



**POLICY BRIEF**

# **Finance for Her: Engendering Financial Services and DFS in Rwanda**

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## Key Messages

- While financial inclusion rates are as high as 93% of the adult population in Rwanda, women are less represented in formal financial services, implying reduced capacity to manage risk and smoothen consumption.
- Lower levels of financial and digital literacy and inadequate women-friendly products are holding women back.
- Targeted financial literacy programs and products are needed to ease women's financial access challenges

## What is the Issue?

Rwanda has achieved remarkable progress in financial inclusion and the development of digital financial services. Women are, however, disproportionately less included in formal financial services. While the overall gender gap in financial inclusion narrowed from four percentage points in 2016 to one percentage point in 2020, women have lower access to formal financial services, including ownership of bank and mobile money accounts. The DFS inclusion rate increased from 46% of the adult population in 2016 to 66% in 2020. However, there is a clear gender gap, with women having a lower DFS inclusion rate (62%) relative to their male counterparts (71%). Evidence-based measures to close the gender gaps in financial inclusion and DFS require research to understand their underlying drivers from the demand and supply sides of the financial sector.

## Why is it Important?

It is imperative to address the financial inclusion constraints faced by women to create a more gender-inclusive financial sector in Rwanda. With several policies and strategies to promote financial inclusion and DFS in general, what is important to keep in mind is to ensure their gender-sensitivity, particularly with regards to addressing constraints like lower levels of digital and financial literacy. The country has a better chance of realizing its aspiration to become the financial hub of Africa if the financial sector could ease supply and demand-side challenges. Overall, not only would this empower women financially, but it would also go a long way in alleviating poverty (SDG1) and maintaining the country's reputation for promoting gender equality (SDG5) and overall levels of equality (SDG10). Promoting gender equality in traditional and digital financial services requires a concerted effort from various stakeholders. Policymakers and regulators must design and implement gender-mainstreamed financial inclusion policies, while financial institutions

should develop gender-sensitive products and literacy programs



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Adapted from [Certified Digital Finance Practitioner](#)

## What should Policy Makers do?

- 1) **Consider Gender mainstreaming and stronger implementation of existing financial inclusion policies.** Available financial inclusion and DFS policies are quite elaborate, but they could deliver greater impact if gender mainstreamed and proactively implemented locally and nationally.
- 2) **Reinvigorate existing financial and digital literacy programs.** Financial and digital literacy programs are available; what could be done differently would be to design specific, practical, and targeted interventions for different categories of women and girls – for example, those in the informal sector and education (making financial education part of the formal education curriculum).
- 3) **Explore partnerships with financial institutions.** There is merit in exploring partnerships with financial institutions, especially regarding scaling up existing government guarantee schemes to ease collateral constraints to credit access among women.
- 4) **Scale up guarantee schemes for collateral-constrained women.** Lack of collateral restricts access to formal credit for Rwandan women, including those in the informal sector. Guarantee schemes under the Business Development Fund (BDF) need to be scaled up to include more women, especially in rural areas.
- 5) **Designate a central body to coordinate product development and awareness-raising campaigns.** The Gender Monitoring Office (GMO) could work with financial service providers and other stakeholders to coordinate campaigns meant to popularize existing products and

services and how women could leverage them, break cultural norms on ownership of assets like land and digital devices, and develop gender-sensitive financial products.

## **Sources**

1. National Institute of Statistics of Rwanda. (2020). Financial inclusion in Rwanda 2020.
2. Republic of Rwanda. (2018). National Strategy for Transformation (2017-2024).
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