50th Edition

FINDEV CYBERLETTER

COMPILED AND DESIGNED BY NIHA NAZAR, RESEARCH EXECUTIVE AT GALLUP PAKISTAN

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EDITOR’S NOTE

Welcome to Gallup Pakistan’s FinDev Cyberletter!
The principal purpose of this Cyberletter is to inform its readers of the latest developments in the financial industry across the globe, particularly in the realms of Financial Inclusion and Digital Financial Services (DFS), where efforts are being undertaken by both private and government sectors. This is the 50th issue of the FinDev Cyberletter series (For october). Each issue of the FinDev Cyberletter will focus on a particular theme within the broader area of financial inclusion and related topics. This newsletter is divided into three main sections.

The sections are:

1. NEWS ROUNDUP – This section will cover the latest happenings in the financial services industry in Pakistan and around the world.
2. INITIATIVES – Constant work is being undertaken by experts, governments and research organizations in order to enhance the understanding of,and to find solutions to the challenges encountered within the financial services industry. This section will aim to cover some of these research initiatives, both locally and internationally.
3. DATA VISUALIZATIONS & STATISTICAL FIGURES – Research backed by data not only increases its credibility but also helps paint an accurate picture of the situation at hand. This section will contain graphical representations of data on various relevant topics.

A diligent effort has been made to ensure that the content extracted from external sources has been cited and given due credit. In some cases, excerpts from the original sources have been extracted. To access the original sources, please click on the link provided at the end of each article. In case of any errors or omissions, we would like to apologize and would be eager to rectify the changes at the earliest. For feedback, comments or questions, feel free to write to us at caf@gallup.com.pk.
Warm Regards,
The Gallup Pakistan Financial Inclusion Team Led by Bilal I Gilani (Executive Director, Gallup Pakistan)

HIGHLIGHTS

Mastercard, Neem launch first Embedded Finance Partnership

Neem, a leading embedded finance platform in Pakistan, has entered a multifaceted partnership with Mastercard, a global technology company in the payments industry

Beyond 9 to 5: How Online Gig Work Can Create More Jobs for Women

Online gig work is transforming the way women work and earn money, but they need innovative financial instruments and targeted support to fully realize the benefits of participating in this new form of work.

Financial Inclusion Challenge: How have Initiatives like Jan Dhan, Mudra Loans and Many More Fared so Far?

ADB Allocated $155.5M to Advance Women's Financial Inclusion in Pakistan

Currently, female labor force participation in Pakistan is approximately 23 percent, with only 4 percent of female working-age adults engaged in entrepreneurship, marking one of the lowest rates globally

Call to Action: Responsible Digital Payments to Accelerate Climate Action

Urgent measures needed to address climate vulnerability impacting 3.6 billion people, particularly women and marginalized groups.

AMA Propels Financial Inclusion in Pakistan, Opening 7M Accounts in 2023

NEWS ROUNDUP

THIS SECTION COVERS THE LATEST HAPPENINGS FROM THE REALM OF FINANCIAL INCLUSION AND DIGITAL FINANCE

PHOTO CREDITS: MASTERCARD

MASTERCARD, NEEM LAUNCH FIRST EMBEDDED FINANCE PARTNERSHIP

Neem, a leading embedded finance platform in Pakistan, has entered a multifaceted partnership with Mastercard, a global technology company in the payments industry. The strategic multi-year collaboration will enable financial wellness for Pakistan's underserved communities. The partnership marks Mastercard's first view into the embedded finance space in Pakistan.

SOURCE: PUBLISHED BY WWW.NATION.COM.PK . 8TH DECEMBER 2023. CLICK HERE TO ACCESS FULL ARTICLE

PHOTO CREDITS: SHUTTERSTOCK

BEYOND 9 TO 5: HOW ONLINE GIG WORK CAN CREATE MORE JOBS FOR WOMEN

When Anum graduated as a software engineer in Pakistan, she struggled to find a job in her field. Not willing to give up, she decided to embark on an alternative career path: online gig work. Anum joined Fiverr, the most popular online gig work platform in Pakistan. After some initial challenges, Anum now runs her own freelance business specializing in graphic design and web development, and she helps other women succeed in the world of online freelancing.

Many women around the world like Anum are discovering online gig work as a new career path, according to a new note on online gig work and female labor force participation

SOURCE: PUBLISHED BY WWW.BLOGS.WORLDBANK.ORG. 18TH DECEMBER 2023. CLICK HERE TO ACCESS FULL ARTICLE

FINANCIAL INCLUSION CHALLENGE: HOW HAVE INITIATIVES LIKE JAN DHAN, MUDRA LOANS AND MANY MORE FARED SO FAR?

Forget about credit, insurance, or investment; the community was not forthcoming even for basic banking services. But this is not a unique situation. This is a situation that banks, non-banking financial companies (NBFCs), microfinance institutions (MFIs), and financial institutions grapple with in rural India, as 30 per cent of Indian villages are still hampered by financial illiteracy and poor connectivity. The task of serving them falls squarely on BCs, who bear the costs, even though their own viability hangs by a thread.

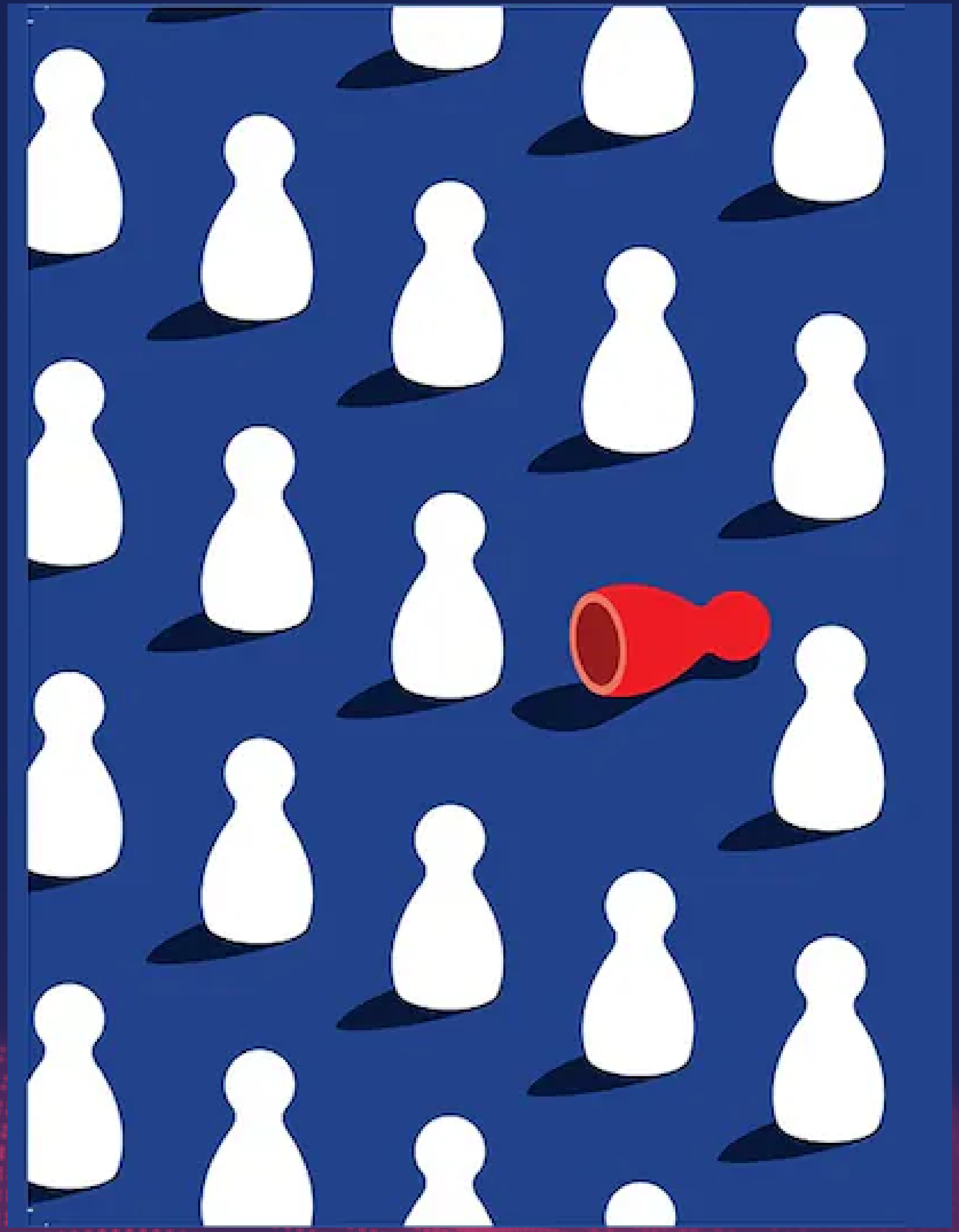


PHOTO CREDITS: BUSINESS TODAY

SOURCE: PUBLISHED BY WWW.BUSINESSTODAY.IN . 26TH DECEMBER 2023. CLICK HERE TO ACCESS FULL ARTICLE

INITIATIVES

CONSTANT WORK IS BEING UNDERTAKEN BY EXPERTS, GOVERNMENTS, AND RESEARCH ORGANIZATIONS TO ENHANCE UNDERSTANDING AND FIND SOLUTIONS TO CHALLENGES ENCOUNTERED WITHIN THE FINANCIAL SERVICES INDUSTRY. THIS SECTION COVERS SOME OF THESE RESEARCH FINDINGS

ADB ALLOCATES $155.5M TO ADVANCE WOMEN’S FINANCIAL INCLUSION IN PAKISTAN

The Asian Development Bank (ADB) has approved $155.5 million in financing for Pakistan, aimed at supporting policy reforms to improve women’s access to finance and provide credit to women-led micro, small, and medium-sized enterprises.

The financing comprises a $100 million policy-based loan, focusing on legal and regulatory reforms to facilitate improved access to finance for women.

PHOTO CREDITS: PHILLIPNE DAILY INQUIRER

SOURCE: PUBLISHED BY WWW.PROFIT.PAKISTANTODAY.COM.PK. 11TH DECEMBER 2023. CLICK HERE TO ACCESS FULL ARTICLE

CALL TO ACTION: RESPONSIBLE DIGITAL PAYMENTS TO ACCELERATE CLIMATE ACTION

Approximately 3.6 billion people are vulnerable to climate change, disproportionately affecting women and marginalized groups. In the past decade, 80% of the 250 million people displaced by climate-related events in emerging economies were women. The call to action urges governments, humanitarian actors, financial institutions, and the private sector to enhance emergency responses and climate resilience through inclusive digital payments, promoting wider financial inclusion.

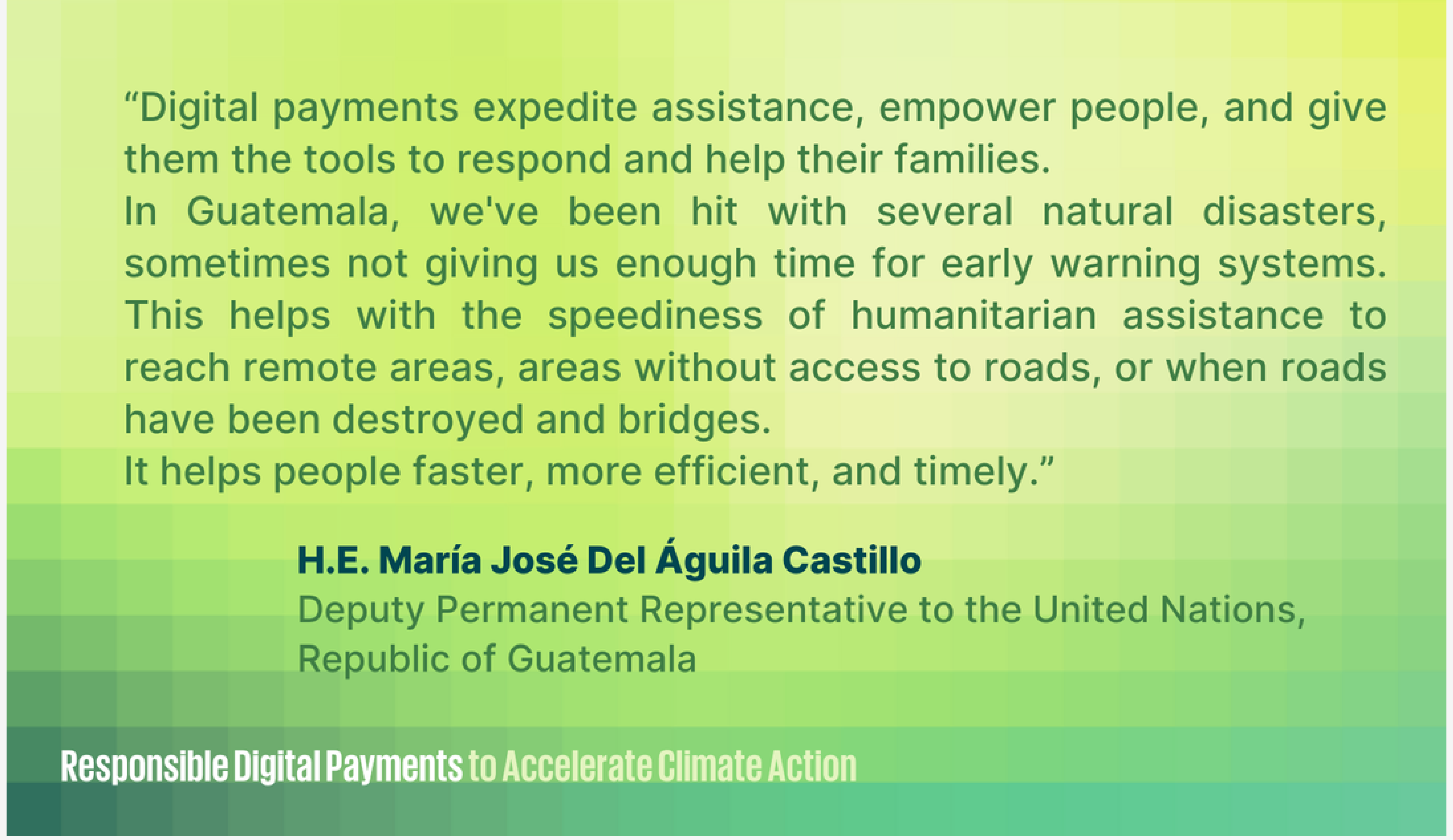


PHOTO CREDITS: BETTERTHANCASH

SOURCE: PUBLISHED BY WWW.BETTERTHANCASH.ORG . 3RD DECEMBER 2023. CLICK HERE TO ACCESS FULL ARTICLE.

AMA PROPELS FINANCIAL INCLUSION IN PAKISTAN

According to recent data, a mere 30% of Pakistan's adult population currently enjoys access to financial services, with a glaring gender gap as only 13% of women possess registered financial accounts compared to 47% of men.

The Asaan Mobile Account, however, has proven to be a game-changer, enabling any Pakistani citizen with a valid national identity card to access a digital bank account using a basic-feature mobile phone. The platform, which requires neither internet access nor an app, allows users to open a bank account within two minutes using a straightforward numeric code.

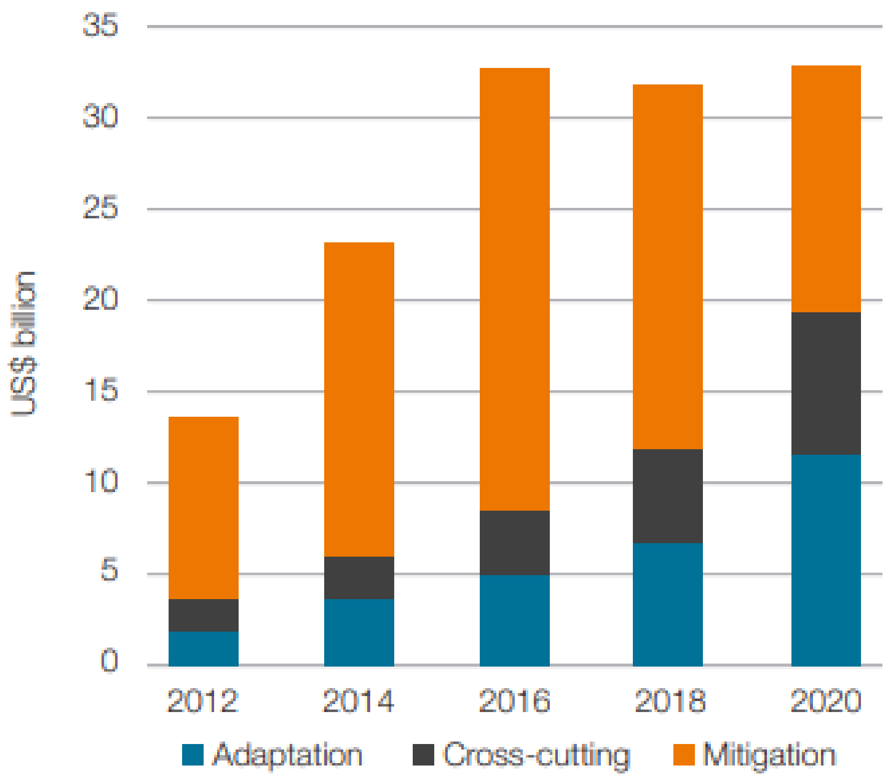
PHOTO CREDITS: ECONOMY.PK

SOURCE: PUBLISHED BY WWW.TRIBUNE.COM.PK. 16TH JANUARY 2024. CLICK HERE TO ACCESS FULL ARTICLE

DATA VISUALIZATION

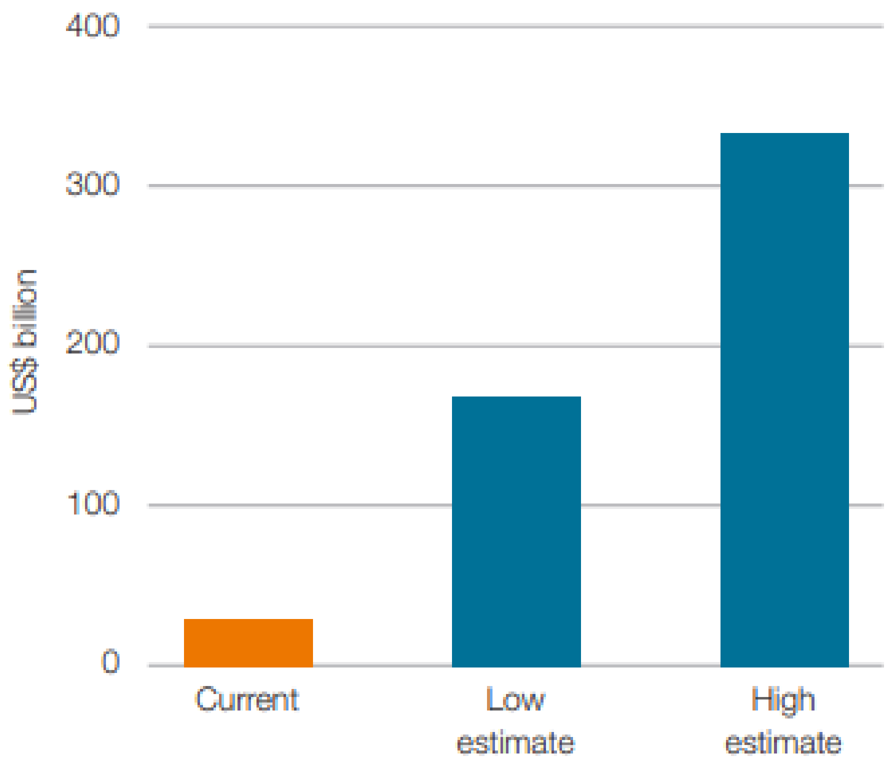
The bottom line is that total flows of adaptation finance to poor people remain woefully short of needs. UNEP (2022) estimates put climate adaptation needs in developing countries at \$160–\$340 billion by 2030, whereas current adaptation finance flows only amount to around \$28.6 billion (see Figure 2). In other words, current funding for adaptation in low-income coutries is less than 10 to 20 percent of what will be needed in just seven years.

FIGURE 1. **Bilateral climate finance flows from developed countries to developing countries, 2012–2020**



Source: UNEP 2022

FIGURE 2. **Adaptation finance: Actual flows in 2020 vs needs in 2030**

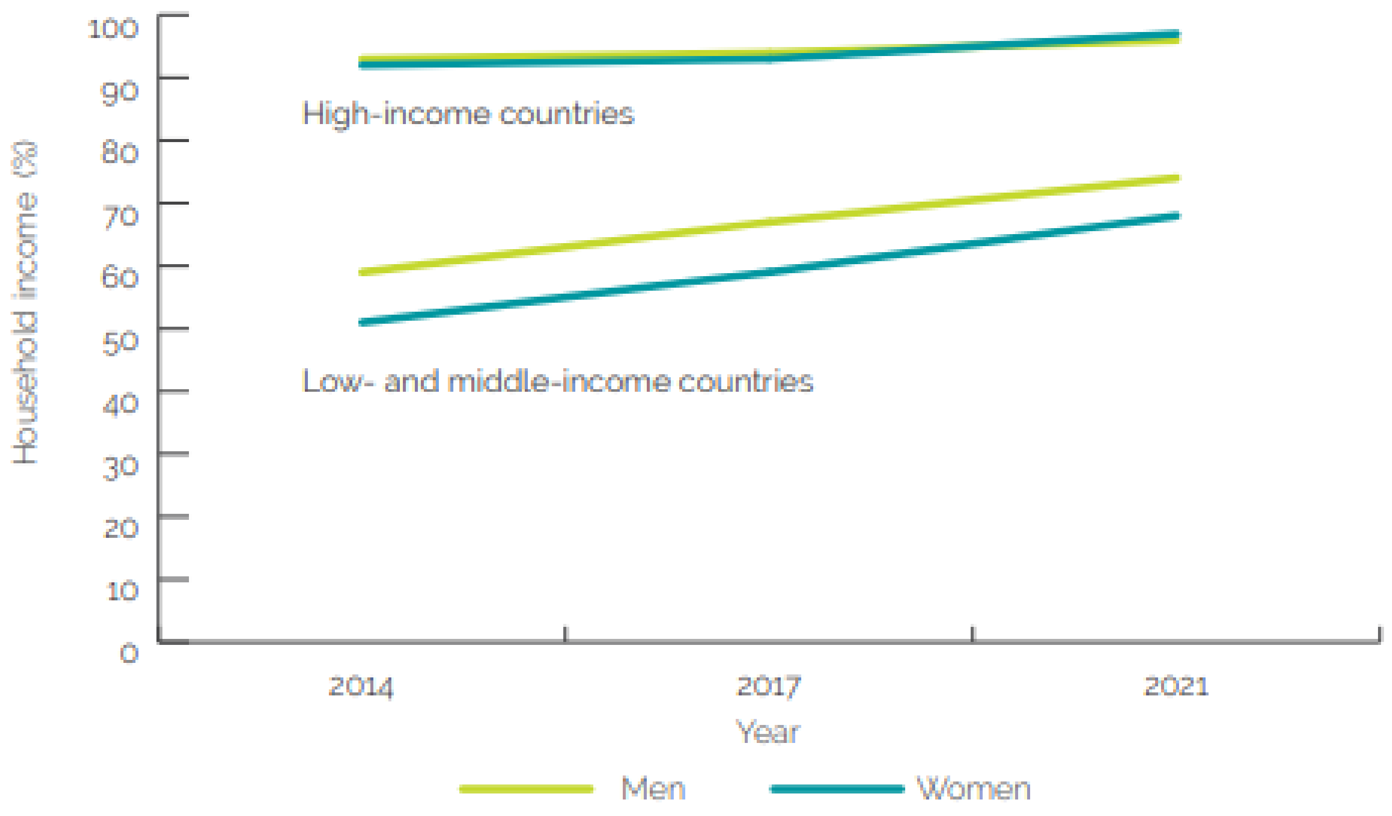


Source: UNEP 2022

SOURCE: WWW.CGAP.ORG. NOVEMBER 2023. CLICK HERE TO ACCESS FULL REPORT

Figure 1.1. Account Ownership over Time by Gender and Household Income

a. Inequality of account ownership by gender



Women's and low-income households' access to financial services improved over time. The gender gap in account ownership in lower- and middle-income countries decreased from approximately 8 percentage points in 2017 to 6 percentage points in 2021 (figure 1.1, panel a). The gap persisted in part because of legal and cultural norms,5 whether directly through restrictions on women's contracting and ownership rights or indirectly through their differential mobility, access to technology, documentation, literacy, numeracy, and economic roles in families (World Bank 2018c).

SOURCE: WWW.OPENKNOWLEDGE.WORLDBANK.ORG. 2023. CLICK HERE TO ACCESS FULL REPORT

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