UN Women – COLEAD
South-South Series: Empowering and Growing Women-led Business

Session n°5:
Access to Finance for Women-led MSMEs

Wednesday 22 October 2025 – 14:00-16:00 UTC

Online (Zoom)

Live interpretation in English, French and Spanish

The collaboration between UN Women and COLEAD targets entrepreneurs in the African, Caribbean, and Pacific (ACP) countries and beyond. The South-South online series are tailored for women entrepreneurs and business leaders, aiming to foster collaboration and knowledge sharing, enhance business skills and market access, and promote networking.

1. Context

Women-led MSMEs make up about 35% of MSMEs in developing and emerging markets (8–10 million businesses) and play a key role in economic growth and job creation. Globally, 252 million women are entrepreneurs, and 153 million run established businesses[1]. However, their enterprises grow more slowly than male-led MSMEs due to challenges such as limited access to finance, regulatory and institutional barriers, lack of capacity-building support, household responsibilities, and concentration in low-growth sectors.

The leading financial and management-related barriers to women for starting microenterprises are lack of capital, entrepreneurial, and management skills, respectively. Further, finances continue to be their biggest challenge despite the importance of developing women's businesses[2].

Compared to men, women are less likely to engage with financial institutions or maintain a bank account. Although financial inclusion expanded rapidly between 2014 and 2017, with men's account ownership in developing countries rising from 60% to 67% and women's from 51% to 59%, the gender gap has persistently on this dimension remained at 9 percentage points in emerging markets since 2011[3].

Women-led MSMEs face financing gaps due to cultural and social norms, lack of collateral, and limited skills or capacity. Their businesses are typically smaller, more informal, and concentrated in low-value, gender-stereotyped sectors (like cooking, sewing, or salons). Female ownership declines as firm size increases, and most women entrepreneurs operate in consumer-oriented sectors with low barriers to entry and limited capital needs. In Africa, Asia, and Latin America and the Caribbean, around 75 percent of female entrepreneurs are in consumer-oriented sectors (against 45 percent of male entrepreneurs). These

[1] AFI. 2023. A Policy Framework for Women-led MSME Access to Finance (V.2).
[2] Abebe, A., Kegne, M. 2023. The role of microfinance institutions on women's entrepreneurship development.
[3] Demirguc-Kunt et al. 2018. The Global Findex Database 2017: Measuring Financial Inclusion and Opportunities to Expand Access to and Use of Financial Services

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patterns are reinforced by women's disproportionate household responsibilities and the tendency to run businesses part-time.

In the agricultural sector, women are predominantly engaged in primary production and informal activities, often in less visible parts of the value chain, with limited participation in marketing or sales despite contributing significantly to production. They are more involved in food crops—commonly referred to as "women's crops"—while cash crops are typically associated with men. Women play multiple roles across the agri-food sector as smallholder farmers, owners, managers, or employees of agribusinesses of different sizes, contributing along the entire value chain from input provision and production to processing, packaging, marketing, and sales. However, this structural situation limits their access to formal financing mechanisms and has led many women to establish informal financing schemes[4] to support one another.[5] Having their own account gives women more influence over household finances, enabling greater independence and strengthening their economic empowerment. Financial accounts make it easier, safer, and more affordable to receive wages from employers, send remittances to family members, and pay for goods and services. Mobile money accounts allow even low-income households to save and better cope with financial shocks.[6]

Advancing gender equality by improving women entrepreneurs' access to finance is essential for boosting productivity, driving economic growth and reducing poverty. Closing the gender gap in credit access could raise developing country growth rates by 1.1%[7], but it requires greater awareness of the subtle obstacles that prevent women from obtaining available funds, as well as efforts to integrate them into financial networks. By overcoming these challenges, more women will be informed about financing options, gain access to supportive networks, and approach investors or financial institutions with greater confidence while feeling assured in the value of their businesses[8].

2. Barriers to access finance for women entrepreneurs

Women-led MSMEs face multiple constraints in accessing finance, beginning with limited property and inheritance rights, which restrict their ability to provide collateral and thereby hinder business start-up, growth, and access to larger or individual loans. Because banks typically prefer immovable assets such as land and buildings as security, women who often lack access to these assets due to discriminatory laws and cultural norms encounter significant financing barriers.

These challenges are compounded for women operating in rural areas, where the distance to bank branches, limited mobility, cultural restrictions, family responsibilities, and safety risks when handling cash all further restrict access. While a good credit history could potentially substitute for collateral, women-led MSMEs frequently struggle to be included in credit reporting systems due to limited banking relationships, lack of acceptable identification, and structural barriers in registries[9].

Financial services themselves often fail to meet the needs of women-led MSMEs, particularly in rural and informal sectors, because of poorly tailored products, limited outreach, and biased treatment by loan officers. Inadequate product design, unwelcoming branch environments, and restrictive operating hours further limit access. Adding to these obstacles, insufficient financial literacy and business skills remain a major barrier, as women often report lower financial knowledge and confidence than men. In some

[4] Examples include including rotating savings groups, cooperative lending, and peer-to-peer support networks.
[5] GIZ. 2024. [How to foster access to finance for women in the agri-food sector]
[6] *ibid*
[7] Goldman Sachs. 2014. Giving credit where it is due: How closing the credit gap for women-owned SMEs can drive global growth.
[8] AEEN. [Address three obstacles for women entrepreneurs to access financing.]
[9] Demirguc-Kunt Asli, and Leora Klapper. 2012. Measuring Financial Inclusion: The Global Findex Database.

countries, this contributes to distrust of formal financial institutions and hesitancy to engage with their services.

3. Opportunities to access finance for women entrepreneurs

Digital financial services

In the wake of COVID-19 (which disproportionately impacted woman-owned firms), the use of digital tools has expanded, particularly through fintech innovations and alternative data sources such as transaction histories, airtime purchases, browsing activity, and utility payments[10].

Digital financial services play a crucial role in reducing gender disparities in financial inclusion by lowering the cost of access and bypassing social and mobility restrictions that often limit women. By enabling women to manage their own resources, digital tools enhance their financial autonomy and empowerment. Mobile money and other digital services have significantly expanded women's access to financial institutions in recent years. Digital channels such as debit and credit cards, mobile phones, and e-wallets also improve access to remittances and wage payments. Meanwhile, digital infrastructure like digital IDs and biometric verification eases onboarding processes, which are typically major barriers for women[11].

For instance, digital payment platforms provide women entrepreneurs with a safe and private way to conduct transactions, reducing dependence on male relatives or unsafe cash exchanges[12]. In addition, the digital footprints generated through regular use of mobile wallets or online transfers help women establish transaction histories that can substitute for traditional collateral when seeking loans.

Nevertheless, women still face barriers to using digital financial services, including limited financial and digital literacy, restricted access to mobile devices and internet, poor rural infrastructure, and exclusionary regulatory requirements. In addition, financial providers often neglect women's specific needs and lack sex-disaggregated data to design appropriate services. While digital solutions can greatly enhance financial inclusion for women-led MSMEs, its success depends on improving literacy, adopting gender-sensitive regulations, strengthening infrastructure, and tailoring products to women's circumstances.

Microfinance

Microfinance refers to small-scale financial services designed for individuals and households who lack access to traditional banking. Microfinance Institutions (MFIs) provide credit, savings, and other financial tools that help low-income households and informal businesses manage income shocks, save securely, invest, and mitigate risks.

While many MFIs operate as non-profit NGOs funded by development agencies, some are member-owned, government-backed, commercially driven, or supported by socially minded investors, with commercial banks and dedicated funds increasingly involved. To address barriers such as weak legal protections, poor infrastructure, and lack of collateral, MFIs have pioneered techniques like repeated lending, progressive loan increases, and joint liability through group lending, though these methods face long-term challenges. Beyond microcredit, MFIs now offer savings, transfers, insurance, and even non-

[10] Torres, J., F. Maduko, I. Gaddis, L. Iacovone, and K. Beegle. 2021. "The Impact of the COVID-19 Pandemic on Women-Led Businesses." mimeo, World Bank, Washington, DC.
[11] The World Bank. Using Digital Solutions to Address Barriers to Female Entrepreneurship.
[12] Alom, K. et al. 2025. Digital finance leads women entrepreneurship and poverty mitigation for sustainable development in Bangladesh.

financial services like training and health programs, expanding their role as a key instrument for financial inclusion.

In 2021, MFIs reached an estimated 156.1 million borrowers, of whom about 53% were women and 79% lived in rural areas, highlighting their central role in advancing financial inclusion among underserved populations[13].

Microfinance programs can contribute potentially and meaningfully to women's empowerment. In fact, microfinance enhances women's well-being by strengthening their decision-making power and control over assets. It also generates positive spillovers for households, particularly by improving children's nutrition and education, as women often channel resources toward them; and by reducing gender-based and intimate partner violence, especially when combined with non-financial services such as training[14]. Women entrepreneurs who have access to MFIs may be economically empowered, are confident, firm, participate in communal decision-making, and are in a position of fighting against gender inequities.

Microfinance institutions have been successful in extending financial services to low-income and poor women by providing access to credit without formal collateral; however, these practices have not spread to most agricultural activities. Moreover, microfinance alone is insufficient for women's empowerment; broader structural, policy, and community-level changes are needed to create sustainable and equal opportunities[15].

Financial literacy

Financial confidence is essential for effective leadership and business success. Women who are knowledgeable about financial markets, cash flow management, and investment strategies are better equipped to assume leadership positions, whether as corporate executives or business owners[16]. Solid financial skills enable them to make informed decisions, negotiate effectively, and drive business growth with greater assurance. For entrepreneurs, this confidence translates into autonomy: women who actively manage investments or trading can create alternative revenue streams, take strategic risks, invest in innovation, and expand their ventures without relying solely on external funding.

Women need access to financial literacy programs that demystify investing, risk management, and market dynamics, helping them make well-informed decisions. Financial institutions and brokers should provide inclusive, user-friendly platforms that prioritize transparency, security, and ease of use. Additionally, mentorship and community support are key to fostering participation in financial markets. By engaging with investor networks, peer groups, and role models who have successfully navigated finance, women can gain both the confidence and practical insights necessary to take meaningful action.

Various strategies have been explored to bridge the gender gap in financial literacy, but research shows that traditional classroom-style instruction is often ineffective in building lasting financial skills. Technology, however, offers promising alternatives, providing accessible and engaging ways to learn. Equally important is practical experience: hands-on learning, through demo trading accounts, educational webinars, or investment workshops, helps women gain the confidence and skills needed to navigate their own financial journeys successfully.

[13] Impact Finance Barometer 2022.
[14] Falcomer, P and Lanzavecchia, A. 2023. Microfinance for Women's Empowerment: Evidence from Apeiron's Project Equal Steps.
[15] FAO. 2019. Women's access to rural finance: challenges and opportunities.
[16] South African Business Matters. 2024. Breaking Barriers – Why Financial Literacy is Key to Women's Empowerment.

4. Way forward

Women-led MSMEs are key drivers of economic growth, job creation, and social development in the Global South. Despite progress in digital finance, microfinance, and capacity-building programs, women entrepreneurs continue to face systemic barriers, including limited collateral, structural biases, and gaps in access to networks and mentorship. Addressing these challenges is essential for both women's empowerment and inclusive economic growth.

Creating gender-sensitive products requires a customer-driven approach based on a detailed understanding of local contexts. Even within the same geographic area, the diverse needs of men and women must be taken into account according to their economic activities, access to resources, education levels, age, marital status and even ethnic backgrounds.[17]

To advance access to finance, policymakers, financial institutions, and development partners should collaborate to design gender-sensitive financial products, including flexible credit options, collateral alternatives, and fintech solutions tailored to women's specific needs. Expanding digital financial services, alongside targeted support such as mentorship and peer networks, can help women navigate financial systems and grow their businesses with greater confidence.

Capacity-building programs should strengthen leadership, decision-making, and entrepreneurial skills, supported by sex-disaggregated data and regular monitoring. Creating supportive regulatory frameworks, addressing social and cultural constraints, and promoting women's leadership in finance and entrepreneurship are critical for long-term economic empowerment.

Through this 5th session of the *South-South Series: Empowering and Growing Women-led Business*, participants will gain firsthand perspectives by directly hearing from experienced entrepreneurs and experts in the field of access to finance. They will discover practical insights into innovative financial solutions, learn strategies to overcome common barriers, and explore networks that can help them secure capital, grow their businesses, and strengthen their leadership skills. The session is designed to provide women entrepreneurs with actionable knowledge to advance financial inclusion and drive sustainable growth in their communities.

[17] FAO. 2019. Women's access to rural finance: challenges and opportunities.

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Agenda

Moderator: *Nina Desanlis-Perrin, Project Officer, COLEAD*

14:00-14:10	**Introduction to the session**
14:10-14:20	**Welcoming remarks**: - *Jeremy Knops, General Delegate, COLEAD* - *Angela Davis, Partnerships Lead, UN Women Multi-Country Office (MCO) Caribbean*
14:20-15:30	**Panel on experiences from women in accessing and providing finance** - *Cecilia Lazarte, Inclusive Financial Ecosystem Project Lead, UN Women, Argentina* - *Edna Odallo, Managing Director, Afriscope Research, Kenya* - *María Rojas, Head of Information and Analysis, REDCAMIF, Nicaragua* - *Michelle Mboha, Investment Manager, Inua Capital, Uganda*
15:30-15:50	Q&A
15:50-16:00	**Way forward**

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