

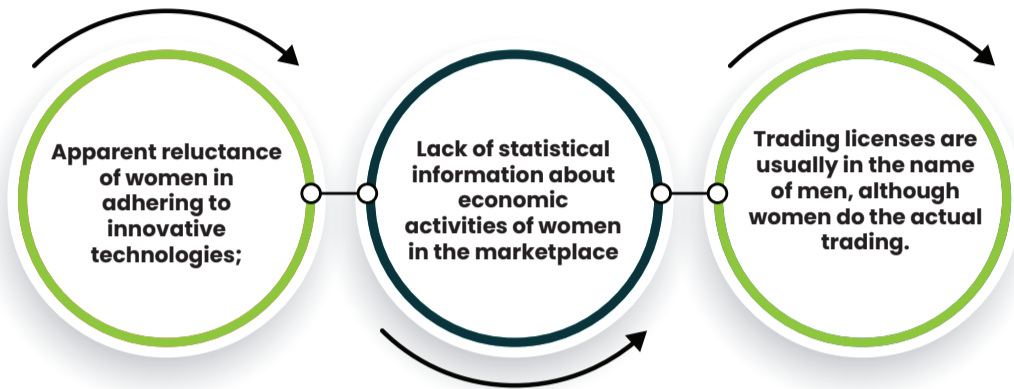
WMSMEs NEEDS ASSESSMENT KEY FINDINGS

Survey of financial institutions product offerings targeted at supporting WSMES.

Assessing demand side to understand constraints in accessing financial services by WSMES.

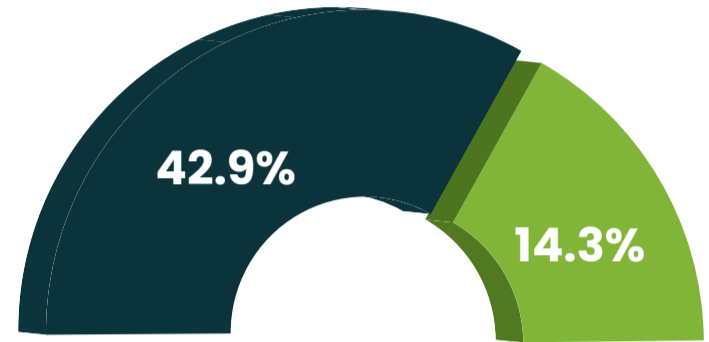
Supply side findings

Main challenges to serving the WMSME



Reasons for Supporting WMSMEs

Financial Institutions generally wish to support MSME segment



■ Depth of market segment ■ Potential market growth

Products and Services

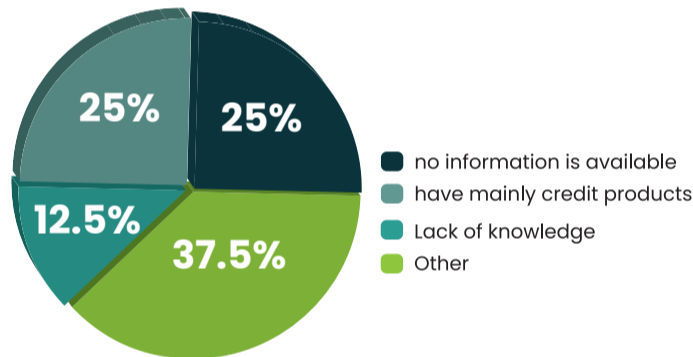
Commercial banks

70% of FI offer products targeted to WSMES specifically



Microbanks

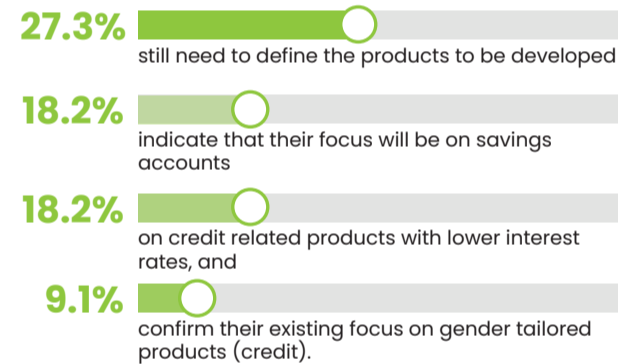
Limited differentiation by FIs between size of businesses in product offerings



■ no information is available
■ have mainly credit products
■ Lack of knowledge
■ Other

Product development and Distribution channels WMSME market

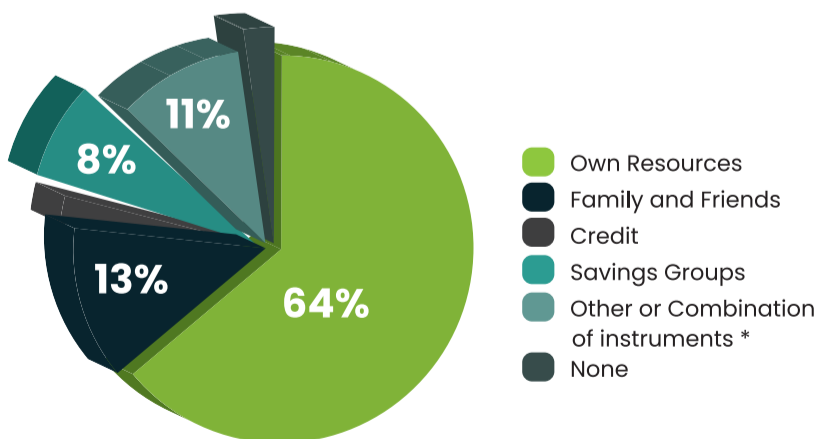
Only a small percentage of financial institutions consider the WSMES in their planning and product development activities



Demand side findings

Source of funds to start business

Majority of WSMES finance business from own sources with only a small percentage accessing finance from formal sources

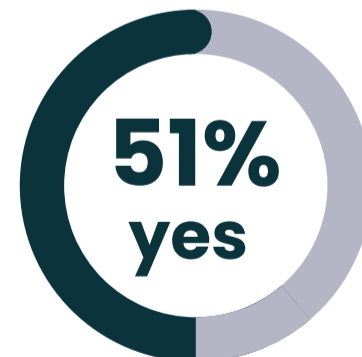


■ Own Resources
■ Family and Friends
■ Credit
■ Savings Groups
■ Other or Combination of instruments*
■ None

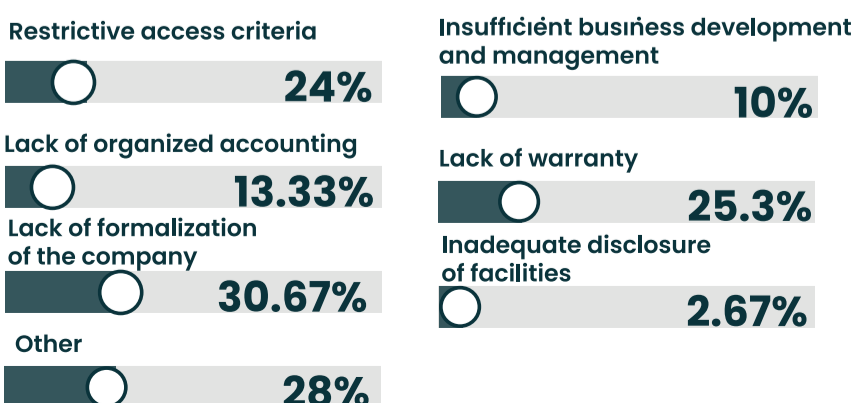
Usage of Owner personal account for business purposes

Half of respondents use personal accounts for business purpose

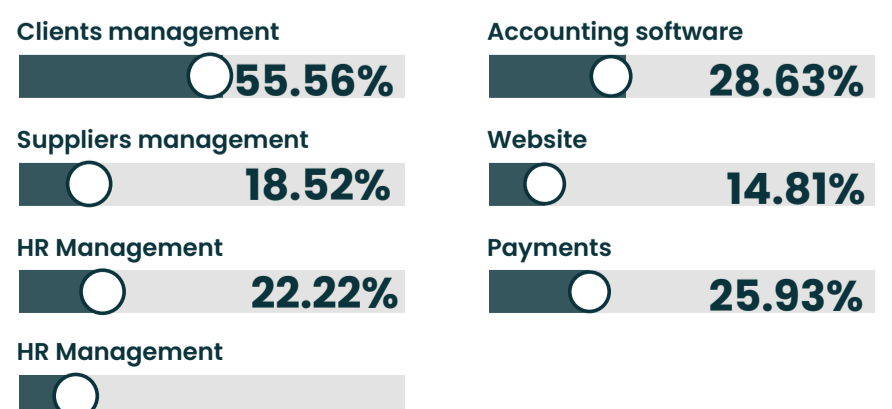
Many WSMES access financial services



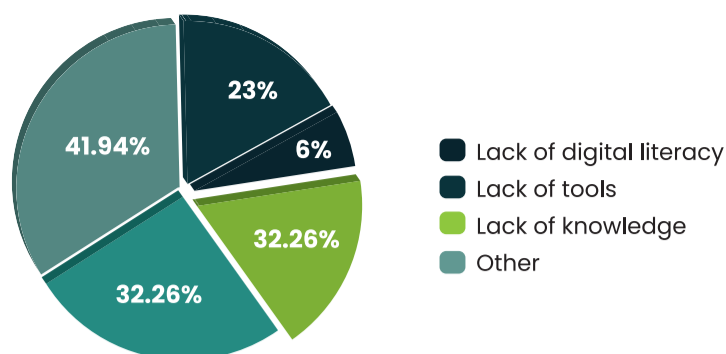
Constraints of access and usage of credit



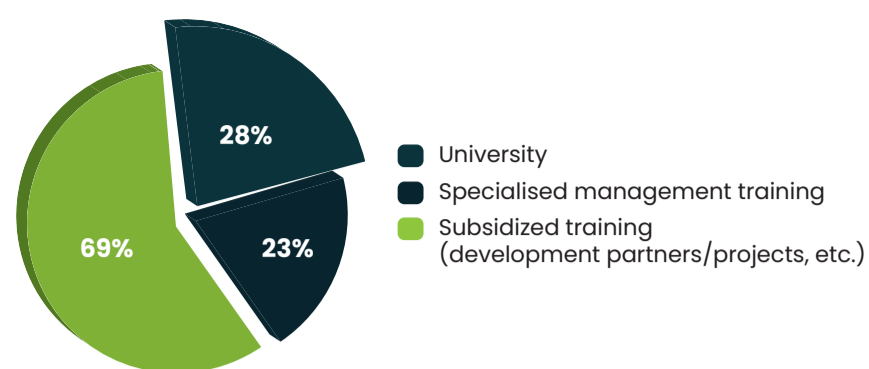
Access and use of digital technology



WSMEs struggle to adopt digital channels to conduct financial transactions



Source of acquired Business Skills



Financial Services Stock Take

Institution Type

10 Gender-specific Products/Service



Sector



Financial Service Providers have a large array of products for the SME segment;

Product offers are usually gender neutral and very few providers have gender-specific products and services for WSMEs;

Only 3 Commercial Banks have gendered products: 2 have products for personal banking but not WSME, Only 1 has a credit product for WSMEs.

2 microbanks have microlending products with a WSME lens, serving primarily the informal sector;

The only Investment Company in Mozambique coordinates 3 programs for WSMEs, localized in the Centre/North of the country

Two insurance companies have gender specific products and services.

The insurance firms support agricultural sector including (i) SMEs, (ii) peri-urban farmers and emerging rural farmers, as well as (iii) to the small-scale rural family growers. Most of these segments are led and or managed by women;

MNOs do not have gender specific products and services, but they are being used largely by women, many of them in rural areas and in the informal sector;

WMSME focus on the strategic planning process

From the various interviews:

Government Initiatives supported by Multilateral Institutions are increasingly focused on addressing WSMEs financial gap.

FSP lack empirical evidence to correctly assess depth and market growth potential of WSME, which translates into a cautionary business approach.

Different players (banks, MNO's and insurance companies) are developign strategic partnerships to guarantee interoperability

Traditional banking and insurance products are being adapted and developed for the informal sector.

MNOs distribute them using innovative online technologies for higher accessibility, including for WSMEs.

Opportunities to improve conditions for WSMEs to establish and grow:

Increase FIs focus on formally considering WSME segment

Introduce consistent approach to collect data on WSMEs for reporting and comparability

Conclusions

FSPs offer for SMEs is broad

and focused primarily on transactional and credit products, mostly gender neutral.

Costs and convenience of financial services.

WSMEs, seek for convenience and flexibility to transact and comply with financial commitments.

Capacity building and skills.

The limited financial literacy and education constraints SME/WSMEs. The impact of capacity building programs for WSMEs is scarcely documented, yet.

Social norms and culture

Businesswomen have limited time to invest in business development, growth, and professionalization, due to conflicting priorities in the household.

Funding for business or access to credit.

Having a bank account does necessarily facilitate access to credit. Funding for business usually comes from informal mechanisms such as xitique, savings groups or family and friends, own savings or salaries.

Inconsistency of definition of WSME

Lack of gender-disaggregated data and inconsistent definitions impede effective comparability of offerings and performance in servicing the WSME segment.