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Emerging Trends in National Financial Inclusion Strategies that Support Women's Entrepreneurship

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Starting a business is a way for women to generate income and become more resilient when dealing with shocks. However, large gender gaps in formal entrepreneurship impede women's livelihoods and global development. The persistence of gender-based barriers—notably, unequal access to financial accounts, constrained credit, and normative roles that keep women in the role of primary caregivers—underscores the need for broader support and regulatory reform, including reform of the financial sector. This Brief presents data collected by the World Bank's *Women, Business and the Law* (WBL) project on selected contours of National Financial Inclusion Strategies that can support women's entrepreneurship. In all, 52 economies worldwide had valid financial inclusion strategies in force as of June 30, 2022. An increasing number are now highlighting the need to promote women's financial inclusion. However, as this initial foray shows, more could be done in National Financial Inclusion Strategies to promote credit to women entrepreneurs and enhance the national-level collection and reporting of financial data disaggregated by sex. The analysis also shows that the field for developing indicators at both the policy and regulatory level remains ripe for exploration by the WBL project and others.

Financial inclusion is an important enabler for women's entrepreneurship

Only one-quarter of new business owners and directors in the formal sector, on average, are women, and their share as sole proprietors is only one-third (Meunier, Fantonia, and Kouhlani-Nolla 2022). Most women-owned enterprises in developing countries are concentrated in the informal sector, which includes marketplaces and food stalls, as well as home-based work and personal care services. These businesses often remain small in scale (World Bank 2013). Whether formal or informal, women-owned enterprises were hit harder by the recent economic shock caused by the COVID-19 pandemic (O'Donnell et al. 2021; Torres et al. 2021).

Whether women entrepreneurs are working in the formal or informal sectors, enablers of women's entrepreneurship not only promote legal autonomy and independence, but also enhance women's ability to (1) conduct financial transactions, (2) access credit, and (3) own property. The ability to financially transact includes receiving payments from customers and government agencies, as well as making payments to vendors, employees, and administrative agencies. It also includes the ability to build savings, all of which require financial accounts and the power to enter contracts. Increasingly, digital payments and mobile money are becoming ubiquitous in many economies, which means women need to be digitally financially included. Accessing credit is necessary for starting a business, making short- and long-term investments in a business, and tiding operations over during lean times.

Together, these elements of financially transacting and accessing credit form part of the concept of "financial inclusion." Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs—transactions, payments, savings, credit, and insurance—delivered in a responsible and sustainable way. Financial independence and the power to enter and manage contracts, make decisions, access tools and resources, and activate supporting networks enhance financial inclusion.

Property rights are crucial for women's entrepreneurship largely because of the role property plays as collateral in accessing credit. In the developing world, immovable assets (property and buildings) represent only 22 percent of companies' capital stock, yet financial institutions overwhelmingly prefer immovable assets as collateral (Safavian, Fleisig, and Steinbuks 2006). Small and micro businesses that own their property do not have to pay rent. In the case of agriculture, women invest more in land that they own (Giovarelli, Wamalwa, and Hannay 2013).

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Gender gaps are apparent in all three of the enablers of women's entrepreneurship—the ability to financially transact, access credit, and own property. For instance, the new 2021 Global Findex Report finds that 74 percent of men in developing countries have a bank account compared to only 68 percent of women (Demirgüç-Kunt et al. 2022). However, these averages mask the even higher gaps in certain countries, such as Algeria, Côte d'Ivoire, and Jordan, where the gender gap in account access exceeds 25 percentage points. Data also show that micro, small and medium enterprises (MSMEs) owned by women have been left with an estimated $1.7 trillion of unmet credit demand (IFC 2017). In the wake of the COVID-19 pandemic, women-owned firms were more than twice as likely to have their loan applications rejected than male-owned firms (Hyland et al. 2021).

Property-wise, women only own 20 percent of the world's land (Villa 2017). An Africa-wide analysis found that with smaller asset ownership, women still struggle to get loans of the same size as men (World Bank Group 2019).

The more that can be understood from data about how countries vary in rates of women's entrepreneurship and success, and how countries compare in enabling environments for women's entrepreneurship, the more peer learning between governments can take place. Analysis by the Mastercard Foundation shows that women in Ghana, Madagascar, Malawi, the Philippines, Uganda, and Vietnam are making business inroads in entrepreneurship rates and progress beyond expectations, given local infrastructure and cultural contexts (Mastercard 2022).

Creating an enabling regulatory and policy framework is an important step toward increasing women's financial inclusion. The more governments and policy makers know about the different needs, aspirations, and challenges that diverse underserved groups are facing, the more they can target strategies and initiatives to reach such segments. The more providers know about their enterprising female customers, the better they can serve them. Analysis by financial service providers of financial data disaggregated by sex has led them to enhance channels for women to cash in and cash out of their accounts, develop new products, and target customers more appropriately with financial products (Iskenderian 2022). For all these reasons, the collection of financial data disaggregated by sex is an important first step toward expanding women entrepreneurs' access to and use of financial services (GBA, Data2X, and FOMIN 2019).

A robust legal environment is needed to encourage women's entrepreneurship

The *Women, Business and the Law* (WBL) project measures legal and regulatory barriers to women's economic opportunities across eight indicators following the life cycle of a working woman. Two of these indicators are particularly relevant for women's entrepreneurship: the Entrepreneurship indicator and the Assets indicator. Questions on women's agency, present in other indicators, are also relevant in this context (box 1).

Scores on WBL's Assets indicator have varied considerably across its components and across economies over the past 52 years. Even today, 76 of the 190 economies measured by WBL restrict women's property rights. Women do not have equal ownership rights to immovable property in 19 economies; daughters do not have the same inheritance rights as sons in 41 economies; wives do not have the same inheritance rights as husbands in 43 economies; wives do not have equal administrative control over marital assets in 18 economies; and the law does not provide for the valuation of nonmonetary contributions to the family in 57 economies. These data indicate that regulatory and policy barriers still restrict women's financial inclusion.

While areas measured by the Assets indicator have undergone a slow pace of reform over the past 52 years, the Entrepreneurship indicator shows that over the same time span, 107 economies have undertaken 124 positive reforms. As of 2023, only 2 economies do not allow women to sign contracts in the same way as men; only 5 economies do not impose the same legal requirements for men and women to register a business; and only 6 economies do not allow women to open a bank account in the same way as a man. Given that much progress has been achieved under the Entrepreneurship indicator,

Box 1 Several existing Women, Business and the Law (WBL) indicators measure legal and regulatory barriers for women to set up and run a business

The Entrepreneurship and Assets indicators of the WBL project together span the three areas outlined as necessary to support women entrepreneurs: the ability to financially transact, to access credit, and to own property.

Questions about entrepreneurship. The Entrepreneurship indicator contains four questions that assess the following laws and regulations:

1. Does the law prohibit discrimination in access to credit based on gender?
2. Can a woman sign a contract in the same way as a man?
3. Can a woman register a business in the same way as a man?
4. Can a woman open a bank account in the same way as a man?

Questions about assets. The Assets indicator includes five questions assessing the regulatory framework:

1. Do men and women have equal ownership rights to immovable property?
2. Do sons and daughters have equal rights to inherit assets from their parents?
3. Do female and male surviving spouses have equal rights to inherit assets?
4. Does the law grant spouses equal administrative authority over assets during marriage?
5. Does the law provide for the valuation of nonmonetary contributions?

The ability to make and act upon one's own decisions is fundamental to empowering women entrepreneurs.

Questions about agency. The WBL project also measures laws that affect dynamics within the household that can limit women's agency. For example:

1. Can a woman choose where to live in the same way as a man?
2. Can a woman travel outside her home in the same way as a man?
3. Can a woman apply for a passport in the same way as a man?
4. Can a woman travel outside the country in the same way as a man?
5. Is there no legal provision that requires a married woman to obey her husband?
6. Can a woman be head of household in the same way as a man?

Box 2 De jure and de facto barriers to women's financial inclusion

Regulatory initiatives are not a silver bullet for women's financial inclusion. Gender-related social and cultural norms play a role in influencing regulators' interpretation and implementation of policy guidelines, as well as their motivation and capacity for the enforcement of regulations. Social norms also influence women's willingness and ability to take advantage of opportunities presented by new regulatory environments and how financial service providers, policy makers, and other stakeholders behave.

Recent economic modeling shows that where legal protections are in place preventing providers from discriminating against women (in the form of broad anti-discrimination clauses in the constitution or explicit prohibitions against gender-based discrimination in access to credit in legislation), women are more likely to ask for credit, except in Muslim-majority countries. However, such legal protections do not make providers more likely to grant women the credit they seek, except in high-income countries (Bertrand and Perrin 2022).

CGAP has developed a social norms technical guide on how to factor in gender norms when designing market systems interventions and has begun to take these analytical approaches into the policy space with legislative analysis on Ghana and Pakistan (Falsini and Imboden 2021; Rashid and Imboden 2021). Context-specific diagnostics to complement regulatory analyses are crucial for our understanding of when and how regulation can be leveraged and adapted to its full potential. They begin with understanding why the system is not working as intended; identifying the behaviors that hinder desired outcomes, and understanding the norms and structural factors that drive those behaviors. This informs a vision of how the system can change to work as intended, spurring norm-aware, or norm-transformative interventions, the impact of which must be monitored to identify if and when adaptations are needed (Koning, Ledgerwood, and Singh 2021).

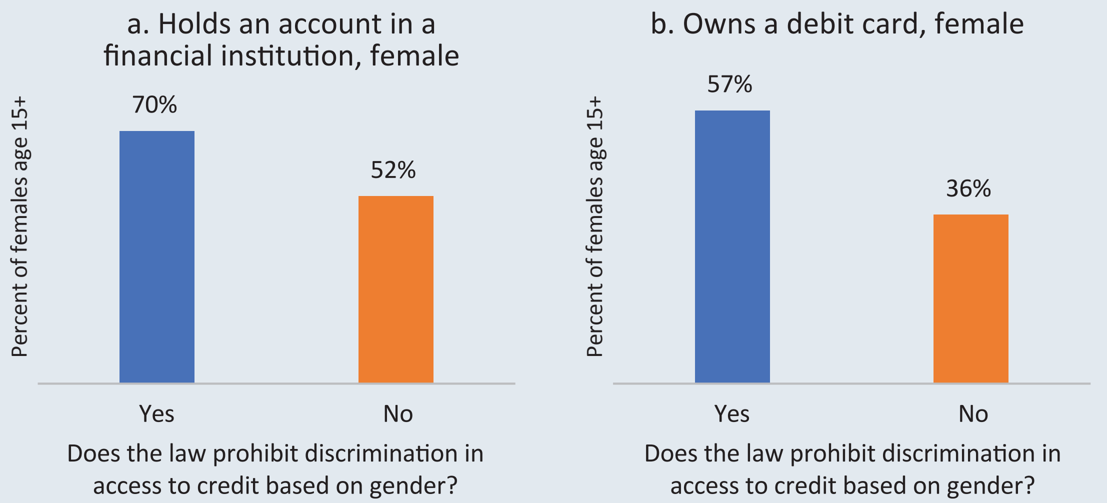
many of the measured legal restrictions have become nearly obsolete. Instead, attention should shift to implementation of reforms (box 2). This means that most of the variation in the Entrepreneurship indicator is driven by the question of whether the law prohibits discrimination in access to credit. To this point, 101 economies lack legal provisions prohibiting discrimination against women in access to credit. Analysis by the WBL project shows that more women have accounts at financial institutions and debit cards in economies where the law prohibits discrimination based on gender in access to credit (figure 1). This analysis suggests the importance of laws for women's financial inclusion and opens an avenue for deeper analysis on how laws and policies can support women's financial inclusion under the indicator.

Even today, 55 economies have legal restrictions that constrain women's freedom of movement. In 34 economies, a women cannot choose where to live in the same way as a man (usually married women are required to follow their husbands); and in 14 economies, women cannot travel outside their homes in the same way as men (often married women need permission from their husbands). In 28 economies, procedures for passport applications are different for men and women; in 10 economies women cannot travel internationally in the same way as men. Eighteen economies have legal provisions that require wives to obey their husbands, and in 28 economies, women cannot be designated heads of household in the same way as men.

Expanding the scope of *Women, Business and the Law* legal indicators

Background research and discussions between the WBL team and financial sector experts, including the Consultive Group to Assist the Poor (CGAP), identified several policies related to the enabling policy and regulatory environment for women's entrepreneurship that need to be strengthened in order to promote women's financial inclusion and enable women's entrepreneurship. These include the need for financial institutions to collect, analyze, and properly use sex-disaggregated data; improving access to insurance; enhancing

Figure 1 More women have an account at a financial institution and own debit cards where the law prohibits gender discrimination in access to credit



Source: Women, Business and the Law and Global Findex (2021) databases.
Note: Analysis is based on 145 economies for which data are available.

consumer protection frameworks; developing appropriate tiered know-your-customer (KYC) requirements (including e-KYC); encouraging greater diversity in public procurement; and closing the digital access divide. With the advice of CGAP and other experts, WBL is exploring the expansion of existing questions to better reflect new realities.

Over the years, CGAP has engaged with international standard-setting bodies and consortia to advance the women's financial inclusion agenda. Because WBL largely measures the de jure environment, national financial inclusion strategies (NFIS) are taken as the starting point for understanding the level of commitment to women's financial inclusion at the highest governmental level, fitting in with WBL's data collection and methodological frameworks. NFISs serve as roadmaps of actions, agreed and defined at the national or subnational level, that stakeholders follow to achieve financial inclusion objectives (World Bank 2015). In 2009, the Group of Twenty (G20) at its Pittsburgh Summit made financial inclusion one of its pillars as it pledged "to adopt the policies needed to lay the foundation for strong, sustained and balanced growth in the 21st century" (Reuters 2009). In doing so, it committed to improving access to financial services for the poor. Subsequently, the G20's Financial Inclusion Experts Group identified nine principles for innovative financial inclusion, catalyzing the creation of the Global Partnership for Financial Inclusion (GPFI) in 2010. The GPFI is a global platform that aims to carry forward work on financial inclusion. Its establishment was a driving force behind the creation of national financial inclusion strategies. In 2011, the Alliance for Financial Inclusion (AFI), an alliance of central banks and financial sector regulatory institutions, launched the Maya Declaration. This represented the first global and measurable set of commitments by the governments of developing countries and emerging markets toward advancing the financial inclusion agenda. Ten years was considered a realistic goal within which most developing countries and emerging markets could achieve universal financial inclusion (GPFI 2011). Over a decade later, it is clear how overly ambitious that goal was.

Following the release of the Global Findex data in 2015, which showed a persistent gender gap in financial inclusion around the world, a concerted effort began to apply a gender lens to national financial inclusion strategies. This was bolstered in 2016, when AFI members signaled their commitment to closing the gender gap in financial inclusion by endorsing the Denarau Action Plan. Signatories committed themselves to *"consider and implement best practices in integrating policies for women's financial inclusion and gender considerations within national financial inclusion strategies"* (AFI 2016). The relatively recent rise of NFISs, and their approach to gender equality, provides an opportunity for new waves of policy reforms relevant to women's entrepreneurship. This was called out by the Economist Intelligence Unit 2019 Microscope, which covers 55 economies, and found that only one-third of countries in the 2019 Microscope included a gender approach in their financial inclusion strategies, and even fewer had set clear, gender-related goals (EIU 2019). Greater focus on women's financial inclusion is particularly bolstered by initiatives such as the mainstreaming of gender in all of AFI's working groups, which share best practices and produce guidance; gender-based trainings for regulators offered by a host of different training institutions; and ongoing research on the evidence base for what proves effective in promoting women's financial inclusion.

National Financial Inclusion Strategies across 44 economies highlight the need to promote women's financial inclusion

This Brief presents new data collected by the WBL project on legal and policy approaches to promote women's financial inclusion to assess the possibility of expanding the WBL index (box 3). The data were collected in the summer of 2021 through WBL's network of more than 2000 local legal experts. The data collection was supplemented by desk research of the team and methodological review by CGAP experts.

Only valid (current), official, government-issued national financial inclusion strategies, plans, or policies are considered. The analysis finds that 8 economies had a financial inclusion strategy at some point, but it has expired. Currently, 52 economies out of 190 have an NFIS. Of these 52, 44 economies specifically highlight the need to promote women's financial inclusion in their NFISs (map 1). This means that the national financial inclusion strategy, plan, or policy states women's financial inclusion as one of its objectives or lists women as one of its target groups. General gender equality strategies that do not sufficiently address financial inclusion and financial literacy strategies do not qualify under WBL's methodology as an NFIS.

In economies that already have high levels of financial inclusion, the need for inaugurating national financial inclusion strategies seems moot. Of the 123 economies covered by the 2021 Global Findex, 37 have financial inclusion rates of 95 percent or above. With the exception of Mongolia and Thailand, all are high-income economies. Australia is the only economy among the 37 that has an NFIS. Among the 42 high-income economies covered by the Global Findex in 2021, 90 percent of the population has access to an account in all but five: Chile, Hungary, Saudi Arabia, United Arab Emirates, and Uruguay.

After ruling out OECD high-income economies that already have high levels of financial inclusion, South Asia is the world region with the highest proportion of economies that have an NFIS, followed by Sub-Saharan Africa and East Asia and the Pacific (table 1).

The degree to which NFIS highlight women as a priority segment varies. Very often, women are lumped together with many other groups—of which they may also form a part—such as young persons, senior citizens, and persons with disabilities. However, 17 economies reference targets for women's financial inclusion in their NFIS (though in two of them, the Philippines and Uganda, the targets are still to be determined).

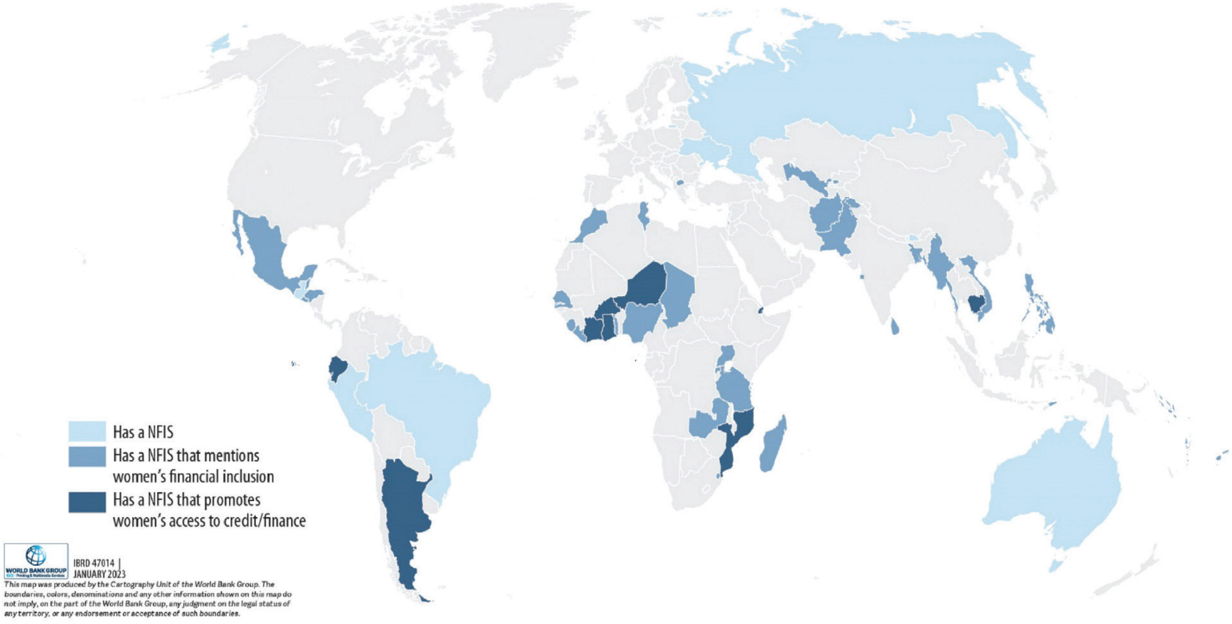
For example, Cambodia's National Financial Inclusion Strategy 2019–2025 recognizes the inter-sectional nature of women's identities and identifies five target markets: the formally employed, informally employed, self-employed, farmers, and dependents (Royal Government of Cambodia 2019). It looks at sex-disaggregated trends within each. Cambodia's Strategy commits to reducing women's financial exclusion by half, from 27 percent to 13 percent. Progress for women is called out despite the fact that men and women's average formal financial inclusion rates are nearly equal, according to Cambodia's latest FinScope survey (Cenfri 2017). This is particularly relevant because at the margins, women are often the most difficult to reach and without concerted efforts, progress for men's financial

Box 3 **New research questions on women's financial inclusion laws and policies**

The analysis reported in this Brief is based on four new research questions.

1. Does the economy have a current national financial inclusion strategy?
2. If Yes, does the national financial inclusion strategy highlight the need to improve inclusion for women?
3. If Yes, does the national financial inclusion strategy call for the need to increase women's access to credit?
4. If Yes, does the national financial inclusion strategy call for collection of sex-disaggregated data?

Map 1 Forty-four economies have National Financial Inclusion Strategies that highlight women's financial inclusion



Source: Women, Business and the Law database.
Note: Data were analyzed for 190 economies. Of the 52 National Financial Inclusion Strategies (NFIS) identified, text for two (for Honduras and Uzbekistan) could not be obtained, and thus analysis on the content could not be performed. Additionally, Zimbabwe experienced a gap in financial inclusion strategies between the expiration of a previous strategy (at the end of 2020), and the enactment of a new one (in November 2022) and thus its NFIS is not reflected.

inclusion risks outpacing that for women. For example, according to the Global Findex, the gender gap in account ownership in Costa Rica went from nine percentage points in 2014 (60 percent of women and 69 percent of men had accounts, similar to rates in Cambodia) to 15 percentage points in 2021 (61 percent of women and 76 percent of men). While Costa Rica does not have an NFIS, the gap is causing alarm and spurring government initiatives to pilot more development of products for women. The National Institute for Women began working on a financial inclusion agenda in favor of women in 2019, and in 2020 issued guidelines for closing the gender gap (CAF 2022). The Philippines had a reverse gender gap in 2017, with 39 percent of women owning accounts compared with 30 percent of men, but by 2021, men's progress had outpaced women's, with 56 percent of men having an account compared with 47 percent of women (Demirgüç-Kunt et al. 2022). While the Philippines does have an NFIS, many diverse segments of the population are identified as potentially benefitting from greater inclusion.

Highlighting gender in national financial inclusion strategies is a necessary but not sufficient step in achieving greater women's financial inclusion.

National Financial Inclusion Strategies are underutilized to promote women's access to credit

While women entrepreneurs require an array of tailored/gendered financial products and services to enable their businesses, credit is consistently cited as a crucial constraint and an area where gender biases and discrimination manifest (see, for example, Alibhai et al. 2019). WBL identified at least 10 NFISs that specifically

Table 1 Coverage of National Financial Inclusion Strategies (NFIS) varies across world regions

Region	Percentage of economies in the region that have NFIS	Number of NFIS that call out women's financial inclusion
South Asia	75%	5 (out of 6)
Sub-Saharan Africa	40%	19 (out of 20)
East Asia and Pacific	32%	8 (out of 8)
Latin America and the Caribbean	28%	6 (out of 9)
Middle East and North Africa	20%	4 (out of 4)
Europe and Central Asia	17%	2 (out of 4)
High Income: OECD	2.9%	0 (out of 1)

address the need to increase women's access to credit, six in Sub-Saharan Africa, two in Latin America and the Caribbean, one in East Asia and Pacific, and one in the Middle East and North Africa. Specifics and practices vary widely, and further study is needed to develop a robust methodology singling out best practices.

Many NFIS call for greater access to an array of financial services including credit, and separately call out the need for greater women's financial inclusion—but this approach leaves a lot of scope for interpretation and lacks clarity on who is accountable for implementation when it comes to credit.

Lending quotas are one regulatory tool to provide women with access to finance. For example, Bangladesh's NFIS includes a commitment by Bangladesh Bank to ensure that 25 percent of credit disbursements go to cottage, micro, small, and medium enterprises, and that at least 15 percent of such credit goes to women entrepreneurs. In addition, the strategy calls for the provision of help desks dedicated to women entrepreneurs in all banks and financial institutions. Djibouti similarly calls for dedicated lines of credit to women (and young entrepreneurs) to be created by the Economic Development Fund of Djibouti and the Partial Credit Guarantee Fund.

Mexico's NFIS includes a call to action and leverages existing mechanisms to ensure implementation by listing the growth of the credit portfolio of women as one of its action items. The government intends to monitor this by incorporating questions into an existing survey used to create a financial institution index.

Most Financial Inclusion Strategies that reference women's financial inclusion do not call out particular segments of women, such as entrepreneurs. Some middle- and high-income countries have separate strategies on women's entrepreneurship—which may include measures to increase financial inclusion. For example, the Strategy for Women Entrepreneurship Development in the Republic of Macedonia 2019–2023 calls broadly for coordination in the creation and implementation of women's economic development policies, and analysis of legislation that affects women's entrepreneurship (Ministry of Economy of the Republic of Macedonia 2018). It also calls for enhanced training of women, increased representation of women in policy making, improving access to favorable forms of finance, and cooperation with local government to incorporate women's entrepreneurship into their development programs. Such strategies are beyond the scope of this Brief but represent another area for potential exploration in indicator development.

Governments' awareness of women's need for credit is demonstrated in the wake of the recent COVID-19 crisis. The most popular gender-sensitive measure among countries in the IMF's Financial Access COVID-19 Policy Tracker were income support and financial assistance to SMEs (adopted by more than half of the countries in the sample). In low-income countries, loan assistance to SMEs was the most commonly used measure, while in middle-income and high-income economies both income support and financial assistance to SMEs were popular (Tang et al. 2021).The IMF assessed such measures for their likelihood of positively impacting women (for example, if initiatives included sectors where women were heavily concentrated) or their explicit targeting of women.

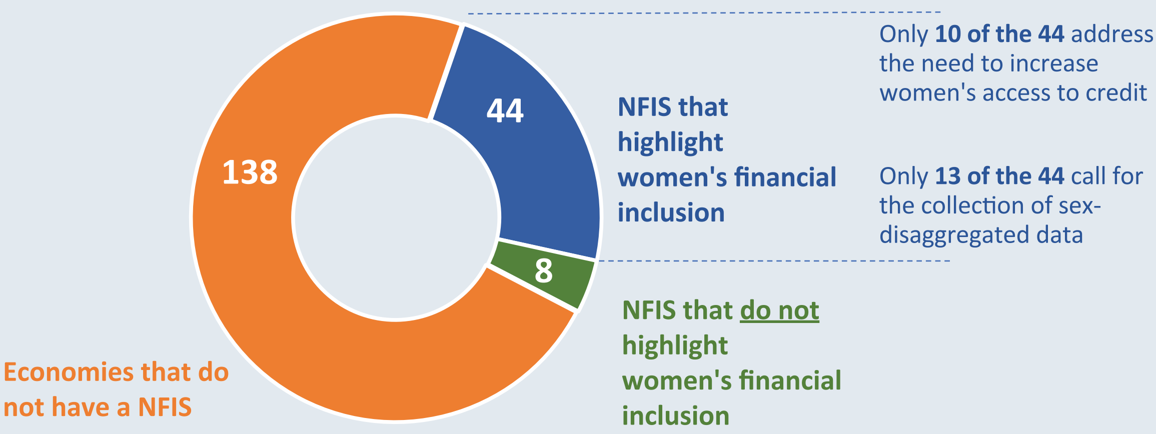
Few National Financial Inclusion Strategies call for collection of sex-disaggregated data

Supply-side data provide insights on access and usage patterns of users of financial services. Such data are derived from financial services providers and are based on transactions that can be documented as administrative data. The IMF Financial Access Surveys (FAS) collect supply-side data with more than 100 data series (IMF 2021). As of October 2021, 71 jurisdictions out of 165 submitted at least some data disaggregated by sex. By contrast, demand-side data are collected from consumers, and can give greater insights into use of informal financial services, how people manage risk, and actual or perceived barriers to people leveraging financial services.

WBL identified at least 13 economies that mention sex-disaggregated data reporting in their NFIS (figure 2); however, practices vary widely on reporting and collection requirements, and many strategies are silent on what types of analytics are to be conducted to inform policy. While some strategies, such as in Sri Lanka, commit the government to regularly collect demand-side data (Central Bank of Sri Lanka 2021), others, like Tanzania's NFIS lay out a set of basic indicators to be collected by financial service providers, and demand-side surveys without a given timeframe (National Financial Inclusion Council of Tanzania 2018). Tanzania's strategy posits that indicators will be collected and reported on the bases of gender, business type (MSMEs), and age structure (including youth).

Fiji's NFIS is unique in its references to numerous international guidelines on financial inclusion data (Reserve Bank of Fiji 2022). It calls for the establishment of a robust monitoring and evaluation framework with measures from both the supply- and demand-side. The strategy cites AFI's Core Set of Financial Inclusion Indicators, Digital Financial Services, SME Finance Base, SME Finance Plus, Mobile Financial Services, Quality Indicators as well as the Pacific Islands Regional Initiative (PIRI) set of indicators, and the G20 Set of

Figure 2 Women's access to credit and sex-disaggregated data reporting in National Financial Inclusion Strategies



Financial Inclusion Indicators. The indicators are to be tailored to the Fijian context and disaggregated by gender, age, and location and collected by the Reserve Bank of Fiji on an annual basis.

The incongruence between the 13 economies that reference sex-disaggregated data collection in their NFIS and the 71 jurisdictions that submitted at least some sex-dis-aggregated data to the IMF FAS surveys indicates that many countries likely have mechanisms and/or requirements for such reporting without a direct mandate from the NFIS.

In the Arab Republic of Egypt, for example (where no NFIS was in place as of the time of research, but one was launched in October 2022), the Central Bank established the Financial Inclusion Datahub, which collects data from financial institutions using the national ID as a unique identifier. The Central Bank issued two circulars in 2018 that mandate banks to report sex-disaggregated data on SMEs owned or owned and governed by women; and to report the primary data of individual banking consumers that relate to deposits and electronic financial services.

Challenges in legislating for sex-disaggregated financial data reporting include determining the type of data to be collected, and which providers are obligated to report them, as well as how to report them and to whom. In recent years, efforts have been underway to build consensus on a definition for women-owned enterprises so that robust and comparable data can be collected on how such firms access credit, insurance, and other financial products and services. Furthermore, given the proliferation of digital financial services offered by digital banks, financial technology firms (fintechs), and mobile network operators, questions arise whether such institutions are required to comply with reporting obligations from financial sector regulators. Countries like Zambia have more digital transaction accounts than bank accounts, so reporting only by banks would provide a very incomplete picture of financial inclusion (Republic of Zambia 2017). Even amongst similarly situated and regulated financial institutions, data might be collected in different ways and have varying degrees of quality, making them difficult to aggregate. In Kenya, where the gender gap in financial inclusion is quickly narrowing, regulators do not require sex-disaggregated reporting, but they request data on an as-needed basis (Women's Financial Inclusion Data Partnership 2022). Such challenges in data collection and how to diagnose them are detailed by the Women's Financial Inclusion Data Partnership (Buvinic and Ruf 2022, GBA 2019). Initiatives such as the Women's Financial Inclusion Data Dictionary (Data2X 2022) are underway to harmonize definitions (box 4), and make data aggregation easier and data sets comparable. Supervisors will also need to have capacity to proof data submitted, and to maintain the requisite databases.

Future indicators on National Financial Inclusion Strategies can promote policy initiatives to promote women's entrepreneurship

To level the playing field for women entrepreneurs, their ability to manage money and access credit must be guaranteed and increased. Expanding WBL's Entrepreneurship indicator to reflect commitments to women's financial inclusion can spur policy and regulatory reform to this end, as the initiative has demonstrated in other areas of legislation.

Taken together with indicators on the state of financial infrastructure (such as availability of access points, diversity of providers, and depth of credit reporting), information on policies to advance women's financial inclusion can help efforts to assess countries' strengths and weaknesses when it comes to creating an enabling environment for women's entrepreneurship. In addition, taken over time, panel data on policy and regulatory landscapes will be able to provide insights on drivers of change.

Our findings show that national financial inclusion strategies could be an important tool to promote women's financial inclusion in economies with lower levels of financial inclusion. Notably, countries with national financial inclusion strategies are increasingly adopting a gender lens and calling out the need for concerted efforts to promote women's financial inclusion. However, because NFIS display a wide range in terms of policy pillars, level of detail, and degree to which implementation mechanisms are specified, the field for indicator development at both the policy and regulatory level remains ripe for exploration by WBL and others. Our initial foray also shows that more could be done in NFIS on the topics of promoting credit to women entrepreneurs, and on national-level reporting of sex-disaggregated data. Many countries collect some form of sex-disaggregated data when it comes to financial inclusion. However, it remains an open question whether stronger, specific mandates in national financial inclusion strategies that adapt international best practices in definitions, lay out complementarity of demand and supply-side initiatives, and build capacity of financial service providers to report data will pick up. The potential for enhanced data collection exists. Similarly, the topic of credit for women entrepreneurs is ripe for new creative approaches in policy. The Alliance for Financial Inclusion provides guidance on processes for countries to incorporate gender into their NFIS (AFI 2022). Given the short terms of most strategies (three to five years), more NFIS can be expected to incorporate a gender lens over time. The proportion of regulators in the AFI network who indicated that women's financial inclusion is a high priority increased from 58 percent in 2021 to 75 percent in 2022 (Hanning 2022).

As NFIS evolve, gender sensitivity can also be expected to increase when it comes to promulgating legislation and regulations, ranging from agent banking laws to mobile money legislation, to directives to banks on lending, to special guarantee funds for loans to women entrepreneurs, among others. In this regard, participatory models where advocates, representatives, and champions of provider and consumer groups engage in shaping the policies to create inclusive systems will be crucial. The international financial inclusion community needs to play an active role in helping to document and promote best practices in policy and regulatory approaches to women's financial inclusion and entrepreneurship while supporting regulators through technical assistance and capacity building where required.

Box 4 **Additional targeted efforts are required to collect data on women-owned businesses**

The status of sex-disaggregated data for women entrepreneurs is even more dire than for women in general. This is a big obstacle in assessing the true state of access to finance to women entrepreneurs and for developing targeted interventions to support this segment. As women-owned enterprises were harder hit by the COVID-19 crisis (O'Donnell et al. 2021; Torres et al. 2021), gains in women's financial inclusion were likely lost as a result of insufficient support. result of insufficient support. Short of global consensus, even national-level definitions of women-owned enterprises would aid in efforts to understand more about this segment. At the global level, tracking basic common indicators on the use of credit would likely shed light on how women business owners leverage credit.

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