

### c. Increased Access to Financial and Digital Resources

Financial inclusion and access to digital resources can reduce poverty, improve economic resilience and boost inclusive growth and development. Providing women with effective and affordable financial tools – including digital tools – enables them to more effectively save and borrow money, make and receive payments, manage resources, invest in education, start businesses, manage risk and mitigate the impact of financial shocks.<sup>26</sup> For entrepreneurial activities, improved access to credit enables women to be more productive and to expand their enterprises. Increasing women's access to and control over resources, empowers them to maintain control of their earnings, avoids the misappropriation of funds by partners for personal benefit, and improves their intra-household bargaining power.<sup>27</sup> Increased control over finances provides women the autonomy needed to make informed decisions about children's education and health, as well as improves food security for their families.<sup>28</sup>

Numerous factors inhibit women's access to finance, including: discriminatory laws; a lack of formal identification documents, collateral and credit history; low financial literacy; lack of support networks; and distance from financial institutions. Globally, many women and girls lack ownership of legally recognized assets, and often do not have access to bank accounts.<sup>29</sup> Digital technology can circumvent some of the challenges associated with women's access to traditional banking resources. When combined with business development skills, such as marketing strategies and good-accounting practices, digital financial knowledge can be a particularly powerful tool to grow women-owned businesses. Evidence shows that digital financial services that incorporate education and training, such as loan associations and Saving for Change groups, can increase women's savings and their ability to repay larger loans.<sup>30</sup>

Increasing digital inclusion can play an important role in advancing gender equality and empowering women and girls. This begins with a needs assessment and the promotion of women as

technology users and developers to ensure that digital transformation leads to inclusive growth. Providing incentives for the adoption of digital technology, such as encouraging electronic government-to-person (G2P) payments for taxes and income support payments is another key mechanism to help promote use. However, the benefits of digital inclusion may be undermined by the perpetuation of new forms of violence, abuse and harassment. Sexual and gender-based abuse, harassment and the threat of violence in digital contexts pose risks to the safety and well-being of its targets. They can lead to self-censorship and disengagement from digital spaces at a time when these spaces increasingly animate our everyday life. Women and girls are disproportionately affected by this violence, abuse and harassment. Moreover, risks such as cybersecurity, privacy and data protection must be considered.

Women's financial inclusion requires the development of an inclusive financial system and a regulatory environment focused on the needs of women and the specific barriers they face.<sup>31</sup> Women's economic empowerment is linked to their improved access to the formal financial system, which can, in turn, increase asset ownership among women.<sup>32</sup> Opportunities remain to ensure the needs of women are more systematically integrated in policy development on financial inclusion. Access to insurance products, a key pillar of financial inclusion, can reduce vulnerabilities from natural disasters, theft or healthcare emergencies, which are often disproportionately borne by women.<sup>33</sup> Using insurance to manage risk and improve financial resilience is particularly beneficial for women who work in agriculture, where it has been shown to increase average yields, improve food security and reduce income shocks.<sup>34</sup> For communities where traditional insurance is impractical, micro-insurance programs have proven to be an effective way to extend financial services to those who could otherwise go unserved.

Access to disaster risk insurance can also improve community resilience and women's economic empowerment in times of natural disasters by providing rapid access to financial resources that can restore livelihoods and rebuild infrastructure.