United Nations
Economic Commission for Africa

State of Women's Financial Inclusion & Entrepreneurship in Sierra Leone

Situation Analysis Findings · Logit & Fairlie Decomposition Evidence · August 2026

NewBrook Fields Hotel, Freetown, Sierra Leone

ideas for a prosperous Africa
IdeastoAction

Outline

1. **Context & the case for action**
   Demographics, informality, entrepreneurship

2. **Status of financial inclusion**
   Accounts, savings, credit — national baselines

3. **Gender gap evidence**
   Logit models & Fairlie decompositions

4. **What actually drives inclusion**
   Education, employment, phones, ID, accounts

5. **Entrepreneurship & policy landscape**
   NSFI2, GEWE Act, ecosystem barriers

6. **Implications for technical guidelines**
   Priorities for workshop discussion

Why This Matters Now

Sierra Leone's youth-dominated, informal economy makes financial inclusion the critical enabler of entrepreneurship — and the evidence base for technical guidelines must reflect what actually drives access, not assumptions.

75%
Population under age 35

92%
Employment that is informal

2.1M
Women running micro-enterprises

39%
Adults financially included

Women's inclusion is even lower at 36%, versus global and African averages of 76% and 48% for women respectively.

The Sierra Leone Paradox

Entrepreneurially active

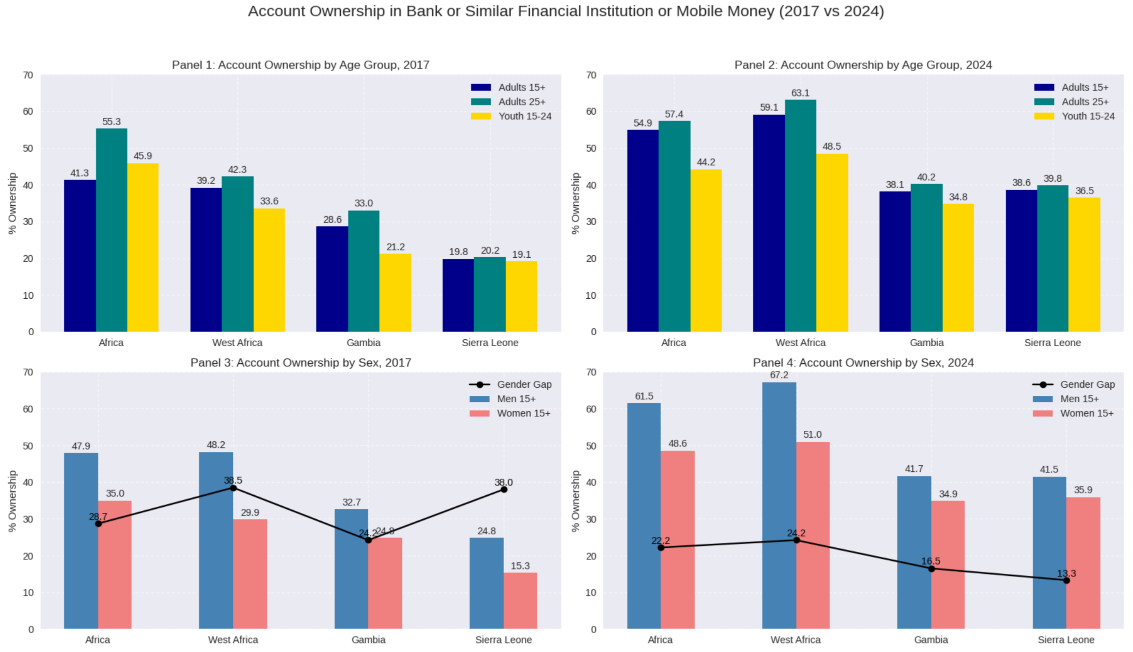
MSMEs are ~80% of businesses continent-wide; women dominate petty trade, agro-processing and food services; youth cluster in transport, ICT and vending.

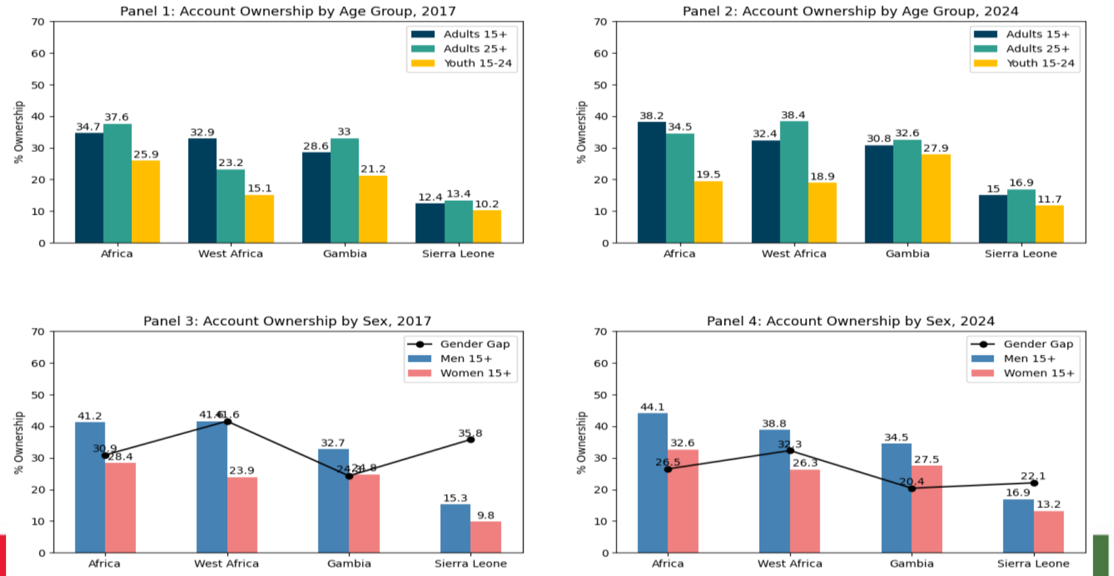
Structurally excluded

59.2% multidimensionally poor; over 90% self-employed or in family work; irregular, seasonal income with minimal collateral or documentation.

This is the core tension the technical guidelines must resolve: the population most active in enterprise is the population least served by formal finance.

Account ownership





Digital finance is expanding in Sierra Leone, but women and young people risk being left behind, especially in mobile-money access and use.

Raw Gender Gaps in Account Ownership

Men have higher ownership across every channel — the question is why.

Any account — Men 41.5% / Women 35.9% **+5.54 pp**

Financial-institution account — Men 16.9% / Women 13.2% **+3.74 pp**

Mobile-money account — Men 33.6% / Women 30.9% **+2.68 pp**

Central Finding

Once education, income, employment, phone and ID access are controlled for, gender is not statistically significant in accounts, savings, or borrowing.

Accounts: female AME −1.45pp to +1.10pp, all p>0.5

Savings: female AME −0.5pp to +2.8pp, all p>0.4

Borrowing: female AME AME −1.8pp to +1.9pp, +1.9pp, all p>0.4

What Explains the Raw Gap? Fairlie Decomposition

Account ownership gap decomposed into observed characteristics vs. unexplained residual.

Any account

4.08pp

explained of 5.54pp gap (74%)

Secondary education +2.32pp; top income +1.31pp; employment +0.97pp

Financial-institution account

2.61pp

explained of 3.74pp gap (70%)

Secondary +1.05pp; tertiary education +0.70pp

Mobile-money account

3.75pp

exceeds 2.68pp raw gap

Education & employment predict a larger gap than observed

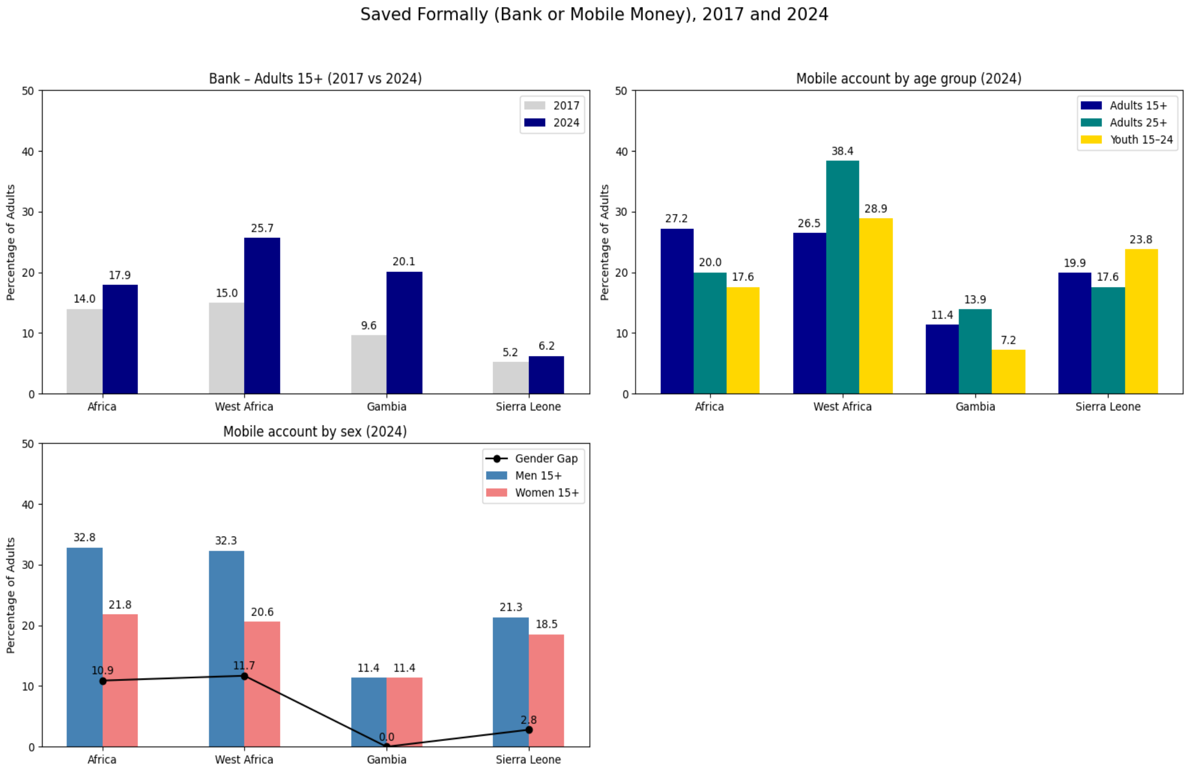
Interpretation: education, income and employment gaps — not gender itself — drive most of the observed male advantage in account ownership.

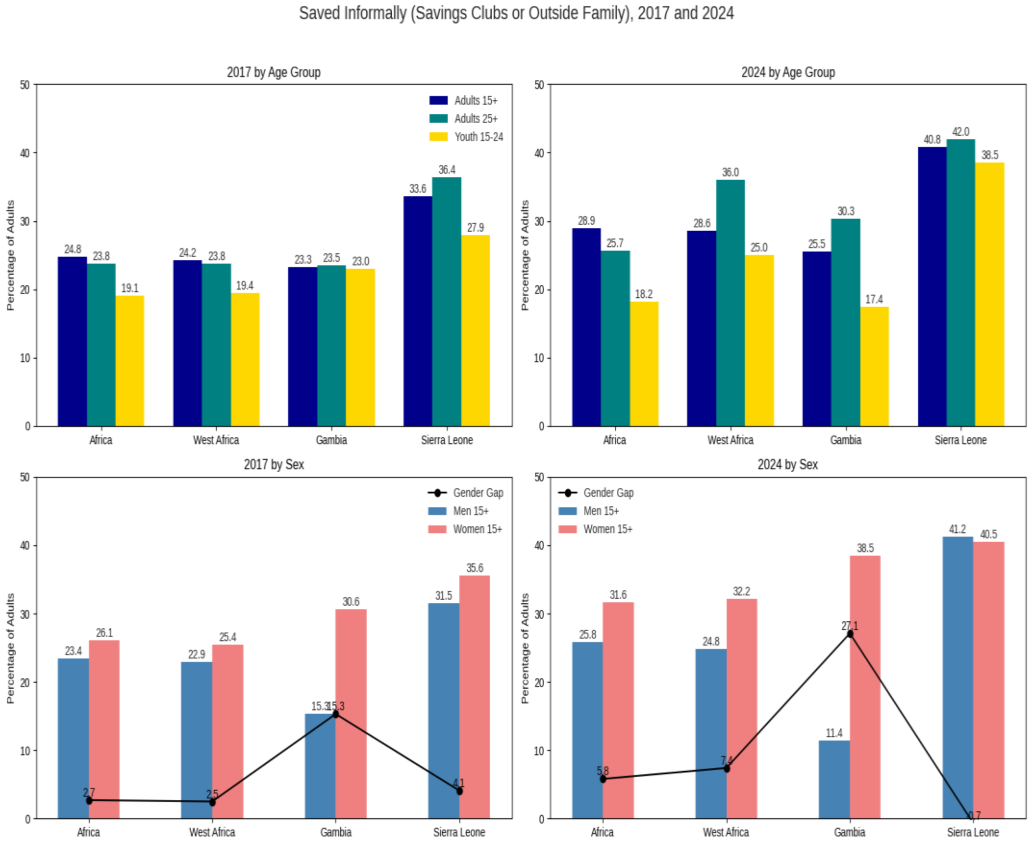
The Real Drivers of Account Ownership

Tertiary education	**+32.5 pp**
Phone ownership	**+23.1 pp**
Secondary education	**+16.6 pp**
Internet use	**+12.2 pp**
Employment	**+9.5 pp**
Rural residence	**−6.3 pp**

Average marginal effects, extended any-account model. ID ownership positive but borderline (+5.5pp, p=0.077).

Gender and Age Gap in Savings





Savings behaviour: No gender gap, but account effect is huge

61.9% of men and 60.7% of women save from any source — a statistically insignificant 1.18pp difference.

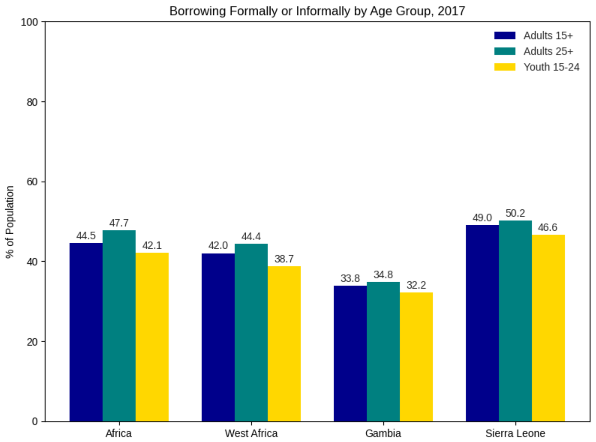
24.0 pp
Formal-saving boost from account ownership

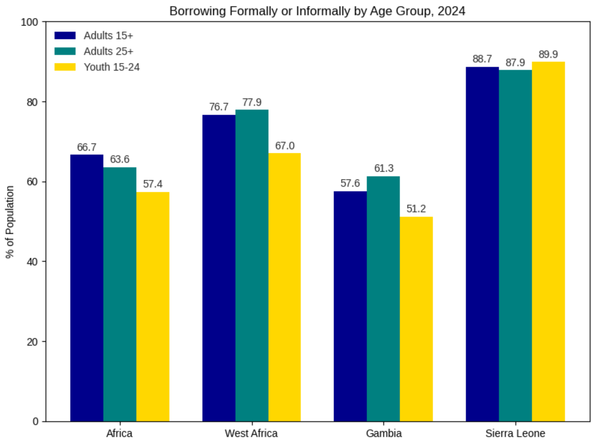
14.7 pp
Boost from phone ownership

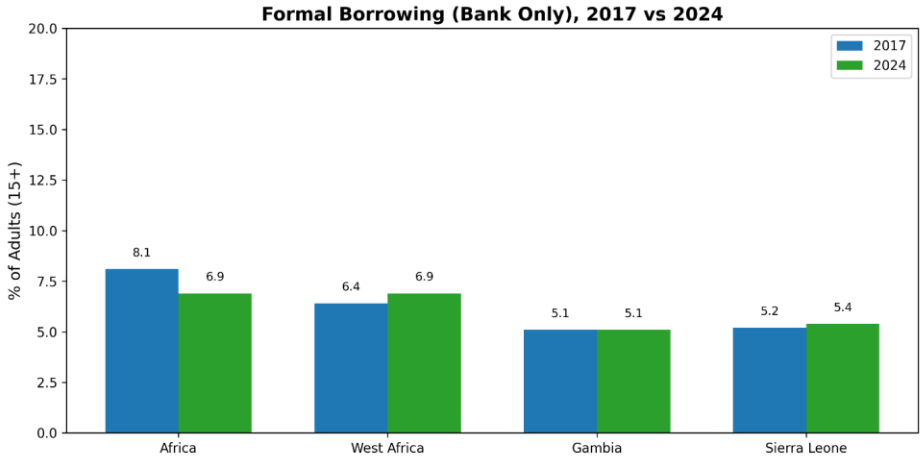
11.6 pp
Boost from employment

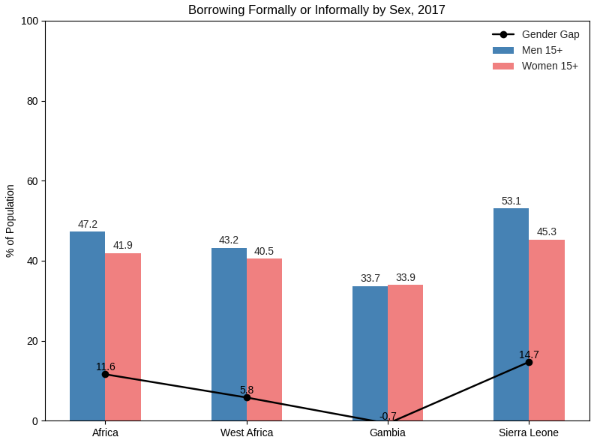
Semi-formal/group saving (VSLAs, osusu) is widespread among both men and women (70–71%), with no significant covariate distinguishing users — it functions as broad-based community finance, not a women-specific channel.

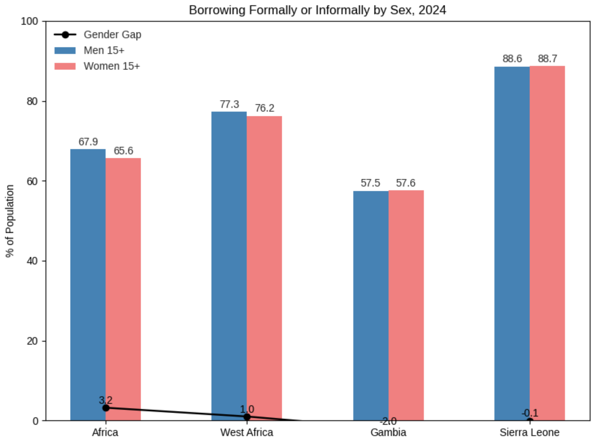
Borrowing Channels

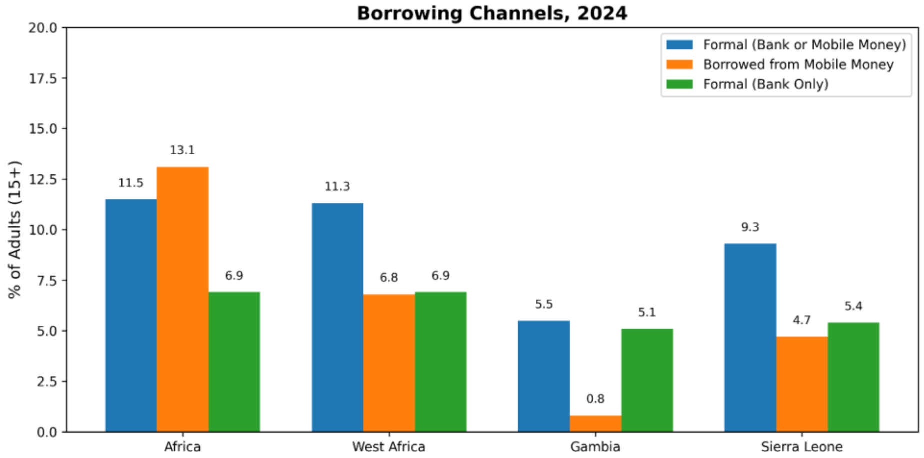












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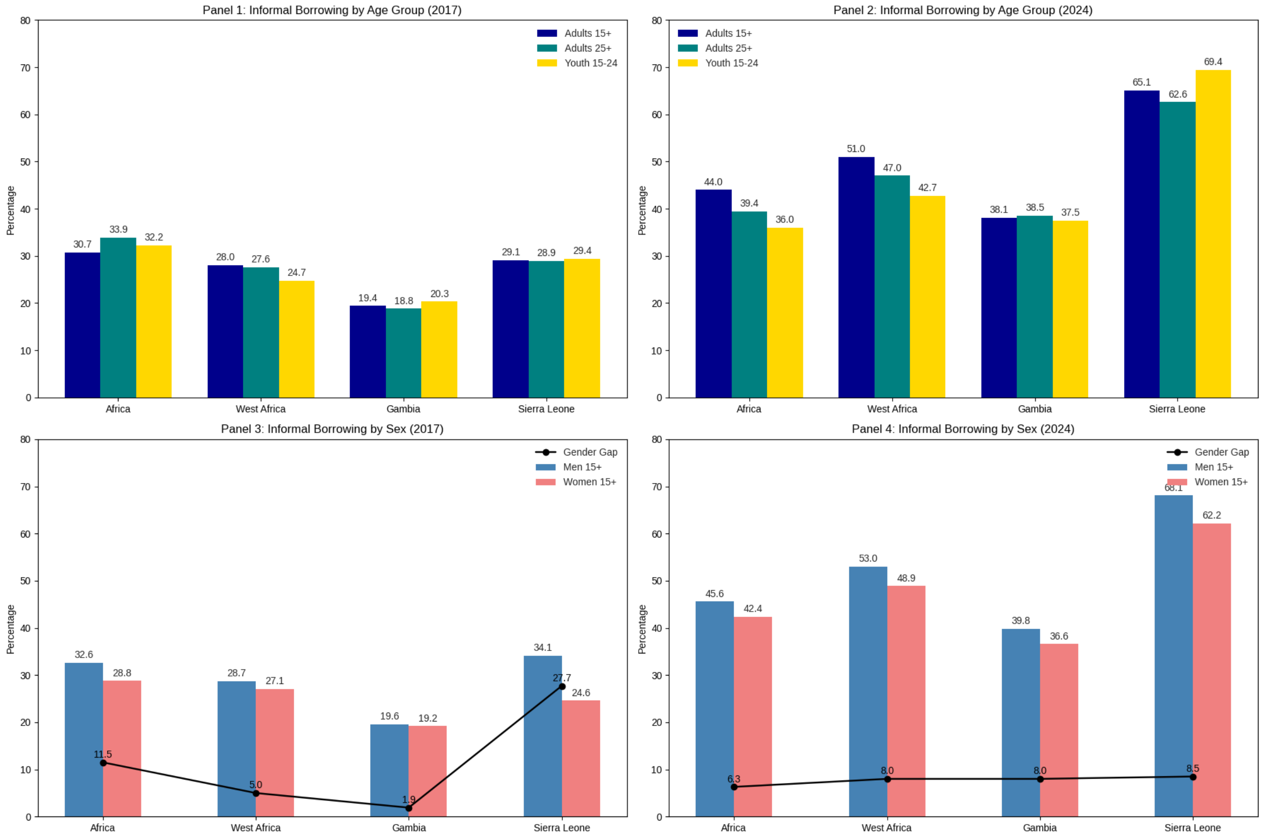

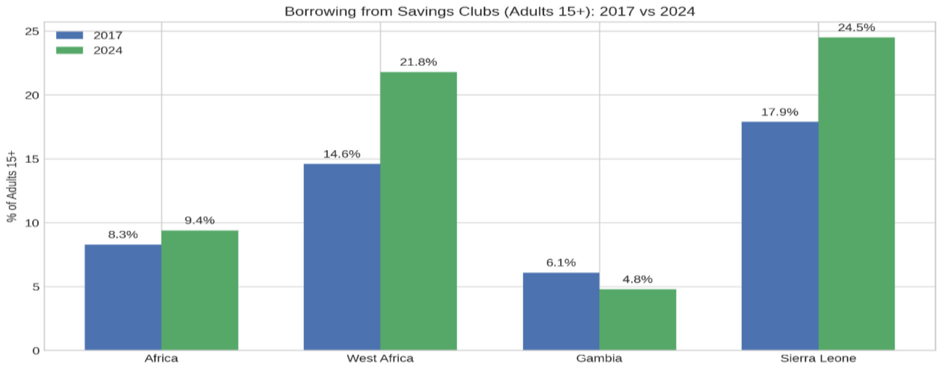

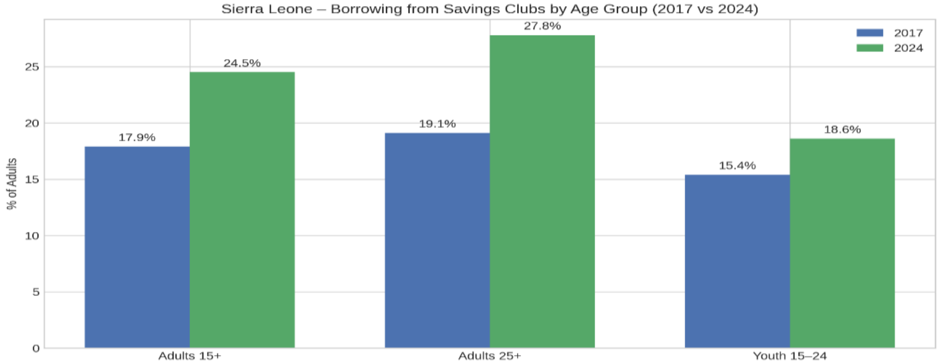

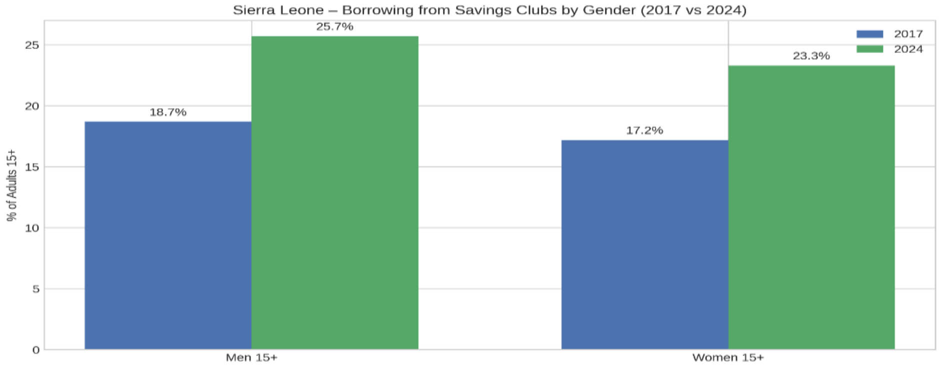

Borrowing: Access Infrastructure Matters More Than Gender

No significant adjusted gender gap in borrowing from any source (724 to 1,001 sample), formal borrowing, or group borrowing.

Formal borrowing correlates

- Employment: +15.9 pp
- Account ownership: +7.9 pp
- Phone ownership: +7.4 pp
- ID ownership: +7.0 pp

Group borrowing (non-formal)

- Rural residence: +14.1 pp
- Employment: +14.6 pp
- ID ownership: −16.8 pp (substitutes for formal access)

Fairlie: men's formal-borrowing rate (14.9%) exceeds women's (11.5%); observed endowments explain ~88% of this 3.39pp gap.

Cross-Cutting Synthesis

Not a gender-coefficient problem
Across accounts, savings and borrowing, adjusted female effects are consistently small and statistically insignificant.

It is a capability-and-access problem
Education, employment, phone ownership, internet use and ID ownership are the consistent, significant correlates across every outcome — and these are themselves gendered.

Community finance is gender-neutral infrastructure
VSLAs and osusu groups serve men and women alike; the priority is voluntary linkage to formal services, not women-only targeting.

Absence of a coefficient ≠ absence of a barrier

Models cannot observe control over phones/money, safety, social norms, provider bias or product quality — qualitative work must fill this gap.

Sierra Leone's Policy Foundation

NSFI2 (2022–2026)

Prioritises women, youth, rural populations and MSMEs; client-centred products, DFS, literacy, consumer protection.

GEWE Act (2022)

Mandates equal access to financial services and economic opportunities for women.

Non-Discrimination Directives (2021)

Prohibit gender-based discrimination in access to financial products across regulated institutions.

Sierra Leone holds a Women, Business and the Law Entrepreneurship Score of 75% (2024) — a regional leader on paper. The binding constraint now is operationalisation, not legislation.

Governance and regulatory framework for financial inclusion in Sierra Leone

Policy oversight
Presidency and Cabinet
Provide national policy direction, reform backing and cross-government legitimacy for inclusion priorities.

Lead regulator
Bank of Sierra Leone
Serves as the lead regulator, supervisor and convener for financial inclusion, including market conduct, digital finance, consumer protection and implementation oversight.

Service delivery
Banks, MFIs and payment providers
Operationalize policy through accounts, savings, credit, payments and outreach channels for underserved populations

Fiscal and planning
Aligns financial inclusion reforms with macroeconomic policy, public programmes and project coordination.

Strategy architecture
NSFI2 coordination structure
Technical working groups and multi-stakeholder coordination platforms translate strategy pillars into implementation, reporting and monitoring actions.

Digital access
Mobile money and fintech actors
Support last-mile delivery, agent networks and lower-cost access for women, youth and rural users.

Inclusion mainstreaming
Gender, Youth, Trade and MSME institutions
Embed women's empowerment, youth employment and enterprise development into policy implementation.

Regulatory pillars
Core instruments
Key instruments include non-discrimination measures, DFS and payments rules, agent banking, consumer protection and reforms supporting MSME finance and women's economic participation.

External support
World Bank, UNCDF, AFI and partners
Provide technical assistance, legal and institutional support, market infrastructure investments and learning platforms.

Upward accountability: financial inclusion priorities remain anchored in national public institutions and development planning.

Horizontal coordination: the central bank links regulators, ministries, providers and partner programmes through NSFI2 structures.

Downstream implementation: inclusion outcomes depend on whether providers and support institutions translate policy into accessible, relevant services.

Policy and oversight | **Inclusion mainstreaming institutions** | **Regulation and service delivery** | **Support and enabling actors**

Note: The framework places the Bank of Sierra Leone at the centre of strategy coordination, regulation and supervision, linking line ministries, financial service providers and development partners within the implementation architecture of the National Financial Inclusion 2022-2026

Where Implementation Falls Short

📊 Weak sex- and age-disaggregated data

Providers inconsistently collect/report SADD; central bank systems still maturing.

🏛️ Provider capacity & incentives

Business models skew to urban, higher-income clients; limited incentive for tailored products.

🔌 Digital & infrastructure bottlenecks

Rural network gaps, power interruptions limit agent/DFS rollout at scale.

⚖️ Uneven enforcement

Non-discrimination directives exist, but supervisory follow-up and redress systems are still evolving.

🧩 Pilot-heavy delivery

Many innovations remain donor-funded pilots, not embedded in national systems.

🔗 Weak policy coherence

NSFI2, GEWE Act, MSME and youth-employment instruments not yet fully linked.

Guidelines Priority 1

Turn account access into Active, Usable Finance

- →Pair onboarding with low-cost products, simplified KYC, reliable agent cash-in/cash-out, and transparent fees.
- →Design small-ticket, flexible-repayment credit and savings products matched to irregular, seasonal micro-enterprise cash flows.
- →Embed financial-capability content in real use cases: payments, market trading, farming, school fees, group funds.

Guidelines Priority 2

Link Community Finance to Formal Providers — Voluntarily

- →Treat VSLAs and osusu-type groups as local financial infrastructure serving both women and men.
- →Offer optional group accounts, digital ledgers, agent-assisted deposits and graduated credit — without imposing fees or documentation that exclude the poorest members.
- →Preserve group autonomy, trust and privacy; formalisation must be a choice, not a mandate.

Guidelines Priority 3

Close the Capability Gap, Not Just the Access Gap

- →Invest in secondary/tertiary education access and financial literacy — the strongest, most consistent correlate across every model.
- →Expand affordable phone/connectivity access and simplified ID enrolment, since both raise account, savings and credit probability by 7–23pp.
- →Bundle finance with business development services, mentoring and market linkages — not credit alone.

Guidelines Priority 4

Build gender-sensitive monitoring — even when headline gaps are not significant

- →Track account activation, deposit frequency, balances, dormancy, complaints and uptake by sex, rurality, education and enterprise type.
- →Launch regular, nationally representative MSME/informal-sector surveys with sex- and age-disaggregated variables, at least every three years.
- →Commission qualitative research on control over phones/money, safety, documentation barriers and trust — factors the quantitative models cannot see.

Thank You