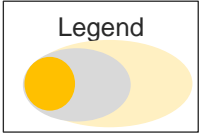


Policy and Regulatory Innovation to Advance Gender Inclusive Finance

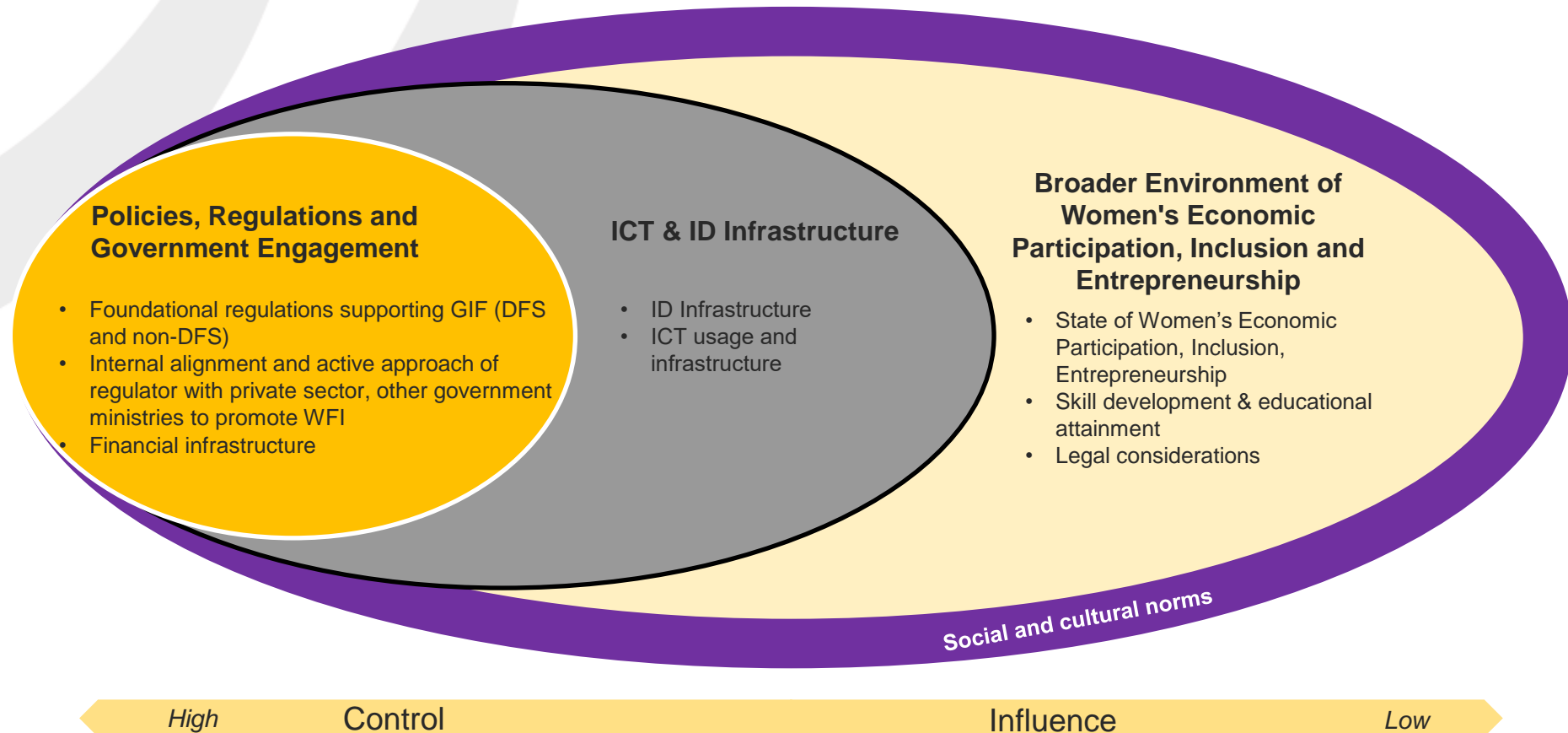


AFI Gender Gap Mapping Project – Objectives and Overview

- *The Financial Inclusion Gender Gap project is designed to **increase members understanding about the barriers and enablers of GIF**, with the goal of helping national financial regulators and policy makers **identify highly specific and concrete actions that will advance GIF** in their countries.*
- *50 AFI members have been involved in the research and 15 deep dive case studies are being developed*



Analytical Framework for Financial Regulators



Methodology and Approach

Analytical Framework Excel Dataset

Policies, Regulations and Government Engagement

- 45 indicators
- Qualitative data collection using desk research, results in yes/no format, linking to evidence found

ICT & ID Infrastructure and Broader Environment of Women's Economic Participation, Inclusion and Entrepreneurship

- 30 indicators
- Collecting secondary data from data sources which have significant coverage of the AFI members and up to date

Case Study Research


Policies, Regulations and Government Engagement

- 17 countries selected with AFI
- Deeper research on the analytical framework's indicators and understanding of the key barriers/drivers
- A PPT presentation with the storyline is presented to the regulator and key questions shared
- Feedback is implemented and a Word document format is developed and shared with AFI for feedback
- Final approval from the regulator

Country profile Excel sheets with the indicators shared with the AFI members for confirmation (expecting responses back by end of August; currently <20% response rate)

Key enabling factors for WFI have been established on the basis of multiple regression analysis

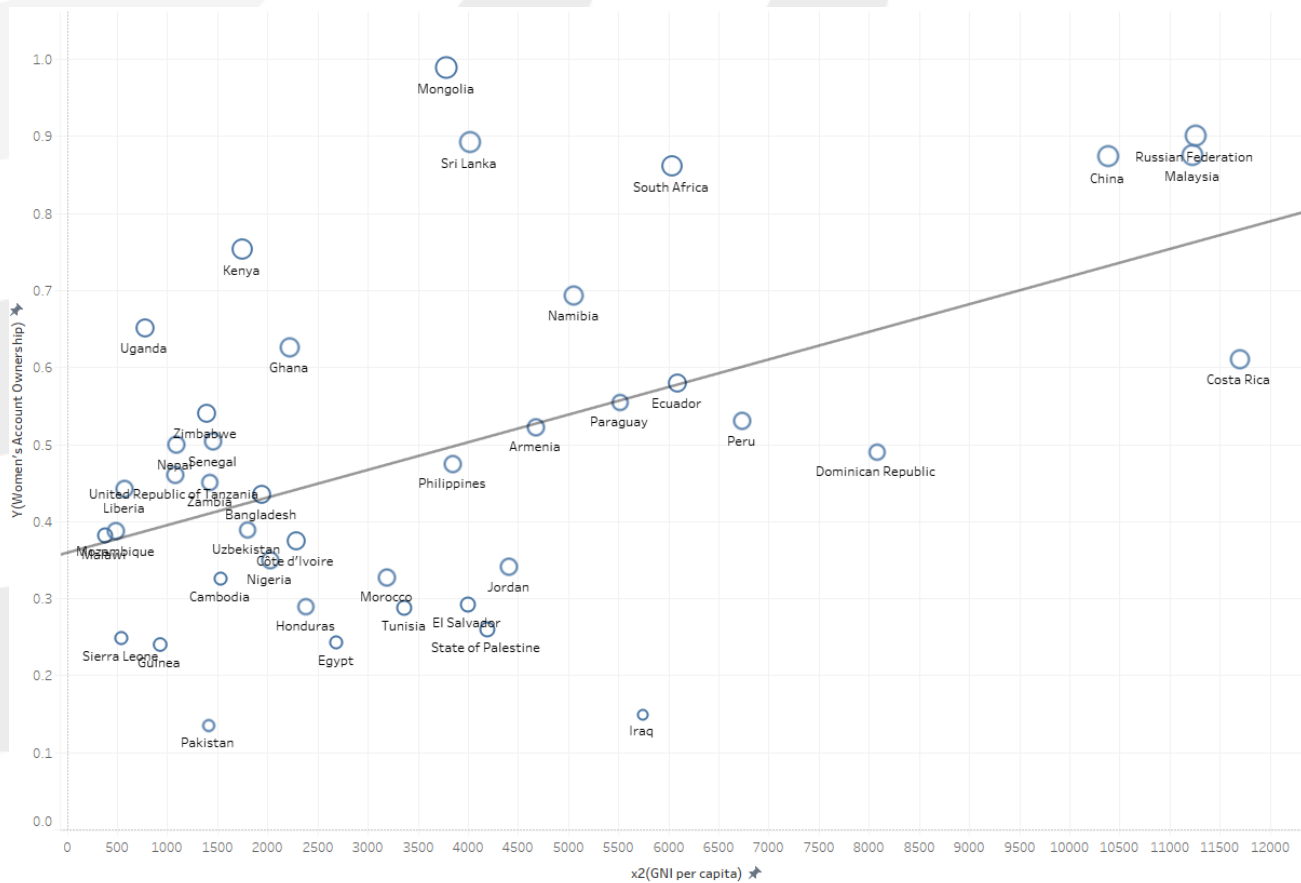
Initially used linear regression for the individual indicators complimented by multiple regression. To avoid multicollinearity, we used Principal Component Analysis (PCA) to decompose data into fewer factors*:



Key enabling factors influencing WFI in order of impact:

1. Digital payments
2. Access to mobile phones and internet
3. Social norms/legal environment

Women's Financial Inclusion (WFI) performance is mapped in relation to the level of economic development (GNI per Capita)



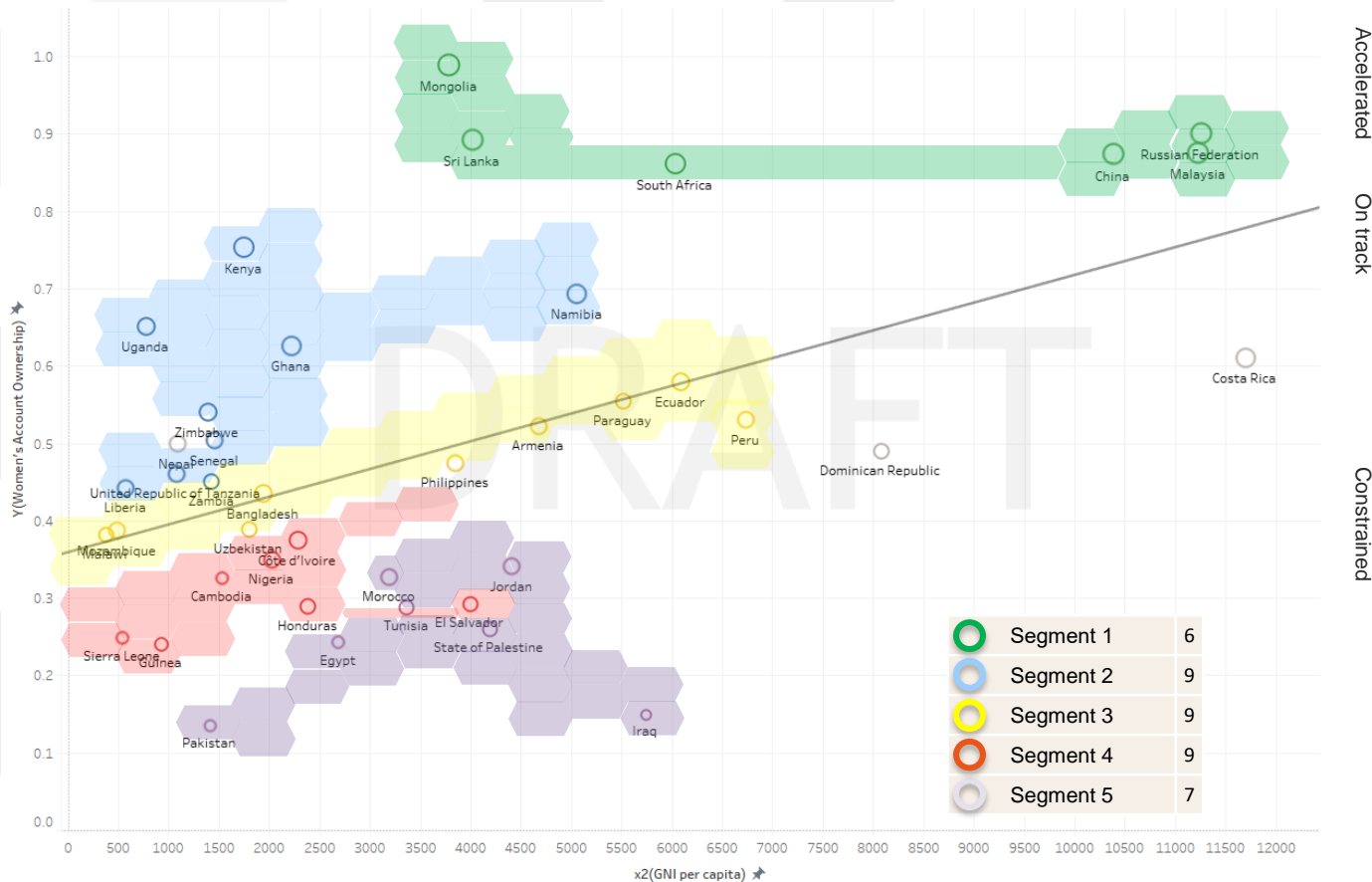
Using regression analysis and based on the countries with Findex 2021 and GNI per capita 2021 data, the expected value of women's account ownership (WAO) were calculated and compared to actual WAO.

The countries within +/-10% of the expected value were labeled on track, countries where the gap is larger in a negative direction, labeled constrained and with a positive gap, accelerated.

No 2021 Findex data for:

Belarus
DRC
Haiti
Lesotho
Madagascar
Mauritania
Mexico
Rwanda

Five distinct WFI-development segments emerged



Based on the relative positions in the matrix and shared commonalities, five segments were created:

Segment 1—G2P-driven acceleration

Segment 2— Mobile-money driven acceleration

Segment 3— on track

Segment 4— constrained by gaps in policies and regulations and their applications

Segment 5— constrained by broader environment for women’s economic participation and social norms

These segments are validated by discriminant analysis, using the factors created earlier, which showed that 92.6% of the original grouped cases were correctly classified.

Accelerated WFI performance is driven by a high level of digital payments – either G2P or mobile-money driven

	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5
Received government payments, female (% age 15+)	48%	13%	22%	11%	13%
Sent or received domestic remittances, female (% age 15+)	42%	54%	30%	36%	18%
Made or received a digital payment, female (% age 15+)	79%	54%	39%	25%	17%
Gender gap made/received digital payment	3%	9%	12%	15%	13%
Mobile money account, female (% age 15+)	32%	46%	22%	13%	3%
Gender gap mobile money account	-1%	7%	9%	8%	5%

SUMMARY – KEY TRENDS

Values	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5
Percent of adult women who own a bank account	90%	57%	47%	30%	25%
Gender gap in account ownership	0%	10%	11%	15%	15%
Percent of adult women who are active bank account users	85%	55%	43%	27%	21%
Gender gap in active account users	2%	9%	11%	15%	14%
Percent of adult population with ID	94%	83%	90%	78%	79%
% of adult females with ID*	99%	94%	91%	84%	82%
Mobile ownership, GSMA	86%	55%	66%	61%	70%
Proxy women's phone ownership	80%	47%	51%	41%	57%
Percent of population using the internet	69%	32%	50%	35%	65%
Proxy women's access to internet	66%	27%	47%	32%	55%
Labor force participation rate, female	57%	67%	60%	58%	20%
Literacy rate, adult females	94%	70%	84%	57%	75%

Segment 1 countries are close to achieving universal access to financial services and bridging the gender gap in usage

Progress in Segments 2 and 3 has been slowed down by ICT-related issues (women's phone ownership)

WFI progress in Segment 5 is significantly constrained by low women's labor force participation

Areas of focus for financial sector regulators – *work in progress*

Segments	Recommended areas of focus for financial sector regulators
Segment 1 —G2P-driven acceleration	<ul style="list-style-type: none"> • Shift focus of gender-inclusive policymaking from access to finance to usage and financial health
Segment 2 — Mobile-money driven acceleration	<ul style="list-style-type: none"> • Focus on bridging the gender gap in usage and financial health.
Segment 3 — on track	<ul style="list-style-type: none"> • Focus on deepening internal capacity of regulatory agencies to advance WFI strategy implementation.
Segment 4 — constrained by gaps in policies and regulations and their applications	<ul style="list-style-type: none"> • Ensure that "umbrella" policies such as gender-inclusive NFIS and National Digital Transformation Plans as well as implementation mechanisms are in place to articulate strategies and coordinate multi-stakeholder activities.
Segment 5 — constrained by broader environment for women's economic participation and social norms	<ul style="list-style-type: none"> • Collaborate with non-financial sector regulators and public sector agencies on addressing barriers (legal and social norms) to greater women's economic participation and inclusion

REGULATORY LANDSCAPE IN PALESTINE

Foundational Regulation		
DFS	Mobile money regulation	✓
	Interoperability & national switch	x
	Tiered KYC	✓
	E-KYC	x
	Agent banking use & regulation	✓
	Open banking	x
	Data privacy and use framework	✓

Non-DFS	National Financial Inclusion Strategy with gender focus	✓
	MSME Masterplan/Development Act	x
	Gender-inclusive consumer protection	✓
	Microfinance Regulation	✓
	Movable Collateral Registry	✓
	Central credit bureau use & regulation	✓
	Regulation on cooperatives/VSLAs	✓

REGULATORY LANDSCAPE IN PALESTINE

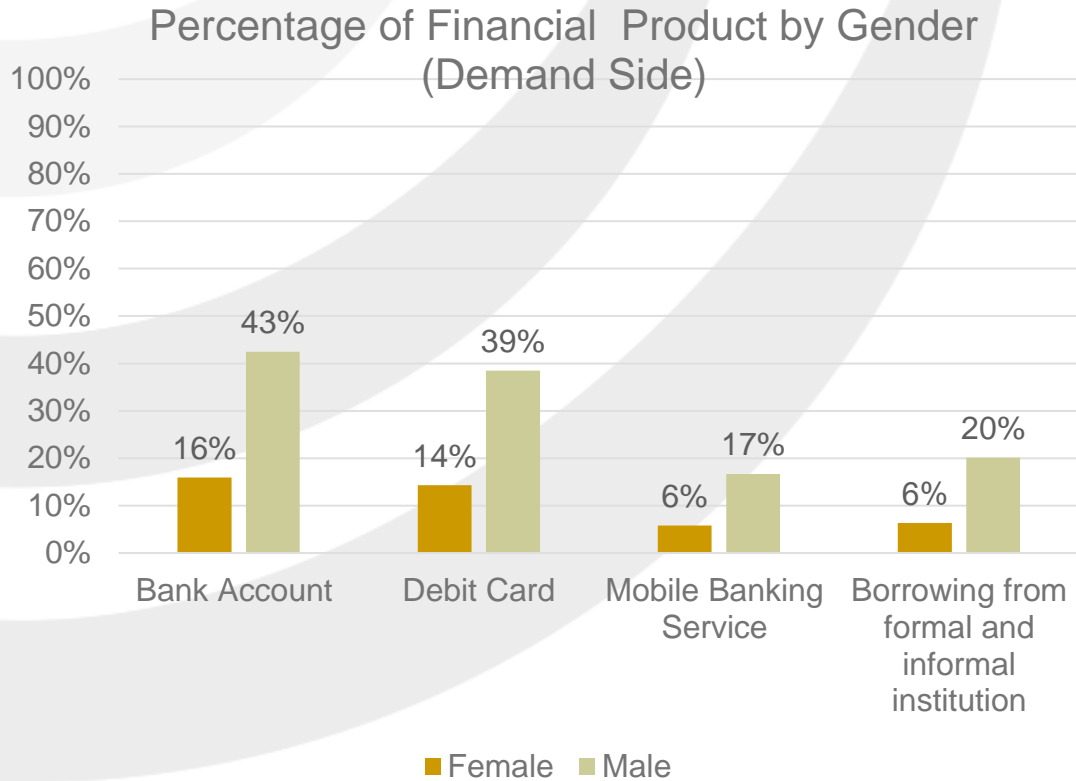
Key Regulatory Initiatives to Drive WFI

Actively engage the market around WFI	?
Drive the collection, reporting and use of gender data for effective policy and managerial decisions	✓
Promote women's digital skills and financial literacy.	✓
Promote the use of digital IDs	x
Promote the digitization of G2P payments	x
Encourage private sector involvement to promote the use of technology	✓

Key Regulatory Initiatives to Drive WFI

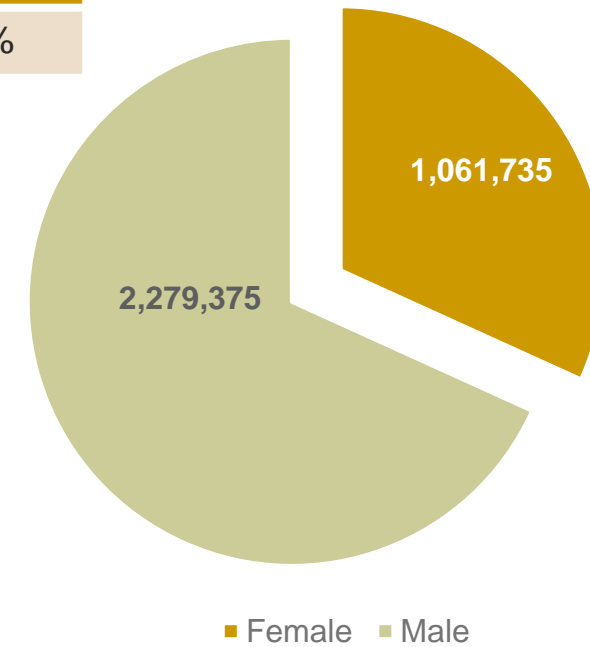
Advancement of investment-friendly WFI-focused policies	?
Encourage/incentivize FSPs to better serve women (tailored financial and non-financial solutions)	✓
Promote greater gender internal diversity and equity (within FSPs, including agent channels)	✓

Financial Product /Services ownership by Gender



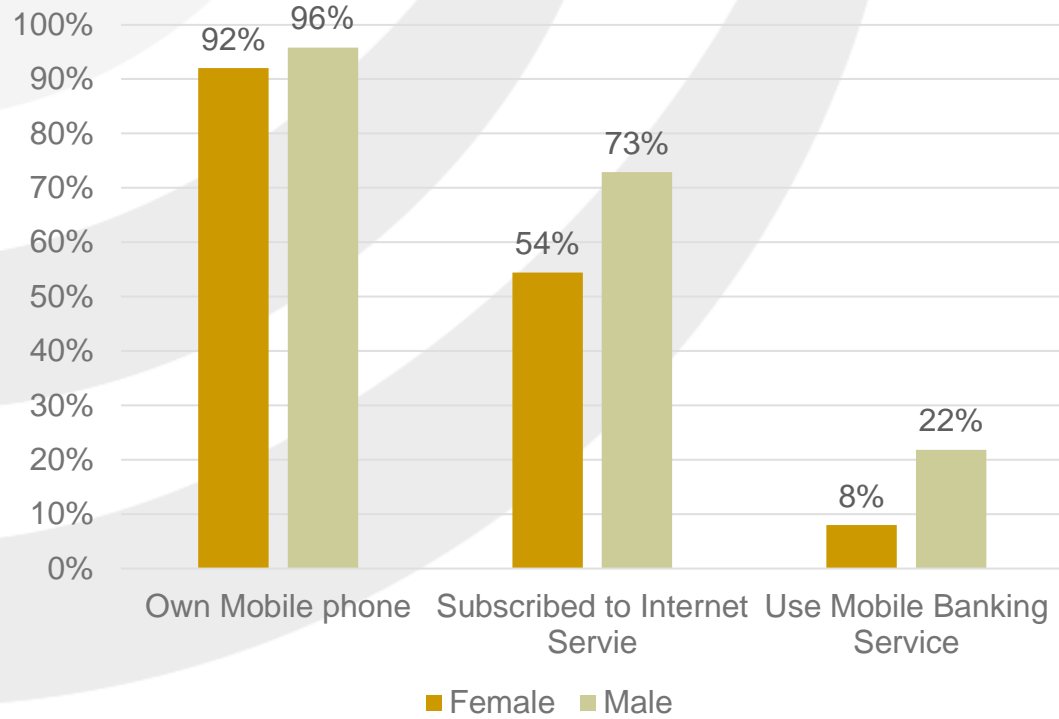
Number and Percentage of Accounts by Gender (Supply Side)

Female	31.8%
Male	68.2%

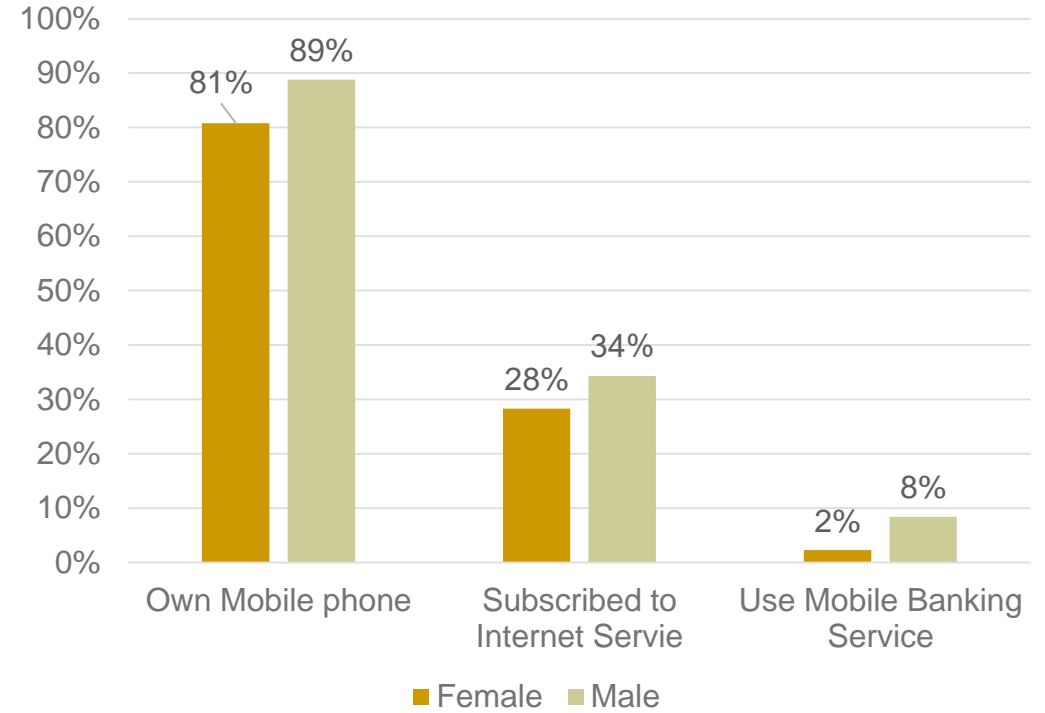


Mobile Ownership By Gender

Mobile Ownership in West Bank



Mobile Ownership in Gaza



Thank you

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