



# WOMENLINK II

*Catalyzing Women's Economic  
Empowerment through Community  
Agents and Expansion of Digital Financial  
Services to Low-Income Women*



**WELLS  
FARGO**

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## List of Acronyms

|   |          |
|---|----------|
| Agent Network Manager                       | ANM      |
| Agent Network Management System             | ANMS     |
| Bankers without Borders                     | BWB      |
| Community Agent Network                     | CAN      |
| Coronavirus Disease 2019                    | COVID-19 |
| Digital Financial Services                  | DFS      |
| Enhanced Community Quarantine               | ECQ      |
| Facebook                                    | FB       |
| Financial Service Provider                  | FSP      |
| Focus Group Discussions                     | FGD      |
| Grameen Learning Application                | G-LEAP   |
| Know Your Customer                          | KYC      |
| Information and Communication Technology    | ICT      |
| Monitoring and Evaluation                   | M&E      |
| Microfinance Institution                    | MFI      |
| Mobile Network Operator                     | MNO      |
| Non-Government Organization                 | NGO      |
| Project Officers                            | PO       |
| Revolving Credit Facility                   | RCF      |
| Sustainable Development Goals               | SDG      |
| St. Elizabeth Community Development Program | SECDEP   |
| Short Message Service                       | SMS      |
| Small and Medium-Sized Enterprises          | SME      |



## Executive Summary

In 2018, Grameen Foundation in partnership with Wells Fargo launched the WomenLink II Program in India and the Philippines. The WomenLink II Program in the Philippines picks up where Grameen left off in 2017 with the Community Agent Network Program, which aimed to improve access to financial services by building a last-mile agent network that delivers digital financial services in unserved and underserved rural communities. The goal of the WomenLink II Program is to catalyze economic empowerment by continuing to expand the footprint of the community-based agent network and to drive usage of financial services through digital financial platforms. To achieve this, the three-year program was implemented in two phases that address the demand and supply side barriers hindering the usage of digital financial services (DFS). Phase I, focusing on the demand side barriers, was implemented in 2018-2019 (Year 1 and Year 2), while Phase II, which addressed the supply side barriers, was conducted in 2019-2020 (Year 2 and Year 3).

The Phase I of WomenLink II focused on addressing the demand-side barrier of low uptake of financial products and services due to low financial literacy and lack of trust in financial products and services. To establish client trust and improve low-income women's awareness and understanding of financial products and services, Grameen implemented a financial literacy campaign that was delivered remotely through short message service (SMS). Within the 24-month implementation of the SMS financial literacy campaign, over 40,000 women received relevant and actionable messages containing information on basic financial products (savings, loans and insurance), money management tips, and digital financial services that they can avail. WomenLink II Phase I resulted in a positive behavior change in savings practices; 30% of the women started saving and averaged amounts saved grew 142%. There was also a 26% increase in the number of women who started transacting with community-based agents for bills payment. Overall, the perception of the SMS-based information push campaign was favorable; 95% of the women reported that the messages they received were relevant and that they were applying what they learned in managing their household budget.

Phase II of WomenLink II aimed to address the supply-side barrier of low business viability for community-based agents due to lack of capacity to manage their business efficiently (i.e. liquidity mismanagement, ineffective marketing of products and services to clients) which consequently results in low revenues. Grameen developed e-learning modules for agents delivered through two digital learning platforms (Facebook and the Grameen Learning Application or G-LEAP) to help build agents' knowledge on digital financial products and services, and their capacities on business management and product marketing. Grameen reached 849 agents through the digital learning platforms. While the initial objective of Phase II was to measure the impact of the e-learning modules, the onset of the COVID-19 pandemic in the Philippines severely affected agents' businesses as enforced lockdowns resulted in diminished transactions, illiquidity, and lack of time for the agency business due to the increasing demand for women's time at home, as work and school transition online and became home-based. Remote training became the least priority of women as their businesses were threatened by the economic effects of the pandemic and this was evident in the minimal uptake of the learning modules. Grameen refocused the program to understand the critical needs of agents in order for them to stay in business. Part of this pivot was the disbursement of COVID-19 liquidity support in order to provide agents with working capital so that they could continue to make their services available to their community.

Key recommendations gained from Phase II point to the need for a more holistic suite of support services for agents that address their critical needs such as technical and troubleshooting support, access to financial services for their business, use case expansion for DFS and monitoring and evaluation of agent network operations. The final section of this report summarizes the opportunities and value proposition for a third-party agent network manager in delivering these vital agent support services. Grameen concluded the WomenLink II Program by conducting preliminary research to understand the business case for an agent network manager in the Philippines in order to ensure the sustainability of DFS provision especially in unserved and underserved communities.

# 1. Background

## 1.1 The Role of Financial Services Access in Economic Empowerment and Resilience-Building

Financial inclusion has been recognized as a key enabler in the achievement of inclusive economic growth and poverty reduction as evidenced by a growing body of research and program outcomes.<sup>i</sup> Lessons learned in developing economies prove that broader access to and participation in financial systems enable people, especially women, to better manage risks and smoothen consumption, to start accumulating and growing their assets, and to invest in things that improve their quality of life such as education and home improvement.<sup>ii</sup> Despite the benefits of financial products and services, they remain inaccessible to vast segments of the population, particularly low-income households.<sup>iii</sup> Low-income men and women face barriers to inclusion such as lack of access to proximate transaction points, lack of money and assets sufficient to start transacting with formal institutions, lack of identification documentation, and the high transaction fees imposed by many financial service providers (FSPs).<sup>iv</sup> This locks them in a cash-based system, which exposes them to higher costs and risks, with fewer protections and less recourse for redress. It can also be inefficient and time-consuming especially for those living in rural areas who may need to travel all day just to get to the nearest town where brick and mortar financial access points are usually located.

Digital financial services (DFS) and community agent networks have the potential to address these access barriers to reach the financially excluded and underserved segments. The value proposition of DFS continues to improve as mobile phones become more ubiquitous; as providers continue to innovate financial products, services, and delivery channels relevant to low-income consumers; and as governments and industry stakeholders continue to define and balance regulation surrounding the risks and the rewards from digitizing financial services. Meanwhile, innovative agent network models have continued to extend access and have seen improved viability in rural areas.<sup>v</sup> Agent networks help facilitate uptake of digital financial products and services among low-income people whose capacities to independently utilize and benefit from these technologies are lagging.

## 1.2 Philippines' Unique Opportunity: Tapping Women to Drive Financial Access and Usage

Women disproportionately experience poverty and in many developing countries, they are more financially excluded than men are.<sup>vi</sup> In contrast, the Philippines presents opportunities to target women in order to drive financial access and usage further because the financial and mobile gender gap both favor women. Opportunities exist at two levels:

- **Women as financial customers:** Filipino women are more financially included than men and their role as household budget managers position them as the primary customer. About 37.9 percent of Filipino women own a formal account either at a financial institution or a mobile account, compared to only 24.4 percent account ownership among men.<sup>vii</sup> Filipino women's usage of financial products are higher than men by 3.71 percentage point difference in borrowing from a formal institution and 2.26 percentage point difference in savings.<sup>viii</sup> More women use remittance services and they are mostly at the receiving end of government aid and cash transfers. Social, cultural, and behavioral factors contribute to women's greater financial access to and use of financial services in the Philippines. Traditional Filipino households give women the responsibility of managing household financial matters with 97% of women deciding either independently or jointly with their spouse how their household budget is spent.<sup>ix</sup> Local microfinance institutions cater largely to low-income women due to their role in handling the family finances and as such, it is also mostly women who receive financial literacy, money management and investment training by these institutions.<sup>x</sup>
- **Women as financial access providers:** With the high mobile phone penetration and internet usage in the country, the Philippines has long demonstrated a potential for expanding financial access through digital services, albeit much of it has not been realized. The gender gap in mobile phone ownership is three

percentage points higher than men and there are also more women than men who use mobile phones to pay bills and send money (though mobile transactions remain low in general).<sup>xi</sup> Moreover, low-income women with access to microfinance are able to engage in microbusinesses, the most common of which are sari-sari stores (small sundry stores), found in almost every neighborhood. The ubiquity and penetration of these microbusinesses even in rural and remote areas point to the value proposition of leveraging these as potential access points to reach financially unserved and underserved customers.

With the instrumental role of women as home budget managers, their headway on mobile phone usage and their engagement as micro entrepreneurs, targeting women's increased uptake and usage of DFS presents a prospect worth exploring in the endeavor to reach financially excluded households.

### 1.3 Grameen Foundation's Approach: Levering Technology, Agent Networks and Partnerships

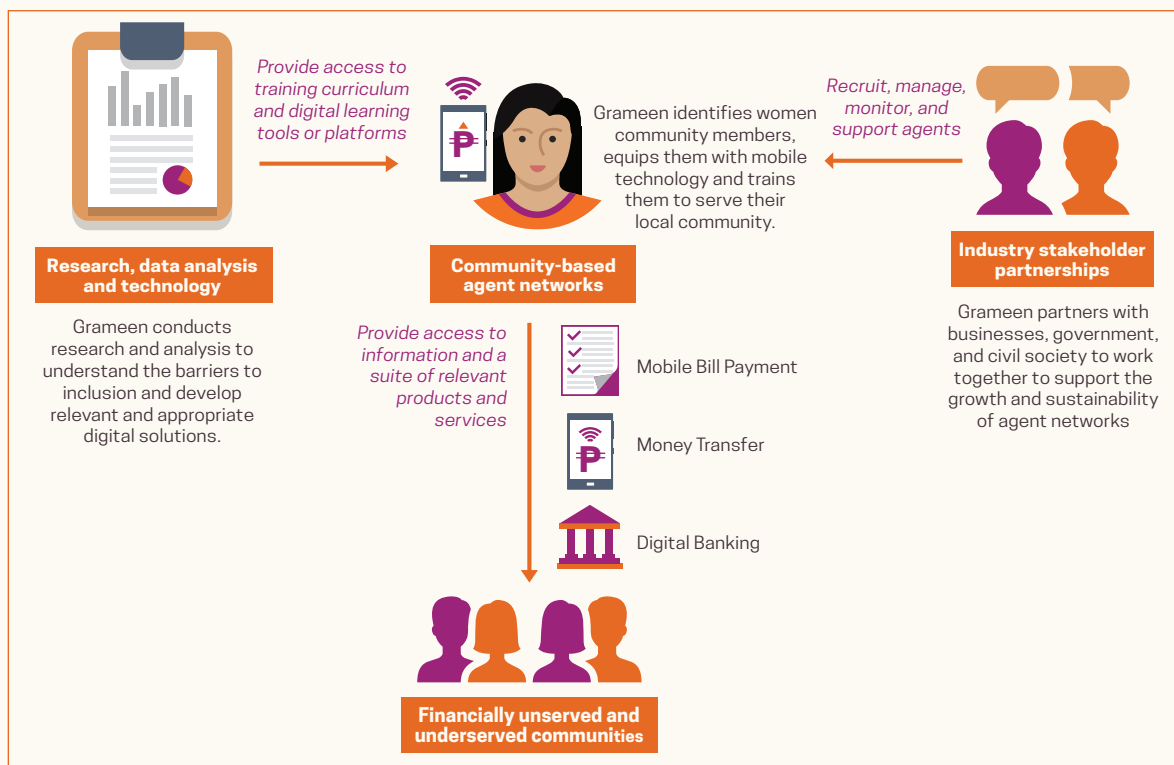
In line with its mission of empowering the poor women and strengthening their resilience to help them live a life without poverty and hunger, Grameen Foundation (Grameen) has been working towards improving women's financial access and usage in the Philippines since 2014. Grameen's approach incorporates three key elements to deliver targeted and appropriate solutions to the communities it aims to serve.

- 1. Data and technology.** Data gathering, research and analysis is done to understand people who live in poverty, the local ecosystem that surrounds them and the barriers that keep them poor. Based on findings from research and analysis, data-rich solutions are converted into functional technology (low-tech or no-tech applications) relevant to excluded communities and populations to overcome barriers. Taking into account the underdeveloped infrastructure that is often present in rural and low-income areas, Grameen leverages digital tools that do not depend on internet access and instead relies on community-based agent networks.
- 2. Community agent networks.** While digital solutions can give the poor access to formal market systems, many poor populations are unable to utilize technologies due to barriers such as low literacy, lack of technology access, and distrust of products and services they do not understand. Community agent networks help overcome these barriers. Agents are recruited from underserved communities, provided with digital devices and trained to provide wireless connectivity and services to local customers. Agents serve as alternative banking access points and provide hands-on transaction support for people who may be unfamiliar with or unable to use DFS. Grameen builds trusted and professional community-based agent networks while empowering women to start new income-generating activities as agents.
- 3. Strategic partnerships.** Grameen engages various sector stakeholders in developing business models that ensure the sustainability and growth of agent networks. Grameen partners with organizations such as microfinance institutions (MFIs), mobile network operators (MNOs), and fintechs to recruit, train, equip and manage community agent networks in order to create an eco-system of support from the local industry. Grameen also facilitates partnerships with local merchants and other entities that are vital in unlocking new markets and use cases for DFS transactions beyond cash-in/cash-out services. This contributes to improving the viability of agents' and fintechs' business as onboarding more small and medium-sized enterprises (SMEs) and local businesses enable agents to participate in e-commerce opportunities. Establishing synergies between private sector, local government and civil society is an essential part of Grameen's work as it helps to broaden learning and knowledge sharing, mobilize complementary resources, expand the business case and market usage of DFS, and shape policy and regulation in order to reach developmental goals.



Figure 1

## How the Grameen Foundation Model Works on the Ground



## 2. WomenLink II Philippines Program Overview





### 2.1 The WomenLink II Program and Broader Developmental Alignment

In December 2017, Grameen and Wells Fargo, a Fortune Global 500 financial services company, launched the WomenLink II Program in the Philippines and India. WomenLink II is a three-year program with the goal of catalyzing economic empowerment by improving women's access to and usage of financial services through the use of digital financial platforms delivered through mobile-enabled, community-based agents.

The WomenLink II Program aligns closely with Wells Fargo's corporate responsibility priority on the economic empowerment of local communities, which focuses on strengthening individuals' and small businesses' financial self-sufficiency and improving their economic opportunities. Moreover, the WomenLink II outcomes contribute to the Sustainable Development Goals (SDGs) on poverty elimination, gender equality and decent work and economic growth.

Table 1

### Sustainable Development Goals Targets and WomenLink II Program Alignment

|  Sustainable Development Goals Targets  | WomenLink II Program Alignment  |
|--|---|
| <b>1 NO POVERTY</b><br> No Poverty - Build the resilience of the poor and reduce their exposure and vulnerability to economic shocks and, environmental disasters. <sup>xii</sup>   | WomenLink II implemented a digital financial literacy campaign targeted at women to increase their understanding of the value and potential impact of DFS in improving their financial lives.                 |
| <b>5 GENDER EQUALITY</b><br> Gender Equality - Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women. <sup>xiii</sup>  | WomenLink II leveraged DFS and strategic partnerships with financial technology companies (fintechs) to bring financial service access points closer to underserved and unserved women and their communities. |
| <b>8 DECENT WORK AND ECONOMIC GROWTH</b><br> Decent work and Economic growth - Support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services. <sup>xiv</sup> | WomenLink II expanded female agent networks and strengthened the capacity of agents to operate professional enterprises.  |

## 2.2 The Problem We're Trying to Solve: Low Usage of (Digital) Financial Services Among Low-Income Women

The WomenLink II Program built on the Community Agent Network (CAN) Program implemented in 2015 to 2018 by Grameen Foundation and partners. The CAN program improved access to reliable alternative FSPs nationwide by establishing a telco-agnostic network of micro and small neighborhood shops that provide DFS services in underserved rural communities.<sup>xv</sup> While building the agent network is a necessary first step, driving active and sustained usage of alternative FSPs by low-income women and their households requires addressing key barriers to uptake and usage. Lessons learned from CAN, as well as from Grameen's experience in implementing agent networks, point to both demand- and supply-side challenges that need to be overcome in order to drive further uptake of DFS.

- **Demand side challenge of lack of awareness and trust by customers:** Customers' low uptake is due to their apprehension toward unfamiliar digital transactions. Most low-income women do not transact via digital methods because they do not have functional knowledge on how it works, nor do they realize the value that DFS (i.e. monetary and time savings) can bring them. There is a lack of readily available, relevant, and easily understandable information on financial products and digital delivery channels, and this contributes to the obscurity of digital financial interventions when they are introduced in rural communities where people often have lower financial and digital literacy levels compared to those in urban areas. Moreover, customers' awareness of risks involved in digital transactions such as fraud, scams and theft compounds distrust in the system.
- **Supply-side challenge of lack of business viability for agents:** With little understanding of the system and trust by potential users, the viability of the agent's business is at risk. Agent inactivity remains a critical challenge in DFS provision. Inactivity from providing services may be temporary or long term and it can be due to a confluence of reasons. Low DFS sales volumes and income discourages continued provision of service, considering agents often have other sources of income (i.e. sari-sari stores) to which they can reallocate their resources. Agents also report difficulty in managing cash and e-money liquidity, which can be due to lack of capital, lack of information on when volumes would be high or low, or the impracticality of topping-up in distant markets. Both of these leave agents unable to conduct some transactions and it can decrease their reliability from the perspective of customers. Lastly, unreliable ICT infrastructures can hinder business operations, especially in rural and remote areas, where immediate user support systems are lacking and workarounds are not in place.

WomenLink II picked up where CAN left off with the next step heading towards piloting solutions to tackle these barriers so that the Filipino households are able to realize the economic value that DFS platforms can offer.



## 2.3 The Solutions We've Implemented: Digital Financial Literacy Campaign and Agent Professionalization

Through the WomenLink II Program, Grameen set out to develop and implement tools that seek to address both the supply- and demand-side challenges hindering DFS usage. WomenLink II was implemented in two phases, which correspond to the two digital solutions that Grameen and Wells Fargo set out to test over the course of its three-year implementation from 2018 to 2020. Phase I, focusing on the demand side barriers, was implemented in 2018-2019 (Year 1 and Year 2), while Phase II, which addressed the supply side barriers, was conducted in 2019-2020 (Year 2 and Year 3).

- **Phase I: Digital financial literacy campaign:** On the demand side, low-income women who are prospective customers of DFS were provided with financial knowledge on DFS and money management through short message service (SMS). The objective of the financial literacy program for women clients was to broaden understanding of DFS and its relevance to women's common economic goals and family welfare concerns in order to encourage uptake and usage.
- **Phase II: Digital agent professionalization training:** On the supply side, small business agents offering DFS were provided with agent professionalization training through digital learning platforms in order to help improve the operations, and consequently increase the income they derive from their DFS business. The training modules aim to raise the quality of customer service offered by the agents as well as equip them with additional knowledge on how to effectively manage their DFS business.

Figure 2

## WomenLink Program Implementation: Targeting Both Demand And Supply Side Barriers to DFS Uptake and Usage Among Low-Income Women

|   | Identified Barrier  | WomenLink Component  | Target Outcome   |
|---|---|--|--|
| <br><b>Customers</b> | <b>Demand-side barrier:</b><br>Low uptake and lack of trust of FS and DFS by low-income women | <b>Component 1:</b> Digital financial literacy campaign delivered through SMS                                    | Low-income women start availing of (digital) financial products and services and realize benefits (i.e. savings and convenience) |
| <br><b>Agents</b>    | <b>Supply-side barrier:</b><br>Lack of agency business viability for DFS women agents         | <b>Component 2:</b><br>Agent professionalization training delivered through online and offline digital platforms | Women agents improve operations and outcomes of DFS business (i.e. transaction volume and income)                                |

**The case for agent network management innovation and business model:** While WomenLink II Phase II focuses on agent professionalization through digital training, ensuring that agent networks are able to deliver quality service to clients requires investments by agent network owners and/or managers (e.g. fintech partners, telecommunications companies) not only in capacity building training for their agents on critical topics, such as product knowledge, efficient transaction processes, customer relationship management, liquidity management, and company and regulatory standard guidelines. Equally crucial in the success of agent networks is the continued provision of functional and responsive support services that agent network owners and managers can offer such as technical and troubleshooting support, grievance and redress systems, infrastructure and network improvement, and continuous training and business growth. As such, Grameen also explored how these functions can be supported through the data and insights gained from the program during phase II.

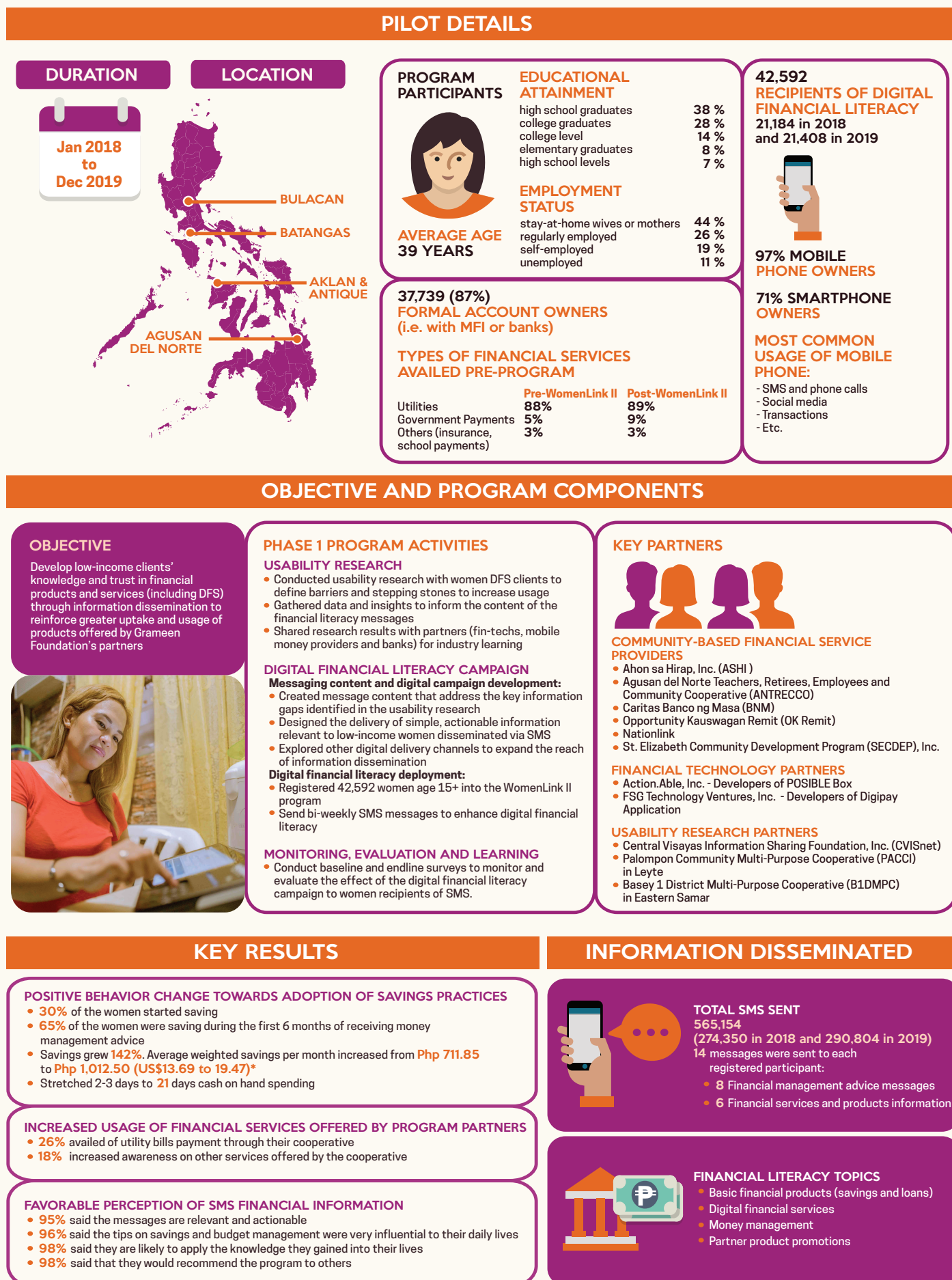


## 3. WomenLink II Phase I: Understanding Usage Barriers and Implementing Digital Financial Literacy

### 3.1 Phase I Implementation Summary

Low digital and financial literacy inhibit uptake and habitual use of digital channels among low-income women and in effect, women might have access to financial products but do not effectively use them to reap their benefits. The objective of WomenLink II Phase I was to catalyze trust in financial products, services and digital delivery channels through information dissemination and knowledge building among low-income women.

**Figure 3**  
**Phase I Implementation Summary**

**OBJECTIVE AND PROGRAM COMPONENTS**

**OBJECTIVE**

Develop low-income clients' knowledge and trust in financial products and services (including DFS) through information dissemination to reinforce greater uptake and usage of products offered by Grameen Foundation's partners



**PHASE 1 PROGRAM ACTIVITIES**

**USABILITY RESEARCH**

- Conducted usability research with women DFS clients to define barriers and stepping stones to increase usage
- Gathered data and insights to inform the content of the financial literacy messages
- Shared research results with partners (fin-techs, mobile money providers and banks) for industry learning

**DIGITAL FINANCIAL LITERACY CAMPAIGN**

**Messaging content and digital campaign development:**

- Created message content that address the key information gaps identified in the usability research
- Designed the delivery of simple, actionable information relevant to low-income women disseminated via SMS
- Explored other digital delivery channels to expand the reach of information dissemination

**Digital financial literacy deployment:**

- Registered 42,592 women age 15+ into the WomenLink II program
- Send bi-weekly SMS messages to enhance digital financial literacy

**MONITORING, EVALUATION AND LEARNING**

- Conduct baseline and endline surveys to monitor and evaluate the effect of the digital financial literacy campaign to women recipients of SMS.

**KEY PARTNERS**



**COMMUNITY-BASED FINANCIAL SERVICE PROVIDERS**

- Ahon sa Hirap, Inc. (ASHI)
- Agusan del Norte Teachers, Retirees, Employees and Community Cooperative (ANTRECCO)
- Caritas Banco ng Masa (BNM)
- Opportunity Kauswagan Remit (OK Remit)
- Nationlink
- St. Elizabeth Community Development Program (SECDEP), Inc.

**FINANCIAL TECHNOLOGY PARTNERS**

- Action.Able, Inc. - Developers of POSSIBLE Box
- FSG Technology Ventures, Inc. - Developers of Digipay Application

**USABILITY RESEARCH PARTNERS**

- Central Visayas Information Sharing Foundation, Inc. (CVISnet)
- Palompon Community Multi-Purpose Cooperative (PACCI) in Leyte
- Basey 1 District Multi-Purpose Cooperative (B1DMPC) in Eastern Samar

**KEY RESULTS**

**POSITIVE BEHAVIOR CHANGE TOWARDS ADOPTION OF SAVINGS PRACTICES**

- 30% of the women started saving
- 65% of the women were saving during the first 6 months of receiving money management advice
- Savings grew 142%. Average weighted savings per month increased from **Php 711.85** to **Php 1,012.50 (US\$13.69 to 19.47)\***
- Stretched 2-3 days to 21 days cash on hand spending

**INCREASED USAGE OF FINANCIAL SERVICES OFFERED BY PROGRAM PARTNERS**

- 26% availed of utility bills payment through their cooperative
- 18% increased awareness on other services offered by the cooperative

**FAVORABLE PERCEPTION OF SMS FINANCIAL INFORMATION**

- 95% said the messages are relevant and actionable
- 96% said the tips on savings and budget management were very influential to their daily lives
- 98% said they are likely to apply the knowledge they gained into their lives
- 98% said that they would recommend the program to others

**INFORMATION DISSEMINATED**



**TOTAL SMS SENT**

**565,154**  
(274,350 in 2018 and 290,804 in 2019)

14 messages were sent to each registered participant:

- 8 Financial management advice messages
- 6 Financial services and products information



**FINANCIAL LITERACY TOPICS**

- Basic financial products (savings and loans)
- Digital financial services
- Money management
- Partner product promotions

\*Exchange rate as of 2018

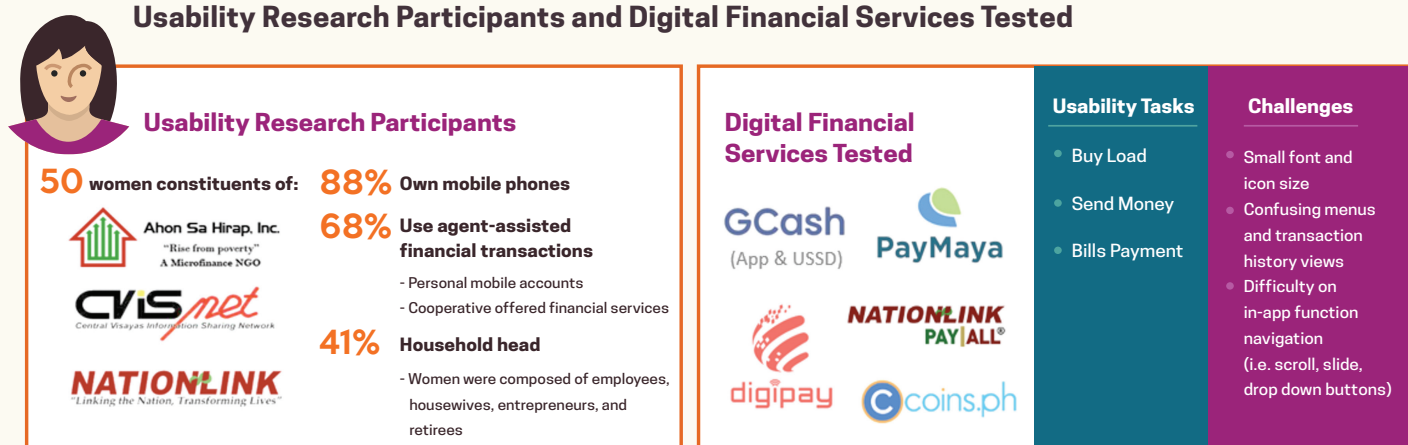
## 3.2 Usability and Research Results

In order to understand how the functionality of digital financial products and services affect low-income women's perception and usage of such platforms, Grameen kicked-off Phase I in March 2018 by conducting a usability study. The usability research focused on defining the barriers and stepping-stones to uptake and trust of DFS by conducting a series of interviews and customer usage tests of existing DFS platforms. Grameen partnered with local financial service providers Ahon sa Hiram, Inc. (ASHI), Central Visayas Information Sharing Foundation Inc. (CVISnet), and Nationlink to gather and enlist 50 of their women clients to participate in the study.

**Research Methodology.** The usability research tested six DFS platforms currently available in the market, which were strategically selected to test a variety of DFS channels that leverage different delivery channels and interfaces. Grameen facilitated eight usability testing sessions, each having between 4-8 women taking part in the testing. Participant survey was used to gauge each of the participants' initial knowledge of financial products and services, and their ability to successfully operate various DFS platforms using mobile devices. Focus group discussions (FGDs) were done to gain qualitative insights into the socio-economic profile of the women and understand the role digital channels play in their financial lives. The research culminated with usability test sessions facilitated by Grameen, which aimed to assess the women's aptitude in making financial transactions using DFS applications. The women were asked to perform three types of transactions using the one of the six mobile financial applications selected: pay a bill, send money, and buy airtime top-up. A post-test interview was also conducted to validate and provide depth to the observations made by the proctor. Participants were asked to share their experience in performing the test scenarios, as well as any feedback on the DFS application they used and the difficulties they encountered in using the platform.

Figure 4

### Usability Research Participants and Digital Financial Services Tested



**Results and Findings.** The usability report and the results were published in August 2018. The findings provided insight on the specific challenges that women encounter in using DFS, which included issues on the application interface, user experience and functionalities of the various platforms tested. The results of the tests informed a set of DFS application interface design considerations, and it identified five persistent challenges to low-income women's usage that reemerged (as in previous studies conducted by Grameen) from the FGDs and post-test interviews conducted:

1. Lack of trust in DFS combined with low levels of digital financial literacy and skills cause apprehension towards adoption.
2. Limited range of transactions offered by DFS platforms due to lack of merchants and commercial establishments accepting mobile money discourages regular usage of DFS.
3. Weak and intermittent network connection in certain rural regions make DFS unreliable at times.
4. Difficulty in setting up personal mobile accounts due to strict KYC and registration processes hinders DFS uptake especially for those without identification documentation.
5. Insufficient tutorial on DFS interface and user experience is problematic for customers not used to navigating through smartphone.

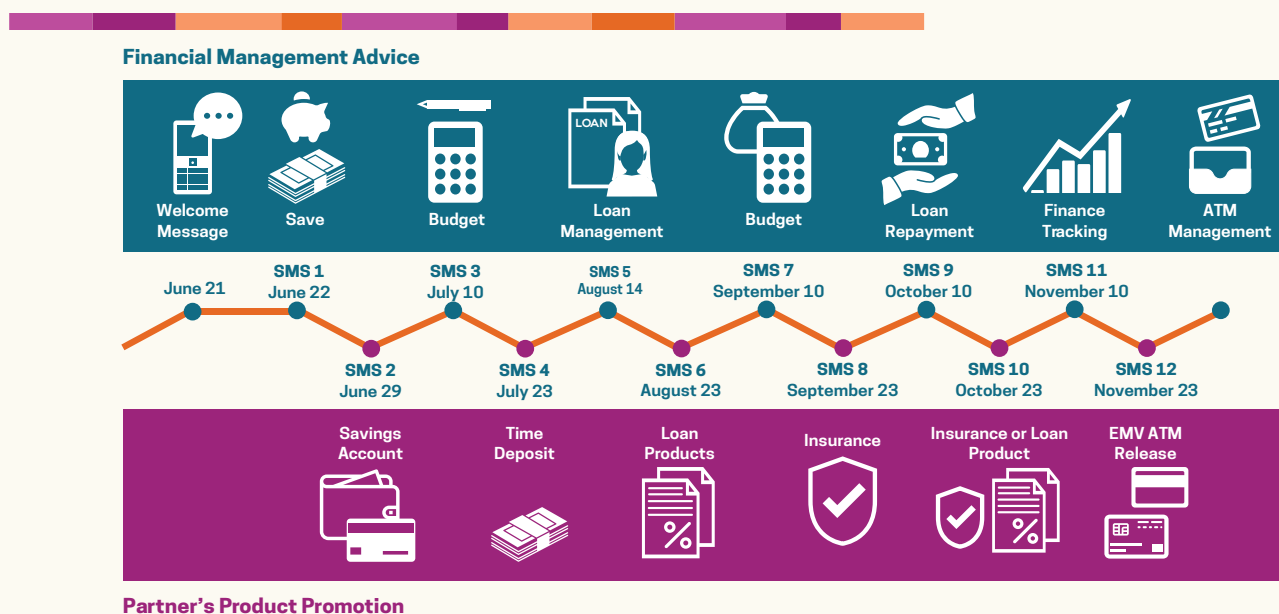
While improving usability of DFS is valuable in making the platforms more user-friendly, increasing adoption goes beyond just iterating the interface and should focus on tackling the five issues mentioned above. In order for technology uptake to happen, the women need to be able to realize the necessity of the product or service being offered. This needs to happen alongside widespread usage of DFS platforms and digital transactions from the merchants' side by building a more conducive business environment for e-commerce to thrive. These findings were valuable in informing subsequent activities of the WomenLink II Program and Grameen's financial empowerment endeavors. The findings were also compiled and communicated to the partners as well as the DFS providers involved in the research to contribute in knowledge sharing and learning to improve the broader industry.

### 3.3 Digital Financial Literacy Development and Deployment

Based on the findings from the usability research, low-income women are hindered by low-levels of financial literacy as well as a general lack of product awareness of what is currently available and relevant to their needs. Most women have a vague notion of DFS but they do not fully grasp the value that these products and services can bring them and so apprehension towards unfamiliar transaction channels like DFS still remain. To address this, Grameen set out in June 2018 to pilot a SMS-based financial education program. The SMS content is designed to deliver simple but actionable messages to deepen women's understanding of DFS in an effort to galvanize uptake by new customers and drive more transactions by current ones.

**Messaging content and digital campaign development.** Grameen designed the content of the financial literacy messages and partnered with EngageSpark to set-up the distribution strategy of the messages. Targeting both the low-level financial literacy of women in poor communities and the limited reliable and easily understandable information on (digital) financial products and services available to them, the content messages created by Grameen contained financial management advice as well as product information, specifically of FSP partners. The financial management advice focused on giving actionable tips on household budgeting and reinforcing healthy money management habits. The product information messages focused on providing easily understood explanations of the basic types of financial products and services (i.e. savings, loans, and insurance), what benefits they can reap from it, and how they can avail of these products.

**Figure 5**  
**WomenLink Financial Literacy Messaging Schedule**



**Digital financial literacy campaign deployment.** The program aimed to register a total of 40,000 women between 2018 and 2019 and Grameen exceeded this target by 6% with a total of 42,592 women recipients of SMS over the course of six months. There were 14 SMS sent to each of the participants delivered every two weeks, with the content sent alternating between financial advice and product promotion. A total of 565,154 SMS were sent to participants within the first two years of WomenLink II.

### 3.4 Phase I Monitoring, Evaluation, and Learning

Grameen conducted pre- and post-implementation surveys in order to learn and assess the effect of the digital financial literacy campaign. The pre-test surveys were conducted in June 2018 and post-test surveys were done six months after in December. The provision of SMS-based financial tips and reminders to women clients continued until the second year of implementation of the program in 2019.

**Key results and insights.** Overall, there were modest shifts in behavior towards more conscientious budgeting, as well as increase in uptake of financial products and services (including DFS) and these point to the potential of appropriately messaged and delivered information to instill positive habits:

- **Positive behavior change in saving habits.** The practice of saving cash among the women grew by 30%. Initially, 36% of the surveyed women were reportedly saving money but after the SMS campaign, 65% of the women said they were trying to save regularly as a habit. Weighted average monthly savings of respondents also rose by 142%. From being able to save PHP 711.85 (USD 13.69) a month, WomenLink II participants are now saving an average of PHP1,012.50 (USD 19.47) monthly.<sup>1</sup>
- **Uptake of digital financial products and services.** Through the product promotion messages, the women were able to receive information on mobile banking services offered by program partners. There was a growth of 25% in the number of women paying bills through cooperative-affiliated agents. About 18% of the surveyed women said they gained awareness of mobile money services through the SMS sent but they opted not to download DFS applications to make the transactions themselves. Women's preference for over-the-counter (or agent-assisted) transactions are reportedly due to force of habit.
- **Positive perception of SMS financial information.** WomenLink II participants' reception of the digital financial literacy campaign was overwhelmingly positive with 95% of the women responding that the messages they received were useful and actionable. About 98% of the women said that they would recommend the program to their neighbors, friends, or community. This is crucial because word of mouth plays a vital role in improving the establishment of trust in financial products and services among poor communities.
- **Proximity of transaction points, high-touch engagement by FSP and success stories from peers are critical trust-building factors.** Lack of trust in DFS has been a salient deterrent to uptake and usage by low-income individuals. Throughout the course of Phase I, several factors emerged to play a key role in client trust building. The proximity of service providers to the community affects how quickly trust is built because they are the clients' primary source of financial information. The agent network model works effectively in remote areas where agents can resolve their questions or doubts more quickly with the accessibility of transaction points. Community-based institutions (i.e. MFIs, cooperatives) often have literacy programs that supplement their suite of product offerings, as well as monitoring systems in place to ensure that clients are managing product usage well (i.e. group accountability, weekly meetings, visits from agents). The more proactive role these FSPs play in the financial lives of low-income women help build their capacity to take charge of their finances and realize benefits from the financial products and services they avail. Aside from FSPs, women's peers within their communities or their social group also contribute to trust building. Low-income women have limited opportunity to understand and develop trust in a financial product through their own personal experience (i.e. due to limited funds and opportunity cost, long timeframe to see whether the financial product is helping them achieve their financial goals). They instead look to their peers who have had the chance to try out these products and services for feedback. They also put great stock in seeing physical evidence of progress among their friends and neighbors (e.g. home improvement, new vehicles, and expansion of small business). Testimonials of financial success from trusted community members, as well as seeing the actual benefits they could reap from these products contributes greatly in the trust-building process because it gives potential clients something tangible to aspire to.

<sup>1</sup>Exchange rate as of 2018.

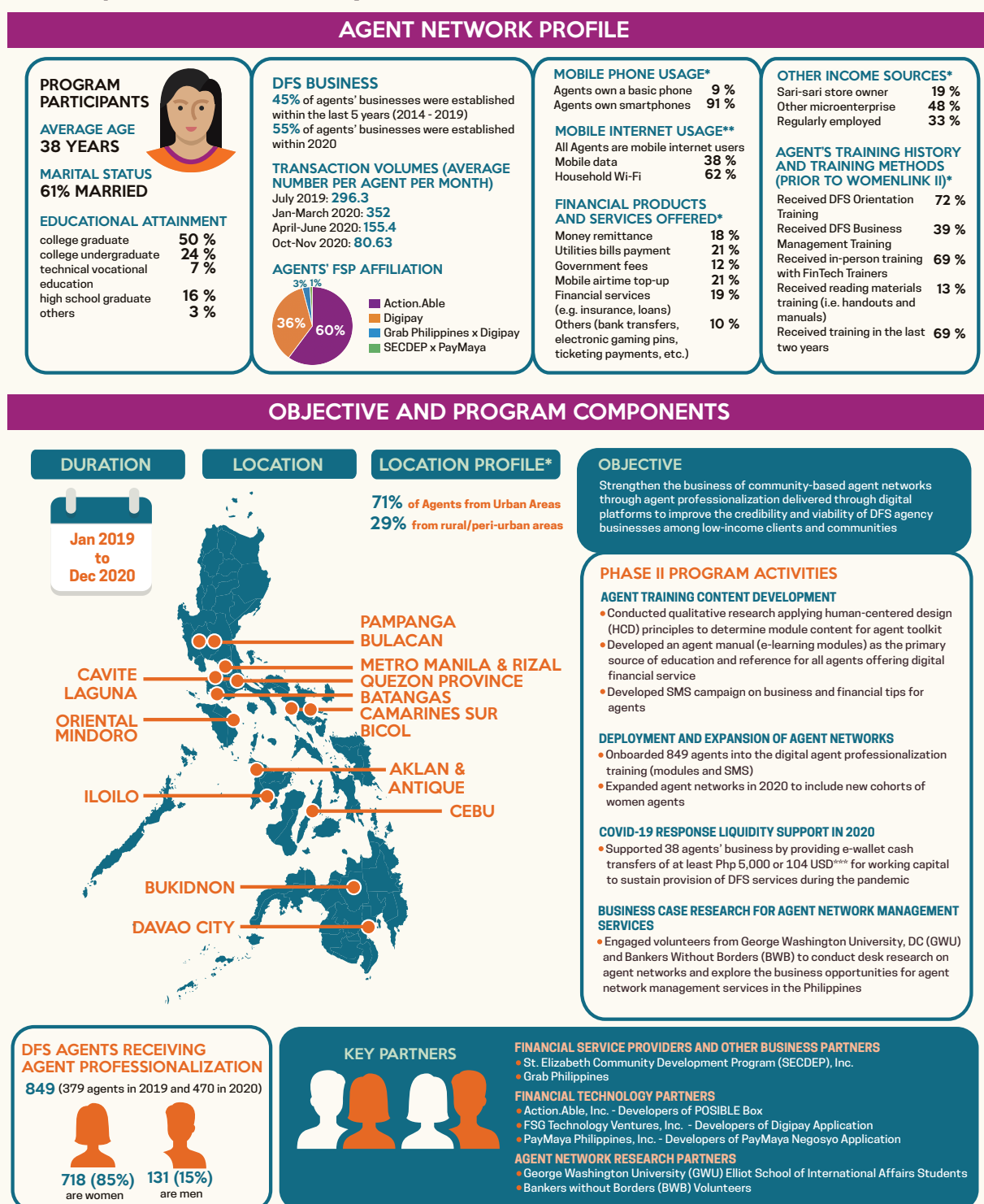
## 4. WomenLink II Phase II: Digital Agent Professionalization Training

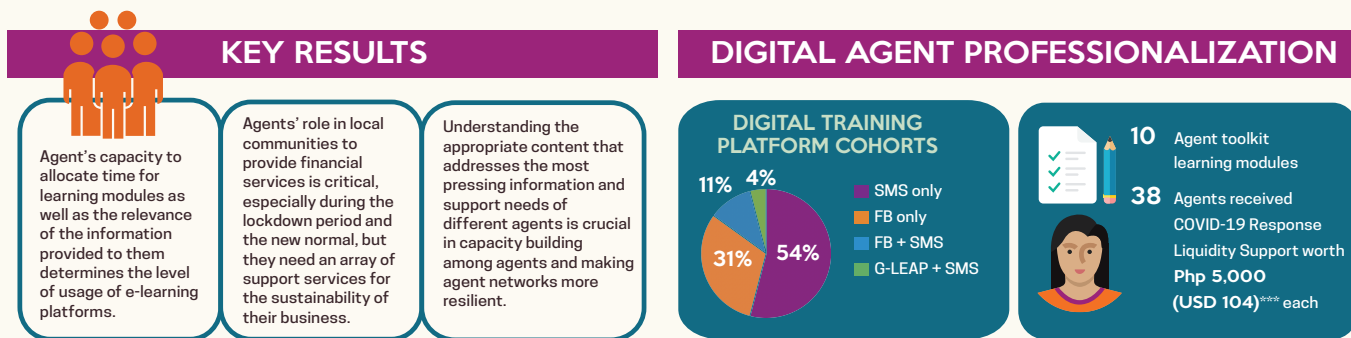
### 4.1 Phase II Implementation Summary

The second phase of WomenLink II aimed to improve client trust in DFS by addressing supply-side gaps and empowering agent networks. Once clients decide to start transacting via DFS, the most compelling case for continuous DFS usage is a positive experience. The women agents serve as the client-facing entities that represent financial service providers in low-income areas, and their ability to provide these services successfully and reliably can transform the credibility and trust in DFS among unserved and underserved communities. WomenLink II Phase II focused on the professionalization of DFS agents and equipped them with the necessary tools and knowledge to deliver high-quality service to clients and drive continuous usage.

Figure 6

#### Phase II Implementation Summary





\* Data from respondents of the 2019 baseline survey.  
 \*\* Data from respondents of the 2020 survey.  
 \*\*\* Exchange rate as of 2020.

## 4.2 Agent Training Content Development

The traditional way of onboarding and training agents is through orientation caravans and workshops organized by agent network owners or fintechs. Mass training of agents entails substantial costs to organize and implement, and participating agents incur some costs as they shoulder the travel expense to and from the venue. The costs, as well as operational and logistics challenges, of this high-touch approach become more pronounced in rural areas which often do not have a large enough number of agents to justify the training costs to be incurred. Hence, these mass trainings tend to focus less on rural communities often underserved or unserved by DFS and other financial services. To address this, Grameen developed learning modules that can be delivered remotely to these areas using existing digital channels.

In order to develop the content of the agent learning modules, Grameen conducted agent interviews using a human-centered design approach in order to gain a deeper understanding of the most pressing needs and challenges they experience in using DFS platforms. Moreover, implementing partners participated in a roundtable discussion to identify pain points in training and managing the agents. The insights gained from the agent interviews and partner discussions were used to inform the development of the DFS Agent Toolkit Modules.

**Table 2**  
**DFS Agent Challenges**

|   |
|---|
| <b>Lack of effective product and service marketing.</b> Lack of knowledge on DFS products and services hamper product push and marketing, consequently undermining the business potential of DFS for agents. Agents also reported they do not actively engage in promotion and cross selling which are crucial for business sustainability and growth.  |
| <b>Mismanagement of liquidity.</b> Agents often report difficulty in managing cash and e-money liquidity due to lack of understanding of demand trends (i.e. high transaction volume and amounts during payday when remittances are often conducted, or during end of month when bills payment are scheduled). This barrier is experienced more by DFS agents who have no prior business background and are therefore lacking in training on business financial management. |
| <b>Unreliable connection and technical issues.</b> The issue of unreliable ICT infrastructures hindering business operations are pronounced in rural and remote areas. Moreover, agents report they often need troubleshooting assistance when this happens and the inaccessibility of technical support services and information discourages quick resolution of transaction issues.   |

The WomenLink Agent Toolkit has ten modules intended to instruct agents on DFS business management, client relationship management, product knowledge and marketing techniques, and standard operating procedures, as follows:

**Figure 7**  
**WomenLink II Agent Professionalization Modules**

|  |  |
|--|--|
| <b>MODULE 1</b><br><b>What is this program about?</b><br>- Introduction to the program and its objectives<br>- Goal-setting                      | <b>MODULE 4</b><br><b>How do I talk to my customers?</b><br>- Product promotion strategies to customers  |
| <b>MODULE 2</b><br><b>Who are my customers?</b><br>- Understanding the needs of the community and the importance of customer identification (ID) | <b>MODULE 5</b><br><b>How do I sustain my business?</b><br>- Tracking profit, loss and inventory<br>- Sound business management                |
| <b>MODULE 3</b><br><b>What are my products?</b><br>- Review on procedures, troubleshooting and frequently asked questions                        | <b>MODULE 6</b><br><b>How do I expand my business? (Part 1)</b><br>- Best practices in dealing with competition, legalizing the business, etc. |

|                  |   |
|------------------|---|
| <b>MODULE 7</b>  | <b>How do I expand my business? (Part 2)</b><br>- Understanding client and community needs<br>- Business model canvas worksheet   |
| <b>MODULE 8</b>  | <b>What are good financial practices?</b><br>- Influencing customers to adopt good financial practices  |
| <b>MODULE 9</b>  | <b>How do I expand my network and market outreach?</b><br>- Leveraging social media, personal connections, organization membership to boost business<br>- Especially important in the context of COVID-19 lockdowns when foot traffic to stores have declined     |
| <b>MODULE 10</b> | <b>How do I adapt to changes that affect my agency business?</b><br>- Understanding of internal and external factors that may affect the agency business<br>- Evaluation of resources, other business models, and potential partners to adapt the agency business |

### 4.3 Digital Agent Professionalization Module Deployment and Network Expansion

Grameen used two digital learning platforms to deliver agent training: Facebook and the Grameen Learning Application or G-LEAP, an Android application developed by the Grameen India and Philippine teams. Both platforms contain the same set of learning materials but each has its own functionality. A WomenLink II Facebook group was formed where DFS agents were given exclusive access to a collection of learning content that includes the Agent Toolkit, other external references for additional reading, modules and instructional videos. Group members can communicate among themselves through the forums and messaging functionality within the Facebook interface. This provides them an easy avenue to discuss the modules, exchange ideas and share experiences that enrich the learning environment within the platform. On the other hand, G-LEAP is a customizable mobile application designed to equip various organizations (i.e. MFIs, cooperatives, or NGOs) with digital tools that enable agents and frontline staff to perform their tasks in a time-efficient and cost-effective way. Grameen leveraged the e-learning tools within G-LEAP in the deployment of the digital agent professionalization modules. Unlike Facebook, which necessitates internet connection, G-LEAP allows agents to access learning content offline, and it also tracks each learners' progress and competencies. While Facebook allows for learning expansion through peer learning and discussion, G-LEAP enables a more immersive individual learning with quizzes and performance tracking.

To complement the two e-learning platforms and capitalizing on the success of using SMS for information push in Phase I (client-focused financial education), Grameen also developed short, actionable messages aligned with the Agent Toolkit. The automated SMS for agents was co-developed with the program partners in order to provide supplemental DFS-related information to reinforce learning. Grameen sent 13 messages to each agent in 2019, which increased to 25 messages in 2020. The SMS contained business management advice, efficient transaction tips, and client relationship management.

The modules were deployed in August 2019 and by the end of the year 379 women agents affiliated with Digipay (24%) and POSSIBLE (76%) were onboarded into the digital training platforms. This was expanded further in 2020 where 470 more agents were reached, including new women agents from newly formed cohorts (Grab x Digipay and SECDEP x PayMaya) and new female and male agents from existing ones (Digipay and POSSIBLE). The Grab x Digipay cohort consisted of women relatives of Grab Drivers<sup>2</sup> who lost their source of income due to the lockdown measures brought about by the COVID-19 Pandemic. The SECDEP x PayMaya cohort consisted of women clients of SECDEP (a microfinance institution) who were onboarded to use PayMaya Negosyo, a local online payment platform managed by SMART Communications, one of the largest mobile network operators in the Philippines. Agents were onboarded on different platforms to gain understanding of how different channels and interfaces affect learning and digital training uptake.

**Figure 8**  
**Breakdown of WomenLink II Agents Onboarded in Each Platform**

| PLATFORM         | G-LEAP + SMS | FB + SMS  | SMS ONLY   | FB ONLY    | TOTAL      |
|------------------|--------------|-----------|------------|------------|------------|
| DIGIPAY          | 6            | 44        | 191        | 61         | 302        |
| POSSIBLE         | 14           | 44        | 253        | 201        | 512        |
| GRAB x DIGIPAY   | 5            | 6         | 14         | 0          | 25         |
| SECDEP x PAYMAYA | 10           | 0         | 0          | 0          | 10         |
| <b>TOTAL</b>     | <b>35</b>    | <b>94</b> | <b>458</b> | <b>262</b> | <b>849</b> |

<sup>2</sup>Grab Holdings Inc., commonly known as Grab, is a Singaporean multinational ride-hailing company that operates in the Philippines. In addition to transportation, the company offers food delivery and digital payments services via a mobile app.

## 4.4 COVID-19 Liquidity Support

**COVID-19 impact on agent businesses.** The final year of WomenLink II was met by an unprecedented challenge with the spread of the COVID-19 pandemic, which has affected not only the implementation of program activities by Grameen but more so the business operations of the agents. The Philippine Government enforced a two-and-a-half month Enhanced Community Quarantine (ECQ) in March 2020 for the entire Luzon Region. The lockdown measures, while necessary, brought drastic economic losses that affected employment, production, and consumption. Agents' businesses and their other microenterprises have experienced the negative effects of the lockdown restrictions including:

- **Loss of income source.** About 23% of agents reported they had to close down their microbusinesses (i.e. sari-sari stores) as part of mandatory lockdowns.<sup>3</sup> Agents' households were generally affected with 60% reporting having lost an income stream because a household member was affected by retrenchments, either through permanent unemployment, temporary work suspension, or salary cuts.
- **Inability to provide certain services due to illiquidity and inability to rebalance.** Agents' movements were restricted not only because of the community quarantine measures in place but because they had to prioritize their families' health and safety as well. About 42% of agents live with immunocompromised individuals such as senior citizens, children, and relatives with pre-existing illnesses. Agents avoided going out to rebalance their wallet in banks or payment centers as this poses a risk to more vulnerable family members.
- **Lack of sufficient capital to stay in business.** Some agents had to re-allocate business funds for personal use or to sustain other business ventures, which are more profitable compared to the agency business. Before COVID-19, there was an increase in the number of clients and volume of transactions reported by agents however, this drastically declined during and after the lockdown measures. Consequently, reported incomes also slipped down during the lockdown period. Within 2020, 70.2% of agents reported that their DFS income is below Php 5,000 (USD 104)<sup>4</sup> in March (pre-COVID-19 lockdown) and this percentage grew to 82.1% in June (during COVID-19 lockdown).<sup>5</sup> Agents were able to offer only a limited array of services during the pandemic and they focused on top-up credits (61%), bills payment (56%), and money remittance (40%) as these are the staple services, which retained demand during the pandemic.<sup>6</sup>

Table 3

**Self-Reported Transaction Volume and Customer Count by DFS Agents<sup>7</sup>**

| Period   | 2019                | 2020                 |                        |
|--|---------------------|----------------------|------------------------|
| Self-reported transactions and client count                    | Pre-lockdown (July) | Pre-lockdown (March) | During lockdown (June) |
| Average number of DFS transactions conducted in the past month | 296                 | 352                  | 155                    |
| Percentage change in transaction volume                        |                     | 18.9%                | - 55.9%                |
| Average number of DFS customers serviced in the past month     | 147                 | 236                  | 83                     |
| Percentage change in customer count                            |                     | 60.5%                | - 64.8%                |

Even as lockdown restrictions have gradually lifted, there has only been a slight uptick in transactions. While on the supply side (agents') the decrease in transactions is due to a confluence of reasons such as lack of capital and business shutdowns, demand side factors also contributed to this decrease with the government mandating moratorium on fees and bank loans.<sup>xvii</sup> The Bayanihan Laws were passed to provide government more control to address the health as well as economic repercussions of the pandemic, part of which are a 60-day grace period on loan payments, a 30-day moratorium on utility bills (electricity, water, telecommunications, etc.), and the implementation of staggered payment scheme for utilities allowing consumers to settle their bills in three monthly installments without penalties or interest.

<sup>3</sup>Data reported by the 38 COVID-19 liquidity support recipients.

<sup>4</sup>Exchange rate as of 2020.

<sup>5</sup>Reported by Y2 agents who participated in the baseline study in July 2019 and the endline study in July 2020

<sup>6</sup>Data reported by the 38 COVID-19 liquidity support recipients

<sup>7</sup>In compliance with the Data Privacy Act in the Philippines, the data on the number of transactions and earnings of the agents are all self-reported. Figures were reported by Y2 agents who participated in the baseline study in July 2019 and the endline study in July 2020

**Mobilizing financing to agents most in need.** Grameen responded to the ripple effect of the pandemic on the agents and decided to reallocate resources from suspended field activities to create a COVID-19 liquidity support facility. The main purpose of the facility is to provide capital injection worth Php 5,000 (USD 104)<sup>8</sup> to each agent so they can continue to provide DFS services to their communities and sustain their agency business income stream. Grameen and partners selected 38 community agents to receive the capital support by targeting agents whose transaction levels have nose-dived during the lockdown period (March to July 2020). In order to understand how the capital support affected the recipient agents, they were interviewed pre- and post-funding disbursement, and their transaction data at least one month prior and one month after the financing were also tracked and analyzed. The capital support was given in e-money and was wired to the selected recipients' mobile accounts/e-wallets.

Findings from the COVID-19 liquidity recipient interviews (38 agents) pointed to the potential of financial support to sustain agents' businesses. To corroborate the self-reported data from the agents, fintech partners were able to provide the volume of transactions of the COVID-19 Response beneficiaries. Transactions after the provision of the capital support increased and agents' average transaction volume per month grew by 15.95%. The average monthly transaction volume of 38 agents prior to the capital support was Php 42,205.84 (USD 879.29) and about a month after, the average went up to Php 48,936.33 (USD 1,1019.51).<sup>9</sup>

**Table 4**

**WomenLink COVID Relief Liquidity Support for 38 Agents<sup>10</sup>**

| (In PHP and USD; All transactions) | Pre-disbursement            | Post-disbursement           | % increase/decrease |
|------------------------------------|-----------------------------|-----------------------------|---------------------|
| Average                            | P42,205.84 (USD 879.29)     | P48,936.33 (USD 1,1019.51)  | 16%                 |
| Median                             | P3,642.88 (USD 75.89)       | P6,549.30 (USD 136.44)      | 80%                 |
| Minimum                            | P0.00 (USD 0)               | P0.00 (USD 0)               | 0%                  |
| Maximum                            | P551,742.83 (USD 11,494.64) | P573,551.87 (USD 11,949.00) | 4%                  |

The COVID-19 liquidity support was helpful especially for the SECDEP x PayMaya cohort, as four of those agents were unable to start their agency business in July due to lack of capital and the inaccessibility of top-up options. As a result of the liquidity support, those 4 agents increased their average monthly volume from Php 0.00 (USD 0) prior to disbursement to Php 3,506.85 (USD 73.06) after disbursement.<sup>11</sup> Agents who received the capital support were also able to offer additional services apart from bills payment, remittance, and top-up. About 47% of the participants were able to introduce new services to their businesses such as the insurance payments, electronic pins, GCash, loan payments, government payments, and ticketing services.

### Revolving Credit Facility

The benefit of providing financing access to agents during the pandemic also extends to the fintechs because the financial support prevents agents who are lacking capital to sustain the business from going inactive. Fintech partners have noted that since the lockdown was enforced, only half of their agent networks are actively transacting and they had to adjust their operations accordingly by downsizing their workforce and focusing on managing and supporting their existing active agent pool. Grameen provided funding to establish a Revolving Credit Facility (RCF) and engaged FSG Technology Ventures to administer the fund through Gloriosa Finance Corp., which aimed at providing capital support for women who are interested to venture into the DFS agency business. Gloriosa's partnership with Grameen specifically targeted women relatives (i.e. wife, daughter, mother) of drivers affiliated with Grab Philippines who lost their primary source of income during the pandemic when lockdowns, curfews, transition to remote work, and travel restrictions all contributed to the decline in demand and usage for ride-hailing services. The financial support was in the form of microloans for business venture purposes with an average loan amount of Php 3,000 (USD 62.50). Similar to the COVID-19 liquidity support, the RCF supported the Grab x Digipay agents in starting their agency business. Losing their primary source of income during the pandemic, Digipay applicants that lacked the capital to begin transacting through their agency business were able to do so upon the approval and release of their loans. Given this opportunity, one specific agent was able to loan three times after being able to let the fund revolve. Her loans increased in amount after successfully repaying from Php 3,000 (USD 62.50) to Php 5,000 (USD 104.17) to Php 7,500 (USD 156.25).<sup>12</sup>

<sup>8,9,10,11,12</sup> Exchange rate as of 2020.

## 4.5 Phase II: Monitoring, Evaluation and Learning

The evaluation of Womenlink II Phase II was done between July 2019 when the baseline survey was implemented, and July 2020 when the endline survey was concluded. The initial objective of the M&E was to analyze the efficacy of the learning modules in building the agents' capacity to improve their operations and increase their income from their agency business. However, due to the unforeseen impediments imposed by the COVID-19 pandemic, Grameen refocused the analysis into identifying critical support services that agents need during the lockdown and the new normal to build the resilience and sustainability of their agency business. Moreover, with travel and social distancing restrictions, Grameen took necessary pivots to change monitoring and data collection methods in order to ensure the safety of both the agents and field staff. The endline survey was conducted through phone calls (approximately 1 hour per agent) instead of in-person agent interviews and store visits. Data limitations also have to be noted as only 39% of agents from the baseline were able to take the endline survey and out of which, only 7% reported accessing the modules.

**Key insights and recommendations.** The pandemic exposed new and recurring challenges that community agents face and the findings from Phase II provide stakeholders visibility on the current gaps and opportunities that can be developed moving forward to establish, sustain, and expand the role of community agents in the new normal.

**Insight 1: Agent's capacity to allocate time for learning modules as well as the relevance of the information provided to them determines the level of usage of e-learning platforms.** The greatest challenge for Grameen's implementation of agent professionalization was the low uptake of e-learning platforms. Of 84 agents interviewed during the endline survey, only 7% accessed the learning materials and usage further dwindled with the onslaught of the pandemic. Two important factors played a role in the low usage of the modules as reported by agents:

- **Availability of time to allocate for agency business and learning.** About half (52%) of those who were not able to access the modules stated lack of time as their main reason.<sup>12</sup> The effect of the pandemic spilled over to household dynamics and economy, as lockdown measures kept family members at home. With school and daycare closures and companies either laying-off workers or transitioning to work-from-home set-up, the burden of unpaid additional work on managing the household and providing care for family members fell mostly unto the women's shoulders. This meant that women had to juggle between their jobs, whether as an employee, a micro entrepreneur, or an informal sector worker, and family care. Of the agents surveyed, 51% are taking care of children below ten years of age while 55% are living with senior citizens.<sup>13</sup> With the increased demand on women's time for domestic responsibilities such as caring for the sick and elderly in the household, childrearing and managing distance-learning and household chores, operating their agency business and accessing the modules became a non-priority. Prior to the pandemic, uptake has already been minimal with 34% of agents accessing the modules and this was further diminished during the lockdown to 24%.
- **Relevance of the content to the agents' information needs.** The majority (75%) of agents in the program have an entrepreneurial background as they are engaged in microenterprises and the primary reason why they did not use the modules is that they find the content too elementary. Among these agents<sup>14</sup>, only 20% (50 out of 248 agents who were given access to the e-learning platforms) accessed the modules and they reportedly did not see much value add from the information provided as they have already learned these either through formal training from other sources or from their personal experience in operating their businesses. On the other hand, Grameen found that a smaller segment of the program agents found the current content valuable



<sup>12</sup> Reported by Year 2 agents who participated in the baseline study in July 2019 and the endline study in July 2020

<sup>13</sup> Data reported by Year 3 agents.

<sup>14</sup> Agents from Possible and Digipay cohorts have existing business experience from the microenterprises they own and operate.

and relevant to their needs. About 71% of agents in the Grab x Digipay and SECDEP x PayMaya cohorts used the modules. This can be attributed to two factors. The first is that these cohorts consisted of women who either have no entrepreneurial background or are new to using DFS platforms. As such, they found the basic content of the modules to be helpful as they started learning about the DFS agency business. The second reason is that for the SECDEP x PayMaya cohort, Grameen tested a new model wherein access to remote learning platforms are combined with in-person field extension support from SECDEP Project Officers (PO). The POs are tasked to conduct one-to-one support and monitoring to each agent, ensuring that they complete the learning modules, as well as providing the necessary guidance in using DFS and responding to any outstanding issues that the agents have. The model proved successful with all agents in this cohort finishing the modules and reporting satisfaction in the program interventions and the support services they receive from their POs.

**Insight 2: Agents' role in local communities to provide financial services is critical, especially during the lockdown period and the new normal, but they need an array of support services for the sustainability of their business.**

The value that agent networks bring to communities during lockdown lies in the continued provision of essential financial services. There is greater consumer demand for mobile internet and top-up as industries transitioned to remote work as well as increased need for money transfer services as various institutions mobilize financial resources to support those affected by the pandemic lockdown (i.e. family remittances, government social security transfers, employer benefit disbursements). However, despite the clear importance of agents' services, 60% of those registered in the program became inactive during the pandemic as they encountered business operational challenges:



- **Technical support needs:** About 26% of agents reported inactivity because of technical challenges they cannot resolve on their own such as challenges transacting due to system downtime, delayed proof of transactions, and device issues that require repair services.<sup>15</sup> Majority of agents complained that fintech providers' and merchants' customer service had been either unresponsive or unable to resolve their concerns and there is also a lack of grievance system that agents can follow for redress. This weak support system from fintechs, further exacerbated by the skeletal workforce in operation since the lockdown started, is a significant constraint for agent retention and satisfaction. To provide an alternative to agents, Grameen leveraged the Facebook e-learning platform as an avenue for them to reach their fintech providers and it allowed the agents to exchange information among themselves on troubleshooting or technical solutions they know of. Representatives from the DFS partners were made co-administrators of the Facebook group to give them visibility on agents' concerns and provide a response through the platform. Social media is an effective conduit for agents in areas where there is stable internet connection, but this excludes agents in areas with weak and intermittent internet connection. The clear necessity for responsive agent support services emphasizes a need to develop other innovations or models to help serve agents in different locations.
- **Financial support needs:** Financial challenges are also a cause of 21% of agent inactivity.<sup>16</sup> Agents lost income sources and had to reallocate their finances to more pressing family needs. Decreased foot traffic resulted in diminished transactions for the agency business and other microenterprises with 16% of agents reporting inactivity due to low incomes earned from DFS. While Grameen provided financial assistance through the revolving credit facility (disbursed with Gloriosa Financing Corp.) and the COVID-19 response capital support, the pandemic circumstances proved how low the resilience of agents are against economic shocks and there is a need for broader financial access to products and services that are tailored to low-income agents' capacities and needs.

<sup>15, 16</sup> Reported by Year 2 agents who participated in the baseline study in July 2019 and the endline study in July 2020

**Insight 3: Understanding the appropriate content that addresses the most pressing information and support needs of different agents is crucial in capacity building among agents and making agent networks more resilient.** Based on these two key insights, Grameen conducted an agent segmentation exercise to better understand the needs of various agent types. While the segmentation below is based only on a small subset of agents and may not encompass all nuances or all agent segments in the industry, it provides a starting point for further research into better mapping and characterizing the agent landscape. This information can also be used by various key stakeholders in developing programs and support services to agent networks in order to strengthen their business viability and resilience against external economic shocks.

Table 5

**WomenLink II Phase II DFS Agent Segmentation**

|                                      | <b>Novice Agents</b>  | <b>Entrepreneurial Agents</b>   |
|--------------------------------------|---|---|
| <b>General Characteristics</b>       |   |   |
| Location                             | ▪ Rural areas   | ▪ Urban or peri-urban areas   |
| Business knowledge and skills        | <ul style="list-style-type: none"> <li>▪ Agents who either have limited business skills (new to microenterprises with less than a year of experience) or no business knowledge (i.e. housewives who rely on other family members' income).</li> <li>▪ They often have no exposure to DFS platforms.</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Agents with prior business knowledge from microenterprises or from formal employment.</li> <li>▪ These agents often have experience using DFS platforms or at the very least have some knowledge on how it works.</li> </ul>   |
| Digital access and literacy          | ▪ Lack of access to digital platforms as most of these agents do not own smartphones and they often do not have a stable internet connection. They also have minimal digital literacy.  | ▪ Entrepreneurial agents have functional knowledge on digital platforms and are comfortable navigating these. They are willing to invest in technology to improve their business (i.e. Wi-Fi connection).   |
| Business capital                     | ▪ As this segment is composed of new agents, their capital investment is less than Php 10,000 a month.  | ▪ These agents have the finances to invest in their agency business and their average capital is about Php 10,000 (USD 208.33) but it can go as high as Php 20,000 (USD 416.67) <sup>17</sup> per month.  |
| <b>Information and support needs</b> |   |   |
| Information needs                    | <ul style="list-style-type: none"> <li>▪ With limited knowledge on business and digital platforms, new agents benefit from financial management content and business operations advice. They would benefit in topics such as cash flow management, record keeping, and learning about the basic DFS products they can offer.</li> <li>▪ Likewise, their primary concern is gaining back the investment they put in and so customer growth and retention skill is critical for them.</li> <li>▪ Basic information to help them evaluate profitability will also be valuable such as margin amounts of various DFS products and services, rates and fees involved, rebates and any financial incentives they can gain from selling specific products.</li> <li>▪ Information on who to contact for any issues they encounter is critical, as these agents need a lot of support and hand holding in setting up their business.</li> </ul> | <ul style="list-style-type: none"> <li>▪ More enterprising agents are interested in business expansion. Topics they are interested in include news and updates on new products and services they can offer their customers, partnerships they can leverage to expand their agency business lines.</li> <li>▪ Since they are comfortable navigating digital platforms, information on basic troubleshooting will also be of interest to them.</li> <li>▪ Broader industry news is relevant to this segment as they are on the lookout for opportunities to tap.</li> </ul> |

<sup>17</sup> Exchange rate as of 2020.

|                                      | Novice Agents   | Entrepreneurial Agents   |
|--------------------------------------|---|--|
| <b>Information and support needs</b> |   |  |
| <b>Financial needs</b>               | <ul style="list-style-type: none"> <li>▪ Access to capital is an important piece in the success of new agents and they would benefit from microloans and small-business grants from non-profits or government agencies.</li> <li>▪ Linking these agents to savings and helping them set-up bank accounts are also critical especially as they grow their business and accumulate income.</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Similar to new agents, access to loans and savings are important for entrepreneurial agents. Larger loans can enable further business expansion and micro insurance products can help secure the investment they continue to build overtime.</li> </ul>   |
| <b>Support needs</b>                 | <ul style="list-style-type: none"> <li>▪ New agents need a lot of handholding when it comes to capacity building and training. While online platforms provide a rich source of information, their limited knowledge on business and DFS in general can lead to a lot of questions and uncertainties.</li> <li>▪ There is value in the provision of in-person support as seen in the Phase II implementation with the SECDEP x PayMaya cohort. The extension support helps provide structure and the necessary guidance in new agents' learning as they build confidence in navigating platforms and managing their business finances on their own.</li> <li>▪ Moreover, agent networks in rural areas are challenged by weak and intermittent internet connection, thereby limiting their access to information accessible online. Having a regular in-person touchpoint with extension agents who are well trained to respond to agents' concerns helps to overcome this barrier.</li> </ul> | <ul style="list-style-type: none"> <li>▪ These agents are capable of learning on their own as they are equipped with basic understanding of business and DFS. As such, their primary support needs lie less in training than in technical support resolution. With higher transaction volumes and larger customer base than new agents, they have a reputation to uphold in their community as a reliable provider. Hence, any technical issue (i.e. system downtime, transaction failures) need to be resolved immediately. Access to high-quality customer support from fintechs and merchants is critical in their business success.</li> </ul> |

## 5. Recommendations: Integrated Agent Network Support Services

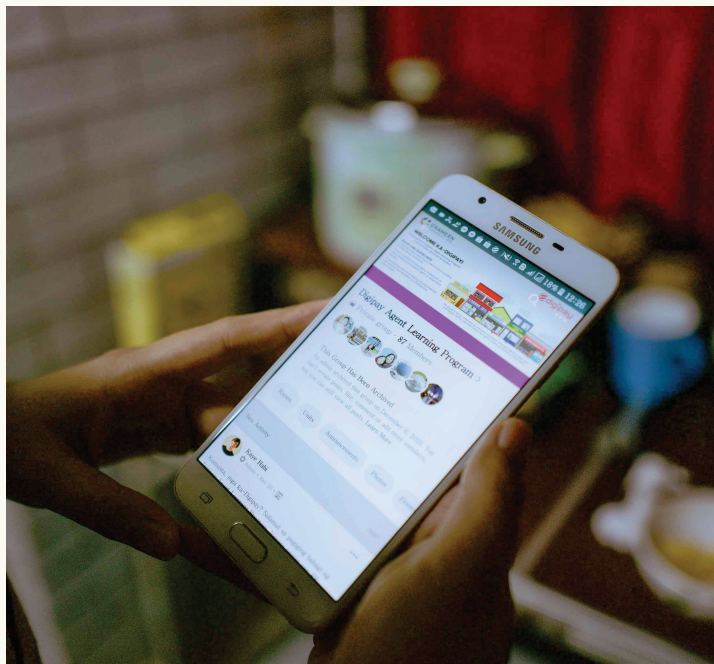
**Recommendation on agent training:** In terms of agent capacity building, the information content, the format of how information is presented, and the delivery channel by which information is made available to agents should be appropriately designed bearing efficiency and practicality:

- **Tailor information push to specific agent segment needs:** Information is only useful and actionable if it is relevant to the agents. It is no longer effective to develop one-size-fit-all modules containing general information that is disseminated to an entire agent network as seen in the results of the program. WomenLink II was able to segment agents and provide a starting point for understanding agents' information needs in terms of content, which plays an important role in creating a more targeted approach to learning and information provision to agents. Engaging in further research to expand the scope and deepen the nuances captured by WomenLink's II findings will provide industry stakeholders the opportunity to better develop training programs that are suitable to their target agents.
- **Consider appropriate information format and delivery channels for women agents:** Aside from tailoring content, it is also important to gain a deeper evaluation of the current gaps in the information formats and delivery channels accessible and appropriate to low-income women entrepreneurs. With the increasing demand for women's time due to their multiple roles as household managers, primary family caretakers, and entrepreneurs, leveraging technologies and platforms that women are comfortable using on a daily basis, preferably those that provide multiple use-cases, can encourage greater access and usage of the learning

materials provided. This is evidenced by the women's greater preference of Facebook to learn (which they use regularly for communication and information) compared to G-LEAP that is solely used for the purpose of accessing the modules. Information format should also consider the limited amount of time women can spend in learning. Creating succinct and direct-to-the-point messages, news updates, and reminders via SMS can provide a good alternative to reach women who do not have time to read entire learning modules.

- **Leverage social learning and networking:** Women agents' learning is motivated by social factors. Being part of a community of other learners with similar experiences encourages agents to broaden their knowledge by asking questions from their peers and sharing relevant information to them. Leveraging social incentives and recognition can potentially encourage greater usage of the agent learning modules. Using technology platforms that allow agents to broaden their entrepreneurial network and clientele facilitates increased knowledge exchange and improved support for their peers.

**Recommendation on integrated agent support:** Agents require a holistic support system that addresses not only their learning needs but also their operational concerns in order for their businesses to thrive. They have different levels of knowledge and skills and as a result, they will require varying assistance in terms of onboarding and training, managing digital platforms, financial and business growth, and continuous monitoring and evaluation of performance. While fintech providers are positioned to provide these services as the agent network owners, they often do not have the resources to manage these internally and their expertise mostly lies in managing data systems and technology development. Agent network managers (ANMs) are critical in the success of agent networks because ANMs cater to the specific support needs of agents and they have dedicated resources to bridge gaps between the fintechs and the agent network. Fintechs with limited capacity to provide agent services can benefit from ANMs because it not only reinforces quality service but it also contributes in network scaling and helps in lowering fintechs' operational costs while expanding geographic reach. Linkages between various industry players can also pave the way for improving services to agents by leveraging partnerships with entities that have the capacity to deploy field extension personnel for closer, more personalized support to agents, which has proven to be more effective than remote support, especially for novice agents. Apart from training, other critical agent support services include:



- Effective customer service that features a support system that is easily accessed by agents to cater to their experiences and challenges post-onboarding and training. This should include a comprehensive product support that offers (1) technical and troubleshooting support on products, services and devices, (2) a system to effectively receive, analyze and resolve agent queries, and (3) refresher training provision to agents on an as-needed basis. Agents should also be provided with a mechanism to report their grievances and systematic procedures they can follow for redress.

- Entrepreneurship development that enriches agents' businesses by building their capacity to expand their operations. This should include linkage to important resources for agents to pursue business growth opportunities such as (1) access to relevant financial services that is tailored to agents' needs and capacity to pay, (2) capacity-building on business operations and client management, and (3) linkage to potential partnership opportunities that widen the range of products and services that agents can offer (i.e. linking agents to local merchants that cater to their clients, such as provincial utilities providers or relevant SMEs with digital capacity, which can be linked into fintechs' systems).
- Monitoring and evaluation that captures and analyzes valuable data from agents in order to better understand how to improve agent services and expand the outreach in target locations (i.e. in rural, financially-underserved areas). Getting feedback from agents and accounts of their experience as community-based DFS providers are vital information that can be used to iterate and enhance agent network management services and procedures. Moreover, learnings from the data gathered can point various industry stakeholders to untapped opportunities in terms of developing technology innovation, updating business models, pursuing viable partnerships, and informing regulation and policy that contributes to the overall growth of the digital financial sector in the country. Data privacy and customer/user protection is one such element that needs to be further defined by drawing insights not just from the experience and data from agents, but also from fintechs and other stakeholders in the industry.

## 6. Going Beyond WomenLink II: The case for Agent Network Management (ANM) Services

**Understanding the value proposition of ANM:** WomenLink II tested key elements necessary to sustain and grow community-based agent networks during the second phase of the program implementation and the results pointed to opportunities for the provision of services to enhance growth of agent networks.

Figure 9

### WomenLink II Phase II Agent Network Management Services Piloted



*Provision of ongoing training of agents to maintain good performance and quality of service*



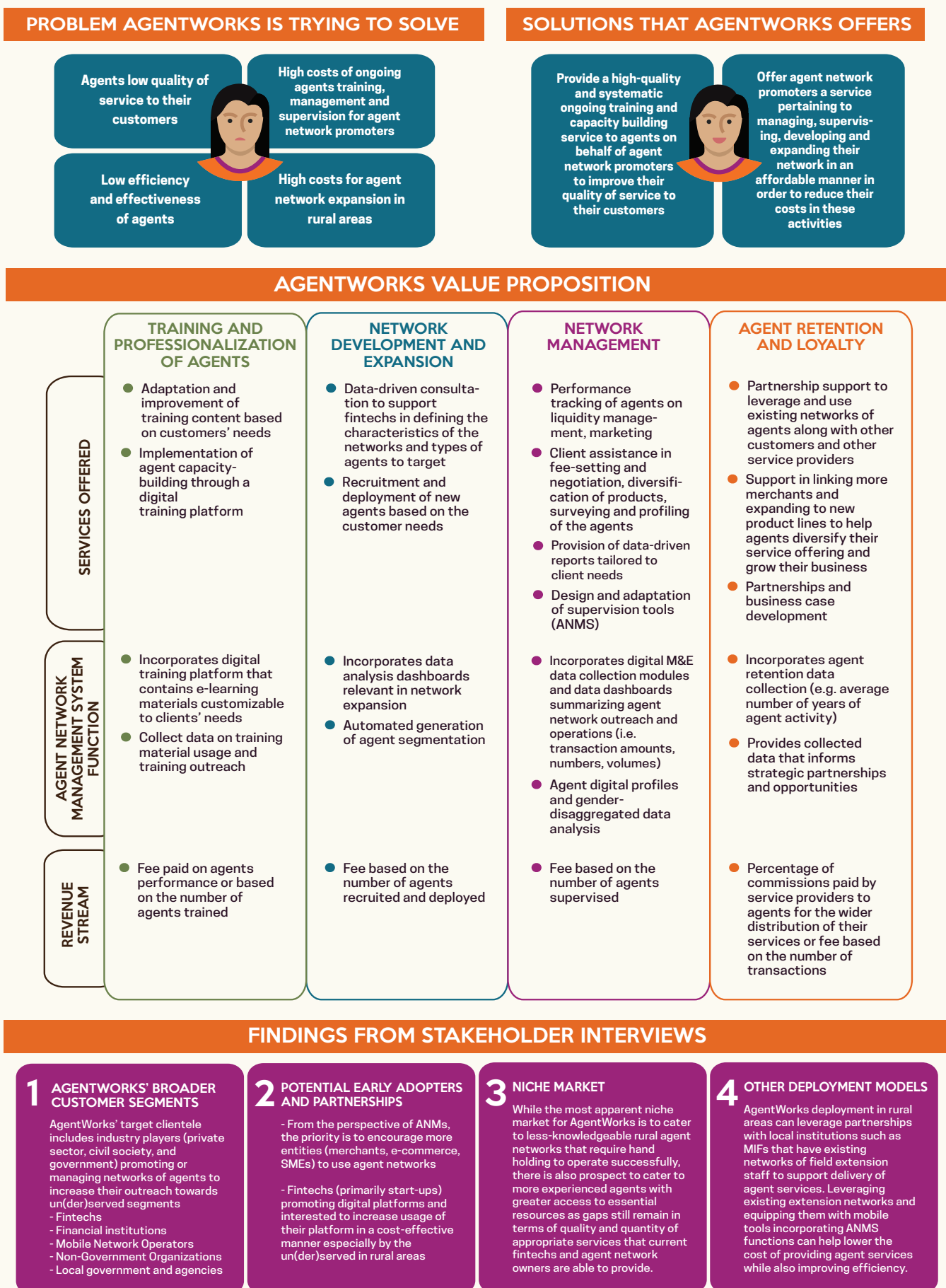
*Management, supervision and monitoring of agents*



*Development, expansion, and management of network of agents*

Part of WomenLink II's objectives is to gain understanding of the current gaps and opportunities for innovations or business models that cater to the operational and strategic needs of existing fintech players to better manage agent networks. Grameen engaged George Washington University students and Bankers Without Borders™ volunteers to conduct research on ANMs in the Philippines and draft a preliminary business case for AgentWorks, a third-party agent network management services provider that will cater to the needs of fintechs and other agent network owners. The AgentWorks business case defines the business problem identified within WomenLink II in the operations of community-based agent networks, and then proceeds to outline proposed solutions that AgentWorks can deliver to address the problem. Prior to the engagement with BwB and GWU, Grameen also conducted a round of interviews with industry players who are the potential target clients for agent network management services to present the business case and gain initial feedback from them on willingness to pay, as well as to validate the AgentWorks' value proposition. Finally, Grameen also started developing an Agent Network Management System (ANMS), a software designed to support key functions of AgentWorks.

Figure 10  
AgentWorks Business Case



## Next Steps Beyond WomenLink II

The insights gained from the WomenLink II Program highlights the value of providing essential agent support services in agent training, retention and business growth. The opportunities discussed in this report point to the need to focus resources in developing, testing and scaling technology solutions, innovative business models, and strategic partnerships that can deliver agent services in an efficient and sustainable way in order to drive financial inclusion further. The succeeding efforts of Grameen will continue the work started in WomenLink II and will expand on the following key components:

**1. Refine agent training modules and delivery platforms.** Grameen will continue to improve the content of training materials and the delivery channels based on the findings of Phase II.

**2. Validate AgentWorks' value proposition and business model.** The initial round of stakeholder interviews pointed to potential partnerships with current industry players; however, a more comprehensive understanding of the current landscape by tapping a broader set of partners will provide deeper understanding on how to refine AgentWorks' business case. With the onset of COVID-19, businesses had shifted business trajectory from expansion and growth to sustaining business operations and recovery from losses. It is important to incorporate the lessons learned and the short- and medium-term goals of potential clients in the current AgentWorks business case. The validation phase will be followed by the development of a business plan for AgentWorks.

**3. Explore technology solutions.** Refining and piloting the Agent Network Management System that Grameen developed will be a critical step in establishing and refining the business case of AgentWorks. Aside from the ANMS, exploring other innovations that could be leveraged and adapted to support agent network owners (i.e. using chatbots for customer service, designing different education channels that do not heavily rely on the internet).

**4. Pilot AgentWorks' business model.** Identifying partners that are willing to test AgentWorks will allow Grameen to develop a business case to understand the viability of the services it offers. Piloting AgentWorks will generate reports and case studies that will provide concrete figures in terms of efficacy, outreach, and revenue growth to prospective investors, partners and clients.



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