

THE ROLE REGULATORS PLAY IN CLOSING THE FINANCIAL INCLUSION GENDER GAP: A CASE STUDY OF ECUADOR



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ABOUT THE PROJECT

Around the world, about 740 million women still do not have bank accounts – representing 54 percent of all unbanked adults, as of 2021.¹

Efforts to narrow the finance gender gap have been paying off since 2017, with a gap reduction from nine to six percent in developing and emerging countries.²

It is clear, however, that more must be done to address the persistent financial inclusion gender gap. This is more than simply the right thing to do - it also makes good business sense. Women-led small and medium enterprises (WSMEs) already make significant

contributions to the economies in which they operate, accounting for a third of all SMEs and a much higher percentage in many countries. While an important engine for growth and job creation, this segment has long suffered from high levels of informality and a significant gender gap in access to credit.

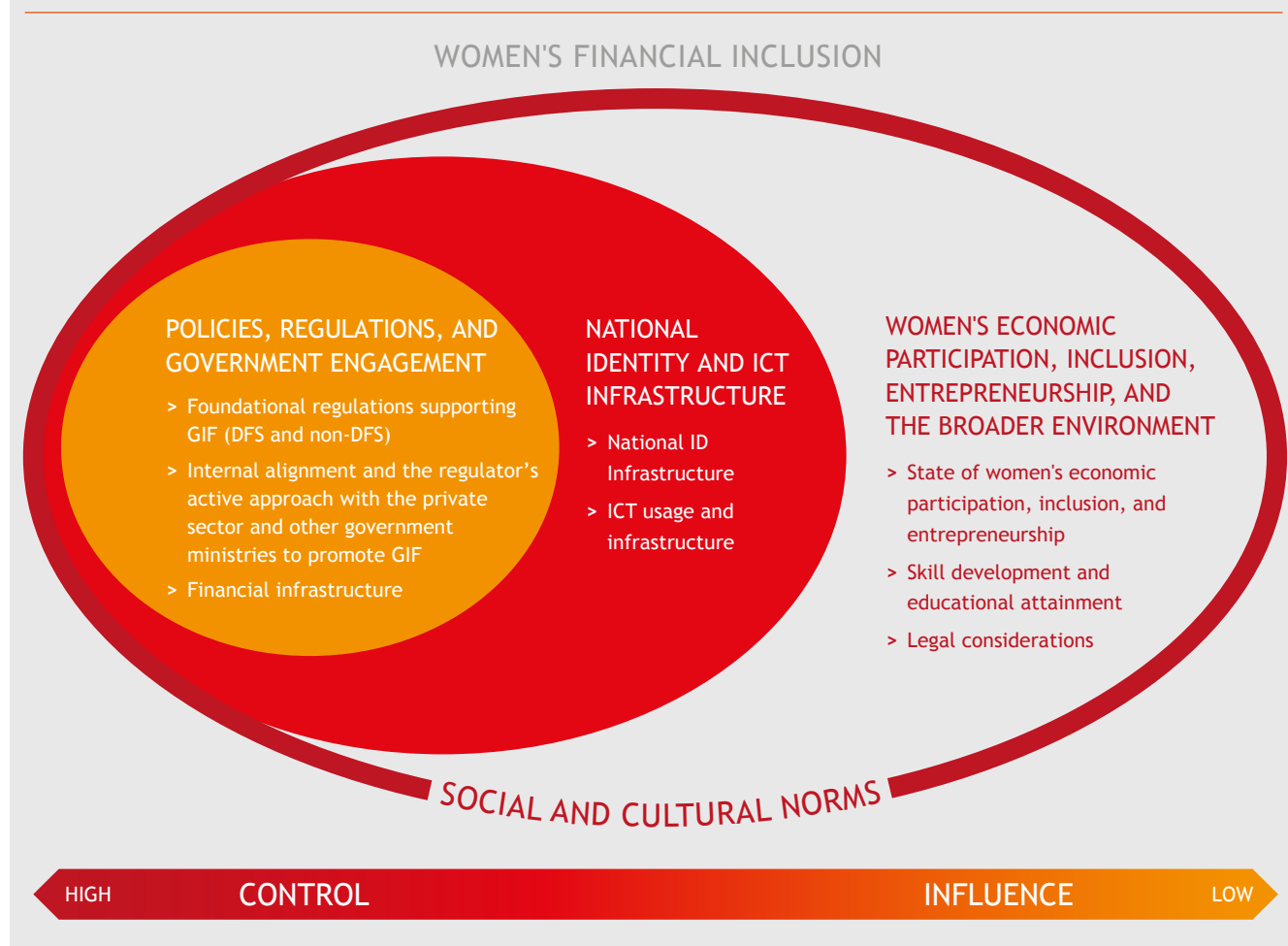
There is no single reason why women cannot access or use financial services. Rather, it is a complex mix of regulatory factors, the availability of suitable products and services, access to education and identity documents, adequate infrastructure available in places where women can use it, and significantly, social and cultural barriers.

This holistic research breaks new ground by identifying specific factors and areas over which financial regulators have direct influence, including policies, regulations, and government engagement to advance women's financial inclusion. Rather than examining the landscape of financial regulators in isolation, the research also explores other spheres of influence within

¹ World Bank. 2021. Global Findex Database 2021. Available at: <https://www.worldbank.org/en/publication/globalfindex/Report>

² Ibid

FIGURE 1. WOMEN'S FINANCIAL INCLUSION ANALYTICAL FRAMEWORK: INFLUENCERS OF INCLUSION AND WHERE REGULATORS CAN HAVE IMPACT



the broader context of women's economic participation and inclusion, providing deeper insights into women's place in society and their role in the economic fabric of their countries.

Figure 1 illustrates this interplay, outlining the various factors that can contribute to increased women's financial inclusion. It highlights the specific role financial regulators can play in advancing progress, as well as the degree to which they can influence other critical factors. The graphic also underscores the overarching impact that social and cultural norms have on the entire women's financial inclusion ecosystem - and on gender equality as a whole.

Figure 1 shows that many factors fall outside a regulator's direct mandate. However, they are essential for enabling women's financial inclusion and advancing the regulatory agenda. For instance, even if a regulatory policy encourages increased lending to women entrepreneurs, it does not guarantee a significant expansion of banks' WSME loan portfolios unless broader changes in the financial infrastructure and bank approaches also take place. The research findings are clear: without aligned and coordinated action across all spheres of control and influence, progress toward gender parity in financial inclusion will remain limited.

In essence, this case study serves as a call to action for financial regulators on two fronts: are they doing everything within their mandate and sphere of influence to advance progress on women's financial inclusion? And beyond addressing the factors within their direct control, what additional steps can they take to support the broader financial inclusion ecosystem for women?

By providing financial sector policymakers and regulators with a deeper understanding of effective regulatory solutions that are having an impact - as well as pathways that will advance other drivers of inclusion - these critical stakeholders can enhance the impact of their interventions and maximize their role in closing the financial inclusion gender gap in their countries. In turn, these efforts will contribute to achieving the United Nations Sustainable Development Goals (SDGs), specifically SDG 1 (No Poverty), SDG 5 (Gender Equality), and SDG 8 (Decent Work and Economic Growth).

This case study provides an overview of the current state of women's financial inclusion in Ecuador, examining the progress made by the government and financial regulators in advancing gender inclusive

finance. It explores specific aspects of the national financial regulatory environment, highlighting key strategies and initiatives that have contributed to narrowing Ecuador's gender gap in access to finance and accounts. Additionally, it examines factors influencing women's financial inclusion that fall outside the regulator's direct mandate.

Designed as a standalone document, this case study may also interest readers of the AFI Gender Inclusive Finance Mapping Project,³ which provides a full picture of women's financial inclusion and GIF across the AFI network, as well as the summary report, which synthesizes key findings from this research. Further studies focusing on Latin America and the Caribbean (LAC) region specifically led to the Gender Inclusive Finance Roadmap for the LAC Region,⁴ which details concrete actions and priorities for AFI members in the region to advance a gender inclusive financial system.

³ Alliance for Financial Inclusion. 2024. Gender Inclusive Finance Mapping Project: Landscape Report. Available at: <https://www.afi-global.org/publication/gender-inclusive-finance-mapping-project-landscape-report/>

⁴ Alliance for Financial Inclusion. 2024. Gender Inclusive Finance Roadmap for the Latin America and Caribbean Region. Available at: https://www.afi-global.org/wp-content/uploads/2024/10/Gender-Inclusive-Finance-Roadmap-for-the-Latin-America-and-Caribbean-Region_V2.pdf

EXECUTIVE SUMMARY

Ecuador has made significant progress in advancing women's financial inclusion. Financial inclusion has increased from just over 70 percent in 2019 to nearly 86 percent in 2023.

84%



The percentage of women in Ecuador who own a financial product has also increased, from just over 67 percent in 2019 to 84 percent in 2023. As a result, the gender gap in financial inclusion has been reduced by half, from seven percent in 2019 to 3.5 percent in 2023.

This progress is partly due to the strategic alignment achieved through the National Strategy for Financial Inclusion (ENIF), whose 2020-2024 action plan focuses heavily on expanding access points in rural areas, improving payment and credit infrastructure, enhancing digital financial services and products, and strengthening financial consumer protections.

Updating the ENIF and the annual financial education strategy will further this achievement by expanding financial access points, enhancing digital financial services and literacy, and improving access to formal financial services.

70%

The share of Ecuadorian women actively using financial accounts increased from 50.6 percent in 2019 to 70 percent in 2022. This growth reflects improved access to savings accounts and emphasizes the benefits of women's inclusion in formal financial systems.

Despite notable progress, barriers persist in Ecuador's journey toward financial inclusion. Cultural preferences for cash transactions, coupled with distrust of digital financial systems, have slowed the adoption of digital

financial services (DFS), especially among women and underserved groups. Women, particularly those in rural and informal sectors, face challenges in accessing credit and tend to prefer savings products, with formal credit adoption showing negligible gender gap reductions since 2019. Many women also utilize microfinance institutions rather than commercial banks.

Ecuador's regulatory and institutional framework has played a crucial role in addressing these gaps. The establishment of the Board of Financial Policy and Regulation (JPRF) has strengthened financial inclusion efforts and credit regulation. Additionally, the Central Bank of Ecuador (BCE) has played a pivotal role, mandating sex-disaggregated data collection since 2017 to better inform policies.

Recent regulations, including the ENIF 2023-2027 action plan and the 2024 Payment Systems Standards, are designed to enhance digital payments, improve credit access, and promote women-centric financial solutions. Additionally, initiatives such as the FinTech Innovation Hub and simplified KYC processes aim to integrate women into the formal financial system, particularly through digital platforms.

Ecuador's high literacy rates and rising smartphone adoption present significant opportunities for DFS expansion. However, the rural-urban internet connectivity gap and digital illiteracy among rural populations and women highlight the need for targeted education programs. The BCE's financial literacy initiatives, which include modules on digital payment systems and gender-specific challenges, are instrumental in addressing these barriers.

To sustain progress, Ecuador's financial regulators must continue promoting partnerships among public, private, and financial sector stakeholders. Expanding digital infrastructure, incentivizing financial solutions for women-owned MSMEs, and addressing cultural barriers to credit and DFS adoption are critical. Strengthened regulatory frameworks and targeted financial products will help bridge existing gaps and create a more inclusive financial ecosystem.

Ecuador provides a rich context for examining the intersection of financial policy, gender equity, and technology adoption. Furthermore, with a high proportion of rural and informal sector workers, the country's experience offers critical insights into how targeted interventions, such as digital financial services and simplified bank accounts, can bridge inclusion gaps, serving as a model for other countries in Latin America and beyond.

STATE OF WOMEN'S FINANCIAL INCLUSION IN ECUADOR

Since the mid-2010s, financial inclusion has been a key focus in Ecuador, a country with an adult population of over 14 million people. Today, over 85 percent of the adult population owns at least one financial product, meaning that only a small portion remains either financially excluded or unbanked.⁵

Ecuador's financial inclusion data shows that in recent years, the gender gap in account access has significantly narrowed.

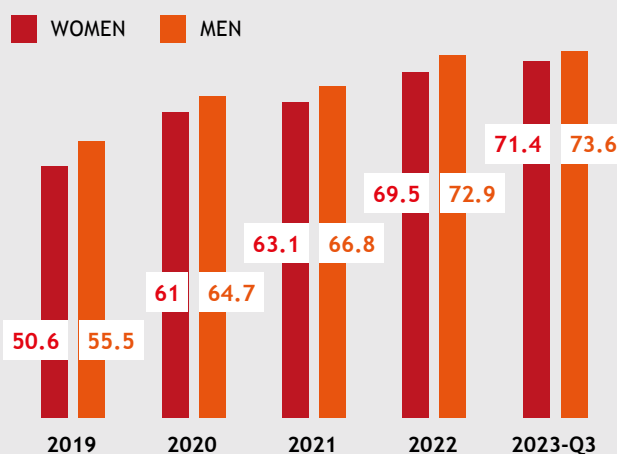
3.5%

By the third quarter of 2023, 84 percent of adult women and 87.5 percent of men owned a financial account,⁶ reducing the gender gap to 3.5 percent, down significantly from 7.1 percent in 2019. This progress reflects the country's targeted efforts to close the financial inclusion gap and boost women's financial inclusion in Ecuador.

A closer look at active accounts reveals a notable increase since 2019. In 2022, nearly 73 percent of men and 70 percent of women had an active financial account, up from 55.5 and 50.6 percent, respectively, in 2019, demonstrating significant progress in account usage and a narrowing of the gender gap.⁷

This progress was driven primarily by the increased adoption of savings accounts, with the percentage of the population holding an active savings account rising from under 52 percent in 2019 to nearly 69 percent

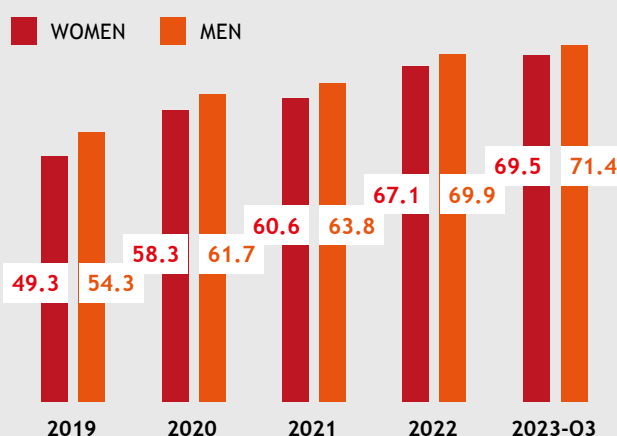
FIGURE 2. PERCENTAGE OF ADULTS WITH AN ACTIVE ACCOUNT, BY SEX



Source: Banco Central del Ecuador⁸

in 2022.⁹ Sex-disaggregated data shows that women's savings account ownership grew by over 20 percent from 2019 to the third quarter of 2023, reaching 69.5 percent compared to 71.4 percent of men, reflecting a narrowing gender gap.¹⁰

FIGURE 3. PERCENTAGE OF CLIENTS WITH A CREDIT PRODUCT DISAGGREGATED BY SEX



Source: Banco Central del Ecuador¹¹

⁵ Red de Instituciones Financieras de Desarrollo. 2023. La Inclusión Financiera en el Ecuador: Avances 2023. Available at: <https://rfd.org.ec/docs/2024/estudios/Avances%20de%20la%20Inclusi3n%20Ecuador%202023/Avances%20de%20la%20Inclusi3n%20Financiera%20en%20el%20Ecuador%202023.pdf>

⁶ Ibid.

⁷ Ibid.

⁸ Ibid.

⁹ Red de Instituciones Financieras de Desarrollo. 2023. La Inclusión Financiera en el Ecuador: Avances 2023. Available at: <https://rfd.org.ec/docs/2024/estudios/Avances%20de%20la%20Inclusi3n%20Ecuador%202023/Avances%20de%20la%20Inclusi3n%20Financiera%20en%20el%20Ecuador%202023.pdf>

¹⁰ Ibid.

¹¹ Ibid.

Formal credit is not a widely used financial tool in Ecuador. Pre-pandemic sex disaggregated data from 2019 shows that 30.3 percent of men and 24.5 percent of women held a credit product.¹² By the end of 2022, these figures had increased marginally to just over 34 percent and 29 percent, respectively, indicating a negligible narrowing of the gender gap and modest overall increases in credit account openings.¹³ Overall, women are more likely to utilize savings products and term deposits, with retail microcredit and simple accumulation credit accounts being particularly in demand among them.¹⁴

Ecuador has a strong cash culture, with 99 percent of people reporting using cash as their primary payment method.¹⁵ Usage rates for other payment methods are significantly lower: 32 percent use debit cards, only five percent use digital money apps, 10 percent use a financial institution's app, eight percent use credit cards, and 14 percent use internet banking.¹⁶ There is a clear historical preference for financial service transactions being realized through physical, in-person channels rather than digital ones. This trend means that financial solutions such as DFS have yet to reach their full potential for women's financial inclusion and are impacting the usage of alternative financial services. Ecuadorians report many reasons for engaging little with financial services and other non-savings products. Only 34 percent of Ecuadorians find it easy to

obtain a savings or credit account.¹⁷ Additionally, many Ecuadorians find the financial system to be costly with only 24 percent of the population considering the costs of financial services and products to be adequate, however, it is important to note that this is one of the highest rates in Latin America, according to a Credicorp survey.¹⁸

Ecuadorians' perception of the security of digital transactions is a main reason for the minimal use and adoption of DFS in the country. Only 30 percent of the population feel secure or comfortable making transactions digitally, according to Credicorp.¹⁹ This, coupled with the overwhelming preference for cash, has hampered the adoption of DFS as a major mover of financial inclusion in the country. Additionally, the lack of internet connectivity and telecommunications infrastructure in more rural regions near the Amazon has hindered the financial inclusion of those residing in these areas.²⁰

Many Ecuadorians struggle with unpredictable salaries due to their reliance on informal work and agriculture. As a result, many Ecuadorians do not have access to financial services due to their high costs. DFS can play a role in mitigating this barrier by offering low-cost accounts and prepaid products so people can make digital payments. Furthermore, many Ecuadorians rely on remittances - which comprise eight percent of GDP and reached over USD700 million in 2023 - so DFS can provide a solution to receive remittance money electronically at a lower cost.

¹² Ibid.

¹³ Ibid.

¹⁴ Banco Central del Ecuador. 2024. Estadísticas de Inclusión Financiera. Available at: https://contenido.bce.fin.ec/documentos/Estadisticas/SectorMonFin/InclusionFinanciera/ResultIF_012024.html#fn4

¹⁵ Red de Instituciones Financieras de Desarrollo. 2023. La Inclusión Financiera en el Ecuador: Avances 2023. Available at: <https://rfd.org.ec/docs/2024/estudios/Avances%20de%20la%20Inclusión%20Ecuador%202023/Avances%20de%20la%20Inclusión%20Financiera%20en%20el%20Ecuador%202023.pdf>

¹⁶ Ibid.

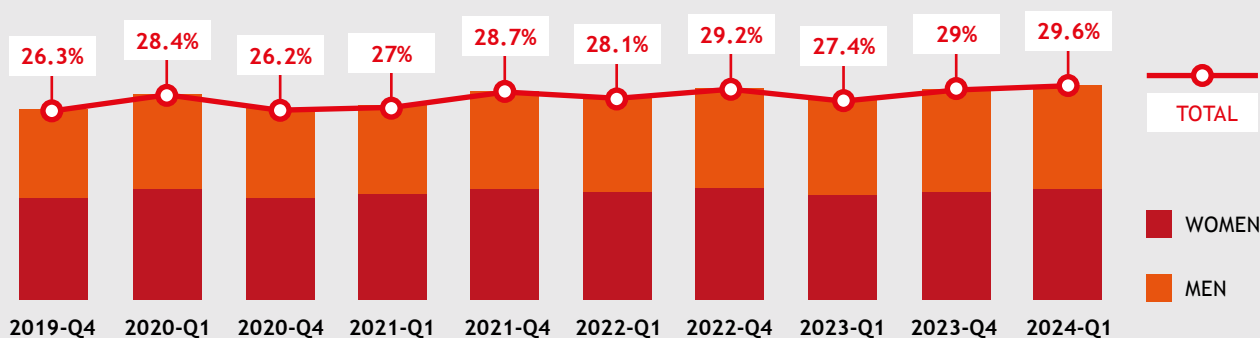
¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ Red de Instituciones Financieras de Desarrollo. 2023. La Inclusión Financiera en el Ecuador: Avances 2023. Available at: <https://rfd.org.ec/docs/2024/estudios/Avances%20de%20la%20Inclusión%20Ecuador%202023/Avances%20de%20la%20Inclusión%20Financiera%20en%20el%20Ecuador%202023.pdf>

²⁰ Superintendencia de Economía Popular y Solidaria. 2021. Evaluación de la Inclusión Financiera y los Servicios Financieros Digitales en el Ecuador, 2021. Available at: <https://www.seps.gob.ec/wp-content/uploads/Evaluación-de-la-Inclusión-Financiera-y-los-Servicios-Financieros-Digitales-en-el-Ecuador.pdf>

FIGURE 4. PERCENTAGE OF CLIENTS WITH A CREDIT PRODUCT DISAGGREGATED BY SEX



Source: Banco Central del Ecuador. 2024. Estadísticas de Inclusión Financiera. Available at: https://contenido.bce.fin.ec/documentos/Estadisticas/SectorMonFin/InclusionFinanciera/ResultIF_012024.html#fn4

ENABLING ENVIRONMENT: ID, FINANCIAL, DIGITAL INFRASTRUCTURE

FINANCIAL INFRASTRUCTURE

Ecuador's population is increasingly living in urban areas (currently over 65 percent), while the rest are spread across rural areas where access to financial service points is sparser. Nationally, there are 186 physical financial service points (offices, service windows, and non-banking and solidarity correspondents) per 1,000 square kilometers, meaning there is around one financial service point per five square kilometers.²¹ This is a significant increase from the 123 physical financial service points per 1,000 square kilometers in 2019,²² with financial service access expanding around the country. However, in more rural areas in the east of Ecuador, like Pastaza, there are only nine financial service points per 1,000 square kilometers.²³ It is important to note that when converting this statistic to financial points of attention per 10,000 adult residents, Pastaza posts 35 per 10,000 residents, which is on par with other provinces in the country.²⁴ The increase in non-banking correspondents is the major contributor to the growth in physical financial service points, boasting a five unit increase from the first quarter of 2023 to 35 non-banking correspondents per 10,000 residents in the first quarter of 2024.²⁵ Solidarity correspondents, financial agents working in the popular and solidarity economy and serve savings and credit cooperatives, have experienced no growth, remaining at one per 10,000 residents over the same period.²⁶ In total, there are 1,852 solidarity correspondents.²⁷ As these non-traditional financial institutions largely serve women-owned MSMEs, and as women's demand for their services is greater than that of men, increasing access to solidarity correspondents could further include various women and their businesses in the formal financial system.

²¹ Red de Instituciones Financieras de Desarrollo. 2023. La Inclusión Financiera en el Ecuador: Avances 2023. Available at: <https://rfd.org.ec/docs/2024/estudios/Avances%20de%20la%20Inclusión%20Ecuador%202023/Avances%20de%20la%20Inclusión%20Financiera%20en%20el%20Ecuador%202023.pdf>

²² Ibid.

²³ Ibid.

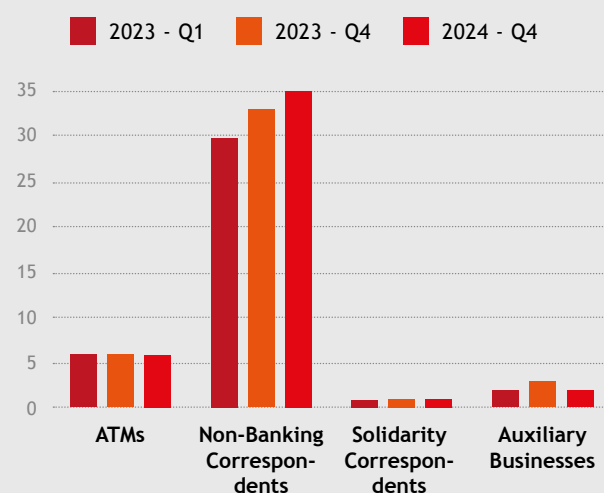
²⁴ Ibid.

²⁵ Banco Central del Ecuador. 2024. Estadísticas de Inclusión Financiera. Available at: https://contenido.bce.fin.ec/documentos/Estadisticas/SectorMonFin/InclusionFinanciera/ResultIF_012024.html#fn4

²⁶ Ibid.

²⁷ Superintendencia de Economía Popular y Solidaria. Portal de Datos. 2024. Available at: <https://data.seps.gob.ec/#/dashboards/analytics/0/3>

FIGURE 5. POINTS OF SERVICE PER 10,000 RESIDENTS



Source: Banco Central del Ecuador²⁸

In terms of electronic points of service, Ecuador has very few and has hardly increased their availability. In the first quarter of 2024, there were only six ATMs per 10,000 residents, an increase of only one unit from 2019.^{29,30} The limited number of electronic financial service access points in the country makes access to financial products a challenge. Financial service providers need to support digitization through electronic infrastructure and financial education so that implementing new digital solutions can have a significant impact on women's financial inclusion.

The agent banking network, in contrast, is growing in Ecuador. Banking regulations in 2017 enabled banks to offer financial services through third-party agents, and in the immediate wake of the COVID-19 pandemic, withdrawals through banking agents also increased.³¹

²⁸ Banco Central del Ecuador. 2024. Estadísticas de Inclusión Financiera. Available at: https://contenido.bce.fin.ec/documentos/Estadisticas/SectorMonFin/InclusionFinanciera/ResultIF_012024.html#fn4

²⁹ Red de Instituciones Financieras de Desarrollo. 2023. La Inclusión Financiera en el Ecuador: Avances 2023. Available at: <https://rfd.org.ec/docs/2024/estudios/Avances%20de%20la%20Inclusión%20Ecuador%202023/Avances%20de%20la%20Inclusión%20Financiera%20en%20el%20Ecuador%202023.pdf>

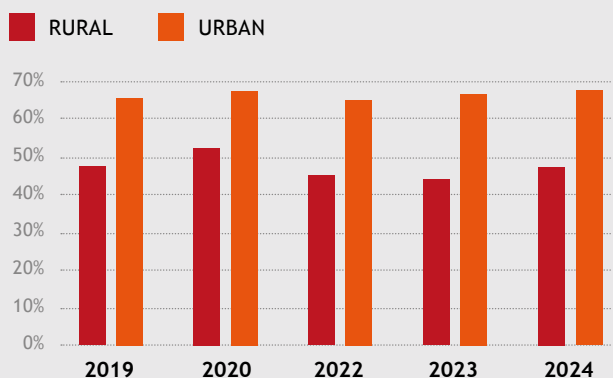
³⁰ Banco Central del Ecuador. 2024. Estadísticas de Inclusión Financiera. Available at: https://contenido.bce.fin.ec/documentos/Estadisticas/SectorMonFin/InclusionFinanciera/ResultIF_012024.html#fn4

³¹ IDB Invest. 2020. Agentes Bancarios, en la vanguardia de la inclusión financiera. Available at: <https://idbinvest.org/es/blog/instituciones-financieras/agentes-bancarios-en-la-vanguardia-de-la-inclusion-financiera>

ICT AND DIGITAL INFRASTRUCTURE

Over 61 percent of Ecuadorians have access to cellular phones; however, there is a rural-urban gap: only 47.4 percent of rural residents have cellular phones compared to over 67 percent of urban residents.³² While urban cellular phone ownership has increased in the last five years (up two percent), rural cellular phone ownership slightly decreased from 47.6 percent in 2019.³³ There is, nonetheless, a reverse gender gap in women's ownership of cellular phones, with 61.6 percent of women owning a cellular phone compared to 61.1 percent for men.³⁴

FIGURE 6. CELL PHONE OWNERSHIP (rural-urban trends)



Source: Instituto Nacional de Estadísticas y Censos (INEC)³⁵

While smartphone adoption has increased in both urban and rural areas, there is a large and persistent gap between the two. Urban smartphone ownership is just under 65 percent, up nearly 11 percent from 2019.³⁶ On the other hand, rural smartphone ownership is at 42 percent, up slightly over 11 percent from 2019.³⁷ Smartphone adoption by gender follows the same trend as cellular phone adoption: 58.6 percent of women and 56.7 percent of men report having access to smartphones, which bodes well for DFS.³⁸

³² Instituto Nacional de Estadísticas y Censos (INEC). 2024. Tecnologías de la información y comunicación: July 2024. Available at: https://www.ecuadorencifras.gob.ec/documentos/web-inec/Estadisticas_Sociales/TIC/2024/202407_Tecnologia_de_la_Informacion_y_Comunicacion-TICs.pdf

³³ Ibid.

³⁴ Ibid.

³⁵ Ibid.

³⁶ Instituto Nacional de Estadísticas y Censos (INEC). 2024. Tecnologías de la información y comunicación: July 2024. Available at: https://www.ecuadorencifras.gob.ec/documentos/web-inec/Estadisticas_Sociales/TIC/2024/202407_Tecnologia_de_la_Informacion_y_Comunicacion-TICs.pdf

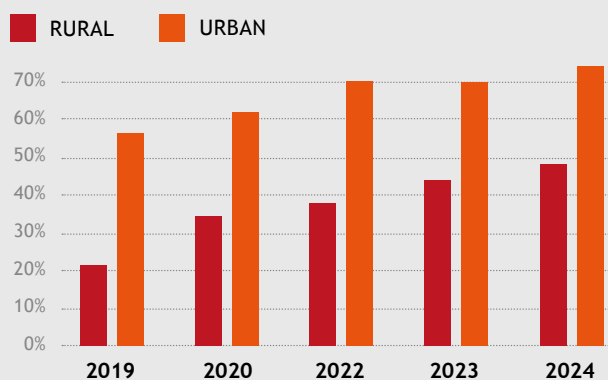
³⁷ Ibid.

³⁸ Ibid.

For DFS to grow in Ecuador, greater attention will need to be paid to increasing mobile phone penetration in both rural and urban areas. Additionally, rural digital illiteracy (14.1 percent) and women's digital illiteracy (5.9 percent) pose significant barriers to DFS expansion. These disparities may need to be addressed by DFS providers themselves in line with the national financial education policy to encourage greater adoption of DFS among rural populations and women.³⁹

Internet coverage in Ecuador is improving and has resulted in many Ecuadorians being connected online. Urban household internet access has increased dramatically in recent years, rising from just over 56 percent in 2019 to 73.6 percent in 2024.⁴⁰ The same trend applies to rural households, where access increased by 26.5 percent from 2019 to 2024, resulting in 48.1 percent of rural households being connected to the internet.

FIGURE 7. CELL PHONE OWNERSHIP (rural-urban trends)



Source: Instituto Nacional de Estadísticas y Censos⁴¹

Today, women use the internet more than men, with 78.2 percent of women using it compared to 76.2 percent of men, a -2 percent gender gap.⁴² Urban internet use is much higher than rural internet use, with over 85 percent of urban residents reporting internet use compared to just under 60 percent of rural residents.

³⁹ Ibid.

⁴⁰ Ibid.

⁴¹ Instituto Nacional de Estadísticas y Censos (INEC). 2024. Tecnologías de la información y comunicación: July 2024. Available at: https://www.ecuadorencifras.gob.ec/documentos/web-inec/Estadisticas_Sociales/TIC/2024/202407_Tecnologia_de_la_Informacion_y_Comunicacion-TICs.pdf

⁴² Ibid.

ID INFRASTRUCTURE

Lack of identification is not a barrier to financial inclusion in Ecuador. Since 2021, the country has had a national digital ID, which can be obtained by any owner of the physical ID.⁴³ However, it is not a free service; the cost for a new issuance is USD5, and renewal costs USD16. Additionally, it cannot be obtained remotely, though appointments can be scheduled on the civil registry's website. Ecuador's digital ID has the potential to drive financial inclusion by making digital financial services more accessible and convenient. It is biometric, secure, enables interoperability, and can be used for payments.⁴⁴ Greater promotion and increased affordability could increase adoption of the digital ID, further enhancing financial inclusion.

REGULATIONS AND INITIATIVES BY FINANCIAL REGULATORS AND GOVERNMENT ENTITIES

Ecuador's financial system and public institutions have prioritized women's financial inclusion over the last decade. There has been some coordination between the private sector and public institutions on financial innovation, as well as significant regulatory collaboration on financial inclusion strategies.

The JPRF is responsible for formulating credit, financial, insurance, and securities policies, as well as issuing regulations to ensure the integrity, solidity, sustainability, and stability of Ecuador's financial systems. Additionally, the JPRF establishes micro-prudential regulations for the national financial, securities, insurance, and prepaid healthcare sectors, based on proposals from the respective supervisory bodies.⁴⁵ The JPRF is the overarching monetary authority in charge of financial policy and regulation, while the BCE regulates currency and credit of the financial system, issues money, promotes the use of payment methods, coordinates and collects basic financial statistics, promotes financial education, and applies financial inclusion policies. The Superintendence of Banks (SB) is the entity responsible for supervising and regulating both the public and private sector in the financial sector and the national system of social security to ensure the general interests of citizens who access and use financial services and products.⁴⁶ Lastly, the Superintendency of the Popular and Solidarity Economy (SEPS) is the technical body for the supervision and control of the entities and organizations in the financial sector and economy. SEPS promotes their sustainability and proper functioning to protect its partners.⁴⁷

⁴³ El Nuevo Ecuador: Telecomunicaciones del Gobierno. Registro Civil sigue entregando la nueva cédula electrónica. Available at: <https://www.telecomunicaciones.gob.ec/registro-civil-sigue-entregando-la-nueva-cedula-electronica/>

⁴⁴ Ibid.

⁴⁵ Junta de Política y Regulación Financiera. Funciones de la Junta de Política y Regulación Financiera. n.d. Available at: <https://jprf.gob.ec/funciones-de-la-jprf/>

⁴⁶ Superintendencia de Bancos. n.d. Available at: <https://www.superbancos.gob.ec/bancos/mision-y-vision/>

⁴⁷ Superintendencia de Economía Popular y Solidaria. n.d. Available at: <https://www.seps.gob.ec/institucion/conoce-que-es-la-economia-popular-y-solidaria-eps/>

The BCE has been the driver of national financial inclusion efforts since the late 2010s and plays an active role in the collection of data and reporting on financial inclusion progress. It publishes quarterly financial statistics that include sex-disaggregated data and has done so since 2017, as well as publishing annual financial statistics since 2015.⁴⁸ The BCE has also published quarterly reports on financial inclusion results since the first quarter of 2023.⁴⁹ These reports include graphs and statistics detailing sex-disaggregated account access and usage data as well as recent data on financial points of access and ATMs by geographic and population distribution. SEPS also collects sex-disaggregated data and financial inclusion data, along with similar data points as the BCE, for the popular and solidarity economy sector.⁵⁰

Another important public institution is the National Institution for Statistics and Census (INEC), which collects sex-disaggregated data on internet connectivity and mobile phone ownership and usage, and digital illiteracy. These data points highlight the gender gaps in ICT infrastructure and technological penetration as well as rural-urban discrepancies. This kind of data, coupled with the inclusion data the BCE collects, forms the basis for the inclusion policies being disseminated. Additionally, monitoring progress through continued data collection allows policymakers and private actors to propose policies and new financial solutions to address inclusion gaps, targeting products and innovation for women and rural populations.

The JPRF incorporates the BCE, SEPS, SB, the Board of Monetary and Financial Regulation, the Ministry of Economy and Finance, the Superintendence of Companies, Values, and Insurance, and others in its inclusion policies, unifying agreements between public and private actors. In 2023, a resolution was passed by the JPRF, issuing the Policy and Strategy for Financial Inclusion, ENIF 2023-2027.⁵¹ Although there is no committee focusing on women or gender, the JPRF, through the ENIF, defines general guidelines to promote financial inclusion, especially for women and other priority groups. The objectives of the policy

include promoting accessibility to financial products and services, incentivizing frequent use of safe and adequate formal financial services, and promoting access and usage of regulated financial products with particular attention paid to financial education and consumer protections. The PNIF translates these general goals into action, articulating its plan in major areas of intervention: improving financial access points and channels, enhancing the offering of financial products and digital financial services, financing MSMEs and building out credit infrastructure, protecting financial users, and increasing financial education.⁵²

Ecuador has committed to enhancing women's financial inclusion through international initiatives such as SEPS' support for AFI's Denarau Action Plan⁵³ and its commitment to the 2019 Maya Declaration, which aim to create regulatory frameworks that ensure equitable financial access for women.⁵⁴



Currently, around 50 percent of members in the popular and solidarity financial sector are women, and 47 percent of credit recipients are women.⁵⁵ Women also represent 50 percent of total depositors in the sector.⁵⁶ Notably, women tend to save around 10 percent more than men in cooperatives and mutual funds, with a stronger focus on long-term savings, while men prioritize short-term savings. These figures highlight the growing participation of women in Ecuador's financial system.

⁴⁸ Banco Central del Ecuador. Estadísticas de Inclusión Financiera. n.d. Available at: <https://contenido.bce.fin.ec/home1/economia/tasas/indiceINCFIN.htm>

⁴⁹ Banco Central del Ecuador. 2024 and 2023. Informe de Resultados de Inclusión Financiera. Available at: <https://contenido.bce.fin.ec/documentos/Estadisticas/SectorMonFin/InclusionFinanciera/indiceRIF.html>

⁵⁰ Superintendencia de Economía Popular y Solidaria. Portal de Datos. 2024. Available at: <https://data.seps.gob.ec/#/dashboards/analytics/0/4>

⁵¹ Resolución No. JPRF-P-2023-080 de la Junta de Política y Regulación Financiera. n.d. Available at: <https://jprf.gob.ec/wp-content/uploads/2023/09/80.-Res.-No.-JPRF-P-2023-080-POLITICA-DE-INCLUSION-FINANCIERA.pdf>

⁵² Junta de Política y Regulación Financiera. 2023. La Junta de Política y Regulación Financiera Emite la Política y Estrategia Nacional de Inclusión Financiera. Available at: <https://jprf.gob.ec/la-junta-de-politica-y-regulacion-financiera-emite-la-politica-y-estrategia-nacional-de-inclusion-financiera/>

⁵³ Alliance for Financial Inclusion. 2022. Denarau Action Plan. Available at: https://www.afi-global.org/wp-content/uploads/2024/10/Denarau_F519_AW_digital.pdf

⁵⁴ Superintendencia de Economía Popular y Solidaria. Enero 2021. Panorama SEPS. Available at: <https://www.seps.gob.ec/wp-content/uploads/Panorama-SEPS-01-2021.pdf>

⁵⁵ Superintendencia de Economía Popular y Solidaria. Portal de Datos. 2024. Available at: <https://data.seps.gob.ec/#/dashboards/analytics/0/62>

⁵⁶ Ibid.

DIGITAL FINANCIAL SERVICES REGULATION

In 2024, Ecuador updated its payment methods regulations, passing resolution No. JPRM-2024-018-M, which contains “Standards that Regulate Payment Means and Systems in Ecuador and the FinTech Activities of its Participants.” The updated standards regulate auxiliary financial entities that process electronic payments (e- wallets, digital transfers, and other electronic payment methods included), requiring central bank authorization and contract transparency about service types and responsibilities. Additionally, certain technology-based payment systems need licensing from the Superintendence of Banks to streamline and secure FinTech operations. Past mobile money initiatives included the BCE’s creation of its own mobile money platform, Dinero Electrónico, which ended in 2018.

Ecuador now has many digital wallets, with PeiGo and PayPhone being two of the most popular, as they can be linked to various debit cards. Google Pay is growing and gaining some market share, while Apple Pay has been recently linked to products from three banks. Many banks in Ecuador also have their own electronic money services for interbank transfers and other localized transactions.

Although the number of available digital wallets is increasing, FinTech is still on the rise in Ecuador. To promote FinTech innovation and enable greater inclusion through FinTech solutions, SEPS created its FinTech Innovation Hub through resolution SEPS- IGT- IGS- INR-2023-014.⁵⁷ The hub is a space for dialogue and consultation, with the objective of supporting and promoting financial innovation, change, and digital transformation in the popular and solidarity financial sector, fully aligned with the institution’s strategic objectives. SEPS has rallied around promoting financial inclusion through digital transformation, providing consultations while working to move FinTech innovations and solutions along the development process.⁵⁸ Considering ENIF’s objective to promote financial education and inclusion for Ecuadorian women, and SEPS’ mission focused on women and other underserved groups, the hub can promote gender inclusive finance in Ecuador through a specific gender lens.

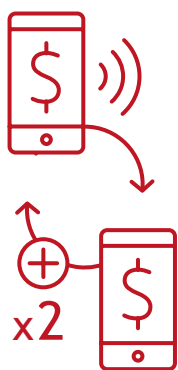
⁵⁷ Superintendencia de Economía Popular y Solidaria. Hub de Innovación Financiera EPS. n.d. Available at: https://hubinnovacion.seps.gob.ec/portfolio_page/la-seps-desarrolla-el-hub-de-innovacion-financiera-de-la-economia-popular-y-solidaria-en-el-ecuador/

⁵⁸ Superintendencia de Economía Popular y Solidaria. n.d. Hub de Innovación Financiera EPS. Available at: <https://hubinnovacion.seps.gob.ec/#:-:text=Es%20un%20espacio%20de%20diálogo,y%20los%20procesos%20de%20supervisión>



In addition to emerging FinTech innovation, crowdfunding is regulated under the 2020 Entrepreneurship Law and the 2022 FinTech Law.⁵⁹ However, there remains little focus on sandboxes and other FinTech innovations. In 2022, the BCE published a study on the status of FinTech in Ecuador, which detailed many primary services that are still to be offered by FinTechs. These include PayTech, loans, digital currencies, corporate financial management, personal financial management, insurance, and e- trading, among others.⁶⁰ FinTechs must reach other parts of the financial services market, as there is a need for different kinds of products, specifically those targeting the underserved. Tailored digital financial products for women and small business owners, as well as digital lending services, will be key to expanding the role of FinTech in advancing women's financial inclusion.

During the COVID-19 pandemic, the government of Ecuador made a push to digitize government-to-person (G2P) payments. Money transfers to citizens who were either pensioners or receiving cash assistance were sometimes conducted through digital channels, but not always. SEPS and the Board for Monetary Policy and Regulation were behind this push.⁶¹ Since then, this trend has only increased.



Digital interbank transfers rose from just over 107 million to 228 million, more than double, by 2023. Some municipalities even offer digital payment methods for basic services (person-to-government, or P2G, payments). In 2021, P2G payments through digital channels for basic services stood at about 3.8 million, a number that rose to 5.8 million in just two years.⁶²

Ecuador is currently developing its open banking framework, which could benefit the push for women's financial inclusion.^{63, 64} One of Ecuador's largest banks, Banco Pichincha, has its own open API portal,⁶⁵ highlighting the nascent nature of open banking in the country. Open banking solutions geared towards women and rural populations show great potential for advancing the financial inclusion in Ecuador.

The documentation requirements to open a bank account are often difficult for vulnerable populations and women to meet. To address this, "simplified" bank accounts can be used to lower the requirements for opening an account and promote financial inclusion. Dinero Electrónico, the government-led electronic payments platform, was criticized by banks and companies wanting to profit from a digital payments system. When it was discontinued in 2018, it was replaced by Bimo, which allowed private actors to enter the digital payments market. This mobile wallet aimed to increase banking penetration by making it easier to open an account. As a result, Ecuadorians needed only limited documentation to open accounts and could do so completely remotely and digitally.⁶⁶ These developments led to the full introduction of both tiered KYC and E-KYC into the financial services sector in 2018 and with the increasing number of digital wallets specific to Ecuador, these solutions have only continued to grow, making financial accounts more accessible.

TRADITIONAL BANKING REGULATION

The 2021 Data Protection Law passed by the National Assembly of Ecuador closely follows the EU's GDPR and guarantees data privacy, protection, and the customer's right to amend or delete data.⁶⁷ The Law for the Defense of the Consumer has been in place since 2000 and was amended once in 2006. The SB regulates consumer protection as it applies to the

⁵⁹ Heka. n.d. Lexology In-Depth: Fintech Law Ecuador. Available at: <https://heka.com.ec/en/2024/04/22/lexology-in-depth-fintech-law-ecuador/>

⁶⁰ Ibid.

⁶¹ República de Ecuador. n.d. Junta de Política y Regulación Monetaria. Resolution N. JPRM-2022-005- M. Available at: <https://asobanca.org.ec/wp-content/uploads/2022/02/Resolucion-Nro.-JPRM-2022-005- M-Norma-de-la-moneday-los-medios-de-pago-electronicos.pdf>

⁶² Banco Central del Ecuador. 2024. El número de operaciones con medios de pago electrónicos se triplicó entre 2019 y 2023. Available at: <https://www.bce.fin.ec/boletines-de-prensa-archivo/el-numero-de-operaciones-con-medios-de-pago-electronicos-se-triplico-entre-2019-y-2023>

⁶³ Crunchbase News. 2021. How Open Banking Could Help Latin America Build the Next Multibillion- dollar Fintech Startup. Available at: <https://news.crunchbase.com/fintech-ecommerce/how-open-banking-could-help-latin-america-build-the-next-multibillion-dollar-fintech-startup/>

⁶⁴ Gestión Digital. 2022. Es el momento de una banca abierta, digital y flexible. Available at: <https://revistagestion.ec/opinion-voces/es-el-momento-de-una-banca-abierta-digital-y-flexible/>

⁶⁵ Banco Pichincha: Open Banking. n.d. Available at: <https://openbanking.pichincha.com>

⁶⁶ Ecuador Times. 2018. 'Bimo' Will Replace Electronic Money. Available at: <https://www.ecuadortimes.net/bimo-will-replace-electronic-money/>

⁶⁷ Fiel Web Evolución Jurídica. 2021. Quinto Suplemento del Registro Oficial No. 459. Ley Orgánica de Protección de Datos Personales. Available at: <https://www.consejodecomunicacion.gob.ec/wp-content/uploads/downloads/2021/07/lotaip/Ley%20Org%C3%A1nica%20de%20Protecci%C3%B3n%20de%20Datos%20Personales.pdf>

rights of financial consumers and processes claims and complaints.⁶⁸ Financial consumer protection that addresses women's concerns and provides mechanisms to address grievances, widely disseminated to and utilized by women, is important to building trust in financial institutions.

Ecuador has deposit-taking microfinance institutions (MFIs), which are regulated by the BCE, while non-deposit-taking MFIs and credit cooperatives are regulated by SEPS. The country has over 16,500 organizations represented in the popular and solidarity sector and nearly over 400 credit and savings cooperatives.⁶⁹ The largest cooperative is JEP Ltd., with over one million members, 58 agencies, and over 800 ATMs.⁷⁰ It offers microfinance credit, credit for MSMEs, a range of savings products, different credit and debit cards, and online banking.⁷¹ Cooperatives like JEP, which are integrated and fully interoperable in the BCE-regulated payments system, lend to many women and strive to include them in the financial sector in Ecuador.

The MSME sector is a key pillar of the economy in the country: 99 percent of Ecuador's businesses are MSMEs,⁷² and roughly 14 percent of these are owned by women.⁷³ Nationally, the Organic Law on Entrepreneurship and Innovation provides the regulatory framework on MSMEs and other entrepreneurial ventures trying to enter the market.⁷⁴ Over 3,500 MSMEs receive credits from the National Financial Corporation (CFN) through private banking. These funds are part of a project promoting access to financing for MSMEs, which is supported by the World Bank.⁷⁵ Additionally, the National Corporation for Popular Finance (CONAFIPS) recently provided credit

and loan funds to credit and savings cooperatives, which in turn, offer finances to many MSMEs and vulnerable groups in the population, primarily women and rural communities. This project had a specific gender focus and benefited over 10,300 women from 2018 to 2023.⁷⁶ The national government is directly involved in committing credit to MSMEs and women-operated businesses, disseminating funds, and using the Ministry of Economic and Social Inclusion (MIES) to promote dialogue with women about credit for their businesses and entrepreneurship.⁷⁷ There is a clear focus on financing for women-owned businesses, which can be further harnessed. Digitization of loan disbursements and other lines of credit provide an opportunity for cooperatives and MFIs to include more rural, typically indigenous women, and for their MSME development to be a driver of the country's economic growth.⁷⁸

Movable collateral registries enable people to register alternative assets as loan collateral. This allows women, who traditionally have fewer assets to be used as traditional collateral, to access credit by using non-traditional assets. The Law of the National Public Data Registry System facilitates movable collateral,⁷⁹ and there is also a registry of guarantees, managed by the BCE, which has an online registration procedure.⁸⁰

Lastly, credit bureaus cover over 75 percent of adults and are regulated by the SB, which also provides guidelines for credit reporting.⁸¹ This credit oversight means that data on debtors and financial consumers is readily available, and when sex-disaggregated, this data can serve as a foundation for policies that increase access to credit for women.

⁶⁸ Naranjo Martínez y Subía. 2023. Reformas a las Normas de Defensa de los Derechos del Consumidor Financiero. Available at: <https://nmslaw.com.ec/blog/2023/11/19/reformas-derechos-consumidor-financiero-ecuador/>

⁶⁹ Superintendencia de Economía Popular y Solidaria. 2024. Portal de Datos. Available at: <https://data.seps.gob.ec/#/dashboards/analytics/1/17>

⁷⁰ Share Money. n.d. Envíe dinero a Cooperativa JEP en Ecuador. Available at: <https://www.sharemoney.com/us/es/ecuador/delivery-methods/bank-deposit/bank-21210>

⁷¹ Cooperativa JEP. n.d. Available at: <https://www.jep.coop/productos-servicios/creditos/microjep>

⁷² World Bank Group. 2021. Ecuador will Receive US\$260 Million from the World Bank to Finance Loans for Microenterprises and SMEs. Available at: <https://www.worldbank.org/en/news/press-release/2020/07/01/ecuador-micro-pequenas-medianas-empresas>

⁷³ Ibid.

⁷⁴ Corte Constitucional del Ecuador. n.d. Registro Oficial Órgano de la República del Ecuador. Ley Orgánica de Emprendimiento e Innovación. Available at: <https://www.gob.ec/sites/default/files/regulaciones/2020-07/151%20Expidase%20la%20Ley%20Orgánica%20de%20Emprendimiento%20e%20InnovaciónLey%20Orgánica%20de%20Emprendimiento%20e%20Innovación.pdf>

⁷⁵ Grupo Banco Mundial. 2023. Ecuador: microempresas que buscan escribir una nueva historia de crecimiento y superación. Available at: <https://www.bancomundial.org/es/news/feature/2023/05/11/ecuador-microempresas-que-buscan-escribir-una-nueva-historia-de-crecimiento-y-superaci-n>

⁷⁶ CAF: Banco de Desarrollo de América Latina y el Caribe. 2023. CAF y CONAFIPS promueven la inclusión económica sostenible al otorgar más de 16.000 créditos a las mipymes de Ecuador. Available at: <https://www.caf.com/es/actualidad/noticias/2023/08/caf-y-conafips-promueven-la-inclusion-economica-sostenible-al-otorgar-mas-de-16000-creditos-a-las-mipymes-de-ecuador/#:~:text=CAF%20y%20CONAFIPS%20promueven%20la,a%20las%20mipymes%20de%20Ecuador&text=Con%20esta%20estrategia%20de%20CAF,se%20han%20beneficiado%2010.352%20mujeres>

⁷⁷ El Nuevo Ecuador. n.d. Infancia. Mujeres recibirán más créditos que promuevan el empoderamiento y la autonomía económica. Available at: <https://www.infancia.gob.ec/mujeres-recibiran-mas-creditos-que-promuevan-el-empoderamiento-y-la-autonomia-economica/>

⁷⁸ Universidad del Azuay Casa Editora. 2024. Digitalización y el Desarrollo sostenible de la MIPYME en Ecuador. Available at: <https://publicaciones.uazuay.edu.ec/index.php/ceazuay/catalog/book/323>

⁷⁹ Gobierno de la República de Ecuador. n.d. Ley del Sistema Nacional de Registro de Datos Públicos. Available at: <https://www.telecomunicaciones.gob.ec/wp-content/uploads/downloads/2012/11/LEY-DEL-SISTEMA-NACIONAL-DE-REGISTRO-DE-DATOS-PUBLICOS.pdf>

⁸⁰ Gobierno de Ecuador. n.d. Portal Único de Trámites Ciudadanos. Registro de Garantías de Valores Desmaterializados. Banco Central del Ecuador. Available at: <https://www.gob.ec/bce/tramites/registro-garantias-valores-desmaterializados>

⁸¹ Superintendencia de Bancos. n.d. Codificación de las Normas de la Superintendencia de Bancos. Libro I - Normas de control para las entidades de los sectores financieros público y privado. Available at: https://www.superbancos.gob.ec/bancos/wp-content/uploads/downloads/2018/01/L1_II_cap_III.pdf

COORDINATION AND COLLABORATION

Beyond the regulations detailed above and the ENIF, Ecuador's financial regulators are well-coordinated and promote alignment with other public and private institutions to implement specific initiatives to boost women's financial inclusion and gender inclusive finance.

This is mainly done through the JPRF, which was established in 2023 to unite various ministries and financial institutions under one policy for financial inclusion. The JPRF in Ecuador is responsible for formulating policies and issuing regulations related to credit, finance, insurance, prepaid healthcare, and securities, ensuring the integrity, stability, and sustainability of the national financial, securities, and insurance systems. It plays a key role in promoting financial inclusion and is the main body behind the national policy for financial inclusion, which is informed by previously collected financial inclusion data.

The status of women's financial inclusion is carefully tracked due to the BCE's collection of data directly from regulated financial institutions. Ecuadorian financial service providers are required to report comprehensive sex-disaggregated data, which is then published by the BCE quarterly, and began in 2023. The figures include women's access to accounts, credit, and active account usage. The BCE also reports on the expansion of financial access points and the usage and availability of various kinds of financial services, including DFS. To place more focus on women and other underserved groups, the BCE may need to examine perceptions of different financial services and institutions among a range of social strata.

Additionally, INEC collects sex-disaggregated data on mobile and internet penetration, among other ICT-related indicators, and produces reports on information and communication technologies. This data provides the best source of information to assess gender and rural-urban gaps in digital literacy and the gaps associated with access to and use of ICT infrastructure.⁸² This information is important for

tracking the advancement of ICT infrastructure and the adoption of digital financial services by women.

The BCE has a robust and comprehensive annual plan for financial education that explicitly addresses the gender gap in financial capabilities. The 2023 Annual Financial and Monetary Education Plan sought to improve financial literacy across the nation, with the goal of enhancing resource management, informed decision-making, and access to formal financial services.

A key emphasis is placed on promoting the adoption of electronic payment systems to reduce the state's reliance on cash transactions, which carry significant costs. Recognizing the diverse needs of the population, the plan targets adults with limited financial knowledge together with vulnerable groups, including women, migrants, and individuals in poverty, ensuring that those most in need of financial inclusion receive targeted support.⁸³

The plan employs a "Train the Trainer" methodology, enabling the BCE to work with partner institutions (Ministry of Economic and Social Inclusion, Professional Training Service, public and private entities, and organizations servicing vulnerable populations) to disseminate knowledge more broadly. Workshops are designed to be participatory and interactive, using a variety of practical tools, such as audiovisual materials, exercises, and real-life examples, to ensure that concepts are accessible and engaging. Collaboration with strategic entities like government agencies and private organizations is key to reaching a larger audience.⁸⁴ In 2023, two important workshops were planned: one with the Ministry of Economic and Social Inclusion and another with the Professional Training Service. Additionally, the SB has introduced a fully virtual financial education portal, which is promoted by the central government.⁸⁵

The plan takes a proactive stance in addressing gender disparities, highlighting significant gaps in financial inclusion. It notes that women are less likely than men to have formal savings accounts, access to credit, or use digital payment systems, using Global Findex data.

⁸³ Banco Central del Ecuador. 2023. Dirección Nacional de Inclusión Financiera. Plan Anual de Educación Financiera y Monetaria 2023. Available at: <https://www.bce.fin.ec/images/inclusion-financiera/PlanEducacionFinancieraDNIF2023.pdf>

⁸⁴ Ibid.

⁸⁵ Superintendencia de Bancos. n.d. Aprendiendo Finanzas Construyo mi Futuro. Available at: <https://educacionfinanciera.superbancos.gob.ec>

⁸² Junta de Política y Regulación Financiera. n.d. Funciones de la Junta de Política y Regulación Financiera. Available at: <https://jprf.gob.ec/funciones-de-la-jprf/>

By raising awareness of these issues and focusing on women's economic empowerment through the provision of workshops, tools, and resources, the program seeks to reduce gender-based financial inequities while enabling greater autonomy and security for women across Ecuador. Highlighted below are the five main modules of the education plan:

- 1 | **Personal Finance:** Basics like saving, budgeting, and goal setting.
- 2 | **Interest Rates:** Understanding rates and their application to formal and informal credit.
- 3 | **Formal vs. Informal Financing:** Emphasizing the risks of informal credit and benefits of formal credit systems.
- 4 | **Payment Systems:** Types, benefits, and proper use of physical and electronic payment methods.
- 5 | **Gender Perspective:** Addressing financial inclusion gaps for women, aiming to empower them economically.

When it comes to monitoring progress, the central bank requires that partner institutions provide progress reports on their financial education activities, detailing outcomes and any necessary improvements. It also monitors the knowledge transfer process to evaluate how effectively partner institutions disseminate training and measure the program's impact.⁸⁶

Global Money Week (GMW) is an annual global campaign held every March to promote quality financial education for children and young people, helping them make informed financial decisions. In Ecuador, it is coordinated by SEPS.⁸⁷ The theme for 2024, "Protect your money, secure your future," focused on financial planning and involved 118 public and private entities, one million beneficiaries, and 685 educational units across all 24 provinces. The campaign aimed to equip young people with financial skills to ensure their well-being and future stability, with a majority of those who attended the in-person GMW events being women.⁸⁸ SEPS also publishes impact reports for GMW on its website.

⁸⁶ Banco Central del Ecuador. 2023. Dirección Nacional de Inclusión Financiera. Plan Anual de Educación Financiera y Monetaria 2023. Available at: <https://www.bce.fin.ec/images/inclusion-financiera/PlanEducacionFinancieraDNIF2023.pdf>

⁸⁷ Superintendencia de Economía Popular y Solidaria. n.d. Global Money Week 2024. Available at: <https://globalmoneyweek.seps.gob.ec/#resultados>

⁸⁸ Superintendencia de Economía Popular y Solidaria. 2024. Global Money Week. Resultados Edición 2024. Available at: https://globalmoneyweek.seps.gob.ec/wp-content/uploads/2024/05/Resultados_GMW2024.pdf

When it comes to emphasizing gender diversity, SEPS is the main driver in promoting gender equity in the financial sector,⁸⁹ and Ecuador has made significant progress in inclusion.

66.6%

In relevant financial institutions, 66.6 percent of board members are women and the president of the JPRF is a woman. The private sector does not show similar advances; however, the Companies Law includes a provision stating that for every three board members, one must be a woman.⁹⁰

This stipulation applies to financial companies regulated by the Companies Law but lacks a framework to sanction non-compliance.⁹¹ Overall, there is little emphasis in Ecuador on promoting the inclusion of women in decision-making positions within private financial institutions.

⁸⁹ Superintendencia de Economía Popular y Solidaria. n.d. Resolución No. SEPS-IGT-IGS-IGJ-INSESF- INGINT-2021-019. Available at: <https://www.seps.gob.ec/wp-content/uploads/SEPS-IGT-IGS-IGJ-INSESF-INGINT-2021-019.pdf>

⁹⁰ Compliance: Legal LATAM. 2023. Ecuador: Mandatory incorporation of female members to the boards. Available at: <https://compliancelegalatam.legal/en/ecuador-mandatory-incorporation-of-female-members-to-the-boards/>

⁹¹ Ibid.

ROLE OF WOMEN IN THE GREATER ENVIRONMENT

Thus far, it has been shown that Ecuadorian financial regulators have played an active role in implementing policies and initiatives that benefit women's access and inclusion, with a moderate level of coordination between the implementing parties.

However, to fully understand the nuances of women's financial access and usage, as well as the lack thereof, one must consider the roles of women in the economy and society and how they may be disadvantaged.



92%

When it comes to education, basic literacy is not a barrier for women in Ecuador, as 93 percent of women and 94 percent of men are literate. Additionally, about 89 percent of adult men and 92 percent women have completed lower secondary school, which is higher than the Latin American and Caribbean average of 72 and 76 percent, respectively.⁹²

Given this, it is important to further develop financial education and skill-building initiatives in schooling to reinforce women's financial inclusion in the country.

There is a major gender gap in labor force participation in Ecuador. The male labor force participation rate is nearly 65 percent, while the rate for women sits below 54 percent.⁹³ Women earn, on average, 23 percent less than men, a pay gap considerably higher than the 11 percent average among Latin American economies.⁹⁴ In addition to the gender pay gap, many women are expected to

perform unpaid household labor due to social norms, which inhibits their ability to take up formal work. As a result, women in Ecuador are more likely to be involved in the informal sector or in entrepreneurship rather than formal employment.

52%

In a region where only 27 percent of entrepreneurs are women, Ecuador stands out with a high rate of female entrepreneurship, with women comprising 52 percent of entrepreneurs compared to men at 48 percent.^{95,96} About 70 percent of businesses have female participation in ownership, but only 18 percent of businesses are majority-owned by women.⁹⁷

According to Women Business and the Law, women face some barriers in entrepreneurship, particularly within legal frameworks.⁹⁸ The report finds that the law does not prohibit discrimination in access to credit based on gender and lacks gender-sensitive procurement provisions in public procurement processes. It also notes that there is insufficient evidence to show that sex-disaggregated data on business activities, entrepreneurship, or women-owned businesses is regularly published.⁹⁹

⁹² World Bank. n.d. Gender Data Portal. Ecuador. Available at: <https://genderdata.worldbank.org/en/economies/ecuador>

⁹³ World Bank Group. 2023. Indicators. Available at: <https://data.worldbank.org/indicator/SI.TLF.CACT.FE.ZS?locations=EC>

⁹⁴ International Monetary Fund. 2024. Tackling the Gender gap in Ecuador's Labor Market. Available at: <https://www.elibrary.imf.org/view/journals/002/2024/358/article-A002-en.xml#:~:text=ln%20addition%20to%20facing%20lower,on%20average%20in%20LA5%20economies>

⁹⁵ BBVA Spark. 2024. Entrepreneurial women in Latin America: challenges, opportunities, and advice on the path to equity. Available at: <https://www.bbvaspark.com/contenido/en/news/entrepreneurial-women-in-latin-america-challenges-opportunities-and-advice-on-the-path-to-equality/>

⁹⁶ Emerald Insight. 2021. Challenging the context: mumpreneurship, copreneurship and sustainable thinking in the entrepreneurial process of women - a case study in Ecuador. Available at: <https://www.emerald.com/insight/content/doi/10.1108/arla-07-2020-0172/full/html#:~:text=2.1.&text=Ecuador%20stands%20out%20for%20its,World%20Economic%20Forum%2C%202018>

⁹⁷ World Bank Group. 2017. Enterprise Surveys. Ecuador. Available at: <https://www.enterprisesurveys.org/en/data/exploreeconomies/2017/ecuador#gender>

⁹⁸ World Bank Group. 2024. Women, Business and the Law. Available at: <https://wbl.worldbank.org/content/dam/documents/wbl/2024/pilot/WBL24-2-0-Ecuador.pdf>

⁹⁹ Ibid.

RECOMMENDATIONS BASED ON THE GIF ROADMAP TO ACCELERATE WFI

Taking the Women's Financial Inclusion Analytical framework one step further, AFI developed Gender Inclusive Finance (GIF) Roadmaps for the LAC region detailing recommended efforts and priorities for financial regulators to drive women's financial inclusion in their countries.

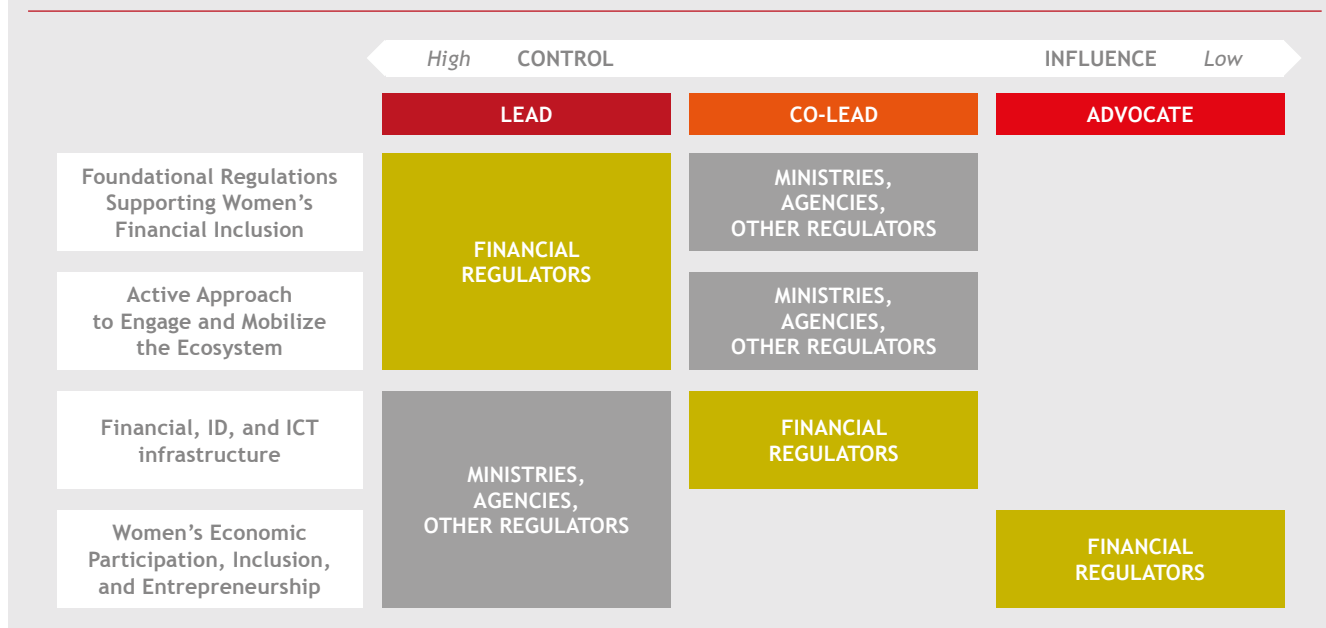
Figure 8 illustrates how the regulatory enablers, policies, national initiatives, and programs in the roadmaps are divided by lead, co-lead, and

advocate roles to clearly indicate the recommended responsibilities for AFI members and the financial regulators. The following outlines the recommended actions for Ecuador's financial regulators based on the application of the GIF Roadmap for the LAC region.

Ecuador demonstrates a strong commitment to women's financial inclusion through its ENIF and financial education plan. Both specifically highlight the importance of promoting women's inclusion in the formal financial system and increased adoption of DFS among women as clear goals for women's economic empowerment and the overall development of the country. Additionally, Ecuador's JPRF demonstrates a dedication to collaboration among institutions and private actors by providing an organization to align them around financial inclusion goals, though the board lacks an explicit gender focus. The JPRF sets the guidelines for the PNIF, containing a slight gender orientation that can be enhanced.



FIGURE 8. SCHEMATIC ROADMAP TO ACCELERATE WOMEN'S FINANCIAL INCLUSION



	LEAD	CO-LEAD	ADVOCATE
FOUNDATIONAL REGULATIONS SUPPORTING WOMEN'S FINANCIAL INCLUSION	NATIONAL PAYMENT SWITCH/SYSTEM FOR INTERBANK TRANSFERS Work through Public-Private Sector Partnerships to build an IT system that enables interoperability between banks, making it faster for customers to make payments to accounts at other banks, whether their own or others.	✓ Public-Private Partnerships (PPPs), usually with the banker's association	
	NATIONAL FINANCIAL INCLUSION STRATEGY (NFIS) FOCUSED ON WOMEN Continuity with the NFIS is crucial (i.e. year after year). Ensure that a comprehensive strategy is in place that clearly defines goals, actions, roles, and responsibilities for all stakeholders in both the public and private sectors. Strategies must be data-driven and include explicit targets improving women's financial access and usage.	N/A	N/A
	INTEROPERABILITY OF FINANCIAL SYSTEMS AND PRODUCTS Retailers need to accept mobile money as a form of payment. Ensure interoperability between wallets, bank accounts, and other digital products with low or no fees.	✓ Ministry of Communications/Telco ✓ Ministry of the Interior	

Although there has been discussion of a legal framework for interoperability of payment systems, it has yet to be regulated by law.¹⁰⁰ In Ecuador, interoperability regulations are limited, focusing on POS systems and ATM networks via private agreements, with a mandate that all POS systems accept domestic credit and debit cards.¹⁰¹ However, the market is still dominated by closed ecosystems, hindering broader integration.¹⁰² Comprehensive regulatory

¹⁰⁰ Banco Central del Ecuador. 2024. Propuesta de Norma de Interoperabilidad en Sistemas de Pagos de Bajo Valor. Available at: <https://www.bce.fin.ec/images/JPRM/consulta-publica/Comunicado-Norma-de-Interoperabilidad.pdf>

¹⁰¹ Banco Central del Ecuador. n.d. Interoperabilidad entre Sistemas de Pagos Inmediatos. Available at: <https://www.bce.fin.ec/images/JPRM/consulta-publica/Nota-Tecnica-Interoperabilidad.pdf>

¹⁰² Ibid.

measures and expanded technical frameworks are essential for full interoperability. The BCE can encourage public-private partnerships to develop an IT system that enables interoperability between banks, allowing customers to make faster payments to accounts at other banks, regardless of account ownership. Additionally, retailers need to accept mobile money as a form of payment across the board, ensuring interoperability between wallets, bank accounts, and other digital products. Ensuring that interoperable transactions be conducted with low or no fees is crucial to promoting greater women's inclusion in the financial system.

		LEAD	CO-LEAD	ADVOCATE
ACTIVE APPROACH TO ENGAGE AND MOBILIZE THE ECOSYSTEM	NATIONAL COALITION ON FINANCIAL INCLUSION, WITH A SPECIFIC FOCUS ON WOMEN A council that unites public and private sector stakeholders to ensure alignment around financial inclusion goals and actions. Guided by the NFIS, it may feature a specific working group or thematic focus on women, or regularly incorporate these issues into its agenda. Periodic meetings and ongoing follow-up will ensure coordinated actions.		<ul style="list-style-type: none"> ✓ Other Ministries ✓ Private Sector Association like Banking Associations, etc. 	
	SEX-DISAGGREGATED FINANCIAL SERVICES DATA COLLECTION AND REPORTING With the regular collection, aggregation, and reporting of supply-side sex-disaggregated data in place, regulators can concentrate on improving data quality. Beyond consumer-level data, it is important to understand how MSMEs are served. Work with others to mobilize efforts on collecting demand-side data (i.e. national surveys) that can help expose the actual state of WFI. Ensure the data is easily accessible through an online portal and invest in developing regular reports (yearly or every other year) that detail progress on WFI and gaps.		<ul style="list-style-type: none"> ✓ MSME Ministry ✓ National Statistics Bureau ✓ Census Surveys 	
	INCENTIVIZE FINTECH AIMED AT UN/UNDERSERVED WOMEN Encourage and incentivize private sector involvement and new entrants to introduce FinTech solutions targeting unserved and underserved women. Examples include regulatory sandboxes and innovation offices or hubs.		<ul style="list-style-type: none"> ✓ FinTech Association 	N/A
	POLICIES TO PROMOTE INVESTMENT IN WFI Implement policies and programs to incentivize financial institutions and investors to invest in WFI. Examples include credit guarantee schemes or funds for SMEs and investor incentives.		<ul style="list-style-type: none"> ✓ Ministry of Economic Development and Planning ✓ MSME Agencies 	
	PROMOTE WOMEN-CENTRIC SOLUTIONS Encourage financial institutions to design and implement financial and non-financial solutions that meet women's unique financial behaviors, needs, and gaps in the market - to be determined based on available sex-disaggregated data		<ul style="list-style-type: none"> ✓ Private Sector Banking and Microfinance Associations 	
	ENCOURAGE GENDER DE&I IN THE FINANCIAL SECTOR AND INVEST INTERNALLY Urge the financial sector (especially regulated FIs) to invest in internal gender diversity, equity, and inclusion (DE&I). This approach can involve both mandates and incentives. For example, require regulated FIs to report the percentage of women in different executive and management roles and provide incentives such as added publicity and events to celebrate leading institutions. Regulators must also lead by example by prioritizing gender DE&I within their own institutions.		<ul style="list-style-type: none"> ✓ Ministry of Women (or public agency dedicated to women) 	

Public institutions can also do a better job of incentivizing investment in women's financial inclusion. In the FinTech industry, the FinTech Innovation Hub is a significant step forward. Additionally, the national government has supported increased credit projects for women and women-owned MSMEs. Both policies promote private sector involvement in women's financial inclusion, but investment incentives specific to women-focused financial solutions can be a key policy tool for furthering the adoption of DFS and other formal financial services among women.

The collection and reporting of sex-disaggregated financial services data is well-developed and robust, and the continuation of this data collection is important to guide financial inclusion policies. Extending this robust data collection to agent banking networks will also help inform financial inclusion policies focused on expanding points of access.

The data on women's preference for savings and credit cooperatives, as well as savings products has informed initiatives related to funding and credit for women's entrepreneurship and women-owned MSMEs. This is a strong point in Ecuador's roadmap and, if coupled with other women-focused formal financial sector credit services, will only increase women's financial inclusion for years to come. Such policy and private-sector alignment will address the large borrowing gap between women and men and enhance WMSME growth.

With women representing 66 percent of board members in public financial institutions, regulators have taken steps toward promoting gender diversity, equity, and inclusion within the sector. Regardless, a gap between the private and public sector remains in this aspect. By requiring regulated financial institutions to report the percentage of women in different executive and management roles and providing incentives such as added publicity and events to celebrate leading institutions, the BCE and SB can hold financial institutions accountable for DE&I, while promoting the involvement of women in leadership positions.

	LEAD	CO-LEAD	ADVOCATE
FINANCIAL, ID, AND ICT INFRASTRUCTURE	EXPAND AGENT BANKING NETWORKS Financial regulators can work with the private sector through public-private partnerships to establish an agent banking model and accelerate the expansion of cash-in and cash-out points.	<ul style="list-style-type: none"> ✓ Other Ministries ✓ Public-Private Partnerships (PPPs) 	
	<ul style="list-style-type: none"> ✓ Ministry of Communications/Telco in partnership with private sector players building telco towers 	EXPAND WOMEN'S INTERNET ACCESS/USAGE Online access is dependent on providers and government ministries investing in internet expansion infrastructure throughout the country. Usage depends on the affordability of internet services as well as the access and affordability of smartphones, computers, and other technologies. Both are essential to achieve financial inclusion.	N/A
	<ul style="list-style-type: none"> ✓ Ministry of Communications/Telco and partnerships with private sector players 	EXPAND WOMEN'S MOBILE PHONE OWNERSHIP With the right market solutions feature phones can be used to make payments and transfer money to and from e-wallets. Smartphones provide access to online banking (e.g. through apps) for more sophisticated transactions and to capacity building programs.	

Ecuador's financial regulators need to focus on DFS and access to it for rural populations and women, as both face barriers to full inclusion due to digital illiteracy, with rural populations in particular suffering from limited access to smartphones compared to their urban counterparts. Encouraging the Ministry of Telecommunications and the Information Society (MINTEL) to partner with private sector participants to expand mobile phone and internet access to rural areas is a critical first major. Additionally, focusing digital literacy efforts, through the financial education plan, on rural populations - especially rural women - will increase confidence and adoption of digital financial services. A focus on DFS, by providing low-cost and easy to adopt methods of credit, savings, payments, among other options, can significantly advance women's financial inclusion and open possibilities for underserved populations to use formal financial products.

	LEAD	CO-LEAD	ADVOCATE
WOMEN'S ECONOMIC PARTICIPATION, INCLUSION AND ENTREPRENEURSHIP	<ul style="list-style-type: none"> ✓ Ministry of Labor ✓ Ministry of Economy ✓ Ministry of Women (or a Public Agency dedicated to Women) 	N/A	PROMOTE AND SUPPORT WOMEN IN THE LABOR FORCE Support national efforts to empower women in leadership roles and promote greater gender diversity across both the private (beyond banking and financial... Raise awareness within the banking and financial services sector about the value and business case for internal gender diversity, equity, and inclusion.
	<ul style="list-style-type: none"> ✓ Ministry of Economy, MSME, or Small Business Department ✓ MSME Agencies 		SUPPORT WOMEN ENTREPRENEURS AND BUSINESS OWNERS IN SKILL AND CAPACITY BUILDING Together with Chambers of Commerce and other government ministries, support women MSMEs and entrepreneurs with capacity building programs, including business development, financial and digital literacy, sector-specific skills, and networking opportunities through events and communities of women MSMEs.
	<ul style="list-style-type: none"> ✓ Ministry of Education 		PROMOTE GIRLS' SECONDARY EDUCATIONAL ATTAINMENT AND ENTRY-LEVEL CAREER OPPORTUNITIES Support national efforts focused on increasing the graduation rate of girls from upper-secondary education. Some national programs support young women with entry-level career opportunities; advocate for their inclusion within the banking and financial services sector.

Lastly, public institutions can promote women's educational attainment, capacity building, and formal employment through various kinds of programs and national initiatives. As previously mentioned, women have strong entrepreneurial sentiment but lack legal protections against discrimination in business startup procedures. Providing these legal protections through regulations, human capital, and skill- building workshops and programs through various ministries (MIES, Ministry of Education, Ministry of Economy and Finance, and others), and promoting women in decision-making positions in the private sector through the Ministry of Economy and Finance, are all ways to include women not just in finance but in the broader environment in Ecuador.

CONCLUSION

Ecuador has made commendable progress in advancing women's financial inclusion, closing the gender gap in account ownership, and improving access to financial services.

On data, the nation is quite advanced: sex-disaggregated. To sustain and deepen this progress, focused efforts are needed to address persistent barriers and leverage emerging opportunities. Expanding digital financial services for inclusion remains critical, particularly for rural populations and women in informal sectors. Targeted initiatives to improve rural connectivity, reduce digital illiteracy, and build trust in digital transactions will be essential. Partnerships between government and private sector actors can ensure that infrastructure and education programs reach underserved regions and empower women.

Encouraging greater private sector investment in women's financial inclusion is also crucial for driving innovation and sustainability. Ecuador's financial regulators can incentivize financial institutions to develop women-focused products by offering tax benefits, grants, or public recognition for impactful initiatives. Collaboration with FinTech companies to create affordable and accessible solutions for underserved women can further accelerate progress. Public-private partnerships to fund and expand credit access for women entrepreneurs and MSMEs will also drive economic growth and enhance financial inclusion.

Finally, Ecuador's government must continue to prioritize financial education programs with an explicit focus on women and girls. Expanding initiatives such as the BCE's financial literacy strategy will equip women with the knowledge and confidence to navigate formal financial systems and adopt digital solutions. By addressing these areas, Ecuador can solidify its position as a leader in gender inclusive finance, ensuring that women play a central role in driving the country's economic development.



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