does not guarantee an increase in account ownership or the effective use of financial services. As the Indian experience shows, a universal account ownership scheme complemented by eased documentary requirements and technology-based identity verification can yield positive results but can create a distrust in financial institutions or leave accounts dormant if accountholders are not properly informed of requirements of account opening and what it entails. The BSP has already issued the Framework for Basic Deposit Accounts which allows for eased KYC requirements, low opening amount, no maintaining balance and no dormancy charge to increase financial inclusion of the unserved and underserved. The implementation of this framework and the future availability of PhilSys IDs need to be assessed collectively to understand if and how these enable financial inclusion, and whether gender-differentiated patterns are produced.

3.3 Agricultural Value Chain Financing

Agriculture continues to be perceived as a high-risk sector that financial institutions are only too quick to deprioritize in their portfolios despite urgent financing needs and emerging opportunities, such as value chain financing. Notwithstanding the mandate by the Agri-Agra Law of 2009 for government and private banking institutions to allocate 25% of total loan portfolio for agriculture and fisheries (15% for agricultural lending and 10% for agrarian reform beneficiaries), latest data²⁰ show that compliance has only been 12.58% for agricultural lending and 1.02% for lending to agrarian beneficiaries. Comprehensive or gender-disaggregated data that give an indication of financing recipients and the projects/businesses financed by these earmarked loans are not collected at the BSP and will have to be consolidated at the level of the financial institutions for meaningful interpretation. Additionally, the impacts of these financing on the lives of women and men in the agriculture sector have not been systematically documented.

The Bangko Sentral ng Pilipinas issued the Agricultural Value Chain Financing Framework (AVCF) in 2016 to promote "agricultural value chain financing as an effective and organized approach to channel financing to the agriculture and fisheries sectors and promote financial inclusion"²¹, effectively reshaping the view of the investment worthiness of agriculture. This approach could ideally impact 25% of the current employment rate²² and specifically 7.9 million men and 2.4 million women working in the agriculture sector. These figures do not yet include those contributing in agriculture-related "wholesale and retail" and "trade and

¹⁷ Telenor Group. 2014. Bringing financial services to Pakistani women. <https://www.telenor.com/bringing-financial-services-to-pakistani-women/>

¹⁸ Philippines. Republic Act No 11055: An Act Establishing the Philippine Identification System. Official Gazette of the Republic of the Philippines. Available at: <http://www.officialgazette.gov.ph/downloads/2018/08aug/20180806-RA-11055-RRD.pdf>

¹⁹ BSP. 2017. Financial Inclusion Initiatives 2017.

²⁰ BSP. 2017 Compliance with Agri-Agra Reform Credit Act of 2009. <http://www.bsp.gov.ph/statistics/stataarcpbs.asp>

²¹ BSP. Circular No. 908. Section X350/4350Q/4350N Statement of policy.

²² Labor Force Survey 2017 pegs total employed persons at 41.5 million. <https://psa.gov.ph/content/employment-situation-october-2017>

transportation” sub-sectors. Additionally, the AVCF approach could impact many of the 2.4 million farmer beneficiaries under the Comprehensive Agrarian Reform Program (CARP), of which 29% are women²³. Though the Agriculture Value Chain Financing Framework is gender blind, there is room to integrate gender-sensitive elements in subsequent operationalization.

Accessing agriculture financing is challenging for both women and men, however, women face additional unique hurdles relating to their role in the household that often limits their control and ownership of assets and their available time for productive activities²⁴. Women play multiple roles across agricultural value chains (see Table 2), from input provision and use, production, post-harvest processing and storage, to transportation, marketing and sales²⁵. Their significant roles are often informal, unrecognized or under-resourced. Furthermore, despite the centrality of women in agriculture, accessing finance is often a challenge due to the lack of collateral or the lack of access to networks through which credit can be availed or technical know-how can be acquired. In many countries, land and property rights deter women’s credit access. Philippine policies and laws, however, such as the Philippine Property Law and the Magna Carta of Women Act²⁶, accord equal property rights to women and men. The Comprehensive Agrarian Reform Law further allows all eligible women participants of the agricultural labor forces to be guaranteed equal rights to land ownership²⁷. While Filipino women are able to indicate themselves as equal co-owner of the land they cultivate, a lack of awareness of this provision, coupled with weak administrative practices, prevents the inclusion of a wife’s name in land certificates²⁸.

Table 2. Summary of Women’s Roles and Constraints Faced in Agricultural Value Chains²⁹

	Input Provision and Use	Production	Post-Harvest Processing and Storage	Transportation, Marketing, and Sales
Women’s Roles	Agro-dealers Agro-agents Small-scale farmers	Activities vary greatly across commodities and regions Women over-represented in informal, unpaid, part-time, seasonal work	Highly varied but often play roles in processing, determining quality of final output	Often limited to local transport and excluded from regional markets and sales networks but play prominent roles as consumers
Constraints faced by women	Access to inputs and their correct usage Access to technology and machinery Access to information, training, and knowledge	Access to training, extension, services, and technical information Access to finance and mobile bank accounts Access to land ownership Access to cooperative leadership and participation Limitations on time and mobility Access to ICT and mobile technology Access to labor-saving technologies	Access to quality storage Access to knowledge of best practices Access to finance Access to technology	Freedom of movement Access to infrastructure Access to information and networks Effective leadership Burdensome regulatory frameworks

²³ Philippine Statistics Authority. 2018 Factsheet on Women and Men in the Philippines. <http://www.psa.gov.ph/gender-stat/wmf>

²⁴ Global Partnership for Financial Inclusion. 2015. New Trends in Agricultural Finance: Synthesis Report.

<https://www.gpfi.org/sites/default/files/documents/02-New%20Trend%20Agricultural%20Finance%20Report-Final-LowRes.pdf>

²⁵ Stages of a simplified agricultural value chain from IFC’s Investing in Women Agribusinesses.

²⁶ Section 19

²⁷ Sec 40(5) of CARL

²⁸ Corral, Violet. 2015. Analysis of Land Tools in the Philippines Using Gender Evaluation Criteria. http://asianfarmers.org/wp-content/uploads/2015/06/Corral_289-mar2015.pdf

²⁹ Source: IFC. 2016. Investing in Women Along Agribusiness Value Chains.

The gender gap in the number of agrarian reform beneficiaries has also led to gender inequalities in cooperative participation. In a study of three banana cooperatives in Mindanao, women farmers indicated only as “spouse” on Certificate of Land Ownership Award (CLOA) and not the “agrarian reform beneficiary” are excluded from membership in cooperatives that manage land use and operations³⁰. As non-ARB spouses excluded from the cooperatives, these women lose out on mandated capacity-building exercises on enterprise development, financial management and organizational assessments provided, for example, by the Department of Agrarian Reform and the Cooperative Development Authority. Support for ARBs engaged in Agribusiness Venture Agreements (AVAs) through these cooperatives has also predominantly centered on production development, missing out on the chance to expose ARBs and their spouses to learning about off-farm incomes and livelihood opportunities within agriculture value chain framework.

Apart from the financing needs and value chain roles of smallholder farmers, the needs and roles of micro, small and medium enterprises (MSMEs) contributing to value chains also need to be identified and understood, especially those owned by women. Based on the latest national survey of establishments, enterprises in the agriculture, forestry and fishing sub-sector comprise only .99% of the total 911,768 MSMEs registered at the Department of Trade and Industry³¹. Gender-disaggregated data on the owners of these enterprises are not recorded either by the DTI or the Philippine Statistics Authority. The 2008 Magna Carta for MSMEs mandates 8% of lending institutions’ loan portfolios to be allocated for micro and small enterprises and 2% for medium ones, however compliance has been low on average in the past 10 years (5.7% for MSEs and 6.4% for MEs). Only rural and cooperative banks have managed to exceed compliance targets, but overall lending to MSMEs have also been diminishing in the last decade³². Qualitative information on the overall implementation experience, outcomes and impacts of the Magna Carta for MSMEs is not available, and this gap could serve as a future inquiry exercise that uses lenses of both agricultural value chain financing and gender mainstreaming.

Understanding the different gender roles across value chains, challenges faced, and unrecognized economic contributions is an imperative for financial institutions to ensure that products and services are demand-responsive. The adoption of agricultural value chain financing by Philippine commercial banks remains a lofty task, and ground evidence indicate that the model has been more amenable to government banks and microfinance institutions. For example, Landbank of the Philippines, the largest state-owned bank, worked with the Department of Agriculture and the Department of Agrarian Reform to implement the Food Supply Chain Program (FSCP), providing financial and technical assistance to agricultural producers, market processors, consolidators and other market players to facilitate linkages of actors in the agricultural value chain. In its six years of implementation, a total of PhP59 billion in loans were released³³ for almost 600 projects participated in by more than 1,400 farmer cooperatives, farmers’ organizations and NGO producers³⁴. Gender was not a prominent feature of the program, whether in client targeting or data collection and reporting, hence, it is difficult to assess and highlight gender issues and lessons in the implementation of the financing program.

Interest in agricultural value chain financing has been stronger among microfinance institutions because, compared to urban center-based commercial banks, MFIs have the network in rural markets, the capability and expertise to assess agricultural credit, are better attuned with grassroots realities and dynamics and are more confident in responding to the financial needs of farmers³⁵. Alalay sa Kaunlaran Inc. (ASKI), a leading MFI in Central Luzon for example, has adopted value chain financing by assuring marketing arrangements that ensure purchase of their farmer borrowers’ crop production. The crops are then supplied by ASKI’s marketing and trading cooperative (AMPC) to San Miguel Corporation (cassava), Jollibee Food Corporation (onions) and exported to Japan through Sunnysing International Trading Corporation (ginger). The lending program does not deliberately integrate gender elements, however, majority (75%) of ASKI clients are women and as much as (30%) of its portfolio are loans extended to small farmers³⁶. These figures do not yet include any agriculture related businesses financed through ASKI’s Individual Lending

³⁰ FAO. 2015. Gender opportunities and constraints in inclusive agribusiness models: The case of Unifrutti in Mindanao, Philippines. <http://www.fao.org/3/a-i4444e.pdf>

³¹ Department of Trade and Industry. 2016. 2016 MSME Statistics. <https://www.dti.gov.ph/businesses/msmes/msme-resources/msme-statistics>.

³² Figures computed from BSP Banking Statistics on Mandated Credit for MSMEs 2009-2018. <http://www.bsp.gov.ph/statistics/statmsmepbs.asp>

³³ Land Bank of the Philippines. 2017. Status of Implementation of Major Programs and Projects as of 30 September 2017.

<https://www.landbank.com/sites/default/files/transparency/STATUS-OF-IMPLEMENTATION-MAJOR-PROGRAMS-PROJ.-17-FINAL.pdf>

³⁴ Cumulative figures consolidated from Landbank of the Philippines Sustainability reports from 2011-2017.

³⁵ FAO. 2017. Innovative Risk Management Strategies in Rural and Agricultural Finance: The Asian Experience.

³⁶ ASKI. 2016. Defying the Odds: 2016 ASKI Integrated Annual and Sustainability Report.

Program that may already be contributing to value chains. AusAID and Opportunity International were some of the partners who provided value chain trainings to farmers while its partner buyer, Sunnybing Corp., also provides technical trainings from international experts.

Evidence on the ground seem to indicate that different stakeholders have already been implementing innovative agriculture value chain financing arrangements in the country. Publicly available studies have documented supply agreements between corporates and farmers, warehouse receipt financing, and credit programs blended with technical assistance and market linkages³⁷. Others documented the value chains from the national and regional perspectives on values of production and investment opportunities³⁸ or detailed the costs of specific activities along a commodity chain³⁹. Whereas gender elements and women empowerment were central objectives of some program-based publication, financial inclusion elements were missing. Very little material, however, is available on the intersects of agricultural value chain financing, financial inclusion and gender mainstreaming. If the government is to rally the support of all relevant stakeholders in its AVCF Framework implementation, information on past and emerging models, issues and opportunities need to be consistently produced and circulated. Knowledge management is of central importance if the long-term goal is mainstreaming AVCF among commercial financial institutions and ensuring that gender issues are considered and addressed.

3.4 Microinsurance

Women are a compelling market for microinsurance because of health and longevity risks specific to them, their vulnerable household and social positions, and role as risk and resource managers. Among the poor, women are particularly vulnerable since their assumed role as caretakers for immediate and extended family's limits capacities for income generation. Less income means fewer resources to invest in business expansion or to maintain the upkeep of held assets that, when damaged, stunts productivity and leads to economic losses. Providing efficient risk coping and management products can help women shift from inefficient forms of savings into income-generating and asset-building opportunities. Filipino women have been observed to be more likely than men to understand the primary purpose of insurance products as a risk management tool⁴⁰, but the extent to which this understanding has translated to microinsurance adoption has yet to be examined.

The Philippine Insurance Commission (IC), capitalizing on the impact of microfinance on low-income Filipinos and the seeming gap in risk protection offerings, began establishing a pro-poor microinsurance enabling environment in 2006. Other policy pillars of the microinsurance sector were subsequently issued from 2010 onwards that sought to increase innovations in products and services, expand outreach, ensure consumer protection and underpin all efforts with financial literacy. Latest data⁴¹ show the continued thriving of the microinsurance market, with premium payments and contributions growing by 30.6% from 2016 to 2017 and covering 32.03 million Filipinos. Mutual Benefit Association (MBA) contributions comprise 56% of the total PHP5.17 billion premium payments and also 56% of total individuals and dependents covered. Microinsurance data collected by the IC are not gender disaggregated but based on the wide observation that majority of MBA members are females, it can be interpreted that the volumes of microinsurance contributions and outreach of MBAs are benefiting many Filipino women and their families.

The Microinsurance MBA Association of the Philippines (MiMAP), also known as RIMANSI, reported in 2015 that 9 out of 10 members of their MBA partners were females. Women comprise majority of the Board of Trustees of MiMAP and hold high-level positions that could influence strategies on leveraging the predominantly female membership base of the individual Mi-MBAs. For example, some MBAs have assigned women-members as center leaders responsible for collecting monthly contributions, attesting to

³⁷ African Development Bank. 2013. Agricultural Value Chain Financing and Development for Enhanced Export Competitiveness. https://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/Agricultural_Value_Chain_Financing_AVCF_and_Development_for_Enhanced_Export_Competitiveness.pdf

³⁸ Philippine Institute for Development Studies. 2014. Compilation and Synthesis of Major Agricultural Value Chain Analysis in the Philippines. PIDS Discussion Paper Series No. 2014-35. <http://www.value-chains.org/dyn/bds/docs/889/pidsdps1435.pdf>

³⁹ Asian Partnership for the Development of Human Resources in Rural Asia. 2008. Value Chain Analysis Report: Cambodia, Philippines and Vietnam. <http://asiadhrpa.org/activityblogs/2ndisfmrw/lsfmvaluechain2.pdf>

⁴⁰ World Bank. 2015. Enhancing Financial Capability and Inclusion in the Philippines: A Demand-side Assessment.

⁴¹ Insurance Commission. January 2018. Press Release: Microinsurance Growth Rate and Outreach Continues to Increase as of 3rd Quarter of 2017.

the authenticity of claims and delivering MBA-issued benefits to members in case of contingent events⁴². Center leaders also recruit new members into the association, and this creates a ripple effect of the promotion of microinsurance in the community. As central figures in MBA governance, product and benefit distribution, and membership recruitment, women are able to actively widen the impact base of microinsurance as a risk protection instrument.

The roles of women as entrepreneurs and as household caretakers have been leveraged in promoting microinsurance. For example, Bagong Araw Philippines: Rebuilding Through Microinsurance and Women's Enterprises or PREMIUM⁴³ is a post-Haiyan rehabilitation program funded by the government of Canada that has supported more than 800 women sari-sari store owners (micro-entrepreneurs) in Samar and Leyte to shore up their business management skills, gain access to microloans, and protect against future disasters through the Sagip Negosyo microinsurance product. Beyond purchasing microinsurance for themselves, the sari-sari store owners are also being trained by RIMANSI to become distributors of life and non-life insurance products that can raise insurance coverage in communities vulnerable to natural disasters⁴⁴. Outcomes of the program are expected to be documented after its end in 2019.

Innovative distribution has been a key strength of the Philippine microinsurance sector and, in addition to MBAs, pawnshops have been an effective delivery mechanism for scaling up microinsurance coverage of low-income Filipinos. With more than 2,200 branches nationwide, Cebuana Lhuillier Insurance Solutions (CLIS) has been offering voluntary stand-alone microinsurance products to walk-in clients since 2010⁴⁵ averaging 1.2 million certificates sold monthly through its flagship microinsurance product Alagang Cebuana Plus Gold⁴⁶. Gender is not a deliberate consideration in CLIS planning, strategizing and marketing of products, rather, income class (CDE) and age are⁴⁷. A previous attempt at designing a female-focused microinsurance product sought to provide personal accident benefits for women and youth who fall victim to domestic violence. However, the premium would have been expensive and claims payment would have taken a long period due to the wait for required court ruling documents, hence the product did not go to market. Still, even without the deliberate integration of gender elements in CLIS operations and transactions, majority of clients served are women, with many being repeat clients. Additionally, CLIS is a partner of the DSWD in offering microinsurance to beneficiaries of the Family Development Sessions (FDS), majority of whom are women. In these sessions, and also at individual branches, creating an understanding of the benefits of microinsurance remains the key barrier to uptake. Many still see microinsurance as just an additional expense or an investment without the expected return. CLIS has found that claimants who have already experienced the aid of microinsurance are the best champions to "sell" microinsurance to their families, acquaintances and communities and have made sure to feature these claimants in audio-visual or printed communication materials, which are posted in the relevant branches.

CLIS products that target low-income workers include barangay tanod officials (TanodCARE), transport group members (TodaCARE), and security guards (SecurityCARE). While gender disaggregated data are not readily available for the number of product-specific certificate holders, this array of occupation-based microinsurance products can be seen as catering mostly to the needs of men since these occupations are generally dominated by them. Women, on the other hand, who dominate the informal economy and MSME sectors are offered ACP Gold or NegosyoCare⁴⁸. The generation and publication of sex-disaggregated data is not standard practice for CLIS, but this can be done should its partner insurance companies or the IC request so.

The pawnshop-as-microinsurance-agent model attests to the fact that microinsurance can be scaled up beyond formal financial institutions and has underscored the marketability of voluntary microinsurance. But even with the continued positive gains in the microinsurance sector, its total coverage rate within the

⁴² GIZ. Women in Inclusive Insurance Markets: The Case of Mutuals and Cooperatives in the Philippines. In *Mainstreaming Gender and Targeting in Inclusive Insurance: Perspectives and Emerging Lessons*.

⁴³ PREMIUM is jointly implemented by the Canadian Cooperative Association (CCA), Center for Agriculture and Rural Development (CARD), RIMANSI, Microventures Foundation, and Cooperative Development Foundation of Canada.

⁴⁴ Nearly a Thousand Sari-Sari Store Owners Participated in the First PREMIUM Caravan. <https://www.hapinoy.com/new-blog/2018/3/16/nearly-a-thousand-sari-sari-store-owners-participated-in-the-first-premium-caravan>

⁴⁵ CLIS had been selling pro-poor insurance since 2005, but recalibrated products in 2010 to comply with microinsurance features mandated by the Insurance Commission in the Microinsurance Regulatory Framework.

⁴⁶ ACP is a personal accident microinsurance that costs PhP40 for a 4-month coverage period, a maximum PhP20,000 coverage for Accidental Death/Dismemberment & Disability (AD&D), PhP5,000 cash assistance and includes PhP 5,000 microlife insurance.

⁴⁷ Interview with Maria Theresa Castillo, CLIS Manager and Department Head, Insurance Operations Department (Luzon)

⁴⁸ CLIS Insurance Products. <https://www.cebuanalhuillier.com/insurance/>

population is considered low at 31%. The IC forecasts microinsurance penetration to reach almost 50% by 2022, **but comprehensive financial literacy is needed**. Clear communication of how microinsurance works, its benefits, costs, eligibility, claims processing requirements, and coverage is critical in expanding microinsurance outreach. Awareness and adoption of microinsurance are the core objectives of the Philippine Roadmap to Financial Literacy on Microinsurance that brought advocacy trainings to 16 cities nationwide. Key messages and training materials were distributed to more than 500 trainer-participants (many representing MBAs and cooperatives) through the partnership of the IC, DoF, ADB, GIZ, Philippine Life Insurance Association (PLIA) and Philippine Insurers and Reinsurers Association (PIRA). Gender issues were not explicit in the training modules and overall training design and no evaluation has been conducted to assess the outcomes of heightened microinsurance awareness⁴⁹.

The IC has been urging further product innovations through distinct regulatory frameworks issued for microhealth, micro-agri, micropre-need products and distribution channels. Documenting the resulting product innovations and distribution approaches and analyzing gender elements of coverage, benefits and renewal ratios would be an important next step in strengthening the sector and highlighting gendered differences in microinsurance experiences. Microinsurance advancements have been demonstrated at the policy, supply and demand levels yet data is still sorely lacking if compared with those available for credit/loans and savings.

The fundamental principles behind microinsurance cater to the basic needs for risk protection of low-income women – affordable risk protection, simple buy-in requirements and procedures, and quick claims settlement especially in the event of catastrophes. Considering the strides that the microinsurance sector has reached in the Philippines, it would be opportune to examine the gender-differentiated outputs and impacts that microinsurance has produced, if any. The experiences of MBAs and pawnshops and their clients would be a fertile source of information.

3.5 Financial Literacy

Global financial literacy is relatively low, registering at just 33%, as found through the 2017 Standard & Poor's Ratings Services Global Financial Literacy Survey⁵⁰. The survey also found that global gender gap in financial literacy was in favor of men (35%) over women (30%). In contrast to this global trend, financial literacy in the Philippines was found to be higher for women (27%) than men (24%). A national assessment of financial capabilities of Filipinos done by the World Bank similarly recorded that, on average, women correctly answered more questions on financial literacy compared to the men. The assessment revealed that, even when demographic and socioeconomic factors are controlled, Filipino men are still more likely to belong to the group who scored the lowest on the financial literacy quiz⁵¹. The BSP's 2015 Baseline Financial Inclusion Survey also found that more Filipino women have experienced transacting with banks, and in fact, with all other access points except for Non-Stock Savings and Loans Associations (NSSLAs)⁵². Women were found to be additionally more knowledgeable about insurance products as a risk management tool and the follow-up 2017 National Financial Inclusion Survey noted that insurance uptake is higher for women (20%) than men (20%). This higher rate of interaction could be correlated with the higher financial literacy of Filipino women that boosts their understanding of and appreciation for financial products, and confidence in dealing with financial institutions. This reverse gender gap in financial literacy is consistent with general literacy rates in the country. Functional literacy is 92% for women and 89% for men⁵³.

The National Financial Inclusion Strategy identifies financial education and consumer protection and advocacy programs as key strategic areas. The BSP consequently developed the Economic and Financial Learning Program (EFLP) as the vehicle for raising awareness and understanding of financial issues to inform financial choices and decision-making. The EFLP is gender-neutral without any deliberate

⁴⁹ Phone interview with GIZ Senior Advisor Dante Portula.

⁵⁰ The S&P Global FinLit Survey is the most comprehensive global measure of financial literacy, having consolidated nationally representative data from more than 150,000 interviews from 140 economies. It builds on early work by the OECD's International Network on Financial Education (INFE), World Bank's Financial Capability and Household Surveys, Financial Literacy around the World (FLAT World) project and numerous other national surveys on financial literacy. The survey is not publicly available but some data, particularly on the gender gap perspective is available in the publication *The Gender Gap in Financial Literacy: A Global Perspective* published by the Global Financial Literacy Excellence Center at <http://gflec.org/research/?item=11053>

⁵¹ World Bank. 2015. *Enhancing Financial Capability and Inclusion in the Philippines – A Demand-side Assessment*.

⁵² Data on financial transaction experience across access points was no longer documented in the 2017 National Financial Inclusion Survey.

⁵³ PSA. 2018. *Factsheet on Women and Men in the Philippines*.

prioritization of women as target audiences or of women-focused activities⁵⁴. However, the program does explicitly prioritize target groups including unbanked and underserved sectors, lower-income groups, school children, college students, self-employed individuals and entrepreneurs, young professionals and other employees, and overseas Filipinos (OFs) and their beneficiaries – sectors that are significantly comprised of women⁵⁵.

The EFLP activities vary in delivery modes and themes, with focus areas broadly including: 1) the BSP's role in economic development; 2) foreign exchange management and competitiveness promotion; 3) BSP statistical products; and 4) personal finance consciousness and financial empowerment. The program has been delivered in 79 provinces through 28,000 learning events, educating some 1.9 million participants⁵⁶. Additionally, the public can access EFLP resources through the Economic and Financial Learning Centers at the BSP Head Office and in all 22 regional offices. Sex-disaggregated data on participants of EFLP activities can be collated from post-activity evaluation forms if needed, but disaggregation is not standard practice in activity reports. Further, the number of EFLC visitors cannot be sex-disaggregated as visitors only indicate their status either as “student” or “professional” and not their gender.

The monitoring and evaluation of EFLP relies on three straightforward metrics without gender dimensions: completion of planned activities, participation rate, and post-engagement evaluation score. It will therefore be difficult to trace gendered differences in the outcomes of financial literacy interventions of the EFLP. Beyond in-person activities, the BSP also launched Pisolit on Facebook as the digital, social media-focused dimension of the EFLP which disseminates messages on savings liquidity, retirement, investment, preventing over-indebtedness, and protection from fraud and scams. Daily metrics can be consolidated for the number of “likes”, “reach” and “engagement”, but gender-disaggregation would be a challenge. A comprehensive assessment of the outcomes and impacts from the EFLP should be prioritized.

The Philippine Commission on Women (PCW) is the only agency that seems to have initiated a gender-focused financial literacy program and produced gender-sensitive financial educational materials. Through the GREAT⁵⁷ Women Project, and jointly with the National Anti-Poverty Commission (NAPC), PCW developed gender and financial literacy modules (see Box 3) and conducted training of trainers sessions in Manila and Iloilo, targeting microfinance institutions, people's organizations, local government units, and women microentrepreneurs. The financial literacy component was completed in 2013 and has not been included in the second phase of the program which started in 2014 and will end in 2019⁵⁸.

Box 3. PCW-GREAT Women Project and NAPC Gender and Financial Literacy Training Manual Contents

⁵⁴ Phone interview with Rochelle B. Tomas, Acting Deputy Director, Policy Literacy, Financial Consumer Protection in Gender Analysis for the Financial Inclusion Project.

⁵⁵ BSP. 2017. The BSP Economic and Financial Learning Program(BSP-EFLP) and Other Financial Education Initiatives. Presentation for the Bank of Uganda Study Visit. 24 May 2017.

⁵⁶ The BSP Economic and Financial Learning Program (BSP-EFLP) and Other Financial Education Initiatives. Presentation made to the Study Visit of Bank of Uganda, 24 May 2017.

⁵⁷ The Gender Responsive Economic Actions for the Transformation of Women (GREAT Women) Project was a governance and capacity development project funded by the Government of Canada and was implemented from 2006-2013.

⁵⁸ Based on phone interview with Ms. Kathleen Aquino, Planning Officer IV, GREAT Women Project 2.

<p>Module 1: Understanding the Gender Dimension of Work</p> <ul style="list-style-type: none"> • Session 1: Basic Gender Concepts • Session 2: The Role of Women in the Economy • Session 3: Magna Carta of Women at a Glance <p>Module 2: Mainstreaming Gender in Microfinance</p> <ul style="list-style-type: none"> • Session 1: Microfinance Basic Concepts, Primary Policies and the Needs and Issues • Session 2: Microfinance Plus (Mainstreaming Gender in Microfinance) <p>Module 3: Women's Empowerment Through Microfinance and Enterprise Development Programs</p> <ul style="list-style-type: none"> • Session 1: Gender-Awareness Building and Business Development Services (Non-Financial Services) • Session 2: Organizing for Change • Session 3: Social Performance Management <p>Module 4: Gender Analysis and Savings and Expenditures</p> <p>Module 5: Facilitating Gender and Development Trainings</p>
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Other government agencies vital to the financial inclusion agenda have their respective approaches to linking gender and development and financial literacy/education based on their core mandates and primary clients/beneficiaries. Table 3 summarizes these approaches.

Table 3. Summary of GAD and financial literacy approaches by selected government agencies

Agency	Gender and Financial Literacy Approaches
1. Commission on Filipinos Overseas	<ul style="list-style-type: none"> • Financial inclusion and literacy are not specific priorities in GAD Plan and Budget, but financial literacy projects have been funded through external partnerships and resources. Gender concerns are integral, for example, in the Guidance Counselling Program for marriage and migration but no finance-related topic is intentionally covered. • The financial literacy campaign PESOSENSE makes online modules publicly available, aiming to improve the “financial acumen of both Overseas Filipinos and their beneficiaries. Funded by The Western Union Foundation and the UNDP, the tools have been used mostly by women (over 70% of users) residing in the Philippines. The analytic tools could not track whether these users are beneficiaries of migrant Filipinos⁵⁹. • Facebook is used to promote PESOSENSE and has received very positive response from the public who engage with posted messages and activities. Demographic statistics show that mostly women interact in the PESOSENSE Facebook account but are not necessarily overseas Filipinos or their beneficiaries.
2. Commission on Higher Education and Department of Education	<ul style="list-style-type: none"> • CHED Memorandum Order (CMO) 1-2015 established the guidelines on gender and development in CHED and Higher Education Institutions and identifies financial literacy as an attached priority for gender-responsive extension programs. It's not clear how institutions have adopted this into their extension programs. • Republic Act 10679 or the Youth Entrepreneurship Act 2015 mandates the DepEd to ensure the K to 12 curricula is supported by programs on entrepreneurship and financial literacy. The Implementing Rules and Regulations are still being developed with an expectation that financial literacy will be taught in public schools in 2018⁶⁰. No clarity yet how or if it harmonizes with CMO 1-2015. • Bureau of Curriculum Development (BCD), BSP, National Confederation of Cooperatives (NATCCO), Philippine Life Insurance Association (PLIA) have been working to integrate financial literacy education in the K to 12 curricula. Still unclear how and if gender dimensions are being integrated. • DepEd, BSP and BDO Foundation launched the Financial Literacy Program for Schools
3. Cooperative Development Authority	<ul style="list-style-type: none"> • Memorandum Circular 2013-22 issued the guidelines on mainstreaming gender and development in cooperatives and encouraged the inclusion of GAD and gender equity into education and training plans. Whether this has been aligned with financial literacy trainings will need to be confirmed with each individual cooperative.

⁵⁹ Interview with Rodrigo Garcia, Commission on Filipinos Overseas OIC, Policy, Planning and Research Division.

⁶⁰ http://www.senate.gov.ph/press_release/2017/1027_aquino1.asp

	<ul style="list-style-type: none"> • A tool to assess the progress of gender equality in primary cooperatives has been developed and includes “integration of gender equality in education modules for officers and members” as one of the indicators. Reports using this tool will be submitted in 2019. • Current social audit reports require limited information on GAD activities and CDA does not consolidate or analyze the reports on these activities
4. Department of Agrarian Reform	<ul style="list-style-type: none"> • Educational activities for rural women, children, PWDs, and senior citizens do not seem to include financial literacy but rather focus on themes including human rights, government services against violence of all forms, business entrepreneurship, gender sensitivity to enhance leadership and participation of women in Agrarian Reform Beneficiaries. • No representation of the finance sector in the pool of government agencies that contribute to DAR Caravan for Rural Women. Pool includes DOH, DOLE, NIA, DENR, PNP, OPAP, PSWD, LGU.
5. Department of Agriculture	<ul style="list-style-type: none"> • Current and future financial literacy activities do not seem to have explicit gender considerations (ex. in target beneficiaries or content) • LandBank embeds financial literacy activities in financing programs with the DA such as the Sikat Saka Program where farmers are trained on credit discipline, savings and financial management. LandBank also conducts the “Ipon at Kabuhayan para sa Kababayan” caravan that combined financial literacy training with the on-site opening of bank accounts, enabling outreach to 4,000 unbanked farmers and fishers⁶¹ • Agricultural Training Institute is developing a financial literacy program for farmers and fisherfolks as part of the government’s sustainability framework for the Agricultural Credit Policy Council (ACPC)⁶². Unclear if gender considerations will be prioritized and integrated into the program.
6. Department of Social Welfare and Development	<ul style="list-style-type: none"> • Financial literacy training is a built-in component of SEA-K Stage 2: Social Preparation⁶³ • Financial Literacy Program through Mobile Banking integrated into Sustainable Livelihood Program in partnership with Globe BankO and teaches basic savings values and budgeting habits and participants are offered to open a mobile account. In 2014, 3,000 sessions in 10 regions, 50,000 program beneficiaries opened accounts and at least 84% have added to their account balances⁶⁴.
7. Department of Trade and Industry	<ul style="list-style-type: none"> • Financial literacy topics are integrated into sector-focused and gender-neutral capacity building activities but are expected to benefit many MSME women owners. Money and Cash Flow Management, Financing Forum and Accounting are included in the SME Roving Academy (SMERA). • Women-focused financial literacy activities are also scheduled ad hoc in local DTI offices, for example, ARMM conducted a Financial Literacy Forum in celebration of Women’s Month. Training was delivered by a private sector resource person.
8. Insurance Commission	<ul style="list-style-type: none"> • Gender elements are not present in the Philippine Roadmap to Financial Literacy on Microinsurance which produced the foundational materials and messages to raise awareness of microinsurance.

The summary shows that government agencies have varying degrees of prioritizing either agendas of gender and development or financial inclusion – very few are able to incorporate both in activities. Most agencies implement financial literacy activities that do not necessarily target women as participants, but nonetheless benefit many of them because majority of the beneficiaries/clients are women. It’s not clear, however, if financial literacy activities that benefit women include any gender and development concepts relevant to deepening financial literacy.

⁶¹ <https://www.landbank.com/LBP-launches-P1-B-loan-program>

⁶² Agri chief wants farmers to be financially literate. <http://www.da.gov.ph/agri-chief-wants-farmers-to-be-financially-literate/>

⁶³ <s://dirp3.pids.gov.ph/webportal/CDN/PUBLICATIONS/pidsdps1509.pdf>

⁶⁴ <https://www.globe.com.ph/press-room/financial-literacy-in-ph>

A number of questions can be explored further with a detailed review of individual agencies' financial literacy program designs and materials: 1) How consistent are financial literacy contents/messages across the programs and activities carried out by a myriad of actors? 2) Are the messages aligned with the BSP's EFLP scope and content? 3) Where relevant, have activities included microinsurance messaging in addition to the usual focus credit and savings? 4) Where women participants are concerned, what gender issues and concepts are included or missing in financial literacy activities? What are the minimum gender and development information that need to be included?

A structured review of existing financial literacy programs and materials that assesses opportunities and barriers for integrating gender issues and messages would require a harmonized approach with leadership from the BSP and the PCW, and significant support from Gender Focal Points and other relevant representatives of agencies.

4. Gender Issues in Financial Inclusion Infrastructure

Innovations in digital financial services are increasingly resolving stumbling blocks to making and receiving payment transactions, that could include geography, transaction costs, and credibility of financial service providers⁶⁵. These services are also expected to aid in overcoming gender-specific challenges such as women's norm-restricted mobility and the lacking regard for their privacy and security. Much has to be done though to encourage the uptake by Filipino women of digital finance through formal accounts because data indicate that e-money account ownership, for example, is slightly higher for men (1.4%) than women (1.2%)⁶⁶ and that men who own accounts are 9% more likely to use digital payments than women⁶⁷.

In 2009, the BSP ushered the start of a digital ecosystem in the country through Circular 649 which set the guidelines governing the issuance of electronic money (e-money) and the operations of electronic money issuers (EMI). Since the issuance, 30 EMI-banks and 10 EMI-non-banks have been licensed⁶⁸. In 2017, 11.7 million e-money accounts had been registered (a 21.4% increase from 2016 figures), but only 60% of these were active⁶⁹. The growth rates for the number and amount of e-money transactions have also slowed down in 2017⁷⁰ (see Table 4). The 2017 National Financial Inclusion Survey highlighted that even with the wide access to technology (mobile and internet) in the Philippines and the growing awareness about online payment methods, awareness of the breadth of e-payment service providers is mostly prevalent to Metro Manila and the upper class. Issues of security and safety, weak signal, a lack of awareness of using e-payments and a lack of trust in online transactions have been identified as barriers to the use of electronic payment modes. A thorough differentiation of the transaction products is needed to fully understand progress in uptake. Sex-disaggregation of the data could also reveal differences in use patterns and could become inputs to refining the delivery of e-money services such as digital payments.

Table 4. Trends in Electronic Money Transactions

	2015	2016	Growth	2017	Growth
Number of Transactions (in millions)					
Inflow	60	67	11.9%	73	9.2%
Outflow	267	299	11.9%	317	6.0%
Amount of Transactions (in billion pesos)					
Inflow	456	477.7	4.7%	481.7	0.8%
Outflow	460	478.4	4%	481	0.6%

A National Retail Payment System (NRPS) was operationalized in 2017 to facilitate secure electronic fund transfers and payments between and among banks and e-money accounts. The two payment schemes, PESO Net and InstaPay, are expected to induce economic activity through instant liquidity and to plug leaks and streamline efficient government payments of worker salaries, tax collections and social benefit

⁶⁵ International Center for Research on Women. 2017. Gender and digital financial inclusion: What do we know and what do we need to know?

⁶⁶ BSP. 2017 Financial Inclusion Survey: Moving Towards Digital Financial Inclusion.

⁶⁷ World Bank. 2017 Global Findex Report.

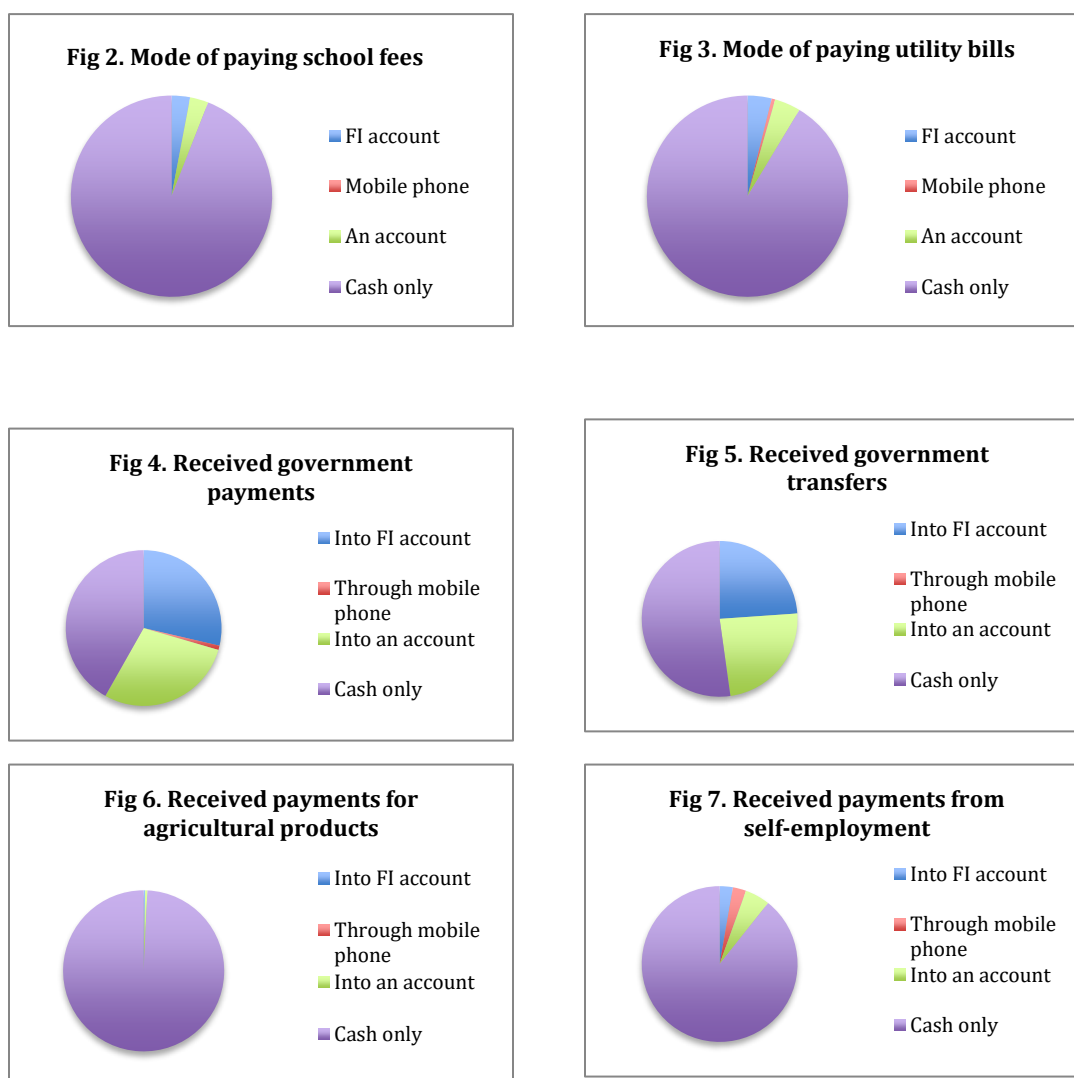
⁶⁸ BSP. 2017. List of BSP Supervised Electronic Money Issuers.

⁶⁹ BSP Financial Inclusion in the Philippines Dashboard as of Fourth Quarter 2017.

⁷⁰ BSP Financial Inclusion in the Philippines Dashboard as of Fourth Quarter 2016

transfers. Gender elements are not explicit in both the e-money and NRPS policy issuances and gendered elements in the digital transactions they enable are yet to be explored and considered for systematic monitoring.

Despite the positive outlooks from policy initiatives and the suppliers' response to expand digital financial products and services, the Philippines has remained a largely cash-based society. A 2015 report by Better than Cash Alliance reveals that only 1% of the 2.5 billion retail payments per month were done electronically, cash and checks were the traditional mode of payment⁷¹. In fact, 64% of Filipinos who did not use their accounts for payments preferred paying by cash and 20% are not aware of the payment capabilities of their account⁷². Data from the 2017 Global Findex Database also show the prevalence of cash in financial payment and receipt transactions in the Philippines (see Figures 2 to 7). The data are not gender disaggregated but these already give a potential jump off point for exploring cash vs. electronic payment preferences, costs and benefits for Filipino women and men.



A number of justifications in advancing digitalization of payment transactions are already present in the country: the wide usage of mobile phones, high SMS literacy, latent demand for access to finance, and the prevalence of domestic and international remittance⁷³. Mobile phone subscription in the country is extremely

⁷¹ Better than Cash Alliance. 2015. Development Results Focused Research Program Country Diagnostic: Philippines.

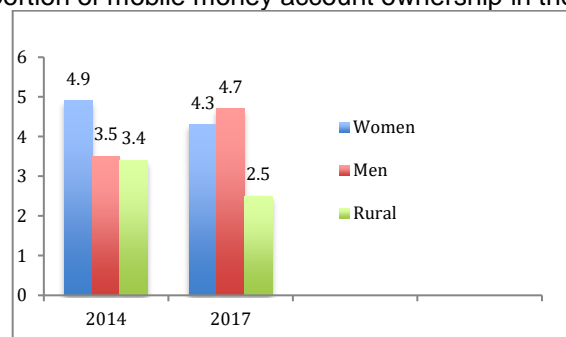
⁷² BSP. 2017 Financial Inclusion Survey: Moving Towards Digital Financial Inclusion.

⁷³ Mobile Money in the Philippines – The Market, the Models and Regulation.

high at 130 million, of which 51 million are unique subscriptions⁷⁴. The GSMA⁷⁵ estimates that globally, women are generally 14% less likely than men to own a mobile phone. Filipino women, however, are 3% more likely to own a mobile phone than Filipino men⁷⁶. The country is additionally considered a pioneer in offering mobile financial services (MFS) for the unbanked, with the government having worked with financial institutions and telecommunication companies to enable the distribution of innovative products, namely, SMART Money and G-Cash since early 2000s⁷⁷.

But even with the wide coverage of mobile ownership, only 4.5% of Filipino adults held mobile money accounts in 2017, slightly up from 4.2% in 2014⁷⁸ (Global Findex 2017). Additionally, men have exceeded women in holding mobile money accounts. Mobile account ownership has also gone down in rural areas where it is critically needed (see Figure 8).

Figure 8. Proportion of mobile money account ownership in the Philippines (%)



Beyond mobile money account ownership, the differences in the use of mobile financial services between Filipino men and women have been noted. In a study by Grameen Foundation⁷⁹ on MFS use in rural communities in Quezon and Laguna, women were found to use the mobile services mostly for sending money and making payments on loans, whereas men mostly used the service of receiving money and paying for large purchases. Overall, however, both women and men used the mobile financial service mostly for sending and receiving money only, even as awareness of the other services was equally high for both women and men. Among the women study participants, use of the MFS differed across age groups, those aged 20 to 40 were more likely to use the mobile services. Noteworthy also was the reliance of both women and men on either agents or some other persons to make the mobile transactions because training on making transactions was apparently inadequate.

In addition to the extensive mobile subscription in the country, the high volumes of international and domestic remittance flowing in is another key rationale for digitalizing financial services. Data from the BSP 2017 Financial Inclusion Survey peg 93% of Filipinos use over-the-counter remittance agents in sending money while 83% use the agents for receiving money⁸⁰. Further, the survey noted that the incidence of receiving money is higher for females and those residing in rural areas. Digitalization of remittance services is highly relevant for the Philippines because it not only enables efficiency in sending and receiving money across the archipelago, it will particularly help women conserve time and energy. Women – who are already burdened by home-making, childcare and financial management responsibilities – could use mobile phones to receive remittance and subsequently make necessary payments or transfers. With digitalized services, women no longer need to make OTC transactions and fit this in already busy schedules. Access points offering remittances are aplenty, with the majority of remittance volumes coursed through commercial banks (US\$2.7 billion in 2017). The nine commercial banks offering remittance services are complemented by more than 5,000 remittance and transfer companies, rural banks and cooperatives that have partnered with

⁷⁴ 2014 data in 2017 Philippines in Figures Data collected by PSA for both mobile and internet subscription are not gender disaggregated.

⁷⁵ The GSMA represents the interests of approximately 800 mobile operators worldwide and 300 companies in the mobile ecosystem through industry programmes, industry-leading events, working groups, and advocacy initiatives.

⁷⁶ GSMA. 2018. Connected Women: The Mobile Gender Gap Report 2018.

⁷⁷ Llanto, G. 2017. What Determines Financial Inclusion in the Philippines? Evidence from a National Baseline Survey. Philippine Institute for Development Studies Discussion Paper Series No. 2017 – 38.

⁷⁸ World Bank. 2017. Global Findex Report.

⁷⁹ Grameen Foundation. 2013. Use of Mobile Financial Services among Poor Women in Rural India and the Philippines.

⁸⁰ 2017. 2017 Financial Inclusion Survey: Moving Towards Digital Financial Inclusion.

international money transfer organizations. Digitalizing remittance services could help address issues of time, mobility and the attendant transaction costs particularly for women.

The number of overseas Filipino migrant workers currently exceeds 10 million individuals and the 2016 Survey on Overseas Filipinos estimates that 53.6% of the PhP2.2 million registered OFWs between April-September that year were females. Cash remittances continue to rise and male OFWs sent majority (59%) of the PhP146 billion remittances⁸¹ in 2016 (see Table 5).

Table 5. OFW Remittances 2016 (in million pesos)

	Male	Female
Cash sent	86,281	59,748
Cash brought home	32,502	13,239
In kind	6,048	5,099
Total	124,831	78,086

The higher international remittances sent by Filipino men are expected even with the “feminization” of the migrant labor force in the past two decades. Male OFWs usually hold skilled employment qualified by their higher educational attainments whereas majority of female counterparts have been deployed for unskilled work that receive lower salaries⁸².

Recent developments in the Philippine digital finance ecosystem have shown the strong commitment and encouraging actions from the policymakers and financial and technology service providers. Uptake by clients, specifically the unbanked and underserved, however cannot be accurately measured yet. Further, the difference in adoption between Filipino women and men, whether and how the adoption has led to better access to and use of specific digital financial services calls for additional investigation. In designing financial literacy programmes or activities on digital finance, it is important to work with all stakeholders of the ecosystem to allay concerns of privacy and information security. Filipinos who own e-accounts remain ambivalent about using these to transact citing “hacker presence”, “personal security”, and “unsafe access” as the main reasons for non-use⁸³.

5. Gender Issues in Capacities of Financial Service Providers

5.1 Microfinance providers

Microfinance has been a potent poverty alleviation strategy in the Philippines. Banks, cooperatives and microfinance NGOs (MNGOs) have provided financial services to millions of Filipinos (see Table 6), aiming to aid in the reduction of the 21.6% national poverty incidence.

Table 6. Key Data on Microfinance in the Philippines

Type of MFI	Number of reporting	No. of Active Borrowers (in millions)	Total Loans Outstanding
Microfinance NGOs ⁸⁴	23 ⁸⁵	3.149	PhP 19.89 billion
Banks ⁸⁶	167	1.68	PhP 13.22 billion

⁸¹ PSA. 2016 Survey on Overseas Filipinos. <https://psa.gov.ph/content/2016-survey-overseas-filipinos>

⁸² 2015. UN Women. Gender-sensitive Remittances and Asset- Building in the Philippines.

⁸³ 2017. 2017 Financial Inclusion Survey: Moving Towards Digital Financial Inclusion.

⁸⁴ Source: MCPI. 2016. Microfinance Council of the Philippines (MCPI). Social Performance Country Report

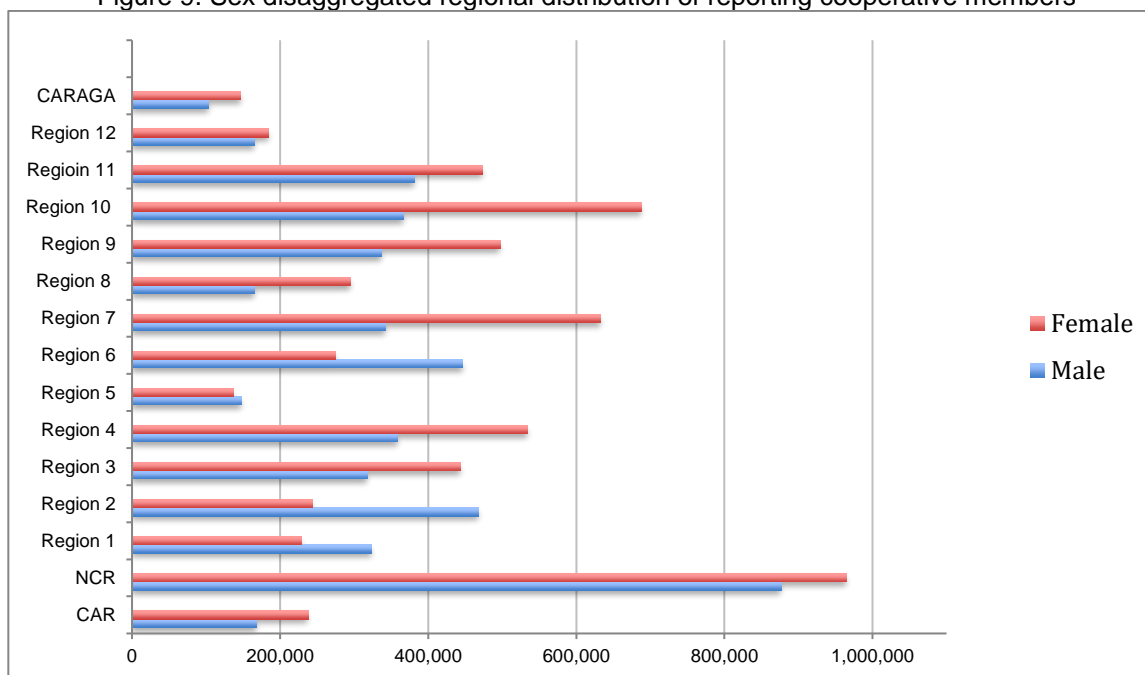
⁸⁵ MCPI, however, has a total number of 49 regular members, majority of whom are not regularly reporting on their performance through the PESO Score.

⁸⁶ Source: Tayag, Pia Roman. 2017. Microfinance Milestones and Challenges: A Look Back to See Ahead, Almost 20 Years of Microfinance in the Banking Sector. Presentation made at the 2017 MCPI Annual Conference. http://www.microfinancecouncil.org/wp-content/uploads/2017/08/Milestones-and-Challenges_Pia-Tayag.pdf

Cooperatives	12,363 ⁸⁷	2.459 ⁸⁸	N/A
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Microfinance NGOs and cooperatives, in particular, have been instrumental in advancing gender and development agendas as they provided access to finance for many women. As of 2017, 55% of the 10.9 million cooperative members were females with significant membership spread throughout the regions (see Figure 8).

Figure 9. Sex disaggregated regional distribution of reporting cooperative members



The cooperative sector has a proactive gender and development advocacy grounded in the Guidelines on Mainstreaming Gender and Development in Cooperatives (MC 2013-22) issued by the Cooperative Development Authority (CDA). Cooperatives are required to document in their Social Audit Reports their activities on, funds utilized for and officers/staff/members participating in gender equality and women empowerment. An assessment tool was also developed in 2017 to track the progress of cooperatives' GAD mainstreaming through specific parameters (see Box 4). Awareness of the tool is not yet widespread though cooperatives with advanced GAD mainstreaming experiences are already using it. The CDA is at the stage of raising awareness and familiarity of this new tool but it has no immediate plan to monitor and assess cooperatives' use of it⁸⁹.

Box 4. Parameters assessed in the Progress of Gender Equality in Primary Cooperatives (MC 2017-04)

- 1) Level of gender awareness of governance structures and members, of volunteers and of coop members (5 areas)
- 2) Level of operations of the GAD Committee and of the GAD Focal Person
- 3) Presence of sex-disaggregated data
- 3) Nature of gender goals, objectives and specific targets in strategic plan
- 4) Nature of Annual GAD Plan and allocated Budget
- 5) Level of integration of GE in the manual of operations and/or policies

⁸⁷ Source: Castillo, Mercedes. 2018. CDA Milestones and Progress on GAD Mainstreaming . Presentation made at the 3rd National Summit on Gender and Development in Cooperatives.

⁸⁸ Source: Data from MCPI Industry Report 2010. The Cooperative Development Authority doesn't consolidate data on reporting cooperatives' active borrowers.

⁸⁹ Phone interview with Ms. Mimay Parangue, Cooperative Specialist, CDA Manila Extension Office.

- 6) Level of integration of GE in education modules for officers and members of the cooperative
- 7) Extent of linkage or partnership with cooperatives, NGOs, GOs and other organizations with gender equality advocacy
- 8) Proportion of men and women who have availed of cooperative major services
- 9) Presence of new products and services responding to the gender-related needs of women and men
- 10) Proportion of men and women who participated in GA
- 11) Proportion of men and women who participated in ownership meetings
- 12) Proportion of men and women members who participated in social programs or projects of the cooperative
- 13) Proportion of men and women in governance structures, volunteers and members
- 14) Number of woman BOD chairperson and woman CEO in last 10 years
- 15) Extent of gender responsiveness of actions of the Board of Directors
- 16) Extent of use of gender neutral language in documents
- 17) Extent of gender responsiveness of monitoring and evaluation and operational/achievement reports

In contrast to the cooperative sector, for which some gender disaggregated data are available (and more are expected with the expanded use of the GAD mainstreaming assessment tool), gender-relevant information is scant for the MNGO sector. Since no single entity held regulatory or supervisory oversight for the sector for a long time, reporting on MNGO financial and social performances has been inconsistent and its value unappreciated. The Microfinance Council of the Philippines Inc. (MCPI) has been the de facto repository of information on microfinance NGOs, but reporting has been uneven among its members⁹⁰. In its Social Performance Country Report 2016, for example, MCPI counted only 23 of its then 48 members as reporting ones, using the PESO Performance Standards prescribed by the Department of Finance – National Credit Council (DoF-NCC). The mainstreaming of gender and development into microfinance NGO operations is also uneven and has no policy foundation. Some MNGOs do commit to “gender equality and women’s empowerment” in their Vision and Mission statements⁹¹, however, the details on the translation of these statements into actual products and services or other organizational activities are not sufficiently reported to MCPI.

With the signing of Republic Act 10693 or the Microfinance NGOs Act and the prescription of the Performance Standards (PS) for accreditation, it is expected that consolidation of uniform and consistent information on operational and financial performance of MNGOs can commence. The Performance Standards template requires sex-disaggregated data on the number of active clients of the MNGO. No other gender-relevant information is required for accreditation or reporting purposes. But information and supporting documents to be supplied on some of the social performance indicators of the PS could potentially be useful for gender analysis (see Table 6). Meaningful analysis of the social performance of the MNGOs, particularly related to gender and development issues correlated with financial inclusion, might not be an immediate priority of MF-NGO Regulatory Council (MNRC), considering it is a relatively new institution and the internal capacities may not yet be sufficient.

Table 6. Relevant social performance indicators and potential sources of information for gender analysis of MNGOs⁹²

Indicator	Yes (1 pt)	No (0 pt)	Means of Verification
DEFINE AND MONITOR SOCIAL GOALS			
1. The MFI has a vision/mission statement that clearly states the low-income people as target clientele.			Vision/Mission Statement, MF-NGO Strategy and Business Plan
4. The MFI has identified specific indicators that measures its progress towards attaining its social goals, including gender and environment			MF-NGO Strategy and Business Plan
DESIGN PRODUCTS, SERVICES AND DELIVERY CHANNELS THAT MEET THE CLIENT'S NEEDS AND PREFERENCES			
10. The MFI conducts market research before introducing or modifying products and services.			Market Research Reports

⁹⁰ Phone interview with Mr. Errol Villarenet, MCPI Program Assistant.

⁹¹ MCPI. 2016. Microfinance Council of the Philippines (MCPI). Social Performance Country Report

⁹² MNRC. 2018. Memorandum Circular 1-2018. Section 3 of Annex 1 Performance Standards for Microfinance NGOs

11. The MFI conducts client satisfaction surveys and exit surveys.			Client Satisfaction Surveys Client Exit Surveys
12. The MFI uses the result of the client satisfaction and exit surveys in designing/improving its products and services.			Product Manual Credit Policy

Individual MNGOs themselves are rich sources of data that could be useful for gender analysis in the context of financial inclusion. The Negros Women for Tomorrow Foundation (NWTF), for example, whose client base of 312,066 is 99% women, used the Progress Out of Poverty Index to aim for the movement of its clientele out of poverty based on specific social goals⁹³. Box 5 details its social goals and the indicators that measure progress. Based on the data collected, one observation is that majority of clients who live above USD2 have been clients of NWTF for more than five years. Majority of their clients are sari-sari store owners or are in the retail or trading businesses, with a few clients owning agri-based or fishing businesses. Among its clientele, repayment rates are highest from those who own agri-based or fishing businesses. These data, however, do not expose how the clients' roles as wife, mother, homemaker affect their loan repayment capacities. NWTF, therefore, worked with Oikocredit to implement the Financial Action Learning System (FALS)⁹⁴ pilot project to build capacities in financial and gender empowerment among its clients and staff. Through various methodologies (mostly drawing and diagramming), the training participants profiled the division of work, expenditure, assets and decision-making within their family, outlined the emotional, financial and power relationships they consider to affect the business for which the loan is being taken, identified the vision for the family and the opportunities and challenges to realize the vision within the current loan cycle and for future ones. After some months, the participants attended a follow-up workshop intended to review the changes that resulted from their FALS participation and to further plan their financial management vis-à-vis their family dynamics and personal visions. Early feedback from participants reveal that the FALS has helped improve relationships within the family, with stories of family members giving up on unessential spending, fathers and children taking on more responsibilities in homemaking, savings habits improving and loans being repaid on time⁹⁵. Aside from clients' appreciation of the outcomes of FALS, the NWTF staff have also benefited as the process has given them client-identified gender indicators that can be integrated into the SPM and can also be used as gender checklist for assessing product innovation.

Box 5. Examples of MNGO social goals and data collected for potential gender or financial inclusion analysis

Social Goals	Data collected
<ul style="list-style-type: none"> 80% of clients should be below the poverty line at entry 50% upward movement within 3 years 30% should move out of poverty 5 years after entry 10% maximum downward movement 	<ul style="list-style-type: none"> Poverty levels of new clients Poverty levels of clients x number of years as client Poverty movement x number of years as client Client repayment rate x poverty levels x number of years as client Number of clients per type of business Repayment rate per type of business Poverty levels per type of business

That MNGOs and cooperatives are driving forces in empowering Filipino women is undeniable and the sector's best practices should be systematically recorded and lessons disseminated. The collection of industry level data needs to be stepped up if financial inclusion stakeholders are to understand the nuanced approaches for providing access to and sustaining usage of financial products and services. Experiences in gaining access to finance and the outcomes from using various financial products and services need to be documented so that lessons can be shared across the industry and enhance microfinance, in particular,

⁹³ NWTF presentation on Deepening the Implementation of Social Performance in MFIs at the 2017 MCPI Annual Conference: Embracing New Milestones and Challenges in Philippine Microfinance. http://www.microfinancecouncil.org/wp-content/uploads/2017/08/Deepening-the-Implementation_Gilbert-Maramba.pdf

⁹⁴ 2018. FALS Toolkit: Oikocredit, ASKI, NWTF Philippines. <https://gamechangenetwork.org/fals-toolkit-oikocredit-aski-nwtf-philippines/>

⁹⁵ Based on interview with Ms. Marilou Juanito, Oikocredit Regional Coordinator for Southeast Asia on 31 July 2018.

and financial inclusion, in general, where these are lagging. The CDA already has the data-collection tools to start understanding and evaluating the gender elements in the sector, but capacity is in deficit to ensure data are consolidated, analysed and shared with cooperatives, their clients and other stakeholders. The MNGO sector, as it adjusts to regulation, supervision, and alignment, can look to the cooperative sector for inspiration in proactive mainstreaming of gender and development and interfacing with financial inclusion.

5.2 Islamic Finance

The Philippine Islamic Finance industry is a niche market still in its infancy stage. Although an industry was jumpstarted as early as 1973 with the introduction of the Philippine Amanah Bank (PAB), its development has been almost stagnant. After the PAB failed and the political situation stabilized in the country, the Al-Amanah Islamic Investment Bank of the Philippines (AAIIBP) was established to facilitate socio-economic development in the Autonomous Region of Muslim Mindanao (ARMM) through financial services that complied with the Islamic concept of banking. The AAIIBP, however, chiefly offers conventional financial products, has been operating at a loss and is seeking recapitalization from the government to realize its goal of becoming a fully Islamic bank⁹⁶. Legal and regulatory barriers, lacking market instruments and technical expertise, weak institutional operation are preventing the bank from delivering on its mandate to aid the poorest segments in the least banked region of the country. Only 13% of the 117 ARMM municipalities has a banking presence served by 19 banks and 40 ATMs⁹⁷.

In a survey by PwC of Islamic finance clients in the the Middle East, it was noted that women were relatively inactive customers compared to men⁹⁸. The survey also stated that Muslim women continue to prefer the availability of women-only branches, however in reality, they use these branches infrequently. In fact the surveyed clients revealed their actual use patterns to be based on online and mobile platforms. Aside from these client-side concerns, a primary concern in countries where Islamic finance already has a stronghold has been the low representation of women in the sector's workforce, from front services to executive management levels⁹⁹. Insights like these for the Philippines are still lacking to better understand the preferences, needs and behaviors of Muslim women clients.

In lieu of AAIIBP services, and pending progress expected from the passing of the Islamic Finance Act, a number of Shari'ah-based microfinancing initiatives had been initiated in Mindanao through the efforts of women-led Moro organizations (Kadtabanga Foundation and TASBIKKA Inc.) partnering with the Peace and Equity Foundation. Prominent issues in the organizations' adoption of Islamic finance focused on the inadequacy of Islamic finance application know-how, insufficiency of funds for the expansion of the portfolio, weak business management skills of clients, and the fragile political situation¹⁰⁰. Gender concerns do not seem to have been raised as the partners collaborated on promoting Islamic finance. The outcomes and impacts of these organizations' initial attempts at Islamic finance service delivery still need rigorous assessment.

6. Summary and Recommendations

Globally-recognized indicators of financial inclusion portray Filipino women as more financially included than the men. Contrary to existing conditions in other countries, a reverse gender gap prevails insignificant aspects of the Philippine financial inclusion landscape. Women are more likely to own formal financial accounts, for example, or to save at or borrow from a financial institution and to demonstrate higher financial knowledge. This blanket yet promising observation glosses over the possible variances in financial inclusion gender gaps across regions and municipalities. Understanding gender issues and gaps at the local level is ideal as it will give a more precise account of the challenges and opportunities on the ground for better targeting, strategizing and intervention.

⁹⁶ Rappler. 2017. Philippines' lone Islamic bank seeks PhP 2 billion fresh capital to book profit. <https://www.rappler.com/business/184288-philippines-al-amanah-islamic-bank-fresh-capital>

⁹⁷ BSP. 2018. Banking Statistics – Physical Network as of March 2018. <http://www.bsp.gov.ph/statistics/statdbopbs.asp>

⁹⁸ PwC. 2014. What customers want: Customer insights to inform growth strategies of Islamic banks in the Middle East.

⁹⁹ Islamic Finance News. 2015. The Importance of Being Equal: How women are winning in Islamic Finance. IFN vol. 12 issue 34.

<http://www.womenieff.org/Resources/Documents/v12i34a%201-5.pdf>

¹⁰⁰ Peace & Equity Foundation. 2015. Islamic Financing in the Philippines: A step towards the first seven years. <http://pef.ph/index.php/6094-2/>

Financial inclusion strategies and projects may not always integrate gender-sensitive and gender-responsive designs, but some of them already ensure that women are at least not excluded by making them priority beneficiaries/partners. But without deliberate gender-sensitive objectives, useful lessons from the engagement with this priority group may not be captured.

Paramount to the enhancement of financial inclusion is a system of targets, metrics, monitoring and evaluation that can build on and interpret currently available but limited data. Such a comprehensive system is absent. Much of the current data collected and reported are inadequate to depict the outcomes and impacts of financial inclusion indicators, and further, to underscore the impacts – similar or differing – on women and men and the overall advancement of gender and development.

The presence and quality of collaboration in developing the distinct yet interconnected components of financial inclusion vary among stakeholders and across the components, but there is evident need for communication, coordination, and harmonization. The government needs to leverage the outreach, expertise and experiences of cooperatives, microfinance institutions and mutual benefit associations, particularly in the engagement with women clientele. The innovative models, approaches and risk management strategies by these financial inclusion champions have to be documented, disseminated and, where possible, replicated. Encapsulating these could also serve to motivate commercial financial institutions to bolster engagement in and contributions to financial inclusion.

There is still much to examine and grasp as regards women's and men's interface with the components of financial inclusion set by the BSP, namely, access, welfare, usage and quality. **Going forward, the Financial Inclusion Steering Committee might want to consider including the Phillippine Commission on Women as a permanent member, or at least as an ad hoc member, who regularly advises on and validates gender mainstreaming in the implementation of the National Strategy for Financial Inclusion. The FISC could potentially enlist the endorsement of PCW for the integration of financial inclusion activities into the Gender Plans and Budgets of government agencies (for ex. financial literacy trainings).** Insights into the gendered similarities or differences in the experience of financial transactions completed through ever evolving access points/platforms are vital for evidence-based policymaking, industry enhancements and consumer protection. Towards gaining these insights, some of the activities that could be considered to mainstream gender and development in Subprogram 2 are the following:

Output 1: Institutional and policy environment for financial inclusion strengthened

Identity-linked financial inclusion

Easing documentary requirements for opening accounts is a crucial step towards providing access to and facilitating usage of much needed financial products and services, especially for many of the excluded segments of the population. The government's institution of a national identification system, PhilSys, is expected to provide Filipinos at least with the basic requirement of proof of identity to comply with KYC regimes of financial institutions. Though theoretically the ability to present proof of identity resolves a key barrier to financial inclusion, particularly for many women, this is no guarantee that a national ID is sufficient to comply with the financial institution's set requirements for opening accounts or making other transactions. Financial institutions, therefore, need to align with financial inclusion goals of the government and adapt requirements, for example, by fully complying with the Basic Deposit Accounts Framework. Still, the ability to comply with relaxed account ownership requirements, will not guarantee that unbanked Filipinos will open accounts and use them for a variety of transactions, and thus fully experience the benefits of financial inclusion. **To understand the extent to which the PhilSys ID facilitates financial inclusion and to detect other possible barriers besides the inability to provide proof of identity, the government should consider tracking the sex-disaggregated use of PhilSys cards to open accounts and to use financial products and services. A monitoring tool should be designed in consultation with financial institutions and with government agencies that expect to make G2P payments. The extent to which the lack of necessary ID is still cited as a barrier and whether the PhilSys aided in the access financial services should be documented in subsequent Financial Inclusion surveys.**

Agricultural Value Chain Financing

The Agricultural Value Chain Financing Framework, while currently gender-blind, offers the opportunity to mainstream gender and development elements through its implementation. Women and men play multiple roles across the agricultural value chain which directly relate to their financing needs and capabilities and it is pertinent that financial service providers be responsive to these. While commercial financial institutions continue to be highly risk-averse especially to the agriculture sector, microfinance institutions and government banks have begun to test value chain financing models. The government has to take the lead in raising awareness, deepening understanding and highlighting good practices of agricultural value chain financing that can be replicated throughout the sector. There seems to be a lacking appreciation for metrics, monitoring and evaluation, and the industry is missing out from learning about the innovations already being realized by development organizations, impact investors, corporations and business associations. **A knowledge management system should be developed that includes 1) a free-to-access repository of information and materials on agricultural value chain financing in the Philippines, 2) guidelines in establishing and sustaining communities of practice, and 3) monitoring and feedback mechanisms through which lessons on the ground are captured and disseminated, informing needed policy interventions in the future. Gender issues need to be integrated into all components of the knowledge management system. As financial service providers learn about AVCF, and to ensure the visibility of gender issues, a gender-responsive agricultural value chain analysis template should be considered for development and testing.**

Microinsurance

The Philippine microinsurance sector is one of the more robust in the world, owing to an enabling environment that has expedited innovations in products and services, outreach, consumer protection and financial literacy. While gender elements are not deliberate considerations in microinsurance regulatory policies, financial literacy targets, and industry monitoring frameworks, microinsurance has nonetheless contributed to the advancement of gender issues and strengthened women's role as agents of risk management. Within this context, Mutual Benefit Associations and pawnshops have been largely responsible for scaling up microinsurance and, in the process, promoting gender-responsive financial products and services. The microinsurance sector has gained great strides in advocating and providing risk protection for low-income Filipinos but data is lacking to understand whether current products and services accomplish the goals of microinsurance, if gender concerns have been addressed, and if not, then how future microinsurance outreach could be made gender-responsive. **A gender-responsive microinsurance impact assessment should be conducted and its results should inform policies on sex-disaggregated reporting requirements by the Insurance Commission and the Bangko Sentral ng Pilipinas. The impact assessment could also inform the development of a gender-responsive financial literacy tool for microinsurance. The government could also consider facilitating a sustained microinsurance knowledge management platform through which insurance companies, existing microinsurance providers and potential distribution channels could exchange experiences, develop innovations and partnerships and highlight gender mainstreaming issues and impacts in the sector.**

Financial Literacy

Financial literacy activities driven by the country's main financial inclusion strategy are gender neutral. Positive impacts from these activities, however, are expected on many women who belong to the targeted unbanked and underserved sectors although, gender-differentiated impacts will be difficult to document and assess because of the absence of a gender-sensitive targeting and evaluation framework for financial literacy. Apart from the Bangko Sentral ng Pilipinas, other government agencies implement financial literacy/education activities that may not necessarily have been designed to be gender-responsive, but do ensure that women are not excluded because many of these agencies' client beneficiaries are women. **As the BSP enhances its implementation of the EFLP, it should collaborate with the PCW and other stakeholders with gender-focused financial literacy initiatives to ensure that basic gender dimensions are at least integrated in future financial literacy activities. The FISC should also collaborate with PCW to revive the use of the latter's Gender and Financial Literacy Training Manual, whether as a stand-alone financial literacy activity or to integrate elements of the manual into existing financial literacy activities.**

Output 2: Infrastructure for financial inclusion is strengthened

The commitment to promote digital finance, in general, and increase the share of digital payments, in particular, has been demonstrated by both the Philippine government and service providers. The key factors (i.e. extensive mobile use and prevalence of remittances) that complement this commitment are in place yet the positive response from the demand side has been slow to build. Considering the gender differentiated data on digital payment patterns, mobile phone ownership, and remittance transactions, there is a clear indication that women can and should become champions for digitalizing financial services.

There is a further need to understand the current landscape of digital financial products and services on offer, the gender-differentiated needs they meet, the barriers to uptake and still other needs to be addressed. **An inventory of existing digital payment platforms, products and services should be developed and published on the BSP website (linked to the Financial Inclusion Dashboard) to provide the public with an unbiased overview of the market.** Concurrently, the incentives of shifting from cash to digital transactions needs to be identified and communicated. **Awareness of the digital products and services beyond remittances also need to be raised, hence, stakeholders of the digital financial ecosystem should collaborate to either develop stand-alone digital finance awareness-raising programs or integrate digital finance as a topic in existing financial literacy programs or activities with a focused target on women as both participants and champions.**

Output 3: Capacity of financial service providers enhanced

Cooperatives and microfinance NGOs have been the bastions of both financial inclusion and gender and development in the Philippines, especially for women in rural regions. Cooperatives have been provided by a policy guidance and an assessment tool for GAD mainstreaming. But compliance with and operationalization of the guidance and use of the assessment tool is not systematically monitored or evaluated by the regulatory body. For MNGOs, which only recently came under formal government oversight, specific policies to guide or evaluate GAD mainstreaming have yet to be developed although some MNGOs are already integrating gender concerns in their operations. If the capacities of financial service providers, such as MNGOs, are to be enhanced to better promote financial inclusion that is aligned with gender and development objectives, regulators will have to take a proactive action to guide the sector, promoting transparency and accountability among their supervised institutions. The MNRC, as the regulatory authority over MNGOs, should consider **issuing a policy guidance and a monitoring and assessment tool on gender mainstreaming to provide uniform direction and benchmarking to MNGOs.** The Council should engage with the Cooperative Development Authority to learn about the latter's experience of policy development and implementation of gender mainstreaming for cooperatives, learn from their experience and adjust accordingly for the MNGO sector. **Beyond providing the tools for sector-wide gender mainstreaming, MNRC should also ensure the consolidation and publication of the data reported through the electronic data system it is developing.**

Islamic finance has had a long and slow (and not necessarily successful) evolution in the Philippines. The evolution efforts and resources of the government have mainly been focused on pushing for legislative amendments to attract foreign Islamic investors, and less so, on gender mainstreaming in Islamic finance. Other development actors, on the other hand, have initiated the advocacy for Islamic finance together with Muslim women's cooperatives by building capacities on Islamic microfinance. **The Bangko Sentral ng Pilipinas should capitalize on these separate yet linked efforts of actors and convene them for strategic consultations aiming at awareness-raising, capacity building and pilot testing of Islamic (micro)finance products and services, leveraging peace and development groups and women's cooperatives in Mindanao.**