

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



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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 financial gender gap have been making progress since 2011, with the gap shrinking from nine percent 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.

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

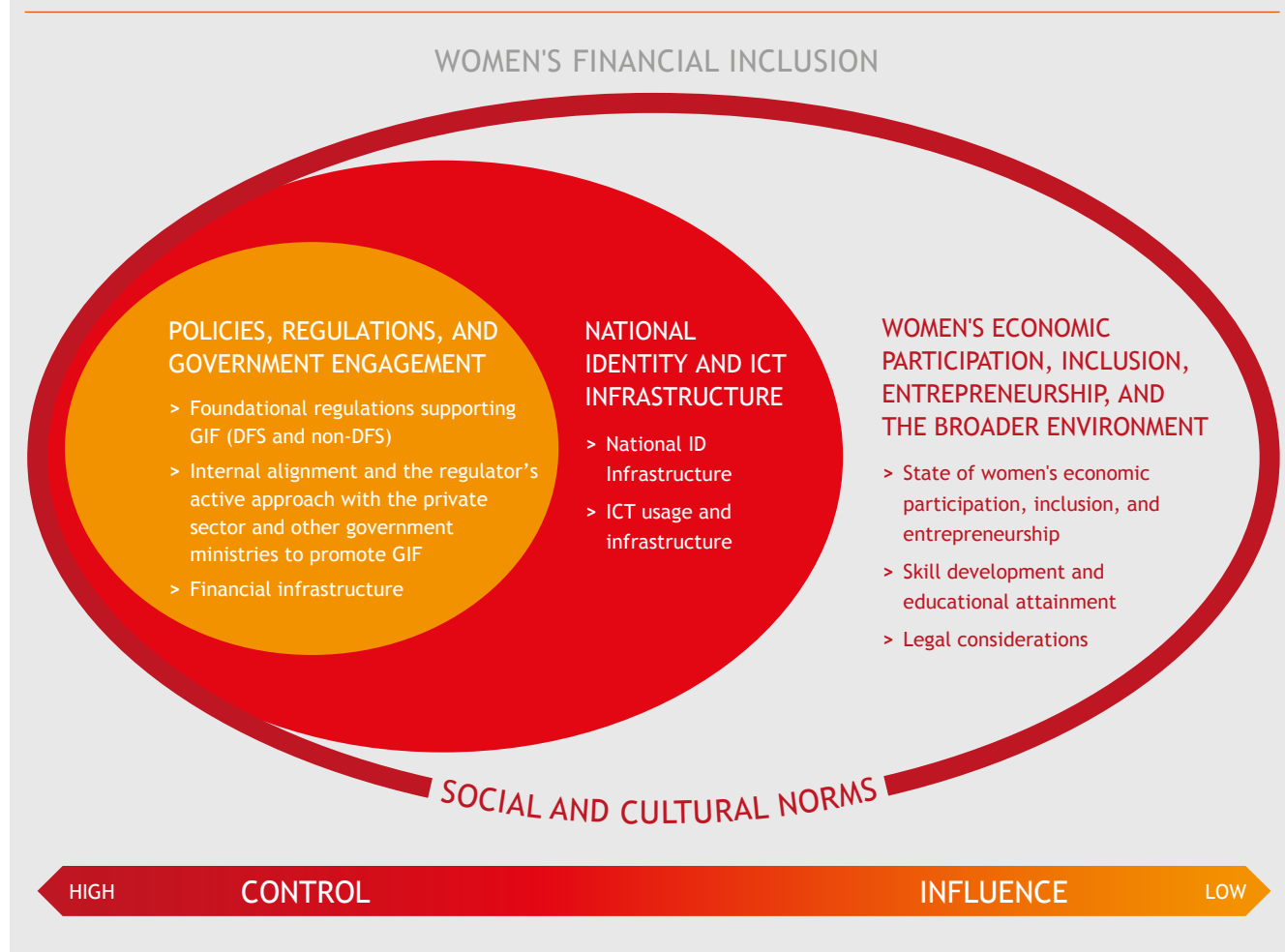
² Ibid

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 these resources, 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,

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



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 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 Paraguay, 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 Paraguay'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.

The case study is designed as a standalone document, but readers may also be interested in reviewing 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) specifically led to the Gender Inclusive Finance Roadmap for the LAC Region,⁴ which details concrete actions and priorities for AFI members to take 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

Paraguay has made significant progress in advancing women's financial inclusion. Today, many women in Paraguay have an account with a financial institution, with up to 55 percent of the adult female population owning one.⁵

Additionally, over four million deposit accounts were held by women in 2024, accounting for 48 percent of all deposit accounts.⁶ Basic savings accounts have been critical in this expansion, with women opening 52 percent of such accounts between 2023 and 2024.⁷ However, 45 percent of women remain financially excluded, underscoring persistent barriers, particularly in rural areas and among marginalized populations.⁸



The share of Paraguayan women who own at least one financial account. This number reflects improved access to savings accounts and emphasizes the benefits of women's inclusion in formal financial systems.

Digital financial services (DFS) have seen increased adoption, driven by mobile wallet usage during the COVID-19 pandemic and the expansion of the Payments System of Paraguay (SIPAP). In April 2023, the number of electronic money transactions was nearly 10 million, reflecting an almost eight percent yearly increase.⁹ Remaining challenges include limited rural ICT infrastructure and gaps in financial literacy, which hinder the active use of digital services.

Paraguay's regulatory and institutional frameworks have played a pivotal role in promoting financial inclusion. Some of the notable ways in which the Central Bank of Paraguay (BCP) actively promotes inclusion include its comprehensive regulation of DFS providers, its instant payments system, and the regular collection and reporting of sex-disaggregated data. Regulations introduced in 2022, including updated payment system standards, have enhanced transaction security and interoperability across financial services. The government is increasingly utilizing digital platforms to distribute payments to beneficiaries, particularly women. However, the FinTech ecosystem remains nascent, with no open banking solutions or regulatory frameworks for innovations like crowdfunding or inclusive DFS solutions.

Opportunities for inclusion are strengthened by high mobile phone penetration and internet use, with women outpacing men in adoption rates. Rural internet access, while improved, still lags behind urban areas. Public-private collaborations, such as FinTech Day and the Chamber of FinTech, hold promise for innovation, but tailored private sector solutions for women and women-led businesses remain sparse. The government's focus on women's financial inclusion, through guarantee funds and other initiatives, aims to address gaps in credit access for women-owned MSMEs, although greater private sector participation is needed.

Sustained progress in Paraguay requires addressing systemic barriers - including financial literacy, skills gaps, and rural connectivity deficits - while guiding national efforts under an updated national financial inclusion plan with clearly defined roles and targets. Expanding regulatory support for women-specific financial products, incentivizing private-sector innovation, and strengthening DE&I policies within financial institutions will be critical. Enhanced collaboration between public and private sectors can further promote tailored solutions, ensuring that more women participate in the formal financial ecosystem and contribute to the country's broader economic development. Paraguay's experience offers valuable insights into leveraging digital solutions, gender-focused policies, and rural outreach to advance financial inclusion across Latin America.

⁵ World Bank. 2021. Global Findex Database 2021. Available at: <https://www.worldbank.org/en/publication/globalfindex/Report>

⁶ Banco Central del Paraguay. 2024. Indicadores y datos de Inclusión Financiera. Available at: <https://www.bcp.gov.py/indicadores-de-inclusion-financiera-i937>

⁷ Ibid.

⁸ World Bank. 2021. Global Findex Database 2021. Available at: <https://www.worldbank.org/en/publication/globalfindex/Report>

⁹ MarketData. 2023. Pagos electrónicos y su efecto en la inclusión financiera en Paraguay. Available at: <https://marketdata.com.py/educacion/economia-facil/pagos-electronicos-y-su-efecto-en-la-inclusion-financiera-en-paraguay-117782/>

STATUS OF WOMEN'S FINANCIAL INCLUSION IN PARAGUAY

Since the early 2010s, financial inclusion has been a priority of the Government of Paraguay, which has an adult population of 5.5 million people.¹⁰ Today, over 65 percent of the adult population owns at least one formal financial product, indicating that a significant portion of the adult population remains unbanked.¹¹

66%

Paraguay's national financial inclusion statistics reveal no gender gap in financial inclusion, with over 1.8 million men and 1.8 million women owning at least one account in the formal financial system.¹² This constitutes about 66 percent of each group, with only 20,000 more men owning an account than women.

Over the years, formal account ownership has increased, primarily due to the rise in deposit accounts. The number of women-owned deposit accounts grew by over one million from just over three million in September 2023 to over 4.4 million in September 2024, accounting for 46 percent of total deposit accounts (rising to 48 percent when excluding businesses). A similar trend occurred for men in the same timeframe, with accounts growing from just over 3.4 million to under 4.8 million, representing 50 percent of total deposit accounts. Despite this growth, there has been minimal narrowing of the gender gap.¹³

¹⁰ Banco Central del Paraguay. 2024. Indicadores y datos de Inclusión Financiera. Available at: <https://www.bcp.gov.py/indicadores-de-inclusion-financiera-i937>

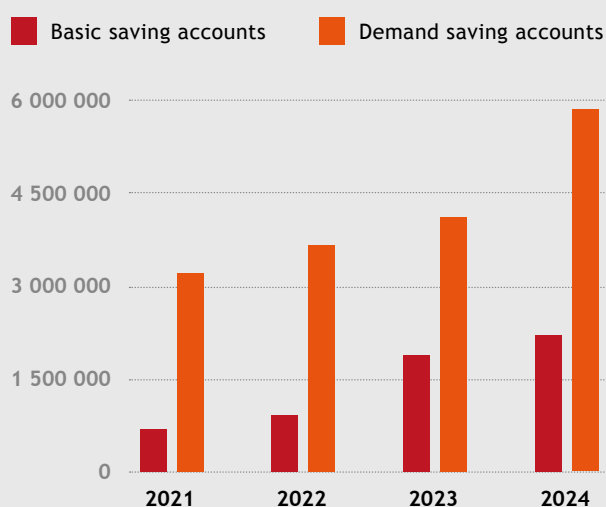
¹¹ La Nación. 2024. El 60% de la población tiene un producto financiero, pero la mayoría no sabe usarlo. Available at: https://www.lanacion.com.py/negocios_edicionimpresa/2024/06/16/el-60-de-la-poblacion-tiene-un-producto-financiero-pero-la-mayoria-no-sabe-usarlo/

¹² Banco Central del Paraguay. 2024. Indicadores y datos de Inclusión Financiera. Available at: <https://www.bcp.gov.py/indicadores-de-inclusion-financiera-i937>

¹³ Banco Central del Paraguay. 2024. Indicadores de Inclusión Financiera Desagregados por Sexo. Available at: <https://www.bcp.gov.py/indicadores-de-inclusion-financiera-i937>

Major growth in deposit account ownership has come in the form of increased “ahorro a la vista” (demand savings accounts with no penalty or fee) and basic savings accounts (Figure 2), which grew by over two million and 1.5 million respectively from 2022 to November 2024, reaching a total of 5.8 and 2.2 million accounts.¹⁴

FIGURE 2. GROWTH OF THE MOST POPULAR DEPOSIT ACCOUNTS (IN MILLIONS)



Source: Banco Central del Paraguay¹⁵

The Superintendency of Banks (SiB) has specific regulations for basic savings accounts, which have no minimum balance, no maintenance requirements, and are easy to open in-person or online.¹⁶ These accounts are important for financial inclusion; over 25 percent of all savings accounts are basic savings accounts.^{17,18} The largest number of basic savings account openings from the second quarter of 2023 to the second quarter of 2024 were by women, representing 52 percent of the total increase, highlighting their importance for women's inclusion in the financial system.¹⁹

¹⁴ Banco Central del Paraguay. 2024. Indicadores y datos de Inclusión Financiera. Available at: <https://www.bcp.gov.py/indicadores-de-inclusion-financiera-i937>

¹⁵ Ibid.

¹⁶ Vouga Abogados. 2024. La Superintendencia de Bancos aprueba el Reglamento de las Cuentas Básicas de Ahorro. Available at: <https://www.vouga.com.py/la-superintendencia-de-bancos-aprueba-el-reglamento-de-las-cuentas-basicas-de-ahorro/>

¹⁷ Ibid.

¹⁸ ABC Paraguay. 2024. Fuerte incremento de usuarios de las cuentas básicas de ahorro. Available at: <https://www.abc.com.py/economia/2024/12/04/fuerte-incremento-de-usuarios-de-las-cuentas-basicas-de-ahorro/>

¹⁹ Ibid.

Overall, 46 percent of the female population remains financially excluded, underscoring the need for financial products designed for and by women.²⁰

Credit, however, is less commonly used by women in Paraguay. Women own about 2.2 million credit accounts, compared to over 2.7 million for men.²¹ This gender gap has remained consistent over the years despite an increase of over one million credit accounts for both men and women from the start of the COVID-19 pandemic to November 2024.²² Generally, women prefer credit products from cooperatives and non-bank financial service providers that target MSMEs, and they are more likely to use deposit accounts rather than credit accounts.

²⁰ Public Now. 2024. III Foro De La Mujer Y La Inclusión Financiera Promovió Debate Sobre Rol De Las Mujeres En Las Políticas Públicas. Available at: <https://www.publicnow.com/view/9F8A97620FFA281504E2BDD2D1D7E3C9F5E897C3?1709930807>

²¹ Banco Central del Paraguay. 2024. Indicadores de Inclusión Financiera Desagregados por Sexo. Available at: <https://www.bcp.gov.py/indicadores-de-inclusion-financiera-i937>

²² Ibid.

Mobile wallets have seen strong penetration in Paraguay. In 2024, there were 2.6 million active electronic money accounts.²³ Mobile payments emerged in 2008 with the introduction of Tigo Cash. However, the rapid adoption of mobile money took shape during the COVID-19 pandemic, when cash transfer programs encouraged the dissemination of funds through mobile wallets.

Many Paraguayans send remittances back to their home country, with estimates of roughly USD600 million in 2023.²⁴ Digital remittances have a lower cost compared to non-digital remittances, indicating a potential for DFS to take on a bigger role in the remittance market and influence women's financial inclusion as a result.²⁵

²³ Ibid.

²⁴ The Global Economy. n.d. Paraguay: Remittances. Available at: <https://www.theglobaleconomy.com/Paraguay/Remittances/>

²⁵ América economía. 2024. Paraguay se ubica entre los países con alto costo como receptor de remesas. Available at: <https://www.americaeconomia.com/negocios-e-industrias/paraguay-se-ubica-entre-los-paises-con-alto-costo-como-receptor-de-remesas#:~:text=Estos%20valores%20porcent20continúan%20por%20porcent20encima,mismo%20porcent20mes%20del%20porcent20año%20porcent20anterior>



ENABLING ENVIRONMENT: ID, FINANCIAL, DIGITAL INFRASTRUCTURE

FINANCIAL INFRASTRUCTURE

Paraguay has an increasing urban population, now exceeding 63 percent of the total population. The remainder live in rural areas and must travel further to access financial service points. Nationally, there are just under 600 financial access points (ATMs, non-banking correspondents, self-service terminals, etc.) per 100,000 people, up from about 370 in January 2023.²⁶ This marks a significant expansion in access to financial services around the country. The increase in non-banking correspondents is the primary driver of this growth in financial service points (Figure 3), with a 364 unit increase from January 2023, reaching 551 non-banking correspondents per 100,000 residents in November 2024.²⁷ In total, there are over 30,000 non-banking correspondents in Paraguay.²⁸

Paraguay has gradually increased the availability of electronic points of access. In 2024, there were 1,439 ATMs in the country, up by 120 from the end of 2020.³⁰

²⁶ Banco Central del Paraguay. 2024. Indicadores y datos de Inclusión Financiera. Available at: <https://www.bcp.gov.py/indicadores-de-inclusion-financiera-1937>

²⁷ Ibid.

²⁸ Ibid.

²⁹ Ibid.

³⁰ Ibid.

Although this number may seem large, it translates to only 26 ATMs per 100,000 residents. In parallel with the rise in digital payments, ATM transactions have decreased, falling from a total of 71 percent of registered operations in Paraguay's instant payments system (SIPAP) to nearly 32 percent from 2018 to 2024.³¹ Nonetheless, the continued growth of non-banking correspondents in the network of financial access points remains a strong pillar of Paraguay's financial inclusion push.

ICT AND DIGITAL INFRASTRUCTURE

88%



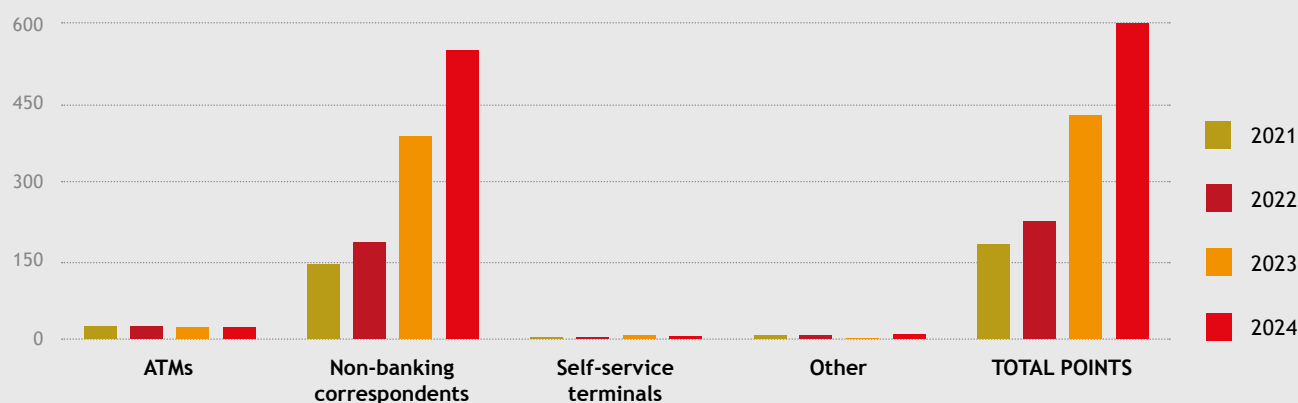
Nearly 88 percent of Paraguayans have access to mobile phones; however, there is a rural-urban gap: about 90 percent of urban men and women use mobile phones compared to over 83 percent of rural women and under 82 percent of rural men.³²

Nevertheless, this rate of mobile phone ownership is high, and even more encouraging is that women have comparable mobile phone ownership rates to men, even in rural areas. This indicates a level of mobile

³¹ Banco Central del Paraguay. 2024. Sistema de Pagos Instantáneos en Paraguay. Available at: <https://cpmp.com.py/images/2024/03-%20Sistema%20de%20Pagos%20Instantáneos%20en%20Paraguay.%20Diego%20Legal%20Canisá.pdf>

³² Instituto Nacional de Estadística. 2023. Dirección General de Estadística, Encuestas y Censos. Encuesta Permanente de Hogares Continua - Estadísticas con Enfoque de Género. Available at: <https://www.ine.gov.py/Publicaciones/Biblioteca/documento/244/TRIPTICO%20DE%20ESTADISTICAS%20CON%20ENFOQUE%20DE%20GENERO%202023.pdf>

FIGURE 3. GROWTH OF FINANCIAL ACCESS POINTS (PER 100,000 PEOPLE)



Source: Banco Central del Paraguay²⁹

phone penetration that is ideal for increased DFS innovation and adoption within the country.

Internet usage in Paraguay is also high, with just under 80 percent of women reporting internet use compared to 77 percent of men.³³ Urban internet usage has increased in recent years, rising from under 78 percent in 2019 to under 84 percent in 2023.³⁴ A similar trend is observed in the rural population, where internet use increased by just under 16 percent from 2019 to 2023, reaching a total of 68.2 percent, thus narrowing the rural-urban gap.³⁵

Paraguayans access the internet most often through cellular phones, with women doing so slightly more than men at around 97 percent.³⁶ The main difference between rural and urban populations is that the next most common channel for accessing the internet in urban areas is the household, with 78 percent of people reporting doing so.³⁷ This is a stark contrast to the rural population, where only 29 percent report using the home internet as the main access point.³⁸

ID INFRASTRUCTURE

Lack of identification is likely not a barrier to financial inclusion in Paraguay. A national digital ID framework has been in place since 2018, which any owner of a physical ID can obtain.³⁹ It is a free service that can be registered remotely on the government's portal.⁴⁰ Paraguay's digital ID can be used for electronic transactions, increasing confidence in the security of conducting mobile money transfers, with over one million Paraguayans using an electronic identity card.⁴¹

³³ Instituto Nacional de Estadística - Encuesta Permanente de Hogares Continua. 2023. Tecnología de la Información y Comunicación en el Paraguay. Available at: https://www.ine.gov.py/Publicaciones/Biblioteca/documento/253/Tecnolog%C3%ADa%20de%20la%20Informaci%C3%B3n%20y%20Comunicaci%C3%B3n%20EPHC_2023_INE.pdf

³⁴ Ibid.

³⁵ Ibid.

³⁶ Ibid.

³⁷ Ibid.

³⁸ Ibid.

³⁹ Gobierno del Paraguay. n.d. Identidad Electrónica - Preguntas Frecuentes. Available at: <https://www.paraguay.gov.py/identidad-electronica/preguntas-frecuentes-creacion>

⁴⁰ Ministerio de Tecnologías de la Información y Comunicación. 2023. Impulsando la transformación digital con el Portal Paraguay y la Identidad Electrónica. Available at: <https://mitic.gov.py/impulsando-la-transformacion-digital-con-el-portal-paraguay-y-la-identidad-electronica-2/>

⁴¹ Ministerio de Tecnologías de la Información y Comunicación. 2024. Más de 1.000.000 de ciudadanos ya cuentan con identidad electrónica en Paraguay. Available at: <https://mitic.gov.py/mas-de-1-000-000-de-ciudadanos-ya-cuentan-con-identidad-electronica-en-paraguay/>

REGULATIONS AND INITIATIVES BY FINANCIAL REGULATORS AND GOVERNMENT ENTITIES

Paraguay's public institutions have brought women's financial inclusion to the forefront of their priorities over the last decade, and there has been extensive coordination between the private sector and public institutions on financial innovation and financial inclusion policies.

The Central Bank of Paraguay (BCP), as the monetary authority, regulates currency and credit of the financial system, issues money, promotes the use of payment methods, coordinates and collects financial inclusion statistics, promotes financial education, and applies financial inclusion policies. Additionally, the Superintendencies of Banks, Insurance, and Securities all form part of the BCP. The BCP also regulates and oversees the Payment System of Paraguay (SIPAP) and the Instant Payments System (SPI), which govern transactions, including electronic ones, between and within banks, government entities, cooperatives, digital wallets, and other financial entities.

The BCP has been the driver of national financial inclusion efforts since the 2010s, playing an active role in the collection of data and reporting on financial inclusion progress, and publishes monthly financial bulletins that track access and usage of all types of regulated financial institutions.⁴² Additionally, the BCP publishes financial inclusion indicators every month,⁴³ with one set including sex-disaggregated usage data for different types of deposit accounts and credit products, and another providing month-by-month data on financial points of access, deposit accounts and debtor accounts, sex-disaggregated formal financial access, and extensive data on mobile money companies.

⁴² Banco Central del Paraguay. n.d. Boletines Estadístico-Financieros. Available at: <https://www.bcp.gov.py/boletines-estadistico-financieros-formato-anterior-i1404>

⁴³ Banco Central del Paraguay. 2024. Indicadores y datos de Inclusión Financiera. Available at: <https://www.bcp.gov.py/indicadores-de-inclusion-financiera-i937>

Another important public institution is the National Institution for Statistics (INE), which collects and publishes sex-disaggregated data on internet and mobile phone usage, highlighting gender gaps in ICT infrastructure as well as rural-urban discrepancies. This data, together with the BCP's inclusion data, forms a strong foundation for policies to expand DFS and financial inclusion, while progress through continued data collection allows institutions and entrepreneurs to propose policies and new financial solutions to address inclusion gaps, creating targeted products for those who are underserved.

In 2014, the BCP created the National Committee for Financial Inclusion, unifying the Ministry of Economy and Finance (MEF), the BCP, the National Institute for Cooperatives (INCOOP), and the position of Minister of the Secretariat of Economic and Social Development Planning Technique (STP),⁴⁴ with a resolution creating the committee that established the ENIF, which lasted from 2014 to 2018. Although there was no committee focusing on women's financial inclusion, the ENIF highlighted the quality and affordability of financial services for all people in Paraguay and the role of private sector initiatives to promote financial inclusion. It proposed expanding financial access for MSMEs by addressing barriers to credit and ensuring their integration into the formal financial system to drive economic growth, while also prioritizing consumer education and protection, promoting financial stability, integrity, and the responsible use of financial services.⁴⁵ The objectives of the first ENIF continue to be revised by the Financial Inclusion Committee of the BCP,⁴⁶ and there have been advances in creating a second ENIF, mostly directed by the MEF.⁴⁷ The objectives of the first ENIF and data from the BCP, the World Bank, and the IMF serve as the basis for the formation of this second ENIF.⁴⁸

DIGITAL FINANCIAL SERVICES REGULATION

In 2022, Paraguay updated its payment methods regulations through Act No. 26, Resolution No. 1, which approved the "General Regulations of the SIPAP."⁴⁹ The updated standards empower the SPI, which will operate 24 hours a day, seven days a week.⁵⁰ Another novelty is the obligation of SIPAP participants to provide their clients with services that facilitate fund transfers between their entity and any other SIPAP participant, allowing clients to self-manage the sending and receiving of such transactions. This regulation frees up the DFS space, paving the way for instant transfer apps like Venmo (an American digital wallet) to enter the market.

40%



Paraguay now has five digital wallets, all directly regulated by the BCP, ensuring the security of digital transactions.⁵¹ Tigo Money and Billetera Personal are the most popular, as they offer the highest level of interoperability, especially for government-to-person (G2P) payments.^{52,53} Recent data suggests that electronic payment penetration has increased from eight percent to nearly 40 percent over the past eight years.⁵⁴

A recent BCP regulation imposes a limit on non-bank electronic transactions: customers receiving a significant portion of their monthly wage via e-wallets must request a savings account with a financial institution, and can complete the process digitally with minimal requirements. This promotes financial inclusion by encouraging banks to provide savings

⁴⁴ Estrategia Nacional de Inclusión Financiera Paraguay. n.d. Gobernanza. Available at: <https://enif.paraguay.gov.py/la-enif/estructura#>

⁴⁵ Estrategia Nacional de Inclusión Financiera - Paraguay 2014-2018. n.d. Available at: <https://enif.paraguay.gov.py/storage/app/uploads/public/59b/2a0/691/59b2a0691685e746840905.pdf>

⁴⁶ Banco Central del Paraguay. Regulator responses.

⁴⁷ Ibid.

⁴⁸ Ibid.

⁴⁹ Vouga Abogados. 2022. El Banco Central del Paraguay Aprueba Reglamento SIPAP. Available at: <https://www.vouga.com.py/en/banking-finance-el-banco-central-del-paraguay-aprueba-reglamento-sipap/>

⁵⁰ Currency Research. 2023. Central Bank Payments News. Central Bank of Paraguay: Instant Payments in Paraguay. Available at: <https://cbpn.currencyresearch.com/blog/2023/07/27/central-bank-of-paraguay-instant-payments-in-paraguay>

⁵¹ Marca Sur. 2024. Regulation of mobile wallets through telephone companies. Available at: <https://marcasur.com/en/noticia/regulation-of-mobile-wallets-through-telephone-companies&f=07-2014>

⁵² La Nación. 2024. Usuarios frecuentes de Tigo Money App acceden a préstamos. Available at: https://www.lanacion.com.py/negocios_edicionimpresa/2024/08/20/usuarios-frecuentes-de-tigo-money-app-acceden-a-prestamos/

⁵³ Paraguay Meeting Guide. n.d. Respuestas del BCP.

⁵⁴ ABC Paraguay. 2024. Penetración de pagos electrónicos pasó de 8% a 38%, reportan. Available at: <https://www.abc.com.py/economia/2024/08/03/penetracion-de-pagos-electronicos-paso-de-8-a-38-reportan/>

accounts that can be opened remotely to meet the increased demand created by the regulation, which also aligns with broader trends showing a downward trend in transactions via electronic payment entities due to the growing preference of online bank transfers.⁵⁵

7.4
MILLION

Many banks in Paraguay also have their own electronic money services to process interbank transfers and other transactions. As a result of these initiatives and regulations,⁵⁶ the number of mobile money accounts reached 7.4 million by the end of 2024.⁵⁷

The digitization of G2P payments, in collaboration with mobile money providers, has been integral to Paraguay's financial inclusion over the past decade. In 2015, the Ministry of Social Development created a conditional cash transfer program called Programa Tekoporã. To transfer funds to beneficiaries, multiple channels were used, including transfers to mobile wallets. Among the 88,000 households that benefited from the program, 82 percent were women.⁵⁸ This meant that frameworks had long been in place to deliver financial support measures to vulnerable populations, including women, through digital means. These efforts continued during the COVID-19 pandemic, when the Paraguayan government further accelerated the digitization of government-to-person (G2P) payments to include more Paraguayans in the formal financial system.⁵⁹ The Tekoporã program remained active, allowing beneficiaries to seamlessly transition to mobile money disbursement channels when physical cash counters were closed during lockdowns. The program also distributed digital content through WhatsApp about challenges related to the pandemic,

which were disseminated. Other emergency relief programs for low-income Paraguayans and informal workers, such as Pytyvõ and Ñangareko, benefited many women, leading to the opening of over one million new wallets.⁶⁰ Notably, 90 percent of subsidies under the Pytyvõ program were delivered through digital wallets due to the government's strategic alliance with electronic money providers.⁶¹

Despite the increasing prevalence of digital wallets, FinTech solutions remain in their early stages in Paraguay. In 2017, the Paraguayan Chamber of FinTech was created to drive greater FinTech development and solutions, while encouraging financial inclusion. The Chamber's aim is to connect all FinTech companies in the country, offering a space for open and transparent collaboration that encourages innovation and expands the sector.⁶² In 2024, it launched the third annual FinTech Day, with a focus on financial inclusion.⁶³ Looking ahead, the Chamber hopes to advance crowdfunding, sandboxes, and open APIs while also promoting gender inclusive finance in Paraguay.⁶⁴

Although crowdfunding is legal in Paraguay, there are no specific regulations governing it. As of October 2024, a proposed law on collective financing was under discussion in Paraguay's Senate to establish a regulatory framework for crowdfunding.⁶⁵ Paraguay does not yet have open banking (though discussions are underway) or FinTech sandboxes. However, open banking solutions geared to women and rural populations have strong potential to advance financial inclusion. There is a growing need for different FinTech solutions, specifically those targeting underserved communities. Tailored digital financial products for women and small business owners as well as digital lending services will be essential to strengthen the role of FinTech in advancing women's financial inclusion.

⁵⁵ La Nación. 2024. Conocé cuáles son los nuevos límites para las transferencias via billeteras electrónicas. Available at: <https://www.lanacion.com.py/negocios/2024/09/10/conoce-cuales-son-los-nuevos-limites-para-las-transferencias-via-billeteras-electronicas/>

⁵⁶ Vouga Abogados. June 2020. The Central Bank of Paraguay amends the Regulations on Electronic Payment Entities. Available at: <https://www.vouga.com.py/en/el-banco-central-del-paraguay-modifica-el-reglamento-de-medios-de-pagos-electronicos-2/>

⁵⁷ Banco Central del Paraguay. 2024. Indicadores y datos de Inclusión Financiera. Available at: <https://www.bcp.gov.py/indicadores-de-inclusion-financiera-i937>

⁵⁸ Alliance for Financial Inclusion. 2023. Women's Financial Inclusion, Digital Financial Services, and COVID-19 Policy Response: Case of Paraguay. Available at: <https://www.afi-global.org/publication/womens-financial-inclusion-digital-financial-services-and-covid-19-policy-response-case-of-paraguay/#:~:text=Paraguay%20was%20one%20of%20the,its%20digital%20financial%20services%20ecosystem>

⁵⁹ MarketData. 2023. Pagos electrónicos y su efecto en la inclusión financiera en Paraguay. Available at: <https://marketdata.com.py/educacion/economia-facil/pagos-electronicos-y-su-efecto-en-la-inclusion-financiera-en-paraguay-117782/>

⁶⁰ Alliance for Financial Inclusion. 2023. Women's Financial Inclusion, Digital Financial Services, and COVID-19 Policy Response: Case of Paraguay. Available at: <https://www.afi-global.org/publication/womens-financial-inclusion-digital-financial-services-and-covid-19-policy-response-case-of-paraguay/#:~:text=Paraguay%20was%20one%20of%20the,its%20digital%20financial%20services%20ecosystem>

⁶¹ World Bank Blogs. 2022. Social assistance during the pandemic: Lessons from Paraguay. Available at: <https://blogs.worldbank.org/en/latinamerica/social-assistance-during-pandemic-lessons-paraguay>

⁶² Cámara Paraguaya de Fintech. n.d. Available at: <https://fintech.org.py/#nosotros>

⁶³ Rediex. 2020. Fintech Day Paraguay 2024: Official launch of the Third Edition with the support of REDIEEX. Available at: <https://www.rediex.gov.py/en/fintech-day-paraguay-2024-lanzamiento-oficial-de-la-tercera-edicion-con-el-apoyo-de-rediex/>

⁶⁴ Cámara Paraguaya de Fintech. n.d. Available at: <https://fintech.org.py/#nosotros>

⁶⁵ Proyecto de ley "Del financiamiento colectivo (crowdfunding) en Paraguay y que modifica el Art. 8° de la Ley N° 5810/2017 'Del mercado de valores,' presentado por los senadores José Daniel Oviedo Antúnez y Regina Lizarella Valiente Cabrera, de fecha 10 de octubre de 2024. 2024. Available at: <https://silpy.congreso.gov.py/web/expediente/137607>

For vulnerable populations and women, the documentation requirements to open a bank account are often a barrier. To address this, basic savings accounts can help lower entry requirements and promote financial inclusion. The availability of basic savings accounts, the ease of registering digital IDs, and E-KYC registration for Tigo Money has streamlined account opening, often allowing it to be completed remotely and digitally.⁶⁶ Both tiered KYC and E-KYC were introduced into the financial services sector with the emergence of digital wallets in Paraguay, further enhancing accessibility. These solutions have only continued to expand, making financial accounts more widely available and easier to open.

TRADITIONAL BANKING REGULATION

The Consumer Protection Law covers any commercial transaction involving goods and services that are conducted by a legal entity.⁶⁷ The Secretary of the Defense of the Consumer and User (SEDECO) serves as Paraguay's consumer protection bureau, working alongside the BCP to enforce consumer protection laws on banks and financial institutions. Additionally, the BCP operates a specialized financial consumer service office, dedicated exclusively to handling complaints and queries related to financial products offered by banking institutions.

Since 2021, regulations have been in place governing the procedures for receiving, managing, and resolving complaints and inquiries between financial consumers and banking entities.⁶⁸ Furthermore, specific regulations establish criteria for the collection of commissions and penalties by regulated institutions in the financial system. Strengthening financial consumer protection, particularly with mechanisms that address women's concerns, plays a crucial role in building trust in financial institutions and ultimately enhancing women's financial inclusion.

Paraguay's deposit-taking microfinance institutions are treated as banks and regulated by the BCP, whereas non-deposit-taking MFIs remain unregulated. Additionally, cooperatives are regulated by INCOOP,

which oversees capital and operational requirements. MFIs and cooperatives in the country lend to many women, especially those in low-income groups and MSMEs, striving to include them in the financial sector. Including more MFIs in the formal financial system and encouraging more women-focused microfinance products can further reinforce women's financial inclusion in Paraguay.

MSMEs play a key role in Paraguay's economy, employing about 80 percent of the country's working population.⁶⁹ These enterprises are registered under Law No. 4.457/2012 with the Ministry of Industry and Commerce (MIC) overseeing policies and providing guidance related to MSME formalization, financing, and development.⁷⁰ Within the MIC, the Vice Ministry of MSMEs assists in drafting regulations and policies to support MSME growth. Given the significant participation of women in the MSME sector, strong institutions and regulatory oversight are essential to advancing women's inclusion in the economy.

The BCP operates a public credit registry which collects both positive and negative information from the institutions under its regulation and supervision.⁷¹ Credit data is provided to the BCP every ten days. In addition, INCOOP collects credit information on cooperatives and established a legal framework for a credit bureau, as outlined in Resolution 11.859/14. The only private credit bureau collecting credit information with a broad scope is Equifax.⁷² This credit oversight ensures that data on debtors and financial consumers is readily available. When disaggregated by sex, credit data can inform and guide policies aimed at increasing access to credit for women.

Lastly, a movable collateral registry law has been drafted but has yet to be approved by the Paraguayan Senate.⁷³ Such registries can enhance women's financial inclusion by allowing them to open credit accounts using non-traditional forms of collateral.

⁶⁹ International Finance Corporation. 2022. Supporting micro, small, and medium enterprises in Paraguay. Available at: [https://www.ifc.org/en/stories/2022/qanda-bancocontinental-paraguay-en#:~:text=Micro%20percent2C%20percent20small%20percent2C%20percent20and%20percent20medium%20percent20enterprises%20percent20\(MSMEs\)%20percent20play%20percent20a,Photo%20percent20Courtesy%20percent20of%20percent20Banco%20percent20Continental](https://www.ifc.org/en/stories/2022/qanda-bancocontinental-paraguay-en#:~:text=Micro%20percent2C%20percent20small%20percent2C%20percent20and%20percent20medium%20percent20enterprises%20percent20(MSMEs)%20percent20play%20percent20a,Photo%20percent20Courtesy%20percent20of%20percent20Banco%20percent20Continental)

⁷⁰ Ministerio de Industria y Comercio del Paraguay. Viceministerio de MIPYMES. n.d. Available at: <https://www.mipymes.gov.py/financiacion/#pf-empresas-formales>

⁷¹ World Bank. 2014. Financial Regulations for Financial Inclusion- Paraguay. Available at: <https://enif.paraguay.gov.py/storage/app/uploads/public/59b/16a/bc9/59b16abc92fa3997350919.pdf>

⁷² Ibid.

⁷³ Mensaje del Poder Ejecutivo N° 159, Ministerio de Hacienda de fecha 21 de marzo de 2019, por el cual remite el proyecto de ley "De garantías mobiliarias". 2019. Available at: <https://silpy.congreso.gov.py/web/expediente/115769>

⁶⁶ Tigo Money. n.d. Activar Billetera. Available at: <https://www.tigo.com.py/tigo-money/activar-billetera>

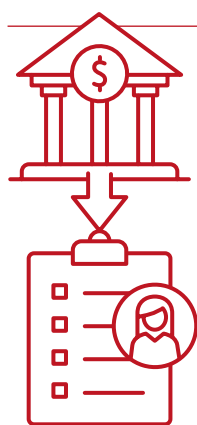
⁶⁷ World Bank. 2015. Paraguay Diagnostic Review of Consumer Protection and Financial Literacy. Volume I Key Findings and Recommendations. Available at: <https://enif.paraguay.gov.py/storage/app/uploads/public/59b/29f/44c/59b29f44cb7a8877224899.pdf>

⁶⁸ Banco Central del Paraguay. 2021. Acta N° 25 de fecha 20 de mayo de 2021 - Resolución N° 2. Available at: <https://acortar.link/DlYt40>

COORDINATION AND COLLABORATION

Beyond the regulations detailed above, Paraguay's institutions are focused on financial inclusion and promote some alignment with other public and private institutions to implement specific initiatives. However, there is an opportunity to strengthen the gender-focus within inclusion measures.

The ENIF legitimized a committee on financial inclusion, uniting various institutional actors, but this effort ended in 2018. In 2023, the Financial Agency of Development (AFD) launched its Institutional Policy for the Financial Inclusion of Women,⁷⁴ which established internal guidelines for promoting gender equality within the institution and aims to advance financial inclusion for women and women-led MSMEs through AFD's credit products and services. Additionally, the BCP holds an open forum on women and financial inclusion, with the third edition taking place in 2024,⁷⁵ highlighting the need for more sector-focused policies to drive greater inclusion of women.



The status of women's financial inclusion is closely monitored due to the BCP's collection and reporting of financial consumer data from regulated financial institutions. Paraguayan financial service providers are required to report data, and the BCP publishes sex-disaggregated indicators and other financial inclusion data monthly.

The figures include women's access to deposit accounts and loans. The BCP also reports on the expansion of financial access points and usage of

various kinds of financial services, including electronic money entities. However, the BCP does not collect sex-disaggregated data on digital payments, although doing so would allow regulators to track and create DFS-oriented policies geared towards women's financial inclusion.

Additionally, INE collects sex-disaggregated data on mobile and internet penetration, among other ICT-related indicators, and produces reports on information and communication technologies. This data, which serves as the best source of information to assess gender and rural-urban gaps in access to and use of ICT infrastructure, is also vital for tracking the advancement of ICT infrastructure and female adoption of DFS. INE also has a Strategy for Gender Statistics 2021-2025, which aims to strengthen the gender focus of national statistics through surveys, censuses, and administrative records, leverage inter-institutional coordination and training, improve the accessibility and dissemination of data, and promote cooperation to secure adequate budgets for the continuity of gender statistics.⁷⁶

Financial education is also a key area of sector-wide coordination in Paraguay. The 2014-2018 ENIF included a financial education promotion objective,⁷⁷ with one of its key working groups focused on financial literacy, while the BCP launched a range of virtual materials to promote this goal,^{78, 79} many of which are also listed on the Financial Education page of ASOBAN's website.⁸⁰

Several financial education policy initiatives are being implemented in Paraguay, including the National Week for Financial Education, which was launched in 2017 by presidential decree. Its primary objective is to educate and raise awareness among the population about effectively and responsibly accessing and using financial services, ultimately enabling improved financial capabilities and decision-making for greater

⁷⁴ Agencia Financiera de Desarrollo. 2023. AFD aprobó su "Política Institucional para la Inclusión Financiera de las Mujeres." Available at: <https://www.afd.gov.py/noticias/afd-aprobo-su-politica-institucional-para-la-inclusion-financiera-de-las-mujeres-510>

⁷⁵ Economía Virtual. 2024. BCP lidera debate sobre inclusión financiera de las mujeres en tercer foro abierto. Available at: <https://economaviirtual.com.py/web/pagina-general.php?codigo=38949>

⁷⁶ Instituto Nacional de Estadística. 2021. Estrategia de Estadísticas de Género, Paraguay 2021 -2025. Available at: <https://www.ine.gov.py/resumen/175/estrategia-de-estadisticas-de-genero-paraguay-2021--2025>

⁷⁷ Estrategia Nacional de Inclusión Financiera Paraguay. n.d. Educación Financiera. Available at: <https://enif.paraguay.gov.py/grupos-trabajo/educacion-financiera>

⁷⁸ Estrategia Nacional de Inclusión Financiera Paraguay. n.d. Estructura. Available at: <https://enif.paraguay.gov.py/la-enif/estructura>

⁷⁹ Banco Central del Paraguay. YouTube. n.d. Recursos de Educación Financiera. Available at: <https://www.youtube.com/playlist?list=PLWazFJn-bkhn9DneisD46BFvqld7tEAp2>

⁸⁰ Asociación de Bancos del Paraguay (ASOBAN). n.d. Educación Financiera. Available at: <https://www.asoban.org.py/educacion.php#:~:text=Encuentre%20recursos%20valiosos%20para%20mejorar%20sus%20habilidades,con%20recursos%20pr%C3%A1cticos%20de%20inter%C3%A9s>

economic well-being.⁸¹ Additionally, BCP Educa, the central bank's financial education platform, offers a comprehensive series of events, training, and curricula.⁸² The platform includes a section on the financial inclusion of women, featuring reference guides for businesswomen, a registration link for the Forum of Women and Financial Inclusion, and materials from past events and other women-focused inclusion seminars.⁸³ Despite these initiatives, many of the materials listed on the portal are outdated, relating to the 2014-2018 ENIF. Furthermore, many who have accounts remain unaware of how to use them.⁸⁴ For example, nearly 900,000 of the 2.5 million accounts had a balance of zero for over a year by the end of 2024.⁸⁵



With the increased inclusion of Paraguayans in the financial system, there is a growing need for a stronger focus on financial education to ensure that people actively use the accounts they are opening,⁸⁶ with private banks and other credit and savings providers taking more initiative to provide tutorials and information on how to open accounts and effectively use financial products.

There are a range of policies that support MSMEs in Paraguay, including the MIC's launch of the MSME Development Plan 2018-2023, which highlights public-private cooperation to enhance competitiveness and growth. The plan aimed to simplify formalization processes, promote innovation and technology, and offer tailored financial products while promoting

entrepreneurship and providing tools to support the sustainable growth of MSMEs and their integration into national and international markets.⁸⁷ A key focus was promoting female entrepreneurship through gender-focused studies, supportive policies, and tailored financial products designed for women entrepreneurs.

Additionally, the MIC introduced the Cuenta Básica MIPYMES, a simplified account providing easy and accessible financial services for MSMEs.⁸⁸ Developed in collaboration with the BCP, this account can be opened at any regulated financial institution.⁸⁹ The BCP also launched a pilot program, Economía Digital, aimed at expanding the use of digital payments among MSMEs, facilitating cashless payments and promoting their economic formalization.⁹⁰

In 2024, the Ministry of Economy and Finance (MEF) launched a credit program with low rates and flexible terms for MSMEs at the MSME Forum in Asunción.⁹¹ At the same event, the National Plan for Digital Transformation and Financing for MSMEs was introduced, which prioritizes financial inclusion by expanding access to credit through tailored products with reduced interest rates, extended repayment periods, and guarantees designed to address the lack of collateral among small businesses.⁹² Public-private collaboration underpins this effort, with the MIC coordinating with the AFD, National Development Bank (BNF), and private entities like ITTI, which provide digital solutions to streamline credit applications and enhance financial literacy. The plan automates formalization processes through the "Cédula MIPYMES" system, equipping businesses with the legal and administrative requirements to qualify for credit.⁹³ It also promotes innovative financing mechanisms such as trust funds and alternative credit platforms, aiming to integrate underrepresented businesses into the financial ecosystem.

⁸¹ MarketData. 2024. Semana de la Educación Financiera: En busca de la inclusión, bancarización y herramientas para el manejo del dinero. Available at: <https://marketdata.com.py/educacion/semana-de-la-educacion-financiera-en-busca-de-la-inclusion-bancarizacion-y-herramientas-para-el-manejo-del-dinero-129948/#:~:text=QUÉ%20percent20ES%20percent20LA>

⁸² Banco Central del Paraguay. n.d. BCP Educa. Available at: https://www.bcp.gov.py/bcp_educa.php

⁸³ Banco Central del Paraguay. n.d. Inclusión Financiera de la mujer. Available at: <https://www.bcp.gov.py/inclusion-financiera-de-la-mujer-i1292>

⁸⁴ La Nación. 2024. El 60 % de la población tiene un producto financiero, pero la mayoría no sabe usarlo. Available at: https://www.lanacion.com.py/negocios_edicionimpresa/2024/06/16/el-60-de-la-poblacion-tiene-un-producto-financiero-pero-la-mayoria-no-sabe-usarlo/

⁸⁵ Banco Central del Paraguay. 2024. Indicadores y datos de Inclusión Financiera. Available at: <https://www.bcp.gov.py/indicadores-de-inclusion-financiera-i937>

⁸⁶ Ibid.

⁸⁷ Ministerio de Industria y Comercio. n.d. Plan Estratégico de MIPYMES: "Promoción y Formalización para la Competitividad y Desarrollo de las MIPYMES. Available at: <https://www.mipymes.gov.py/wp-content/uploads/2020/05/PLAN-NACIONAL-DE-MIPYMES.pdf.pdf>

⁸⁸ Ministerio de Industria y Comercio. n.d. Financiate. Available at: <https://www.mipymes.gov.py/financiacion/#tradi>

⁸⁹ Ibid.

⁹⁰ Banco Central del Paraguay. n.d. Regulator responses.

⁹¹ Ministerio de Industria y Comercio. n.d. Gobierno del Paraguay lanza programa de créditos con bajas tasas y plazos flexibles para Mipymes. Available at: <https://www.mic.gov.py/gobierno-del-paraguay-lanza-programa-de-creditos-con-bajas-tasas-y-plazos-flexibles-para-mipymes/>

⁹² Ministerio de Industria y Comercio. n.d. Plan Nacional: Acceso a créditos y digitalización de procesos para las Mipymes. Available at: <https://www.mic.gov.py/plan-nacional-acceso-a-creditos-y-digitalizacion-de-procesos-para-las-mipymes/>

⁹³ Gobierno del Paraguay. n.d. Plan Nacional de Transformación Digital y Financiamiento potenciará a las mipymes. Available at: <https://www.paraguaytv.gov.py/2024/09/18/plan-nacional-de-transformacion-digital-y-financiamiento-potenciara-a-las-mipymes/>

Women-owned MSMEs accounted for about 20 percent of all businesses in Paraguay as of 2014, prompting various gender-focused initiatives.⁹⁴

The Guarantee Fund for MSMEs (FOGAPY) established the Guarantee Fund for Women (FOGAMU), the central government introduced two funding programs for women-owned MSMEs through the Agricultural Habilitation Credit (CAH) program,⁹⁵ while FOGAPY launched a program with Pro Mujer Inc. to train Paraguayan women in entrepreneurship.⁹⁶ Although many Paraguayan banks and cooperatives currently provide credit opportunities for MSMEs,⁹⁷ only the BNF

offers a women-specific credit option.⁹⁸ Expanding women-tailored MSME financing could benefit private financial actors while aligning with the goals of the most recent MSME development plans.

When it comes to internal gender diversity, BCP is the main driver in promoting gender equity within the financial sector. More than 40 percent of BCP employees are women, and the institution has included women on its board of directors since 2019.⁹⁹ Additionally, the president of the AFD is a woman. However, the broader financial system lags behind, with only 18 percent of management positions occupied by women.¹⁰⁰ A greater emphasis is needed on integrating women in decision-making positions within private financial institutions in Paraguay, as internal gender diversity and inclusion are essential to institutionalize gender-inclusive decision-making.

⁹⁴ Inter-American Development Bank. 2014. Changing the Future for Women Entrepreneurs in Paraguay. Available at: <https://publications.iadb.org/en/changing-future-women-entrepreneurs-paraguay>

⁹⁵ Ministerio de Industria y Comercio. n.d. Financiate. Available at: <https://www.mipymes.gov.py/financiacion/#tradi>

⁹⁶ Pro Mujer. n.d. Paraguayan women will be trained in entrepreneurship thanks to FOGAPY and Pro Mujer. Available at: <https://promujer.org/portal/2024/04/29/paraguayan-women-will-be-trained-in-entrepreneurship-thanks-to-fogapy-and-pro-mujer/>

⁹⁷ International Finance Corporation. 2022. Supporting micro, small, and medium enterprises in Paraguay. Available at: [https://www.ifc.org/en/stories/2022/qanda-bancocontinental-paraguay-en#:~:text=Micro%20percent2C%20small%20percent2C%20and%20percent20medium%20percent20enterprises%20\(MSMEs\)%20percent20play%20a,Photo:%20Courtesy%20percent20of%20Banco%20Continental](https://www.ifc.org/en/stories/2022/qanda-bancocontinental-paraguay-en#:~:text=Micro%20percent2C%20small%20percent2C%20and%20percent20medium%20percent20enterprises%20(MSMEs)%20percent20play%20a,Photo:%20Courtesy%20percent20of%20Banco%20Continental)

⁹⁸ Ministerio de Industria y Comercio. n.d. Financiate. Available at: <https://www.mipymes.gov.py/financiacion/#tradi>

⁹⁹ Ibid.

¹⁰⁰ Ibid.



ROLE OF WOMEN IN THE BROADER ENVIRONMENT

Paraguay's financial regulators have actively implemented policies and initiatives that benefit women's access and inclusion, with a moderate level of coordination between implementing parties. However, to fully comprehend the nuances of women's financial access and usage, or the barriers they face, it is essential to consider their role in the economy and society, as well as the structural disadvantages they encounter.

With regards to education and basic literacy, there is no major challenge, as 94 percent of both men and women in Paraguay are literate.¹⁰¹ About 71 percent of boys and 73.4 percent girls complete lower secondary school, which is slightly lower than the Latin American average.¹⁰² While education is compulsory and free through the secondary school level, dropout rates remain high.¹⁰³ Incorporating financial education in school could help boost the inclusion agenda. However, the Paraguayan Senate recently rejected a proposed law to mandate financial education in schools, though some senators agreed that another project would be presented to replace it.¹⁰⁴

Despite educational attainment, formal employment remains elusive for many, with a major gender gap in labor force participation in Paraguay.

60%

The male labor force participation rate (LFPR) is near 82 percent, compared to just 60 percent for women.¹⁰⁵

Additionally, women's earned income is only 57 percent of men's, representing huge gaps in economic opportunity and wealth generation.¹⁰⁶

Beyond the gender pay gap, traditional gender norms place a greater burden of unpaid household labor on women, limiting their ability to engage in formal employment. This contributes to a LFPR of less than 60 percent, compared to over 82 percent for men.¹⁰⁷ As a result, women in Paraguay are more likely to work in the informal sector or pursue entrepreneurship.

95%



In Paraguay, 63 percent of businesses have female participation in ownership, but only 19 percent of businesses are majority-owned by women, higher than the regional averages of 47 and 18.7 percent, respectively.¹⁰⁸ A larger percentage of enterprises are led by women, with one source reporting that as many as 95 percent of MSMEs are led by women.¹⁰⁹

¹⁰¹ World Bank. n.d. Gender Data Portal. Paraguay. Available at: <https://genderdata.worldbank.org/en/economies/paraguay#:~:text=In%20percent20Paraguay%20percent2C%20percent20both%20percent20women%20percent20and,94.7%20percent25>

¹⁰² Ibid.

¹⁰³ The Borgen Project. 2017. Education in Paraguay. Available at: <https://borgenproject.org/education-in-paraguay/>

¹⁰⁴ Última Hora. 2020. Senado archiva obligatoriedad de educación financiera en escuelas y colegios. Available at: <https://www.ultimahora.com/senado-archiva-obligatoriedad-educacion-financiera-escuelas-y-colegios-n2898544>

¹⁰⁵ World Bank. n.d. Gender Data Portal. Paraguay. Available at: <https://genderdata.worldbank.org/en/economies/paraguay#:~:text=In%20percent20Paraguay%20percent2C%20percent20both%20percent20women%20percent20and,94.7%20percent25>

¹⁰⁶ Inter-American Development Bank. 2022. Changes in Paraguay's Gender Earning Gap. Available at: <https://publications.iadb.org/en/changes-paraguays-gender-earning-gap-analysis-2002-2019>

¹⁰⁷ World Bank. n.d. Gender Data Portal. Paraguay. Available at: <https://genderdata.worldbank.org/en/economies/paraguay#:~:text=In%20percent20Paraguay%20percent2C%20percent20both%20percent20women%20percent20and,94.7%20percent25>

¹⁰⁸ World Bank Enterprise Surveys. n.d. Paraguay. Available at: <https://www.enterprisesurveys.org/en/data/exploreeconomies/2023/paraguay#gender>

¹⁰⁹ The Rio Times. 2022. In Paraguay, women earn more as entrepreneurs or independents. Available at: <https://www.riotimesonline.com/brazil-news/mercosur/paraguay/in-paraguay-women-earn-more-as-entrepreneurs-or-independents/>

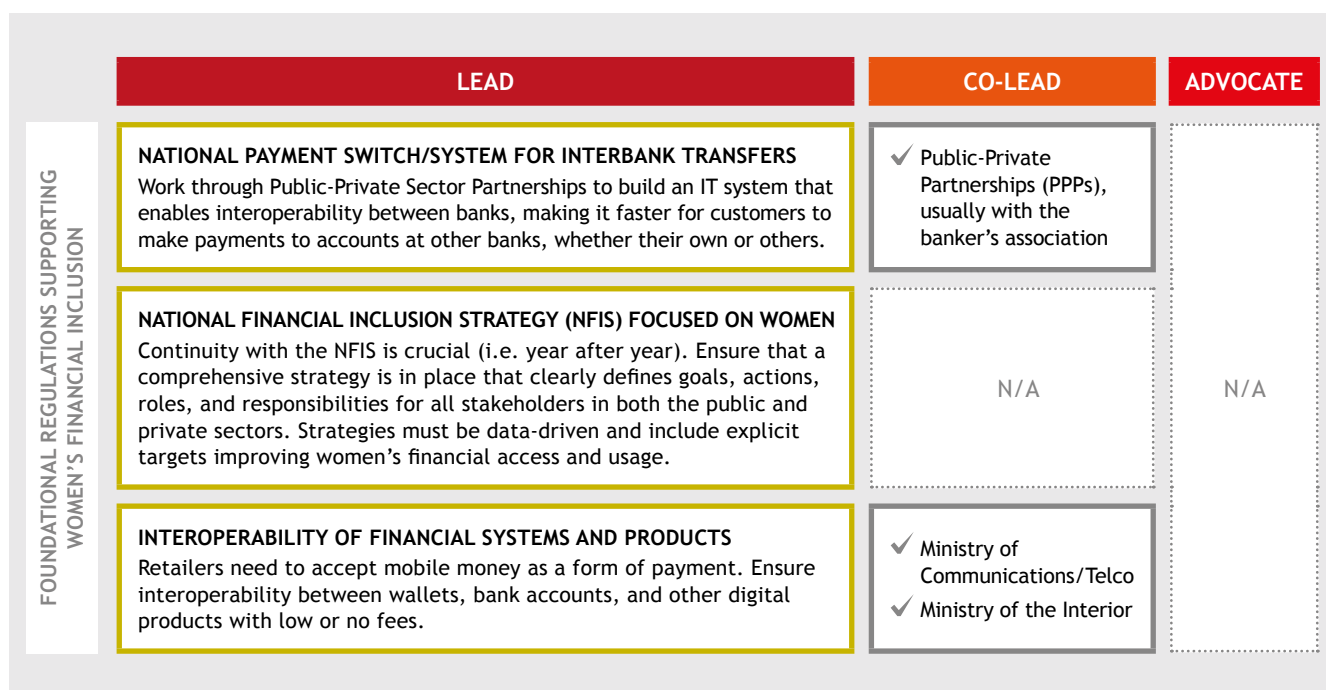
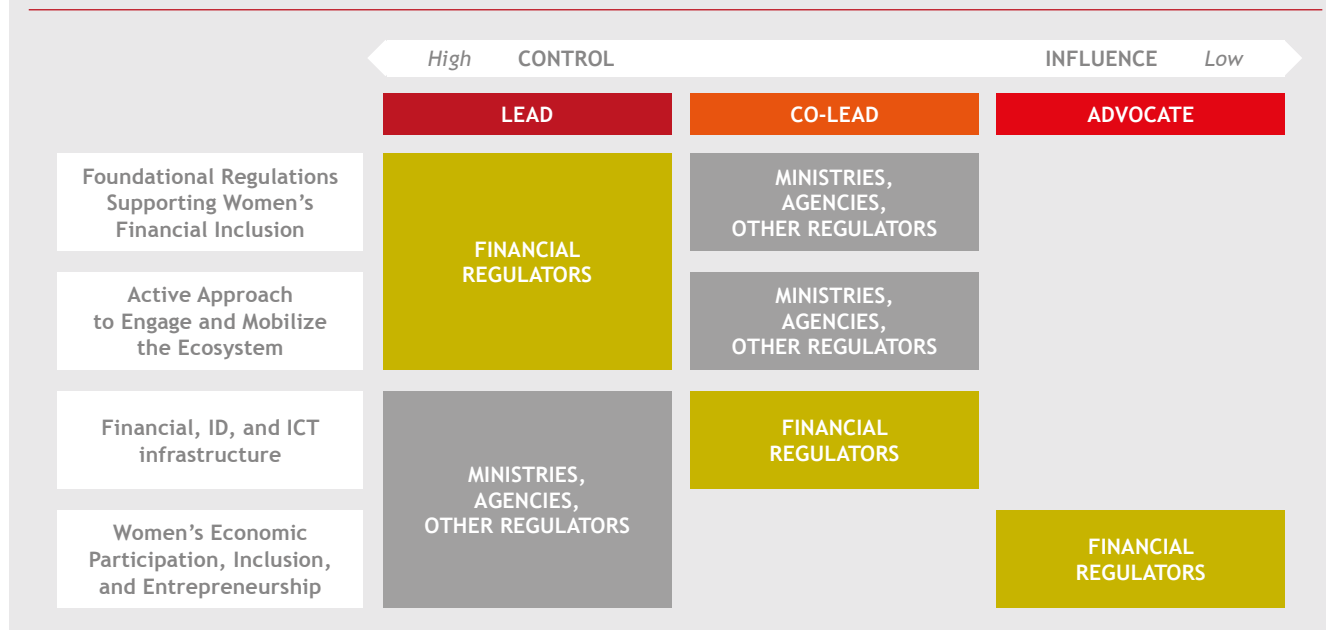
RECOMMENDATIONS BASED ON THE GIF ROADMAP TO ACCELERATE WOMEN'S FINANCIAL INCLUSION

Building on the Women's Financial Inclusion Analytical framework, AFI developed Gender-Inclusive Finance (GIF) Roadmaps for the LAC region, detailing recommended actions and priorities for financial regulators to drive women's financial inclusion in their respective countries.

Figure 4 illustrates how the roadmaps categorize regulatory enablers, policies, national initiatives, and programs into roles (lead, co-lead, and advocate) clearly defining the responsibilities of AFI members and financial regulators. The following section outlines the recommended actions for Paraguay's financial regulators by applying the GIF Roadmap for the LAC region.



FIGURE 4. SCHEMATIC ROADMAP TO ACCELERATE WOMEN'S FINANCIAL INCLUSION



Paraguay's financial institutions operate within a highly interoperable system. SIPAP, a regulated payment system, facilitates secure and efficient transactions between financial service providers. It includes the SPI for fast transactions, while the BCP's regulation of electronic money entities ensures their integration into this payment infrastructure. As a result, digital money serves as an interoperable tool for financial inclusion, seamlessly connecting with banks and other financial services.

Paraguay has demonstrated a commitment to women's financial inclusion through its past ENIF. However, while current policies remain tied to the 2014-2018 ENIF, their effectiveness in advancing women's financial economic empowerment has been mixed. A coherent and coordinated policy must be developed to drive financial inclusion in Paraguay, with a specific focus on women.

LEAD	CO-LEAD	ADVOCATE
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. 	N/A
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 	
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 must 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) 	

Mobile wallets have seen widespread adoption in the country, particularly during the COVID-19 pandemic, as government and electronic money providers collaborated to digitally disburse relief funds and other subsidies. However, the FinTech industry still lags behind. While initiatives like the annual FinTech Day and the Chamber of FinTech are significant strides, there remains a lack of regulation for crowdfunding and open banking.

The national government has expanded credit projects for women and women-owned MSMEs through a range of institutions such as the BNF and other credit programs. However, similar women-oriented initiatives from private sector actors are rare. With the involvement of women in the MSME sector and its relevance to the Paraguayan economy, there is a clear demand for private sector credit and savings products tailored to women and women-owned businesses. These solutions can help close the borrowing gap between women and men and support WMSME growth.

Paraguay has a well-developed and robust system for collecting and reporting sex-disaggregated financial services data, which is essential for guiding financial inclusion policies. Extending this data collection to agent banking networks would further enhance financial policy development by providing insights into expanding access points and understanding the different types used by women.

With over 40 percent of BCP employees being women, along with the president of the AFD, regulators have taken steps to promote gender DE&I within the sector. Nonetheless, a gap remains between the private and public sectors. The government, by providing gender diversity quotas for regulated FIs and encouraging cultures of inclusion and equity, can encourage more women to occupy executive and management roles. Regulators must also strengthen accountability measures for FIs to ensure greater gender diversity and inclusion 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 a model of 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.	

Despite internet penetration exceeding 70 percent, rural populations in Paraguay still have significantly lower access compared to urban areas, making it essential for public and private institutions to prioritize expanding ICT infrastructure in these regions.¹¹⁰ Encouraging the Ministry of Information and Communication Technologies (MITIC) to partner with private sector players to enhance mobile phone and internet access to rural areas is a crucial first step in bridging this digital divide.

	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 a range of programs and national initiatives. As previously mentioned, women demonstrate strong entrepreneurial ambition but face a lack of legal enforcement mechanisms to bridge the gender pay gap. Additionally, no quotas have been established to promote their involvement in private sector decision-making positions. Providing these legal protections, along with regulations, human capital development, and skill-building workshops and programs through various ministries can help ensure women's inclusion, not just in finance, but in the broader economic landscape in Paraguay.

¹¹⁰ Instituto Nacional de Estadística - Encuesta Permanente de Hogares Continua. 2023. Tecnología de la Información y Comunicación en el Paraguay. Available at: https://www.ine.gov.py/Publicaciones/Biblioteca/documento/253/Tecnolog%C3%ADa%20de%20la%20Informaci%C3%B3n%20y%20Comunicaci%C3%B3n%20EPHC_2023_INE.pdf

CONCLUSION

Paraguay has made significant strides in improving women's financial inclusion, particularly through the growth of deposit accounts and the adoption of mobile wallets and digital payments.

However, significant barriers remain, such as rural connectivity gaps, a lack of FinTech regulation, and the limited availability of financial products tailored for women. To build on this progress, expanding access to ICT infrastructure, particularly in rural areas, must be a priority. Additionally, women-focused financial education initiatives will be essential to improving credit usage and building confidence in formal financial institutions.

Encouraging private-sector investment in financial products for women through incentives and regulatory support is crucial. The BCP can incentivize financial institutions to create tailored solutions for women and women-led businesses through public-private partnerships and regulatory support. Expanding initiatives such as simplified credit products for women entrepreneurs and business owners will further economic empowerment and help close existing gaps.

Finally, strengthening financial literacy programs with a gender focus will ensure that women can confidently navigate the financial system. Programs such as the National Week for Financial Education and BCP Educa should be improved to reflect the specific needs of Paraguayan women and businesses. By addressing these priorities, Paraguay can advance gender-inclusive finance and position itself as a regional leader in women's economic participation.



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