Mainstreaming gender in migration and remittances

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All aspects of the UNCDF Migration and Remittances Programme are informed by a systematic gender mainstreaming strategy and by a robust learning and (demand-side) research agenda, backed by a rigorous results measurement framework. UNCDF is convinced that remittances will never achieve their full potential unless gender dimensions are considered. If done right, digital remittances could be a powerful means to empower migrant customers and contribute to inclusive development. We also expect that gender-responsive customer journeys in remittances will create business value for service providers along the remittance value chain through diversified client bases, revenue channels, cross-selling opportunities, additional liquidity and enhanced customer retention and market reputation.

GENDERED CONSTRAINTS IN ACCESS TO REMITTANCES

Global efforts and discussions around remittance policies, payment systems and value chains still proceed in a siloed and gender-blind manner, ignoring the fact that men and women migrants and their remittance recipients exist in complex social and economic realities. There is a growing body of evidence that shows that remittances are gendered, strongly affecting the channels, amounts and frequencies of remittances that women and men migrants send home, as well as how the money is used and by whom. Studies indicate that remittances have empowering effects on women, but that these are not automatic and in some cases are only temporary. In addition, recent research demonstrates that better payment system designs can create a more open and accessible financial environment.

Due to their gender, position in the family and labour market, men and women demonstrate different preferences when using remittance services. Low-income migrants in irregular situations for example, may lack access to good remittance products, and women may experience additional risks and constraints when they remit or receive. They may have limited mobility and freedom to control how, when and to whom they send money or how to receive it. Also, women face specific barriers to accessing formal remittance channels, as they are often confined to secluded accommodation and workplaces, far away from access points and agents, and they might not be in possession of valid documents, including proof of residency or identification. In addition, banks and other remittance service providers (RSPs) may not recognize low-skilled migrant women as an important customer segment, as they tend to send smaller amounts. Or financial service providers (FSPs) may use know-your-customer (KYC) and due diligence processes that by design are excluding and simply out of range for many women migrants. Sources of transaction data on remittances generated by

central banks are not disaggregated by sex, so data, knowledge and experiences to redress gendered constraints and better reach, market and onboard these ‘last-mile’ segments are absent or very limited. And even when data are available, they are rarely applied to product development.

For higher-income segments, digital financial services put choice and control in customers’ hands and make finance a seamless part of their lives. Providers understand that relevant services create greater value and build brand loyalty. Yet this approach is rarely, if ever, applied to lower-income segments in the financial services sector. Research shows that choice, respect, voice and control are the cornerstones of customer empowerment for all customers (including low-income customers) in their use of and engagement with digital financial services. Digital RSPs need to incorporate these drivers into their services at several touchpoints in the customer journey.

When these drivers are unmet, migrants, especially women, face moments of disempowerment. When these pile up, migrants are likely to retreat to the informal services they are familiar with, inactivity rises, and businesses miss out on the opportunities to be gained from serving this segment. When these services become unavailable, as seen during COVID-19 lockdowns, it is particularly problematic for women with irregular migration status, who face significant constraints in accessing and using formal banking and financial services. The pandemic exposed and deepened the vulnerabilities of migrants and households that depend on their income.

Increased and consistent access to and usage of digital remittances and a suite of value-added financial products, including savings, bill pay, insurance, pensions, and so on, should be key to onboard migrants and their beneficiaries to better capture opportunities and cope in the event of shocks. Accounting for the gender gap in financial inclusion, UNCDF adopts a gendered and holistic approach with stakeholders. Including policymakers, regulators, FSPs, technology players, academic and training institutes, gender and human-centred design experts and migrant themselves, this will facilitate progress towards achieving improved financial resilience and financial inclusion for all migrants.

UNCDF sees the paramount importance of redressing gendered constraints as a precondition for the successful transition of migrants from informal to formal digital channels. It requires a new, gender-smart and inclusive approach, and UNCDF is committed to building the know-how and capacity of the private sector, regional committees, regulators and policymakers. Indeed, failure to consider gender increases the risks of formal digital remittance services and policies (unintentionally) remaining biased and excluding women by design, thus contributing to keeping women outside the formal financial system.

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SEEING MIGRATION AND REMITTANCES THROUGH A GENDER LENS

The term ‘gender’ refers to the social relations between men and women, which are socially constructed and can change over time and from place to place. Figuratively viewing these processes, relations and processes through a gender lens makes them visible. It reveals that people, because of their sex and gender identity—cross-cutting with other social characteristics such as age, religion, physical abilities, marital status and position in the family—can have different roles, preferences, needs and goals. And, more importantly, they can have differing enjoyment of rights, socio-economic status and decision-making power. This in turn influences how people behave and interact with market institutions and how they access, use and benefit from financial services.

Mainstreaming a gender lens in the programme is not about adding a ‘woman’s component’. Nor is it about studying differences in how men and women remit. Rather, the intention is to identify the diverse experiences, capabilities and interests of both women and men and ensure that they are reflected in all remittance innovation processes. What matters is to examine the underlying factors that shape the differences in migrant women’s and men’s remittance behaviours, including constraints that lead to inequity for women migrants, and to apply these insights in our work on changing policy, innovation, empowerment and payments.

In practice, applying a gender lens means that, first, we consider biological sex (male and female) by collecting sex-disaggregated data. Data are disaggregated by ‘sex’—and not by ‘gender’—because data refer to biological differences or a person’s ‘sex’. In the context of policymaking on migrants’ financial inclusion, sex-disaggregated data can refer to either supply-side data collected from FSPs or demand-side data collected, for instance, through national financial inclusion surveys. While a statistical breakdown by biological sex is an important first step, a gender lens aims to go a step further. As a second step, we conduct gender analyses to understand who is included in and excluded from opportunities for improved well-being, on what grounds (sex, gender identity, age, marital status, migration background, ethnicity etc.) and why (gender norms, business models, regulations etc.). We take a relational perspective, recognizing that migrants’ individual behaviour when accessing and using remittance services is deeply embedded in family ties and dynamics, cultural beliefs, market aspects, individual capabilities, social norms and policy. It is through this lens that we examine innovation and financial inclusion practices and ask: who has access or not, who has a choice and the freedom to use or not, whose needs are being heard and prioritized and whose are not, and who benefits or not, and why, and how can we support the empowerment of the migrant customer? Figure 1 summarizes the levels we examine through our gender lens.

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WHY APPLY A GENDER LENS TO MIGRATION AND REMITTANCES?

The objective of mainstreaming a gender lens into the programme is to ensure that our activities and outcomes reflect the experiences of, and are beneficial for, all migrants, regardless of their gender, and to ensure that we build resilience for all migrants equally, rather than perpetuating existing biases that may favour the needs and experiences of one gender at the expense of another. In this context, mainstreaming gender points to (i) the need for targeted, women-specific activities and services to redress the marginalization and constraints that women migrants face and (ii) ensuring that remittance products, services and policies are inclusive and contribute to customer empowerment and protection for all migrants, regardless of gender.

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Specifically, the objectives of mainstreaming a gender lens in remittances are the following.

- Close the sex-disaggregated data gaps in remittances to help to identify the behaviour of the ‘last-mile’ customer and eliminate discrimination against migrant women, particularly in relation to remittance transaction costs.
- Better understand how gender norms in the family, the market and employment influence men and women migrants’ desire, ability and choice to access and use remittance services, and, consequently, how they can control and benefit (or not) from digital remittances.
- Better understand where and how gender biases are embedded (often unintentionally) in remittance business models and delivery channels and in remittance policies and payment systems.
- Prioritize which changes in policy, regulations, payment systems and digital remittance value chains are needed and within our scope, including the need for coupling digital remittances with relevant and gender-responsive non-financial and value-added services (e.g. insurance, pensions, mortgages). And identify where we need to partner and/or advocate with others.

WHERE IS A GENDER LENS APPLIED IN THE UNCDF MIGRATION AND REMITTANCES PROGRAMME?

Rather than creating a separate workstream or stand-alone activities, we mainstream the gender lens across the four existing workstreams: enabling policy and regulations, open digital payments ecosystem, inclusive innovation, and empowered customers. We also embrace the principles of a gender-inclusive workplace and implement them in how we work together as a team. Thus, we ensure that a gendered approach is reflected in all our future efforts.

In the Migration and Remittances Team specifically, and in UNCDF in general, we engage in dialogue on what motivates, worries and confuses us about applying a gender lens, and we foster a team culture that harnesses critical and diverse thinking. We ask questions (see Box 1) and challenge each other to practise gender equality at all levels, including in leadership, team composition and team activities. We avoid ‘manels’ (all-male panels or meetings) and try to ensure diverse representation. We support each other to learn, contribute and lead on gender mainstreaming.

Data and research

In our data and research work, we collect—and advocate the collection and use of—sex-disaggregated and intersectional data in market research and policy analysis, to develop gender-smart customer profiles and use cases. And we deliberately explore and track where adverse gender norms and discriminatory practices are embedded and reproduced in remittance policies, value chains and business models, and determine how they may differently enable and constrain men and women migrants’ access to and usage of remittances. We continue to develop the remittance learning agenda, promote diverse and gender-sensitive research methods and allocate resources to support qualitative research and storytelling—for example, by conducting norm-critical market gender analyses in a selection of markets.
Enabling policy and regulations
In our policy work, we promote the collection of sex-disaggregated data on remittances for balance of payments purposes. We deliberately explore and identify where discriminatory practices against women migrants are embedded and reproduced in relevant policies and regulations. We encourage national statistical offices and others responsible for household surveys to include questions on the sex and occupation of remittance senders. We advocate policy change, where needed, to redress gendered constraints faced by men or women migrants and support them on their journeys towards empowerment and resilience. We promote the representation of women in remittance policymaking by providing training and leadership opportunities to build a pipeline of high-potential women in government, industry and consumer groups.

Open digital payments systems
We work to understand the importance of digital cross-border payments as the basis for gender-responsive remittance services in our work on open digital payment systems. We advocate lower costs and better interoperability, as they lower barriers to entry and experimentation and incentivize merchants to join the system en masse. As this will benefit everyone, it will be especially beneficial for women, because studies indicate that women pay more in fees and appear to be more price-sensitive. It will also lead to more convenience, as well as new kinds of more specialized remittance products that meet women migrant’s specific needs. We work to improve and explore proportional due diligence and alternative KYC processes, because women are much more likely to have limited forms of ID and thus will benefit significantly from the availability of accounts with lower KYC requirements. We advocate the importance of access points and agent availability, because agents are usually women’s main point of contact for information and help in using financial products.

Inclusive innovation
We promote a different way of innovating in our work for inclusive innovation with private-sector partners. We work in an inclusive manner and with the actual gendered constraints and preferences of migrants as the vantage point. We deliberately explore and identify market practices that successfully serve men and women migrant’s different needs and ensure that migrants, regardless of their gender, can fully access, use and benefit from the advantages of digital remittance channels. We build the capacity of RSPs to integrate gendered insights and customer profiles into the design of gender-responsive customer journeys and reconfigure remittance value chains, business models, products and services through inclusive innovation processes. We collect (and advocate) the collection, promotion and analysis of sex-disaggregated transaction and user data at the RSP level. We promote the increased representation of women in our capacity-building activities specifically and the remittance industry in general.

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9 See also “Level One Project guide 2019”.
10 Women are more likely to have feature phones or low-end Android devices; thus, payment systems and financial services that do not accommodate these users will disadvantage women disproportionately.
11 This principle is especially important in bank-based systems, where branches or ATMs are often scarcer than agents and are less welcoming places for women to find help than the neighbourhood shop owner (agent).
Empowered customers
We promote guidelines and tools that strengthen the capacity of public and private stakeholders to ensure that the roll-out of new digital remittance solutions ‘does no harm’ and both protects and empowers migrant customers in their journeys towards (re)gaining more autonomy over their financial lives. In this work to empower customers, we explore and advocate commercially viable and sustainable business models to couple remittance products with non-financial services that build skills. To enable women to access and reap more benefits from digital remittances, we advocate specific policy interventions targeting women, such as increasing women’s financial literacy, and information on access to secure and affordable remittance transfer services. We advocate that, for migrant women to open and use bank accounts, gender-smart outreach and messaging, and the streamlining of documentation requirements are imperative.

HOW IS THE GENDER LENS APPLIED IN THE PROGRAMME?
• Through training, workshops and learning we build the Migration and Remittances Team’s capacity to effectively dialogue, advocate and act on the reimagination of remittances that are gender-smart and empowering of all migrants, by gathering knowledge and data and establishing a common language, narrative and talking points around gender.
• We incorporate a gender lens in all key documents, the website, the learning agenda and the knowledge products of the Migration and Remittances Team’s portfolio, including the theory of change, our results measurement and the dashboard.
• We develop and test gender-smart, migrant-centred tools and approaches with key stakeholders, including FSPs, policymakers, regulators and other stakeholders, that enable technical assistance and advocacy on gender analysis and mainstreaming to FSPs, policymakers and regulators.
• We document, compile and share knowledge and learning at the nexus of gender, migration and remittances with internal and external stakeholders.
• We expand our network and liaise with like-minded experts, organizations and practitioners active in the field of gender, migration and remittances among academia, policy and industry.
• We advocate gender-responsive, migrant-centred remittance policies and regulations that facilitate improved and equal access to digital remittance services for all migrants.

THE UNCDF GENDER COLLABORATIVE
Sitting within the Migration and Remittances Team, the Gender Collaborative (Gender Co-Lab) is a flexible space intentionally designed to provide tailored and targeted capacity-building and technical support to the team to:
• increase its knowledge and equip it with the appropriate language on gender mainstreaming within the context of migration and remittances;
• build its capacity to apply a gender lens to its current workstreams and focus areas, including in research, policy and implementation; and
• improve its ability to champion gender mainstreaming in its engagements with the private and public sectors.
The Gender Co-Lab hosts a selected group of team members from each workstream, including the Data & Systems and Programme Management teams. The group’s monthly meetings will be open to all, based on interest in the topics and agenda to be discussed. Other UNCDF team members outside the programme may also be invited to attend. Groups will be kept small to ensure meaningful engagement, collaboration and contribution.

Leveraging feedback provided by the team, the gender focal points steering the Gender Co-Lab will collect, prioritize and build the initial calendar of activities, which will include monthly meetings, mini-workshops, seminars, specialized tool development sessions and other sessions on demand. The Gender Co-Lab will also identify and link team members to relevant external resources and training, such as UN Women’s online course on gender equality and migration. Figure 2 illustrates how the Gender Co-Lab is structured, working on all six components of the Migration and Remittances Programme to mainstream gender through collaboration.

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Aims for the Gender Co-Lab to become an industry-wide platform

While starting out as a UNCDF internal hub for capacity development, the Gender Co-Lab could potentially become an external space where UNCDF collaborates with a group of dedicated partners that are in a good position to accelerate consensus on the policy, innovation and research agenda by developing pathways for collaborative action on gender, migration and remittances. There may be an opportunity to bring together research partners, industry leaders and field practitioners to share valuable insights on gender-inclusive innovation for remittances directly with the private sector and policymakers, thereby increasing the potential impact of research and adding academic rigour to local-level technical assistance. The Gender Co-Lab would share knowledge, and advocate and discuss emerging trends of evidence-based and actionable gender-smart remittance policymaking and innovation. It could be a space to harness closer collaboration and to push for implementing reforms at large scale.

UNCDF would select a group of partners with shared vision, complementary technical capacity and respective convening power, and explore needs for (co-)hosting dialogues to create more opportunities for partners to leverage their respective resources towards a shared objective. Most importantly, we expect the space to be shaped by the needs of RSPs, to ensure that the learning and resources are valuable to them, and the dialogue is meaningful.

By 2023, UNCDF aims to support at least 1 million migrants and beneficiaries towards economic inclusion, financial resilience and reduced inequality. To ensure that men and women migrants benefit equally, we must mainstream gender across all our activities, including in enabling policy and regulations, open digital payments ecosystems, inclusive innovation and empowered customers. We have designed the Gender Co-Lab to build the Migration and Remittances Team’s capacity to effectively mainstream gender through intentionally designed activities. In the future, we aim to expand it into an industry-wide platform with the resources, capacity and convening power to advocate gender mainstreaming in remittances at all levels.

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LEAVING NO ONE BEHIND IN THE DIGITAL ERA

The UNCDF Strategy ‘Leaving no one behind in the digital era’ is based on over a decade of experience in digital finance in Africa, Asia, and the Pacific. UNCDF recognizes that reaching the full potential of digital financial inclusion in support of the Sustainable Development Goals (SDGs) aligns with the vision of promoting digital economies that leave no one behind. The vision of UNCDF is to empower millions of people by 2024 to use services daily that leverage innovation and technology and contribute to the SDGs. UNCDF will apply a market development approach and continuously seek to address underlying market dysfunctions.

THE UN CAPITAL DEVELOPMENT FUND

The UN Capital Development Fund makes public and private finance work for the poor in the world’s 46 least developed countries (LDCs).

UNCDF offers “last mile” finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development.

UNCDF’s financing models work through three channels: (1) inclusive digital economies, which connects individuals, households, and small businesses with financial eco-systems that catalyze participation in the local economy, and provide tools to climb out of poverty and manage financial lives; (2) local development finance, which capacitates localities through fiscal decentralization, innovative municipal finance, and structured project finance to drive local economic expansion and sustainable development; and (3) investment finance, which provides catalytic financial structuring, de-risking, and capital deployment to drive SDG impact and domestic resource mobilization.