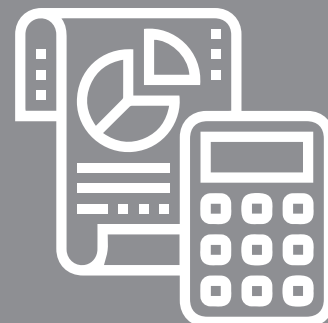


Expand Women's Access to Finance

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As is the case in other economic opportunities, there is gender disparity in accessing finance. In Ethiopia, although access to finance in general is perceived to be the main business environment constraint, the financing difficulties are especially acute for women entrepreneurs. Women in general and rural women in particular are disproportionately low in running their businesses and owning assets¹.

Access to finance to women has a critical role in reducing poverty, and supporting inclusive and sustainable development by boosting entrepreneurship and ownership of assets by women.



Only about 24% of women are self-employed as compared to 54% of men²

Structural and Cultural Barriers

- Financial service providers have low appetite for risk and therefore have strict eligibility criteria, inflexible loans, short grace periods and binding conditions with the lenders requiring a significant amount of money to be paid each month.
- Women do not have the same resources or social networks as men that would allow them to meet collateral and guarantor requirements.
- Women lack awareness about the services available and how to access them.
- Those fewer women running their business are challenged by balancing business with household and family responsibilities.
- Women face pushback from their partners, relatives and community in securing loans and establishing new businesses.
- Illiteracy and mindset also confound access to finance



Strengthen Gender Responsive & Inclusive Policy and Strategy on Access to Finance

One strategic approach to addressing the barriers is putting in place a policy and strategy that recognizes the need to having special measures to facilitate the access by women to finance. Finance becomes inclusive from the moment when it enables a given beneficiary to access to a suite of services and products, sometimes personalized, which respond to a specific need. Those services or products can be financial, (for example a credit), access to a dematerialized payment system, subscription to an insurance or transaction management. But they can also be non-financial: training, legal or accounting aid or support in launching a business.³

The national financial inclusion strategy of Ethiopia⁴ fails to recognize the unique barriers to women's access to finance and to include special measures that address the barriers and eases accessing finance. Such special measures should enable women access to financial and non-financial services including but not limited to credit, flexible payment, support in training, financial management and business management. Such policy intervention also contributes to enabling poor women transit from the social protection scheme to becoming entrepreneurs and hence resilient to shocks.

¹ Consortium of Self-help Group (CoSAP), 2021. Financial Inclusion in Ethiopia

² Ethiopian Time Use Survey, 2013

³ Appui au développement autonome, <https://www.ada-microfinance.org/>

⁴ National Bank of Ethiopia (April 2017), National Financial Inclusion Strategy