



# Financial Inclusiveness Report



Shared Prosperity **Dignified Life**





Shared Prosperity **Dignified Life**



## **VISION**

ESCWA, an innovative catalyst for a stable, just and flourishing Arab region

## **MISSION**

Committed to the 2030 Agenda, ESCWA's passionate team produces innovative knowledge, fosters regional consensus and delivers transformational policy advice. Together, we work for a sustainable future for all.



Economic and Social Commission for Western Asia

# Financial Inclusiveness Report



United Nations  
Beirut



© 2025 United Nations  
All rights reserved worldwide

Photocopies and reproductions of excerpts are allowed with proper credits.

All queries on rights and licences, including subsidiary rights, should be addressed to the United Nations Economic and Social Commission for Western Asia (ESCWA), email: [publications-escwa@un.org](mailto:publications-escwa@un.org).

The findings, interpretations and conclusions expressed in this publication are those of the authors and do not necessarily reflect the views of the United Nations or its officials or Member States.

The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Links contained in this publication are provided for the convenience of the reader and are correct at the time of issue. The United Nations takes no responsibility for the continued accuracy of that information or for the content of any external website.

References have, wherever possible, been verified.

Mention of commercial names and products does not imply the endorsement of the United Nations.

References to dollars (\$) are to United States dollars, unless otherwise stated.

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

United Nations publication issued by ESCWA, United Nations House,

Riad El Solh Square, P.O. Box: 11-8575, Beirut, Lebanon.

Website: [www.unescwa.org](http://www.unescwa.org).

Cover photo credit: © ckybe/stock.adobe.com

UNITED NATIONS PUBLICATION
E/ESCWA/CL3.SEP/2025/3
PRINT ISBN: 9789211591439
PDF ISBN: 9789211547993
Sales no: E.26.II.L.6
2500805E

# Acknowledgements

The present report was produced by the United Nations Economic and Social Commission for Western Asia (ESCWA), under the overall guidance of the Executive Secretary, and the direction of the Chief of the Decision Support and Data Science Division, Ahmed Al-Awah.

## **Lead author**

Nathalie Grand

## **Authors**

Ahmed Al-Awah and Nathalie Grand

## **Coordinators**

Ahmed Al-Awah and Nathalie Grand

## **Contributors**

Nasser Saidi and Aathira Prasad

## **Meetings and consultations**

Regional workshop, Egypt, Cairo, 9–11 September 2025

## **Research assistants**

Jeanette Abi Ezz and Maria Alazzi

## **Administrative support**

Marguerite Shaarawi and Jasmine Farhat

## **Secretariat support**

Marguerite Shaarawi and Jasmine Farhat

## **Communication and outreach**

The country profiles will be included on the ISPAR platform and the dedicated website being built.

# Executive summary

Financial inclusion ensures that individuals and firms can access and use formal financial services. It supports inclusive growth, resilience and broader economic participation. It is closely linked to several Sustainable Development Goals, including poverty reduction, gender equality and decent work. However, in 2024, an estimated 1.3 billion adults worldwide remained unbanked, with exclusion concentrated in Asia, Africa and the Arab region.

Most existing indices and empirical work focus either on access to or usage of financial services. Few provide a comprehensive view that also captures the barriers preventing people from using available services. The Financial Inclusiveness Index developed by the United Nations Economic and Social Commission for Western Asia (ESCWA) addresses this gap. It covers 139 countries and is the first composite index to integrate in a single framework access, usage and barriers, across both traditional and digital channels. This offers a more complete diagnostic of where financial systems enable inclusion and where they fall short.

The Financial Inclusiveness Index is organized around three interlinked pillars:

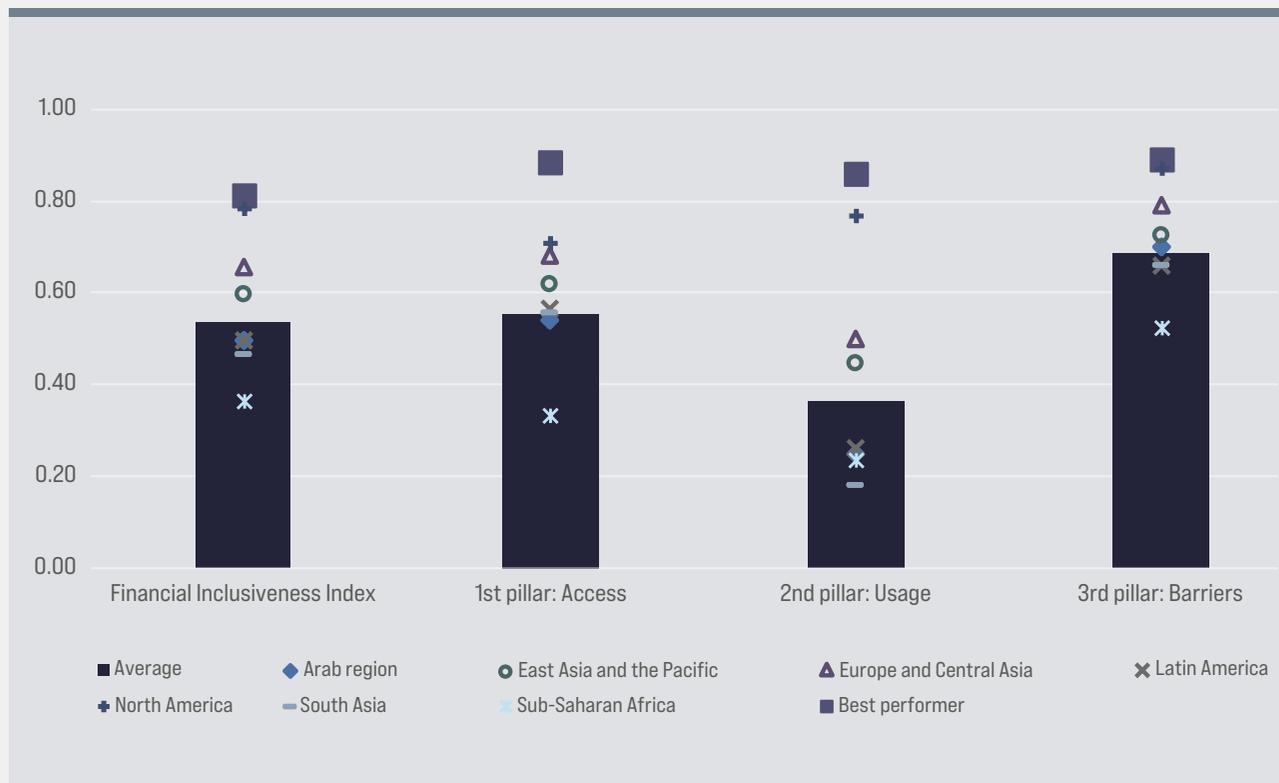
- **Access:** The availability and ease of reaching financial services through physical and digital infrastructure.
- **Usage:** How actively households and firms use accounts, payments, savings, credit and insurance via traditional and digital means.

- **Barriers:** Structural, regulatory and behavioural obstacles that prevent people from using services, including cost, insufficient funds, documentation, trust and digital readiness.

The 2025 Financial Inclusiveness Index results reveal a pronounced global divide (figure 1). High-income European economies dominate the top of the rankings, with Denmark, Norway, Finland, Sweden and the Netherlands among the best performers. At the other end of the spectrum, many low-income and fragile States in sub-Saharan Africa and conflict-affected countries in the Arab region occupy the lowest positions.

A central finding for this report is the underperformance of the Arab region in financial inclusion. Average account ownership is about 49 per cent, far below the global average of 79 per cent. The gender gap is among the widest in the world, at around 15 percentage points for account ownership and similarly large across several usage indicators. Despite high mobile phone penetration, adoption of digital payments and mobile money remains limited. The most frequently cited obstacle by unbanked adults is “insufficient funds” (71.9 per cent), alongside high costs, documentation requirements, limited trust and uneven digital readiness. While barriers declined in many regions between 2023 and 2025, the Arab region saw a moderate increase.

**Figure 1.** Global and regional performance across the Financial Inclusiveness Index and its three pillars

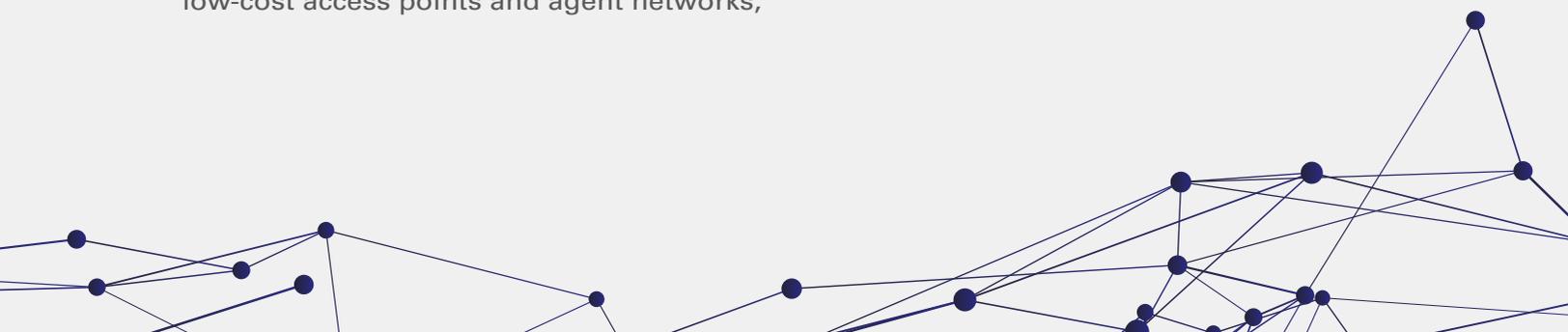


**Source:** Financial Inclusiveness Index database, ESCWA.

Within the Arab region, the analysis in this report focuses on 16 ESCWA member States, ranging from high-income Gulf Cooperation Council (GCC) economies to conflict-affected middle-income countries, but no low-income economies. GCC countries perform strongly, with Bahrain leading the Arab region and ranking 31st globally, followed by the United Arab Emirates and Kuwait. Middle-income countries show gradual progress but remain constrained by cost and capability gaps, while conflict-affected countries face systemic obstacles across all pillars.

The report concludes with policy priorities for the region, including expanding low-cost access points and agent networks;

promoting interoperable digital payments; strengthening consumer protection and trust; simplifying documentation and know your customer requirements; developing digital identification systems; and scaling financial and digital literacy, particularly for women, young people and rural populations. The Financial Inclusiveness Index, complemented by the ESCWA Index Simulator for Policymakers in the Arab Region platform, provides policymakers with an innovative, evidence-based tool to benchmark progress, identify reform priorities, and assess the potential impact of alternative policy choices.



# Contents

<b>Acknowledgements</b> .....	<b>3</b>
<b>Executive summary</b> .....	<b>4</b>
<b>1. Setting the stage: Financial inclusion in the Arab region</b> .....	<b>8</b>
A. Framing financial inclusion in the Arab region .....	9
B. The role of financial inclusion in development.....	10
C. Why one more index? .....	10
D. Data sources and coverage.....	11
E. Limitations and interpretation .....	11
<b>2. Conceptual framework of the Financial Inclusiveness Index</b> .....	<b>12</b>
A. Financial inclusion in the global and regional context.....	13
B. The Financial Inclusiveness Index perspective: access, usage and barriers .....	14
C. Architecture of the Financial Inclusiveness Index.....	16
D. Country groupings and comparative lens .....	16
E. Conceptual links with the Sustainable Development Goals .....	18
F. Scope and limitations of the Financial Inclusiveness Index.....	19
G. Conclusion.....	19
<b>3. Diagnostic foundations of financial inclusion</b> .....	<b>22</b>
A. Access .....	24
B. Usage .....	33
C. Barriers .....	40
<b>4. Global and regional results of the Financial Inclusiveness Index 2025</b> .....	<b>45</b>
A. Financial Inclusiveness Index 2025 overall scores and rankings.....	46
B. Access results .....	49
C. Usage pillar results.....	53
D. Barriers pillar results .....	56
E. Evolution of financial inclusiveness: Financial Inclusiveness Index 2025 vs Financial Inclusiveness Index 2023 .....	60
F. Conclusion.....	64
<b>5. Policy recommendations for Arab countries</b> .....	<b>65</b>
A. Policy recommendations: access pillar.....	66
B. Policy recommendations: usage pillar.....	68
C. Policy recommendations: barriers pillar.....	69
D. Cross-cutting enabler: financial technology .....	70
<b>Annex. Methodology of the Financial Inclusiveness Index</b> .....	<b>72</b>
<b>References</b> .....	<b>84</b>
<b>Endnotes</b> .....	<b>86</b>

## List of tables

Table 1. Indicators across Financial Inclusiveness Index pillars .....	15
Table 2. Regional groupings of countries, by income .....	17
Table 3. Top 20 countries in the Financial Inclusiveness Index .....	47
Table 4. Bottom 20 countries in the Financial Inclusiveness Index .....	47
Table 5. Heatmap of Financial Inclusiveness Index 2025 ranking, by income grouping and region .....	48
Table 6. Heatmap of the Financial Inclusiveness Index 2025 rankings for Arab countries, by pillar .....	48
Table 7. Heatmap of the access pillar rankings for Arab countries, by sub-pillar .....	52
Table 8. Heatmap of Financial Inclusiveness Index 2025 usage pillar rankings in the Arab region, by sub-pillar ..	54
Table 9. Heatmap of the Financial Inclusiveness Index 2025 barriers pillar rankings in the Arab region, by sub-pillar.....	59
Table 10. Comparison of Financial Inclusiveness Index scores .....	60

## List of figures

Figure 1. Global and regional performance across the Financial Inclusiveness Index and its three pillars.....	5
Figure 2. Availability of physical banking infrastructure per region.....	24
Figure 3. Availability of physical banking infrastructure per region, upper-middle income .....	25
Figure 4. Availability of physical banking infrastructure per region, lower-middle income.....	26
Figure 5. Supply side indicators that affect financial inclusion .....	27
Figure 6. Percentage of individuals owning a mobile phone and percentage of people having Internet access .....	28
Figure 7. Traditional versus digital infrastructure availability.....	29
Figure 8. Account ownership .....	30
Figure 9. Account ownership by income and regions .....	31
Figure 10. Account ownership by gender and income level, Arab countries .....	31
Figure 11. Credit card ownership, men and women, by region .....	32
Figure 12. Saving and borrowing behaviour in the Arab region .....	34
Figure 13. Regional differences in shares of women depositors and borrowers, 2024 .....	35
Figure 14. Access and use of digital services through mobile phones and Internet before and after COVID-19 pandemic.....	36
Figure 15. Using digital services to make or receive payments, by region and income group, 2017, 2021, 2024 ..	37
Figure 16. Digital financial operations in 2024 vs 2021 .....	39
Figure 17. Reasons for remaining unbanked, by region, 2024.....	41
Figure 18. Affordability and ownership of a smartphone.....	42
Figure 19. Cost of data-only mobile broadband basket and access to an account.....	43
Figure 20. Financial Inclusiveness Index scores, by income and regional groupings, 2025.....	46
Figure 21. Average scores of Financial Inclusiveness Index 2025 access pillar, by component, across region and income groupings.....	50
Figure 22. Financial Inclusiveness Index 2025 access pillar: traditional and digital infrastructure, rank comparison .....	51
Figure 23. Average scores of Financial Inclusiveness Index 2025 usage pillar, by component, across region and income groupings.....	53
Figure 24. Financial Inclusiveness Index 2025 usage pillar and digital infrastructure linkages .....	55
Figure 25. Financial Inclusiveness Index 2025 usage of digital financial operations vs digital barriers, rankings .....	56
Figure 26. Average ranks of Financial Inclusiveness Index 2025 barriers pillar, by component, across region and income groupings.....	58
Figure 27. Access to finance mostly on the rise .....	61
Figure 28. Usage (traditional and digital) progressed in most regions .....	61
Figure 29. Barriers declined across regions, Arab countries experience a moderate rise .....	62
Figure 30. Financial Inclusiveness Index scores in the Arab region, 2025 vs 2023.....	63
Figure 31. Financial Inclusiveness Index pillars in the Arab region, 2025 vs 2023.....	63

# 1.

## Setting the stage: Financial inclusion in the Arab region



# 1. Setting the stage: Financial inclusion in the Arab region

Across the Arab region, progress in expanding access to financial services has accelerated, supported by the growth of digital payments, mobile services and modernized financial infrastructure. Yet financial inclusion remains uneven. Many individuals and firms continue to rely primarily on cash, informal arrangements or a narrow set of financial products. Gaps persist across population groups, particularly women, young people, rural populations and micro and small enterprises.

Financial inclusion is a key enabler of economic participation and resilience. It strengthens social protection systems, supports private-sector development, facilitates digital transformation, and contributes to poverty reduction and women's economic empowerment. As Governments invest in digital public infrastructure and modernize financial systems, understanding where inclusion is advancing and where structural obstacles persist becomes increasingly important.

The Financial Inclusiveness Index, developed by the United Nations Economic and Social Commission for Western Asia (ESCWA), offers a comparable and data-driven framework to assess financial

inclusion across countries. The index brings together indicators related to access, usage and barriers, providing an integrated view of both the enabling conditions and the constraints shaping financial participation. By examining traditional and digital channels together, the Financial Inclusiveness Index helps identify reform priorities relevant to economies at different stages of development.

The purpose of this report is to:

- Present updated Financial Inclusiveness Index 2025 results for all countries with available data.
- Analyse regional patterns and structural challenges.
- Identify shared characteristics and country-specific dynamics.
- Provide evidence to inform national strategies, regulatory modernization and inclusive financial sector development.

The report is intended for policymakers, regulators, development partners, financial institutions and researchers seeking an integrated and internationally comparable assessment of financial inclusion in the Arab region.

## A. Framing financial inclusion in the Arab region

The **Financial Inclusiveness Index 2025** report is organized into five main chapters:

**1. Financial inclusion in the Arab region:** outlines the rationale for financial inclusion, the purpose of the Financial

Inclusiveness Index and the key questions guiding the analysis.

**2. The case for financial inclusiveness: context, rationale and approach:** outlines the conceptual framework

of the Financial Inclusiveness Index, explaining the rationale for the three pillars and the approach used to analyse financial inclusion across countries.

- 3. Diagnosis foundations:** presents the evidence underlying the three pillars of the Financial Inclusiveness Index, explaining how access conditions, usage behaviour and structural barriers interact to produce financial inclusion outcomes across regions.
- 4. Global and regional results:** presents the Financial Inclusiveness Index 2025 results: global and regional

comparisons, and changes since 2023. While the previous chapter focuses on mechanisms, this chapter focuses on measured outcomes.

- 5. Policy implications:** highlights priority reform areas supported by the empirical findings, considering differences in country contexts and financial sector characteristics.

Country profiles with detailed national results and indicator-level data will be available on the dedicated ESCWA website accompanying this report.

## B. The role of financial inclusion in development

Financial inclusion contributes to a wide range of development outcomes. Access to appropriate financial services allows households to manage risks, save, borrow, invest in education and health, and participate more effectively in economic activity. For firms, especially micro, small and home-based enterprises, access to finance can support innovation, productivity and growth.

Empirical research shows that:

- **Account ownership** improves savings behaviour and financial resilience.
- **Digital payments** enhance efficiency in markets and government service delivery.

- **Credit for micro-, small- and medium-sized enterprises (MSMEs)** supports entrepreneurship, employment creation and innovation.
- **Insurance** helps households and firms to manage shocks.
- **Digital financial services** reduce transaction costs and expand market participation.

These channels underpin national development strategies and are central to many countries' visions for economic diversification and digital transformation.

## C. Why one more index?

Most global datasets measure only access or account ownership. The Financial Inclusiveness Index integrates the three linked dimensions of access, usage and barriers, allowing policymakers to understand not only who can enter the formal financial system, but who actually uses it and what prevents further participation.

Existing tools tend to focus either on traditional banking (credit, deposits) or digital payments. The Financial Inclusiveness Index combines both, reflecting today's hybrid financial landscape where digital channels increasingly complement, but do not automatically replace, traditional services.

The Financial Inclusiveness Index offers an internationally comparable benchmark that allows policymakers to compare performance across countries using consistent metrics; monitor progress over time; identify structural barriers requiring coordinated reforms; understand how digital readiness and institutional frameworks affect outcomes; and adopt a gender lens.

Regional benchmarking helps reveal shared constraints such as affordability gaps, limited financial capability, uneven digital readiness, low usage of digital payments and persistent gender disparities, all of which cut across income levels. By providing a unified measurement framework, the Financial Inclusiveness Index strengthens evidence-based dialogue and supports cooperation among countries in the Arab region on common reform priorities.

## D. Data sources and coverage

The Financial Inclusiveness Index 2025 draws exclusively on harmonized and internationally comparable datasets to ensure consistency across countries and over time. The index covers 16 ESCWA member States for which validated international data are available: Algeria, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco,

Oman, the State of Palestine, Qatar, Saudi Arabia, Tunisia and the United Arab Emirates. Variations in country coverage reflect differences in availability of internationally comparable sources.

All underlying data used to compute the index will be accessible on the ESCWA website.

## E. Limitations and interpretation

As with all composite indices, interpretation requires care. The Financial Inclusiveness Index focuses on formal financial inclusion and does not measure several important dimensions of financial behaviour and market structure. In particular, the index:

- Does not capture informal financial activities, including informal savings groups, informal borrowing, remittances through unregistered channels or rotating credit schemes.
- Does not measure the quality, suitability or affordability of specific financial products, beyond what is captured through internationally comparable proxies.
- Does not assess financial sector soundness, regulatory effectiveness or interoperability, which require specialized data and methodologies.

- May not fully reflect very recent reforms or innovations, especially where data are collected on multi-year cycles.
- Does not include institutional variables such as consumer protection enforcement, dispute resolution mechanisms or national identity system maturity, which are highly relevant but not harmonized across countries.

Despite these limitations, the Financial Inclusiveness Index offers a robust, transparent and data-driven framework for understanding financial inclusion dynamics in the region. The index should be interpreted alongside national data and qualitative assessments for a complete picture of financial inclusion challenges.

# 2.

## Conceptual framework of the Financial Inclusiveness Index



## 2. Conceptual framework of the Financial Inclusiveness Index

Financial inclusion has become a central element of the global development agenda. It is reflected in the 2030 Agenda for Sustainable Development and recognized as a key enabler of progress on poverty reduction, gender equality, decent work, innovation and reduced inequalities. In the Arab region, financial inclusion features prominently in national development strategies and digital transformation agendas.

This chapter sets out the conceptual foundation of the Financial Inclusiveness Index. It explains how the index conceptualizes financial inclusion, why it adopts a three-pillar structure, how its indicators are organized, and how it connects to the Sustainable Development Goals (SDGs). Detailed methodological steps for data treatment, normalization and aggregation are provided separately in the methodological note available on the ESCWA website.

### A. Financial inclusion in the global and regional context

Financial inclusion is widely understood as ensuring that individuals and firms can access and use a range of appropriate, affordable and high-quality financial services such as payments, savings, credit, insurance and other risk-management tools, delivered responsibly and sustainably.

Organizations, however, differ in emphasis:

- The World Bank focuses on expanding access to useful, affordable financial products.<sup>1</sup>
- The International Monetary Fund (IMF) frames financial inclusion as a driver of inclusive growth and financial stability.
- The United Nations highlights its role as an enabler of sustainable development.<sup>2</sup>

Across these perspectives, three dimensions recur: access, usage and the conditions that facilitate or impede both.

A major gap in existing approaches is that most analyses emphasize either supply-side factors (e.g., financial infrastructure) or demand-side factors (e.g., actual use).

A key contribution of the Financial Inclusiveness Index is that it integrates these perspectives and embeds them in a framework that allows for gender-disaggregated analysis wherever internationally comparable indicators permit it. This strengthens the diagnostic value of the index, especially in a region where gender gaps remain among the widest globally.

The relevance of this integrated approach is clear: while many countries in the Arab region have made substantial investments in digital and physical financial infrastructure, active use of accounts and digital payments remains low. Infrastructure has expanded faster than effective participation, suggesting that infrastructure alone is insufficient.

The Financial Inclusiveness Index's second contribution lies in its dual focus on traditional and digital financial channels. The financial inclusion landscape in the Arab region is changing rapidly, shaped by digital public infrastructure, mobile

communications, online government services, and fintech innovations. Yet exclusion persists, often due to structural constraints such as informality, limited financial capability, affordability barriers, documentation requirements, geographical disparities and trust deficits.

The Financial Inclusiveness Index applies this global understanding to the Arab region by examining not only the availability of financial services but also the behavioural, institutional and technological factors that determine whether individuals can meaningfully participate in the formal financial system.

## B. The Financial Inclusiveness Index perspective: access, usage and barriers

The Financial Inclusiveness Index interprets financial inclusion through three interrelated pillars:

- **Access:** the availability and physical or digital proximity of financial services.
- **Usage:** the actual use of these services for payments, savings, borrowing and risk management.
- **Barriers:** the constraints that prevent firms or individuals from accessing or using financial services even when they are available.

Improving infrastructure alone is not sufficient to achieve meaningful financial inclusion. Countries may exhibit relatively dense bank branch networks or extensive mobile coverage yet record low usage when costs are high, products are unsuitable, digital literacy is limited, or trust remains low.

The Financial Inclusiveness Index treats barriers as an explicit dimension, not as a residual after measuring access and usage. By doing so, it captures how cost, documentation, distance, trust and digital readiness shape participation in financial systems.

In addition, the Financial Inclusiveness Index recognizes the dual nature of modern financial systems by distinguishing, within each pillar, between:

- Traditional financial services (e.g., bank accounts, cards, branches, in-person transactions).
- Digital financial services (e.g., mobile money, Internet payments, online transfers, digital public services).

This dual perspective allows countries to assess both the persistence of cash-based practices and the growing role of digital channels.

### Why a three-pillar model?

The decision to structure the Financial Inclusiveness Index around access, usage and barriers responds to three considerations particularly relevant in the Arab region:

#### 1. Infrastructure without inclusion

Many countries have invested in traditional and digital infrastructure without achieving commensurate increases in active use. A dedicated access pillar captures these efforts, while usage reveals whether infrastructure translates into participation.

#### 2. Barriers as a missing link

Survey evidence shows that large numbers of adults remain unbanked due to insufficient funds, high costs, lack of documentation, distance and trust. Treating barriers as a pillar highlights this missing link rather than assuming barriers are reflected automatically in low usage.

#### 3. Managing the digital-traditional transition

Countries across the Arab region are at very different stages of digital transformation. Embedding both traditional and digital indicators in each pillar helps policymakers understand the position of their country in this transition and to identify priority interventions.

**Table 1.** Indicators across Financial Inclusiveness Index pillars

Pillar one: access			Pillar two: usage		Pillar three: barriers	
Traditional infrastructure	Digital infrastructure	Ease of access to services	Traditional financial operations	Digital financial services	Traditional barriers	Digital barriers
Number of automatic telling machines (ATMs) per 100,000 km <sup>2</sup>	Own a mobile phone (percentage, age 15+ years)	Account ownership (percentage, age 15+ years)	Made a deposit (percentage with a financial institution account, age 15+ years)	Used a mobile phone or the Internet to access an account (percentage, age 15+ years)	No account because financial institutions are too far away (percentage without an account, age 15+ years)	Information and communication technology (ICT) regulatory environment
Number of ATMs per 100,000 adults	E-finance content	Own a credit card (percentage, age 15+ years)	Made a withdrawal (percentage with a financial institution account, age 15+ years)	Used a mobile phone or the Internet to buy something online (percentage, age 15+ years)	No account because financial services are too expensive (percentage without an account, age 15+ years)	Regulatory quality
						Cybersecurity
Number of commercial bank branches per 100,000 adults	Households with a computer (percentage)	Own a debit card (percentage, age 15+ years)	Sent or received domestic remittances using an account (percentage, age 15+ years)	Used a mobile phone or the Internet to pay bills (percentage, age 15+ years)	No account because of insufficient funds (percentage without an account, age 15+ years)	Secure Internet servers
						Smart phone cost
Number of commercial bank branches per 100 km <sup>2</sup>	Government initiative to make Wi-Fi available	Deposit account with commercial banks	Received government payments (percentage, age 15+ years)	Made or received a digital payment (percentage, age 15+ years)	No account because of a lack of trust in financial institutions (percentage without an account, age 15+ years)	Data-only mobile broadband baskets
	International internet bandwidth (bits per second per Internet user)	Number of loan accounts with commercial banks per 1,000 adults	Borrowed from a formal financial institution (percentage, age 15+ years)	Saved money using mobile money account (percentage, age 15+ years)	No account because of a lack of necessary documentation (percentage without an account, age 15+ years)	Access to electricity (percentage)
						Support for digital literacy

	Active mobile broadband subscription per 100 inhabitants	Main source of emergency funds in 30 days: loan from a bank, employer, or private lender (percentage, age 15+ years)	Saved at a financial institution (percentage, age 15+ years)	Borrowed any money using mobile money (percentage, age 15+ years)		Digital skills among active population
	Fixed-broadband subscriptions per 100 inhabitants			Sent or received domestic remittances through a money transfer service (percentage, age 15+ years)		Mean years of schooling
	Population coverage by mobile network 3G technology					Government expenditure on education (percentage of gross domestic product (GDP))

Source: Financial Inclusiveness Index database, ESCWA.

## C. Architecture of the Financial Inclusiveness Index

The Financial Inclusiveness Index translates this structure into a clear measurement architecture. Each pillar is composed of sub-dimensions that cover both traditional and digital aspects of financial inclusion, including ease of access and the barriers that constrain uptake. Table 1 lists all indicators used in the index, grouped under their corresponding pillar and sub-dimension.

Each pillar contributes equal weight (33.3 per cent) to the composite index, reflecting the principle that access, usage and barriers are equally essential for financial inclusion. All indicators are drawn from internationally recognized datasets to ensure comparability, transparency and consistency across countries and over time.

## D. Country groupings and comparative lens

While the Financial Inclusiveness Index enables global comparison, coverage in this edition is determined by the availability of internationally comparable data. Some low-income and conflict-affected economies are underrepresented because of missing indicators.

This report therefore focuses on 16 ESCWA member States with sufficient data: Algeria,

Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, the State of Palestine, Qatar, Saudi Arabia, Tunisia and the United Arab Emirates.

For analytical clarity, countries are grouped by region and by World Bank income classification (table 2), allowing comparisons with peers facing broadly similar development conditions.

**Table 2.** Regional groupings of countries, by income

Arab region	East Asia and the Pacific	Europe and Central Asia	Latin America and the Caribbean	Middle East and North Africa, Afghanistan and Pakistan (excluding Arab region)	North America	South Asia	Sub-Saharan Africa
Algeria Bahrain Egypt Iraq Jordan Kuwait Lebanon Libya Mauritania Morocco Oman State of Palestine Qatar Saudi Arabia Tunisia United Arab Emirates	Australia Cambodia China Indonesia Japan Korea Lao Malaysia Mongolia Myanmar New Zealand Philippines Singapore Thailand Vietnam	Albania Armenia Austria Azerbaijan Belarus Belgium Bosnia and Herzegovina Bulgaria Croatia Cyprus Czech Republic Denmark Estonia Finland France Georgia Germany Greece Hungary Ireland Italy Kazakhstan Kosovo Kyrgyz Republic Latvia Lithuania Luxembourg Moldova Montenegro Netherlands North Macedonia Norway Poland Portugal Romania Russian Federation Serbia Slovak Republic Slovenia Spain Sweden Switzerland Tajikistan Türkiye Ukraine United Kingdom Uzbekistan	Argentina Bolivia Brazil Chile Colombia Costa Rica Dominican Republic Ecuador El Salvador Guatemala Honduras Mexico Nicaragua Panama Paraguay Peru Uruguay Venezuela, RB	Afghanistan Iran Israel Malta Pakistan	Canada United States	Bangladesh India Nepal Sri Lanka	Benin Botswana Burkina Faso Cameroon Central African Republic Chad Congo, Dem. Rep. Congo, Rep. Côte d'Ivoire Ethiopia Gabon Ghana Guinea Kenya Liberia Madagascar Malawi Mali Mauritius Mozambique Namibia Niger Nigeria Rwanda Senegal Sierra Leone South Africa Tanzania Togo Uganda Zambia Zimbabwe

**Source:** World Bank income classifications.

## The Financial Inclusiveness Index – Index Simulator for Policymakers in the Arab Region (ISPAR) integration

Beyond presenting and analysing data, the Financial Inclusiveness Index introduces a practical innovation: an online simulation and optimization tool integrated into the ISPAR platform. This tool allows ESCWA member States to:

- Assess how changes in specific indicators could affect their scores and rankings.
- Model alternative policy scenarios.
- Understand how improvements in financial inclusion may influence their standing in broader international indices and development strategies.
- Identify the most effective policy levers through an optimization engine designed by ESCWA.

This integration strengthens the Financial Inclusiveness Index's role as both an analytical framework and a decision-supporting instrument.

## E. Conceptual links with the Sustainable Development Goals

Financial inclusion is recognized as enabling several SDGs in the 2030 Agenda for Sustainable Development. While it cannot deliver these goals on its own, the Financial Inclusiveness Index framework connects each pillar and indicator to relevant SDG targets. In particular:

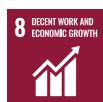


**SDG 1 (No Poverty):** Target 1.4 calls for ensuring that all men and women have equal rights to economic resources and access to basic services. The Financial Inclusiveness Index's access pillar, especially indicators on account ownership and proximity of financial service points, relates directly to this objective.



**SDG 5 (Gender Equality):** Financial inclusion is a critical dimension of women's economic empowerment. Gender gaps in account ownership, access to credit and digital usage are captured in the Financial Inclusiveness Index through gender-disaggregated indicators

and barrier measures, especially those related to documentation, mobility and trust.



**SDG 8 (Decent Work and Economic Growth):** Access to finance for households and enterprises supports productive investment, entrepreneurship and employment creation. Indicators on usage of savings, credit and remittances are linked to these channels.



**SDG 9 (Industry, Innovation and Infrastructure):** Targets on access to ICT and digital infrastructure are reflected in the Financial Inclusiveness Index's digital access and digital barriers indicators, such as mobile broadband subscriptions, secure Internet servers and support for digital literacy.



**SDG 10 (Reduced Inequalities):** The distributional dimension of financial inclusion across income,

gender, geography and other characteristics is reflected in the barriers pillar and in the ability of the index to be disaggregated by country group.



**SDG 16 (Peace, Justice and Strong Institutions):** Trust in financial institutions, regulatory quality and cybersecurity indicators in the barriers pillar capture aspects of institutional quality relevant for inclusive finance.

## F. Scope and limitations of the Financial Inclusiveness Index

The Financial Inclusiveness Index is designed to capture a specific and clearly defined set of dimensions of financial inclusion. It does not attempt to measure every aspect of the financial system, nor does it replace specialized indices focusing on financial stability, market depth or regulatory quality.

In particular, the Financial Inclusiveness Index:

- Does not capture the informal financial sector, although informal mechanisms remain important for many households and small enterprises in the Arab region.
- Does not measure the depth or sophistication of financial markets, such as capital market development or complex financial instruments.
- Does not assess credit risk or the soundness of individual financial institutions.

- Does not directly evaluate the quality of financial products, such as pricing structures, transparency of terms, or the suitability of products for different client segments.
- Does not provide a comprehensive measure of financial consumer protection frameworks, although some related aspects are reflected in trust and regulatory quality indicators.
- Does not, on its own, measure the extent to which financial inclusion translates into improved welfare outcomes, which depends on broader economic and social policies.

These limitations are important when interpreting scores. The Financial Inclusiveness Index is best used as a diagnostic tool that highlights structural bottlenecks and guides policy priorities, and should be complemented with qualitative assessments and national data.

## G. Conclusion

The next chapters build on this framework by first examining the underlying evidence behind the three pillars (diagnosis foundations). It then presents the Financial

Inclusiveness Index 2025 global and regional results, before concluding with policy recommendations supported by empirical findings.

## Interpreting Financial Inclusiveness Index scores and rankings – a practical guide

### Understanding the numbers

#### Score ranges and their meaning

The Financial Inclusiveness Index produces scores from 0 to 100, where:

- **80–100:** Very high financial inclusion (typically high-income economies with mature digital infrastructure).
- **60–79:** High financial inclusion (upper-middle-income economies with good infrastructure but some gaps).
- **40–59:** Medium financial inclusion (most middle-income economies with significant room for improvement).
- **20–39:** Low financial inclusion (lower-income economies facing multiple structural barriers).
- **0–19:** Very low financial inclusion (fragile contexts or severe exclusion).

#### What score differences mean

- **>10 points:** Substantial difference reflecting fundamentally different levels of financial inclusion.
- **5–10 points:** Meaningful difference that likely reflects specific policy or infrastructure gaps.
- **<5 points:** May reflect measurement variation; examine pillar scores for clearer distinctions.
- **<2 points:** Not statistically significant; countries should be considered at similar levels.

#### Reading pillar scores

Comparing pillar scores reveals specific strengths and weaknesses:

- **Access > usage:** Infrastructure exists but is not being utilized effectively (common pattern).
- **Usage > access:** Strong demand potentially constrained by limited infrastructure (rare pattern).
- **Low barriers score:** Significant obstacles prevent translation of access into usage.
- **Unbalanced pillars (>15 point spread):** Clear priority areas for policy intervention.

#### Tracking progress over time

When comparing editions:

- **8+ point increase:** Significant progress, usually reflecting major policy reforms or infrastructure investment.
- **2–8 point change:** Moderate improvement or decline worth investigating.
- **<2 point change:** Essentially stable performance.
- **Pillar-level changes:** More informative than overall score changes for understanding drivers.

#### Contextualizing rankings

Rankings should always be interpreted with context:

- **Global rank:** Position among all 139 countries in the index.
- **Regional rank:** Position within geographic region (more relevant for benchmarking).
- **Income group rank:** Position among economic peers (most relevant for policy learning).
- **Year-on-year rank change:** Can be misleading if many countries have similar scores.

### Traditional vs digital performance

Within each pillar, comparing traditional and digital sub-components reveals:

- **Digital > traditional:** Country is bypassing legacy infrastructure (common in Africa, parts of Asia).
- **Traditional > digital:** Established banking system but lagging digital transformation (some Arab region countries).
- **Both low:** Fundamental exclusion requiring comprehensive intervention.
- **Both high:** Mature, inclusive financial system.

### Using scores for policy

The Financial Inclusiveness Index is most valuable when used to:

- **Identify priority gaps:** Focus on the lowest-scoring pillar.
- **Benchmark against peers:** Compare with countries at similar income levels.
- **Track reform impact:** Monitor score changes 2–3 years after major interventions.
- **Set realistic targets:** Aim for 5–10 point improvements over 3–5 years.

### Important caveats

- **Scores reflect formal financial inclusion only:** Informal financial mechanisms are not captured.
- **Latest available data:** Some indicators may lag by 2–3 years.
- **National averages:** Scores mask within-country disparities (urban/rural, gender, income).
- **Quality not captured:** High usage does not necessarily mean appropriate or beneficial products.
- **Not a welfare measure:** Higher scores do not automatically mean improved wellbeing.

### Example interpretation

Country X scores 52 overall, with access at 65, usage at 47 and barriers at 44. This profile suggests that while financial infrastructure is reasonably developed (65), significant barriers (44) are preventing people from using available services (47). Policy priorities should focus on reducing costs, simplifying documentation requirements, and building trust, which are the key components of the barriers pillar, rather than further infrastructure expansion.

### Quick decision rules for policymakers

- **If access – usage > 20 points:** Focus on barriers, literacy and product design.
- **If usage – access > 10 points:** Invest in infrastructure expansion.
- **If barriers < 40:** Address fundamental constraints before infrastructure investment.
- **If digital < traditional by >15 points:** Prioritize digital transformation initiatives.
- **If all pillars < 50:** Comprehensive financial inclusion strategy needed.

### For further analysis

- **Examine sub-indicators:** Detailed indicator scores reveal specific bottlenecks.
- **Consider peer trajectories:** Study countries that have successfully improved from similar starting points.
- **Use ISPAR simulations:** Model potential impacts of specific interventions.
- **Combine with qualitative assessment:** Financial Inclusiveness Index scores should inform, not replace, contextual analysis.

**Note:** The Financial Inclusiveness Index is a diagnostic tool designed to identify gaps and track progress in financial inclusion. It should be used alongside other economic and social indicators for comprehensive policy planning. For country-specific interpretation support, consult the detailed country profiles available on the dedicated ESCWA website or use the ISPAR simulation platform.

# 3.

## Diagnostic foundations of financial inclusion



# 3. Diagnostic foundations of financial inclusion

Account ownership, often used as the primary measure of financial inclusion, has expanded rapidly worldwide. However, meaningful financial inclusion still lags behind. While 79 per cent of adults globally now hold an account, usage remains uneven, particularly in low- and middle-income economies. Indicators related to saving, borrowing and digital transactions have seen improvements far more slowly, widening the gap between access and effective participation in the financial system.

This divergence highlights the need for multidimensional measurement. Account ownership alone does not capture affordability, trust, service quality or the ability to use digital tools, factors that directly shape financial behaviour and determine whether individuals can rely on formal financial services.

This chapter addresses this need by providing a diagnostic assessment across the three pillars that structure the Financial Inclusiveness Index: access, usage and barriers. Building on the conceptual framework presented in chapter 2, it examines how the availability of financial infrastructure, the actual use of traditional and digital financial services, and the constraints faced by individuals jointly shape financial inclusion outcomes across regions and income groups.

The objective of this diagnostic review is twofold:

- To provide a clear, data-based understanding of the structural factors

that determine countries' performances on the Financial Inclusiveness Index.

- To clarify the sequence through which access translates or fails to translate into usage, and how both are conditioned by traditional and digital barriers.

By analysing each pillar from global and regional perspectives, the chapter highlights the key gaps and opportunities that underpin policy recommendations.

The chapter is organized into three sections:

- Access reviews traditional and digital financial infrastructure and the ease of accessing services, situating countries in the Arab region within global patterns.
- Usage examines how individuals interact with financial services such as savings, borrowing, payments and digital operations, paying particular attention to gender differences and the effects of the COVID-19 pandemic.
- Barriers analyses economic, legal, technological, regulatory and socio-cultural factors that hinder financial inclusion, drawing on recent evidence and regional specificities.

Together, these diagnostics provide the analytical foundation for the Financial Inclusiveness Index 2025 rankings and comparisons presented in chapter 4, and for the policy recommendations outlined in chapter 5.

## A. Access

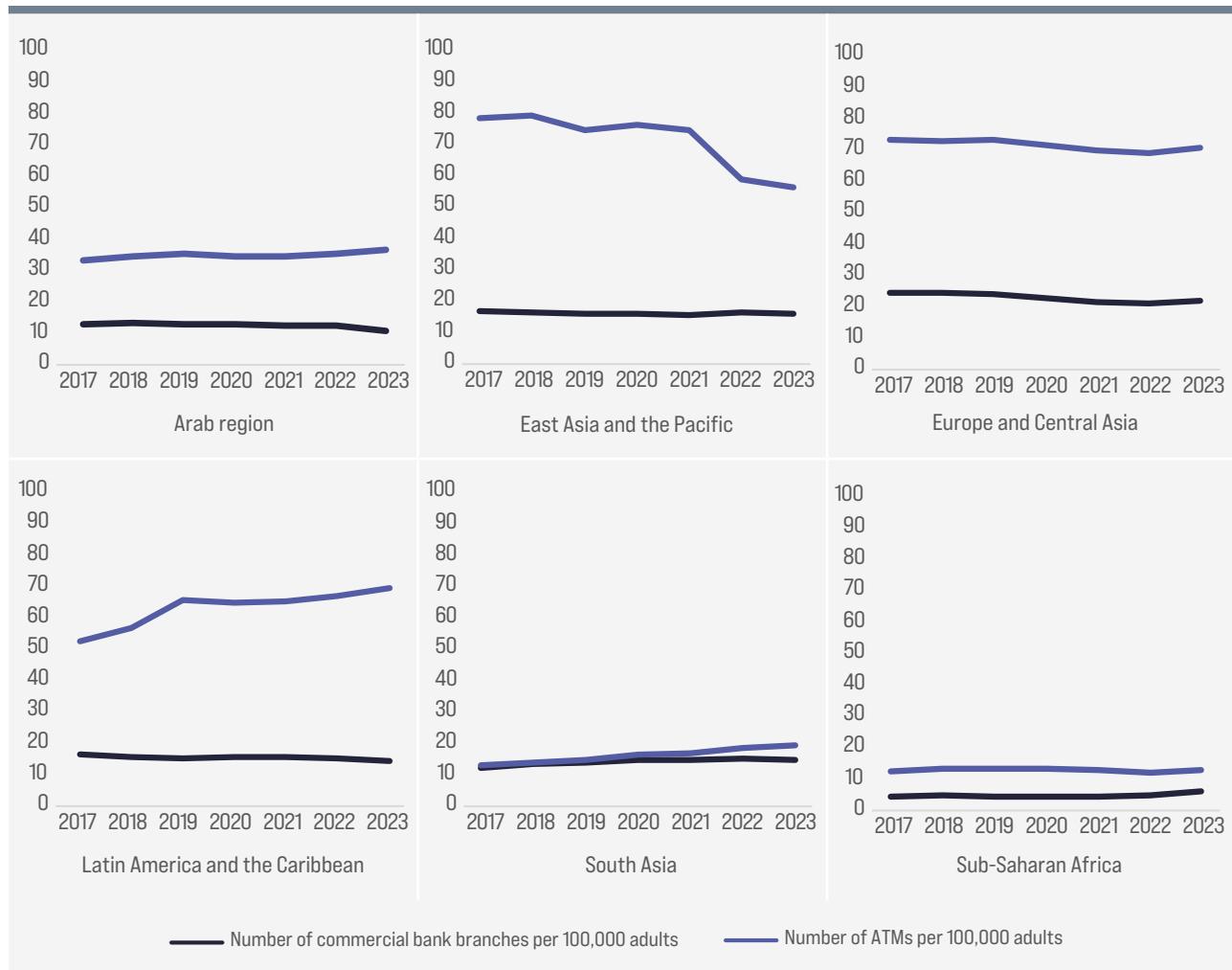
Access to finance constitutes the foundation of financial inclusion, capturing both the availability of financial infrastructure and the ease with which individuals can open and maintain accounts. This section provides a diagnostic overview of the global and regional access landscape, situating the Arab region within a broader comparative context. It demonstrates that while infrastructure has expanded globally, the conversion of this infrastructure into effective financial access remains uneven. In the Arab region in particular, access constraints persist despite strong digital

and mobile foundations, raising critical questions that will be addressed later under the usage and barriers pillars of the Financial Inclusiveness Index.

### 1. Traditional and digital infrastructure: global context and Arab region position

Traditional bank branches and ATMs have historically served as the backbone of financial access, and they remain part of international monitoring frameworks for

**Figure 2.** Availability of physical banking infrastructure per region

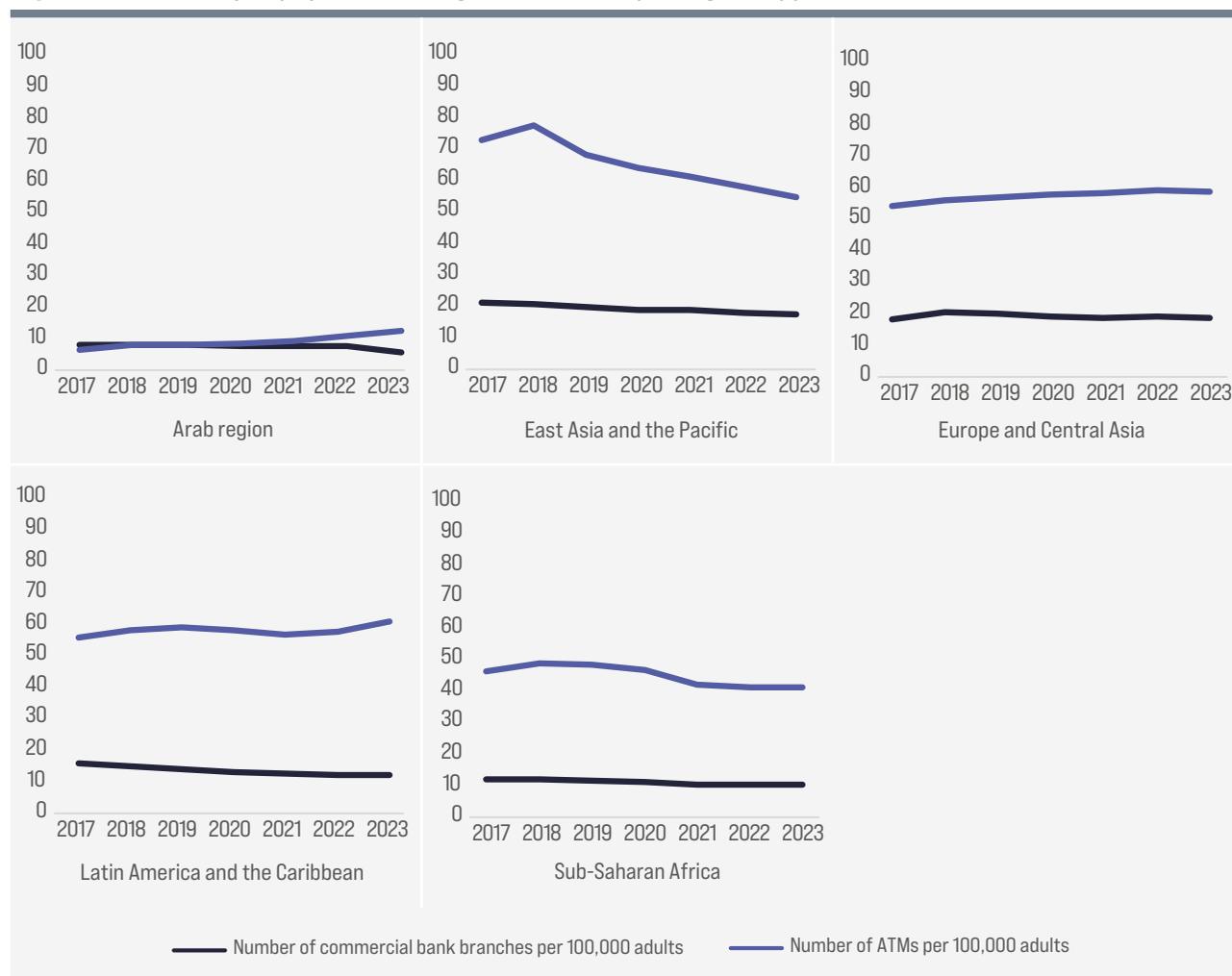


Source: World Development Indicators, Financial Inclusiveness Index database, ESCWA.

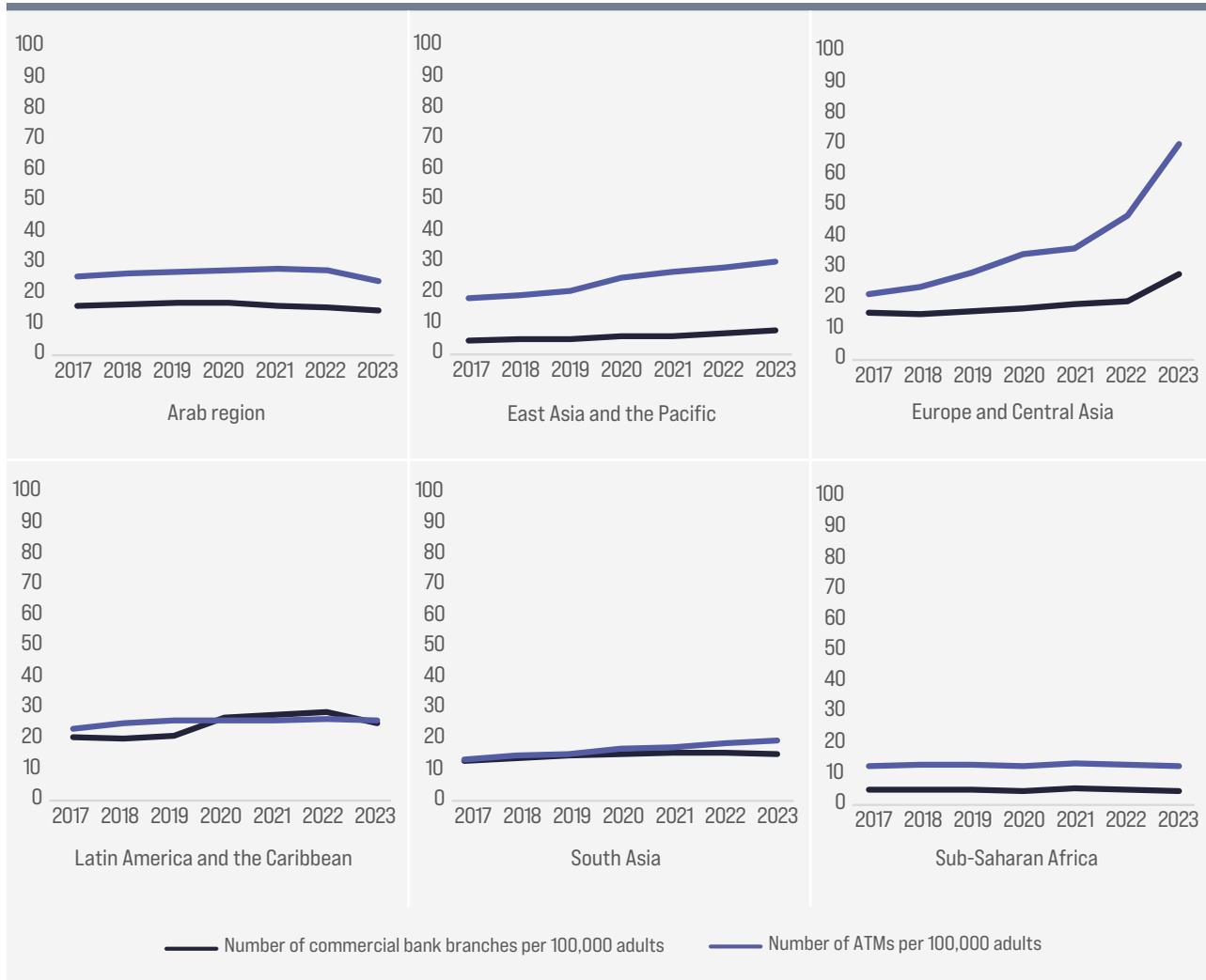
SDG 1 (No Poverty)<sup>3</sup> and SDG 8 (Decent Work and Economic Growth).<sup>4</sup> However, the financial landscape has shifted markedly over the past decade. Since 2011, the density of bank branches per 100,000 adults has declined across all regions except Latin America and South Asia, where the prevalence of low- and lower-middle-income economies contributes to their continued relevance (figure 2). ATM access remains significant across most regions and income groups and has increased notably in the Arab region, Latin America and South Asia, especially among upper- and lower-middle-income countries (figures 3 and 4).

Only high-income countries in East Asia and Europe register a decline in ATM usage as their digital ecosystems mature. This transition is underpinned by the rapid expansion of digital infrastructure. The Financial Inclusiveness Index incorporates four key indicators to measure digital readiness: households with a computer, mobile network coverage, mobile phone ownership and Internet usage. Figure 5 illustrates stark differences across regions. North America, Europe and Central Asia consistently outperform other regions, boasting the highest penetration rates across all digital indicators. Sub-Saharan Africa remains the slowest to adopt fixed and mobile broadband, as well as computer ownership.

**Figure 3.** Availability of physical banking infrastructure per region, upper-middle income



**Source:** World Development Indicators, Financial Inclusiveness Index database, ESCWA.

**Figure 4.** Availability of physical banking infrastructure per region, lower-middle income

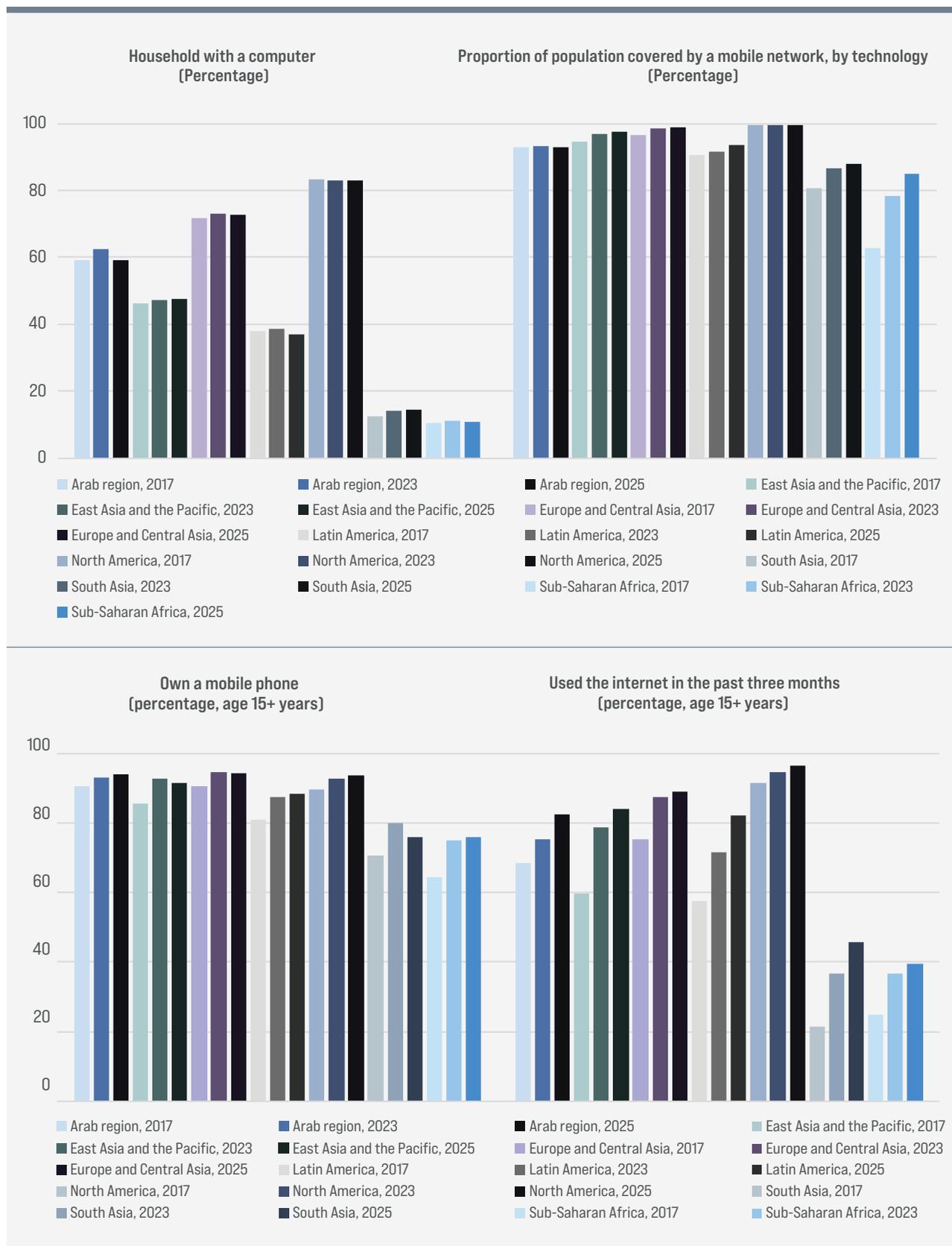
Source: World Development Indicators, Financial Inclusion Index database, ESCWA.

The Arab region shows strong mobile-related infrastructure. Mobile network coverage approaches nearly 100 per cent, and mobile phone ownership among individuals aged 15+ years is close to 95 per cent. Internet use increased from approximately 68 per cent in 2017 to about 80 per cent in 2024. Computer ownership has remained around 60 per cent, consistent with global trends as smartphones increasingly substitute for personal computers. Active mobile broadband subscriptions average 107.2 per 100 inhabitants in the Arab region, placing it above Latin America, South Asia and sub-Saharan Africa,

though still below the North America level of 134.2. Substantial variation exists within the region: subscriptions reach 155.2 per 100 inhabitants in high-income Arab region countries and 72.0 in lower-middle-income countries.

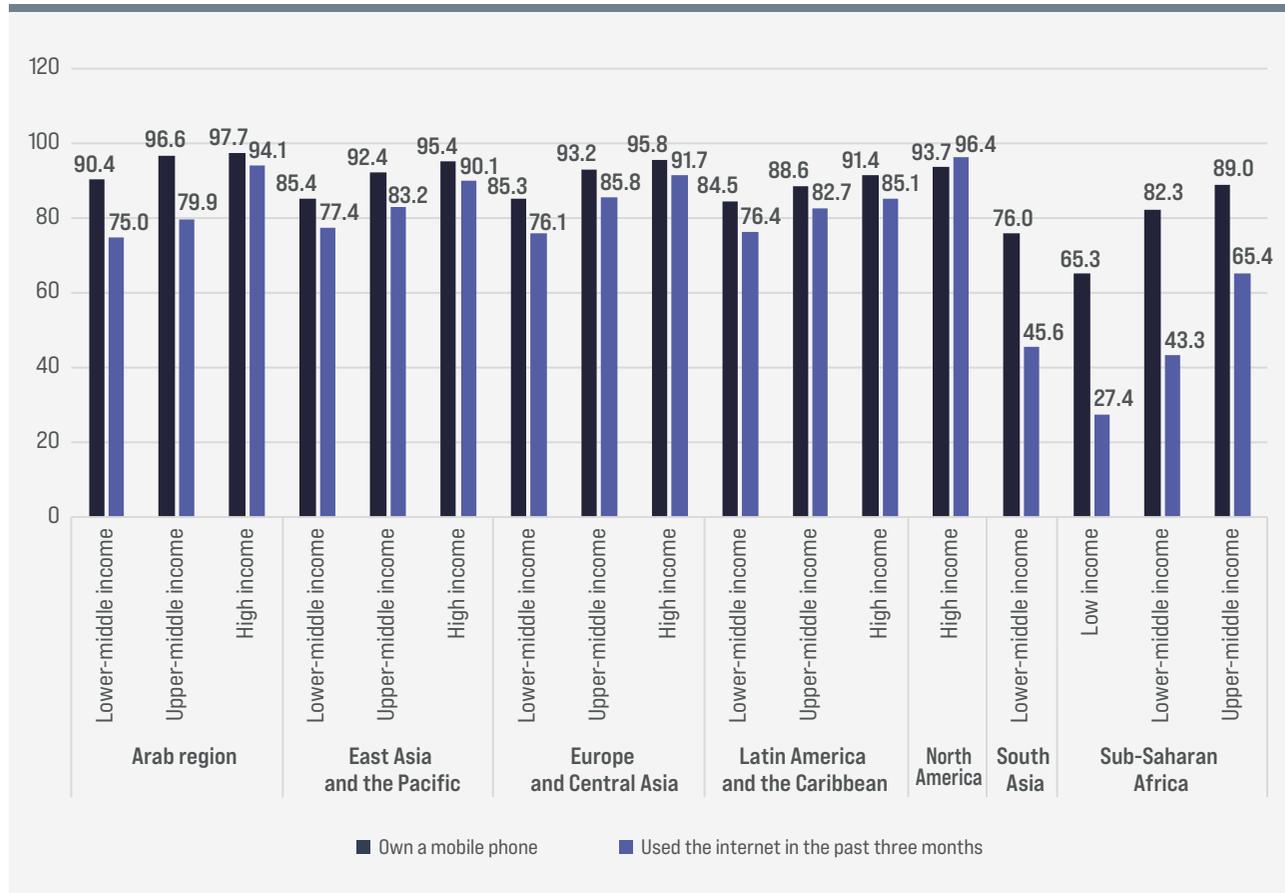
Across nearly all regions and income groups, mobile phone ownership exceeds Internet use (figure 6). This distinction matters for financial inclusion because mobile phones can drive access even when Internet penetration remains modest. The rapid expansion of mobile money services in sub-Saharan Africa illustrates this dynamic.

**Figure 5. Supply side indicators that affect financial inclusion**



Source: World Development Indicators, Financial Inclusion Index database, ESCWA.

**Figure 6.** Percentage of individuals owning a mobile phone and percentage of people having Internet access (Percentage, age 15+ years)



Source: World Development Indicators, Financial Inclusiveness Index database, ESCWA.

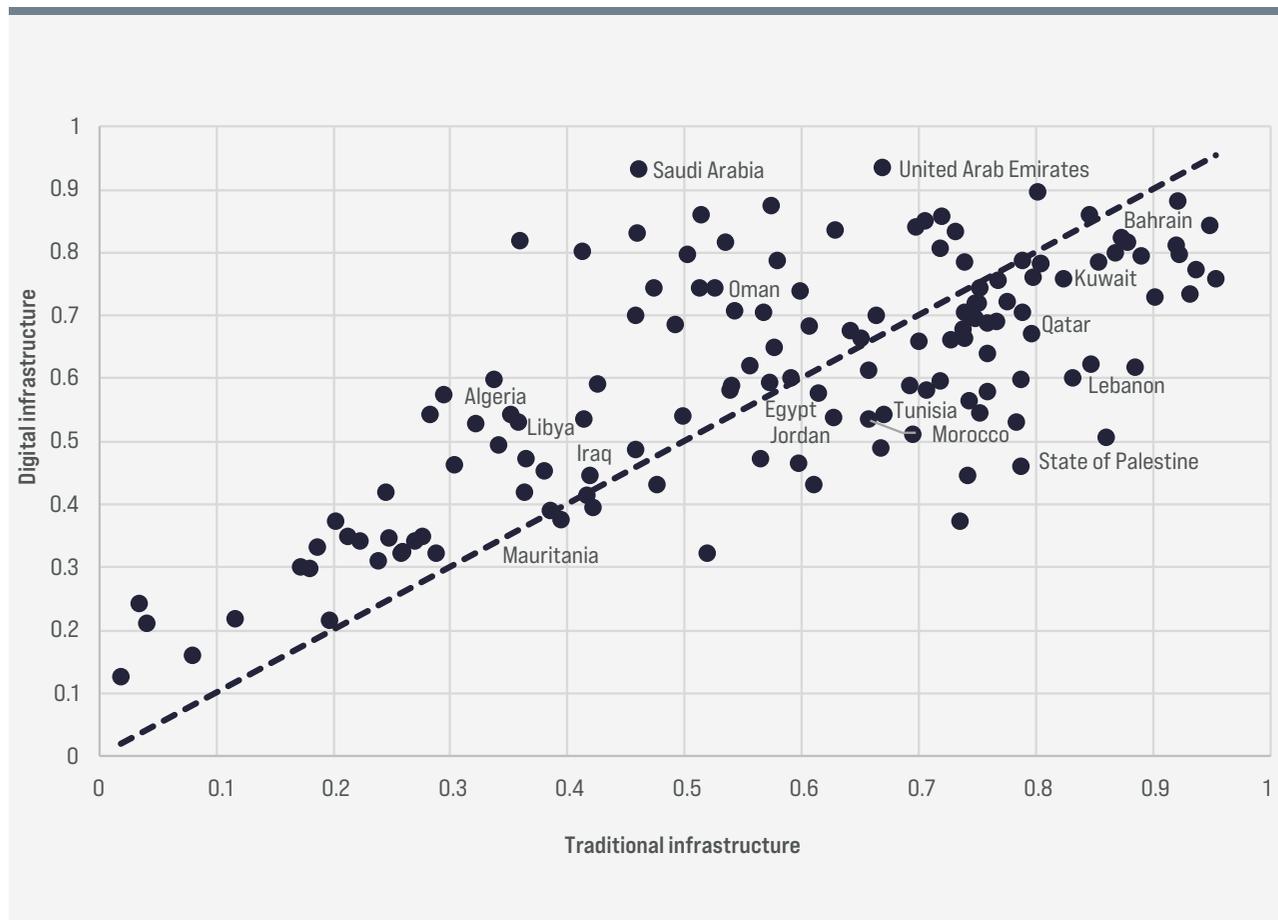
Within the Financial Inclusiveness Index, these indicators collectively inform the traditional and digital infrastructure sub-pillars. In 2024, all countries recorded higher scores in digital infrastructure than in traditional infrastructure (figure 7). Three thematic groups emerge. The first group of countries consists of countries with low scores in both traditional and digital infrastructure. These include many low-income economies and conflict-affected Arab region countries such as Libya and Iraq, as well as Algeria, Egypt and Mauritania. These latter outperform low-income peers globally but still lag in both infrastructure dimensions.

A second group of countries appears in the upper-left quadrant of the

infrastructure scatter plot (figure 7). These economies show strong digital infrastructure but weak or average traditional infrastructure, creating a distinctive access profile. Algeria, Iraq, Libya and Mauritania, for example, register traditional infrastructure scores between 0.29 and 0.38, while Egypt stands closer to the global mid-range at 0.54.

This configuration implies that similar levels of traditional infrastructure can lead to very different access outcomes, depending on the strength of digital systems. For these countries, improvements in access are likely to be faster and more cost-effective when driven through digital channels rather than through expanding physical networks.

**Figure 7.** Traditional versus digital infrastructure availability



**Source:** World Development Indicators, Financial Inclusiveness Index database, ESCWA.

This pattern is also visible in Oman and Saudi Arabia. Their traditional infrastructure scores (0.53 and 0.46, respectively) lie slightly below the global average (0.58); however, both record digital infrastructure levels above the 75th percentile. Such countries can advance financial access significantly by strengthening digital uptake, interoperability and user readiness.

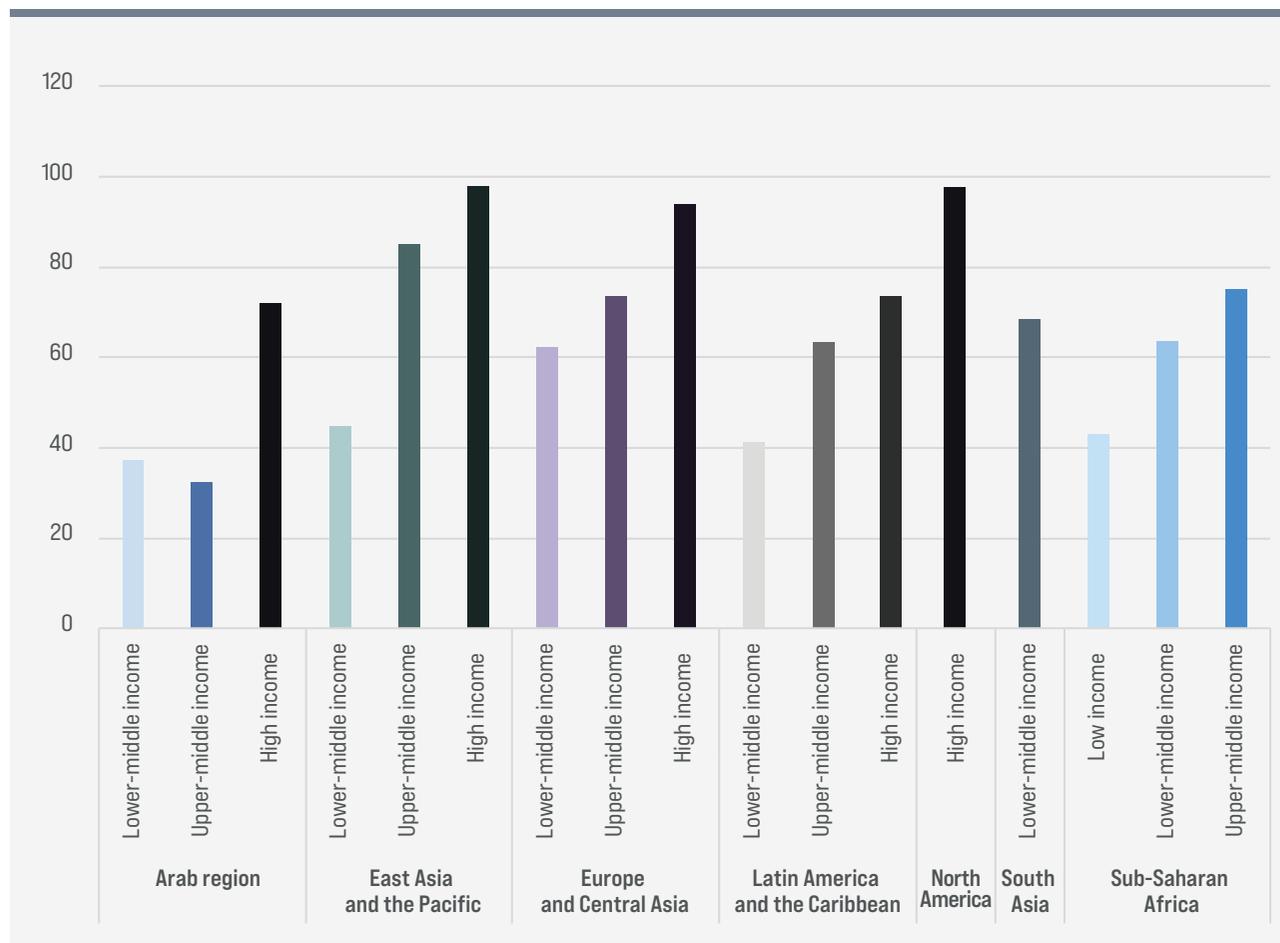
The third group, comprising GCC countries and Lebanon, register strong performances across both physical and digital ecosystems.

## 2. Ease of access to services: the infrastructure-access paradox

While infrastructure lays the groundwork for inclusion, it is the ease of accessing

financial services that determines whether individuals can participate in the financial system. In this regard, disparities widen dramatically.

Concerning the average account ownership across regions and income groups for 2024, the Arab region performs the worst globally: only 49.5 per cent of adults aged 15+ years hold an account (figure 8). The upper-middle-income countries in the Arab region fare particularly poorly, with just 33 per cent of adults owning an account. By contrast, lower-middle-income groups in South Asia and sub-Saharan Africa perform better, largely due to the contribution of mobile money systems, which count as account ownership under the Findex methodology.

**Figure 8.** Account ownership (Percentage, age 15+ years)

Source: Financial Inclusion Index database, ESCWA.

Taken together, these findings create a central paradox: the Arab region possesses the infrastructure for inclusion, in particular digital inclusion. However, infrastructure is not translating into access. Usage patterns and barriers stemming from regulatory, cultural, institutional or affordability factors help explain this divergence.

### 3. Gender gaps in access: a structural constraint

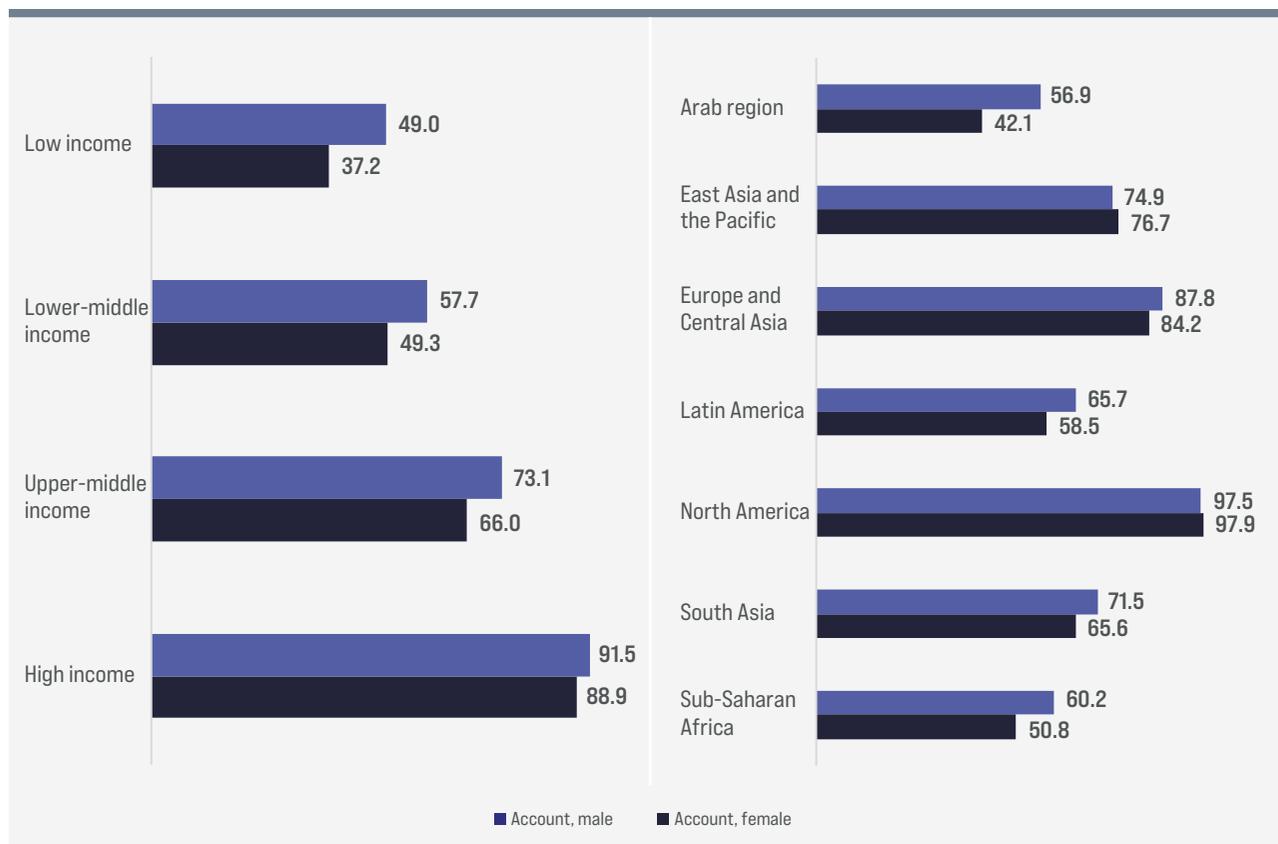
Gender disparities constitute a defining feature of financial access in many regions, and the Arab region stands out for having the largest gender gaps globally.

Globally, 81 per cent of men hold a bank account compared to 77 per cent of

women, a gap that narrows substantially in high-income economies (91.5 per cent for men and 88.9 per cent for women). Upper-middle-income countries exhibit a wider gender gap of 7 percentage points. However, disparity in the Arab region far exceeds these trends with a gender gap of 15 percentage points (figure 9).

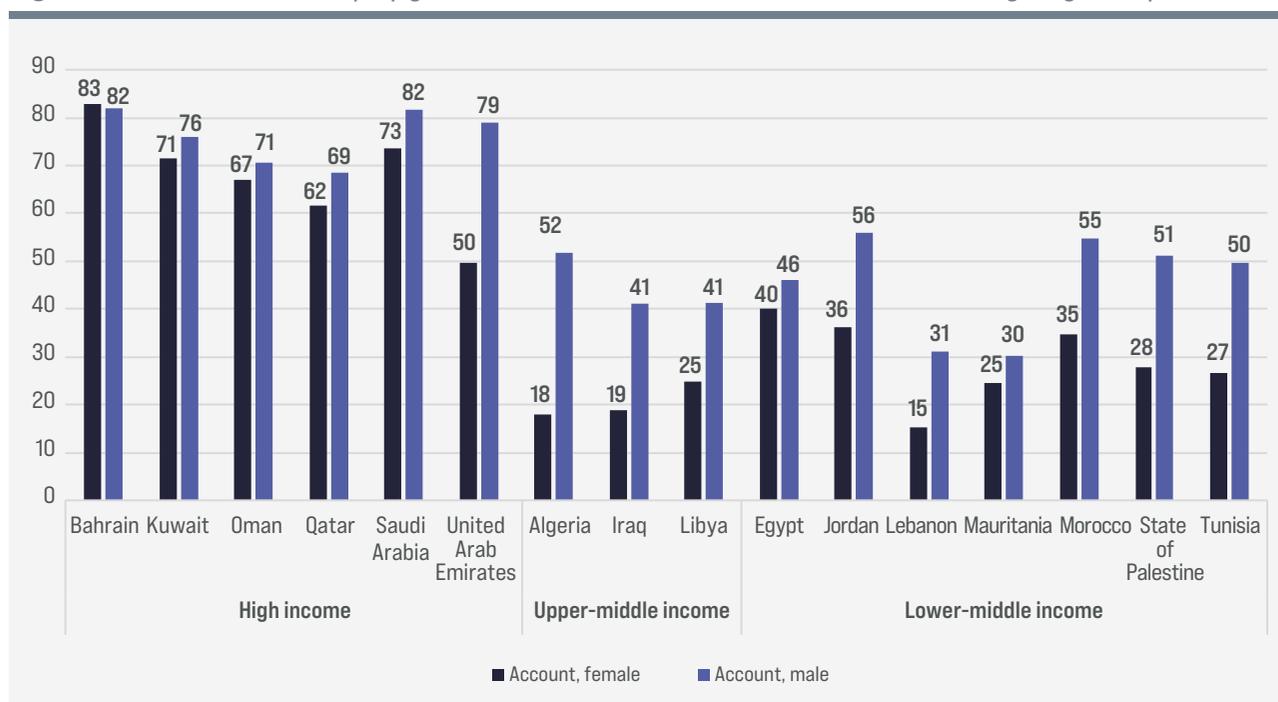
Variation between countries is substantial. In Bahrain, women's account ownership slightly exceeds men's (83 per cent compared to 82 per cent). Algeria shows the largest gap in the region (52 per cent of men compared with 18 per cent of women), with significant gaps also observed in the United Arab Emirates, the State of Palestine, Tunisia, Iraq and Morocco (figure 10).

**Figure 9.** Account ownership by income and regions (Percentage, age 15+ years)

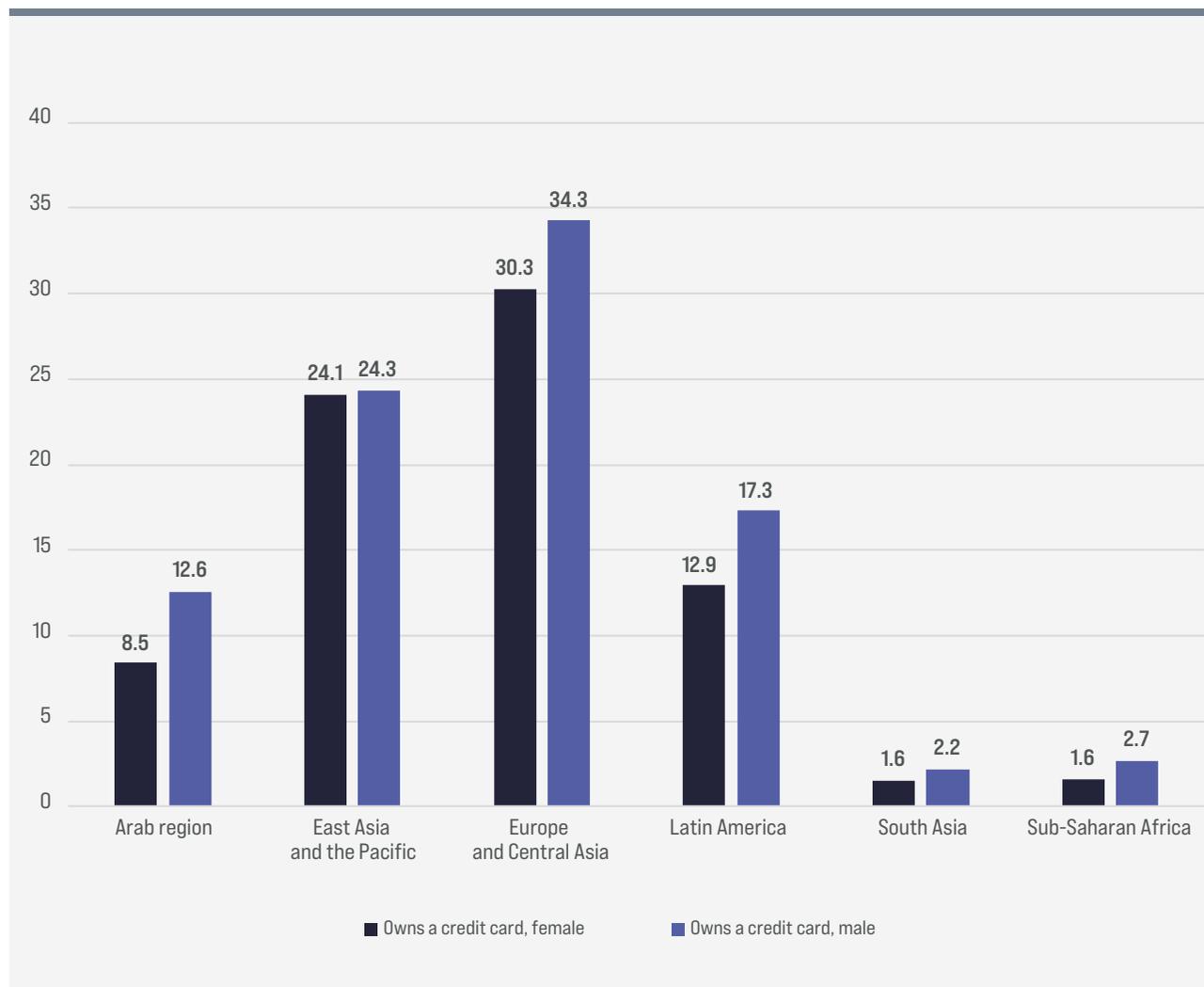


Source: Financial Inclusion Index database, ESCWA.

**Figure 10.** Account ownership by gender and income level, Arab countries (Percentage, age 15+ years)



Source: Financial Inclusion Index database, ESCWA.

**Figure 11.** Credit card ownership, men and women, by region (Percentage, age 15+ years)

Source: Financial Inclusiveness Index database, ESCWA.

In several countries, increases in overall account ownership have been accompanied by declining or stagnant women's account ownership. In Tunisia, for example, overall account ownership increased between 2021 and 2024, while women's share declined, widening the gender gap.

Credit and debit card ownership further reflects these inequalities. Men are more likely to hold cards, a result of higher earnings, more stable employment, longer credit histories, and legacy constraints in legal and institutional frameworks. In high-income or financially mature

upper-middle-income economies, women tend to hold cards at comparable levels, whereas in low-income regions, card usage has declined for both men and women due to a shift towards mobile transactions.

These patterns underscore a structural reality: Even when infrastructure is strong, gender gaps substantially limit the reach of financial access in the Arab region. This reinforces the need to interpret Financial Inclusiveness Index scores with gender lenses and paves the way for the policy recommendations presented in the final chapters.

## Financial depth and financial inclusion: why one does not automatically lead to the other

Countries with a deeper financial system, measured, for example, by domestic credit to the private sector, do not necessarily achieve higher levels of financial inclusion. In several countries in the Arab region, financial depth has increased significantly, yet the share of adults with accounts or access to formal credit remains below predicted levels given the depth of the system.

This disconnect reflects structural frictions: limited product suitability, regulatory constraints, low trust, documentation barriers, and the high prevalence of informal borrowing even where formal systems exist. In some cases, financial depth benefits only corporate clients or government-linked entities, without translating into accessible, affordable services for households or small businesses.

Strong financial systems do not automatically ensure inclusive outcomes. The development of policies targeting barriers, behavioural constraints, trust and digital access is critical to financial-sector development.

## B. Usage

The usage pillar captures how individuals engage with the financial system in practice. The evidence shows that usage patterns diverge markedly from access; having an account does not automatically translate into active use. This gap is particularly evident in the Arab region, where account ownership has expanded but engagement with financial services remains uneven. Usage outcomes also reflect underlying socioeconomic conditions, regulatory environments, digital capabilities, and the legacy of pre-existing financial infrastructure.

### 1. Traditional financial usage patterns

Traditional usage indicators, such as saving or borrowing at a financial institution, show that only two regions recorded increases between 2017 and 2024: high-income North America and East Asia and the Pacific. In North America, 96 per cent of adults made deposits or withdrawals in the past year, the highest globally. By contrast, participation is lowest in South Asia, where 37.2 per cent made deposits and 42.7 per cent made withdrawals. The Arab region followed the global downward trend: just under

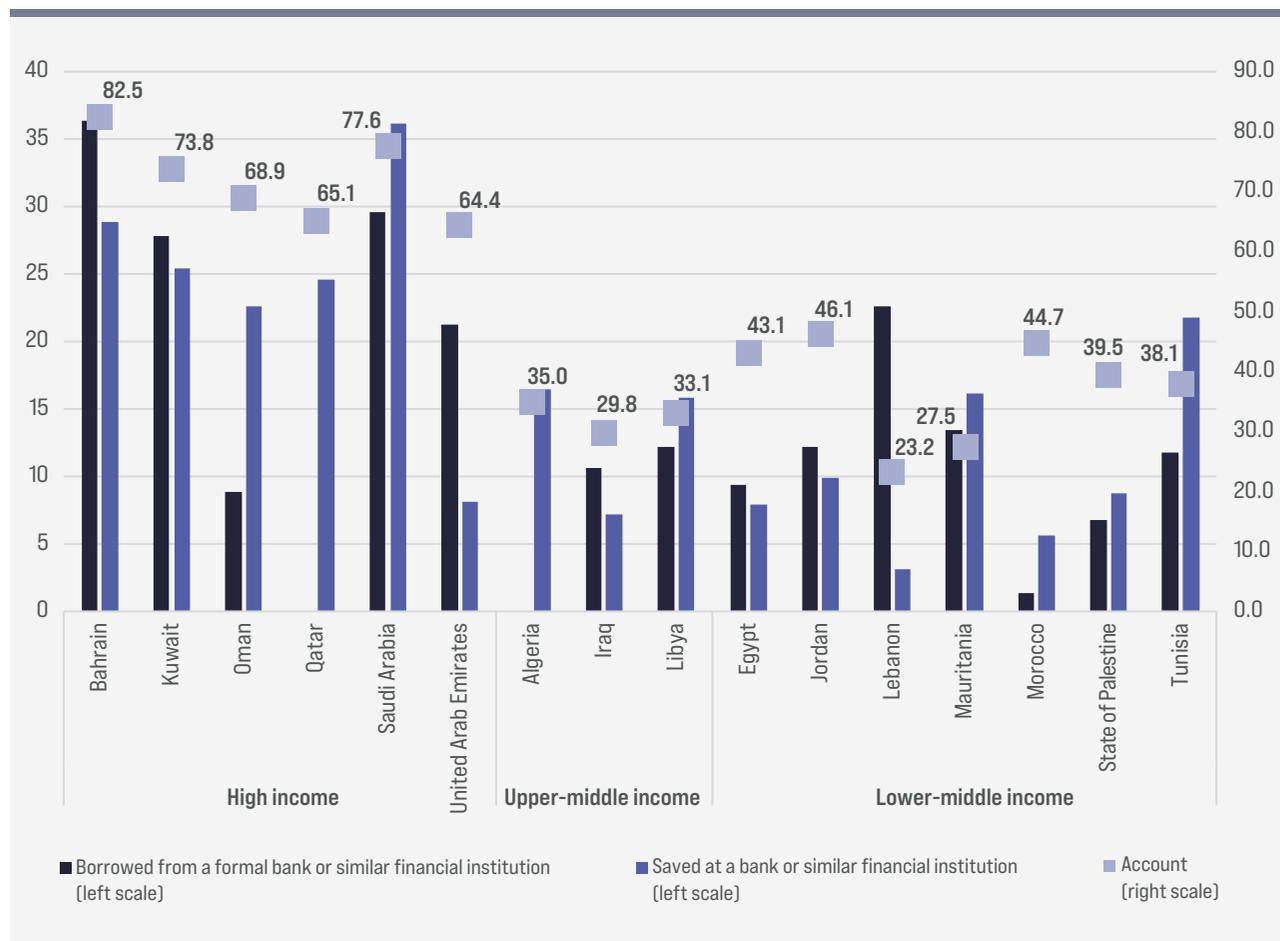
60 per cent of adults saved or borrowed in 2024, compared to over 65 per cent in 2017.

Income patterns also vary substantially. Regions with relatively high access scores such as East Asia and parts of Latin America recorded declining traditional usage, showing that structural and behavioural factors increasingly shape financial engagement.

Within the Arab region, traditional usage shows no uniform pattern, despite high account ownership in many countries (figure 12):

- In the United Arab Emirates, borrowing rates (21.3 per cent) far exceed savings (8.1 per cent) despite 64.4 per cent account ownership.
- In Oman, the reverse is observed: saving (22.6 per cent) exceeds borrowing (8.8 per cent).
- In Egypt, borrowing (9.4 per cent) also exceeds saving (7.9 per cent).
- In Tunisia, savings (21.8 per cent) nearly double borrowing (11.8 per cent).

These findings point to structural drivers such as economic security, trust in banks,

**Figure 12.** Saving and borrowing behaviour in the Arab region (Percentage, age 15+ years)

Source: Financial Inclusion Index database, ESCWA.

access to credit, product relevance and risk perceptions, rather than infrastructure issues alone. High access does not guarantee that individuals actively use financial services, reinforcing the need for policy measures that make financial products affordable, relevant and trusted.

## 2. Government payments and remittances

Government payments represent one of the most powerful gateways into formal financial usage. In 2021, government transfers expanded sharply as countries deployed emergency cash support during the COVID-19 pandemic. This increase persisted into 2024.

- North America recorded the highest rate, with 55 per cent of banked adults receiving government payments.
- Europe and Central Asia followed at 47 per cent.
- East Asia and the Pacific rose from 30 per cent in 2017 to 38 per cent in 2024.
- The Arab region remains low at 22 per cent, but still above its 2017 level of 18 per cent.

Digitization of public payments is accelerating usage: Governments that channel wages, pensions and social assistance through accounts see measurable increases in account activity, liquidity management and savings. These findings support the policy priority of digitizing government-to-person payments.

Remittance usage also expanded in 2021 across most regions. The Arab region stands out as the only region where the share of domestic remittances sent through a money transfer operator increased, indicating a preference for digital and semi-digital remittance channels. However, only 9.1 per cent of remitters used an account to send or receive domestic remittances in 2024 (compared to 26.3 per cent through all means, including money transfers).

Together, these results indicate that government transfers and remittances are underused entry points for expanding usage in the Arab region, especially in countries with large migrant or refugee populations and extensive social assistance systems.

### 3. Gender gaps in usage of financial services

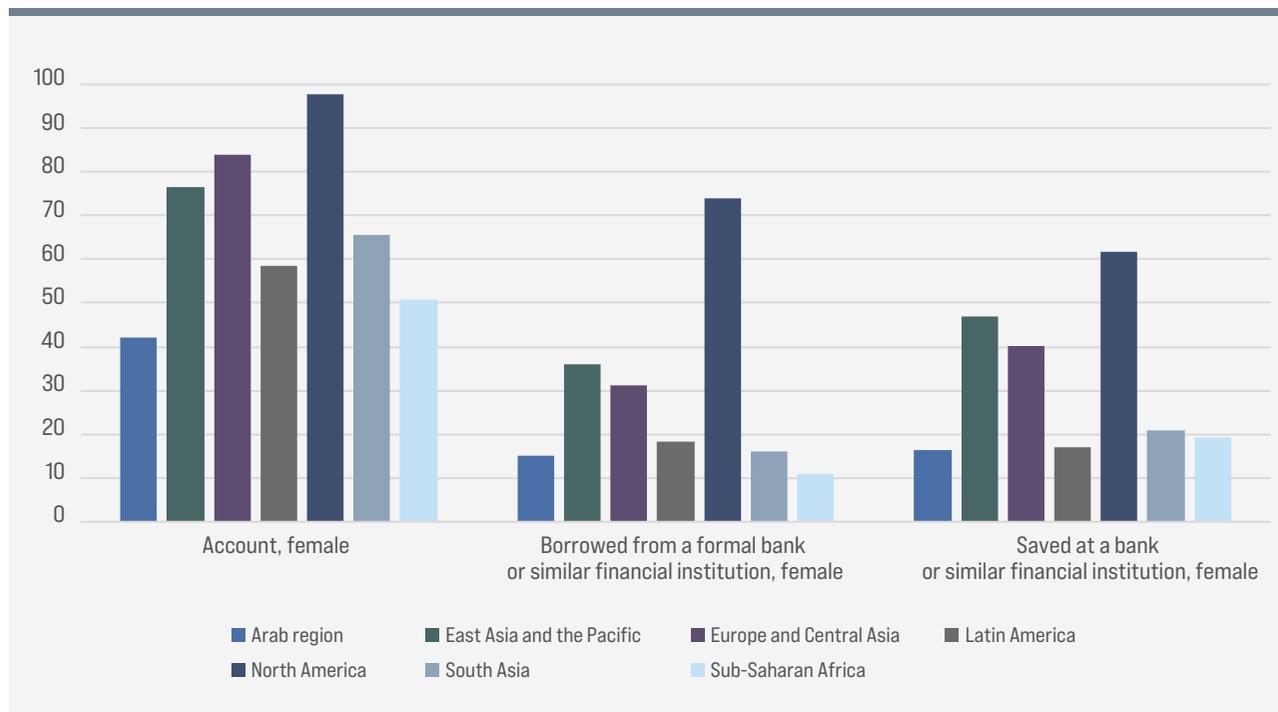
Gender gaps evident in the access pillar are mirrored in usage (figure 13). Regions with

high women's account ownership (East Asia and the Pacific and Europe and Central Asia) also show the highest shares of women who save or borrow at financial institutions.

In the Arab region, women's lower account ownership translates into low usage across both saving and borrowing indicators. However, the picture is nuanced. IMF Financial Access Survey data (disaggregated by gender since 2018) show that non-bank financial institutions, particularly microfinance institutions, have played an important role in serving women in some countries. This suggests that inclusive regulatory frameworks for microfinance and non-banks can complement traditional banking models.

Closing gender gaps in access is necessary but not sufficient. Usage gaps persist even when accounts are opened unless complementary interventions address literacy, collateral requirements, product design and socioeconomic constraints.

**Figure 13.** Regional differences in shares of women depositors and borrowers, 2024 (Percentage, age 15+ years)



Source: Financial Inclusion Index database, ESCWA.

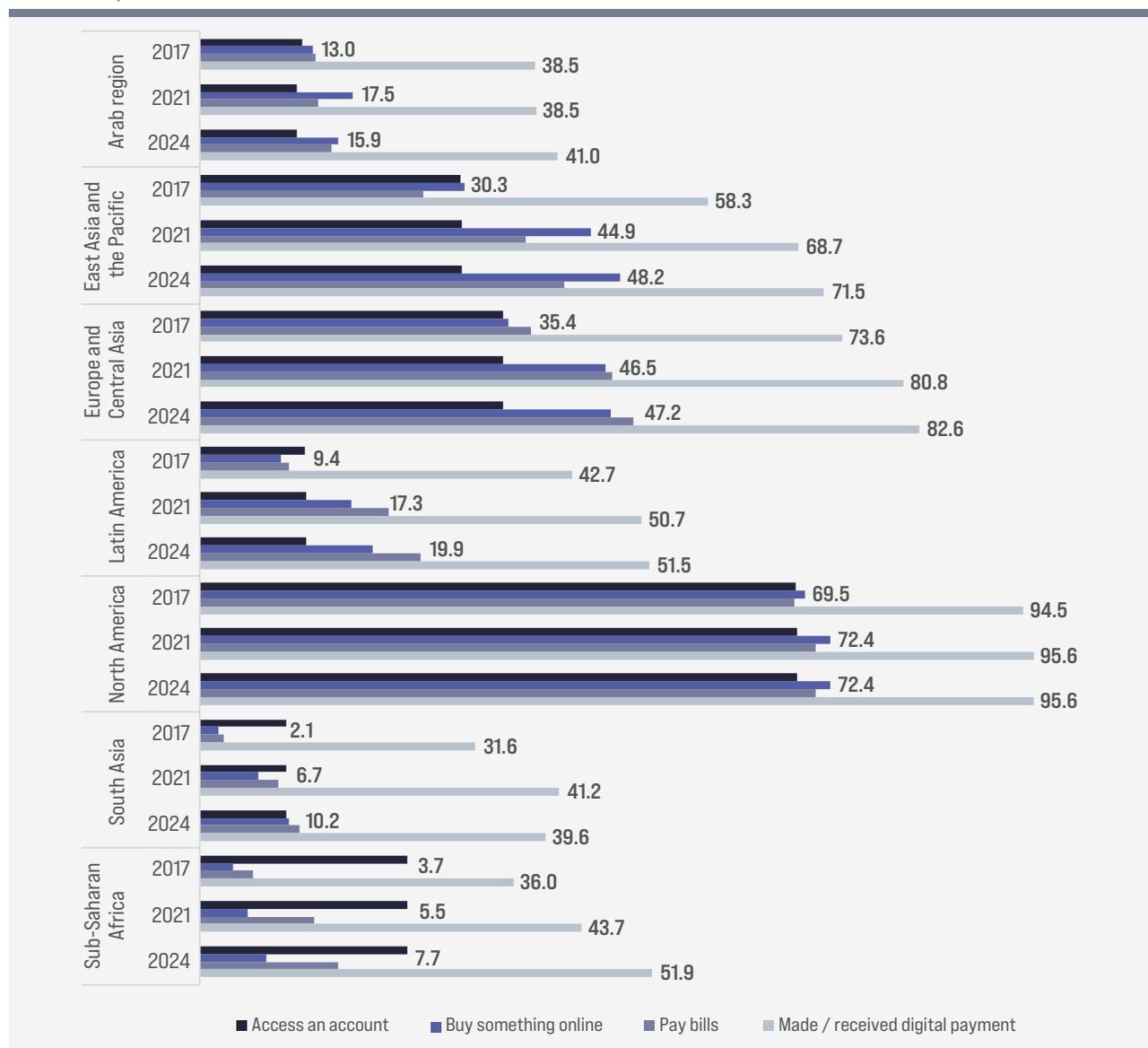
## 4. COVID-19 and the short-lived boom in digital payments

Digital financial operations such as paying bills, shopping online, accessing an account digitally or making digital payments expanded substantially between 2017 and 2024, with the most pronounced increase occurring between 2017 and 2021 due to COVID-19 lockdowns. Adoption slowed between 2021 and 2024,

but upward trends persisted in most regions (figure 14).

The effectiveness and persistence of these changes depend on the strength of the underlying financial ecosystem and infrastructure. Key enabling factors include connectivity, mobile phone ownership, reliable network coverage, Internet access, digital skills and the acceptance of digital payments by retailers. These elements are captured in the access and barriers pillars

**Figure 14.** Access and use of digital services through mobile phones and Internet before and after COVID-19 pandemic



Source: Financial Inclusion Index database, ESCWA.

of the Financial Inclusiveness Index and shape the extent to which temporary shifts triggered by the pandemic became lasting behavioural changes.

In 2021, digital payments were used by 80.8 per cent of adults in Europe and Central Asia, by 68.7 per cent in East Asia and the Pacific, and by 38.5 per cent in the Arab region. In 2024, they were just used by 41 per cent of adults in the Arab region, higher than South Asia but below most regions.

Income levels drive much of this disparity (figure 15). Among Arab countries:

- High-income economies reached 74 per cent digital payment usage.
- Upper-middle-income economies stood at 26 per cent.
- Lower-middle-income economies in the Arab region recorded 23 per cent; below sub-Saharan Africa (51 per cent) and South Asia (41 per cent) despite strong mobile money ecosystems in those regions.

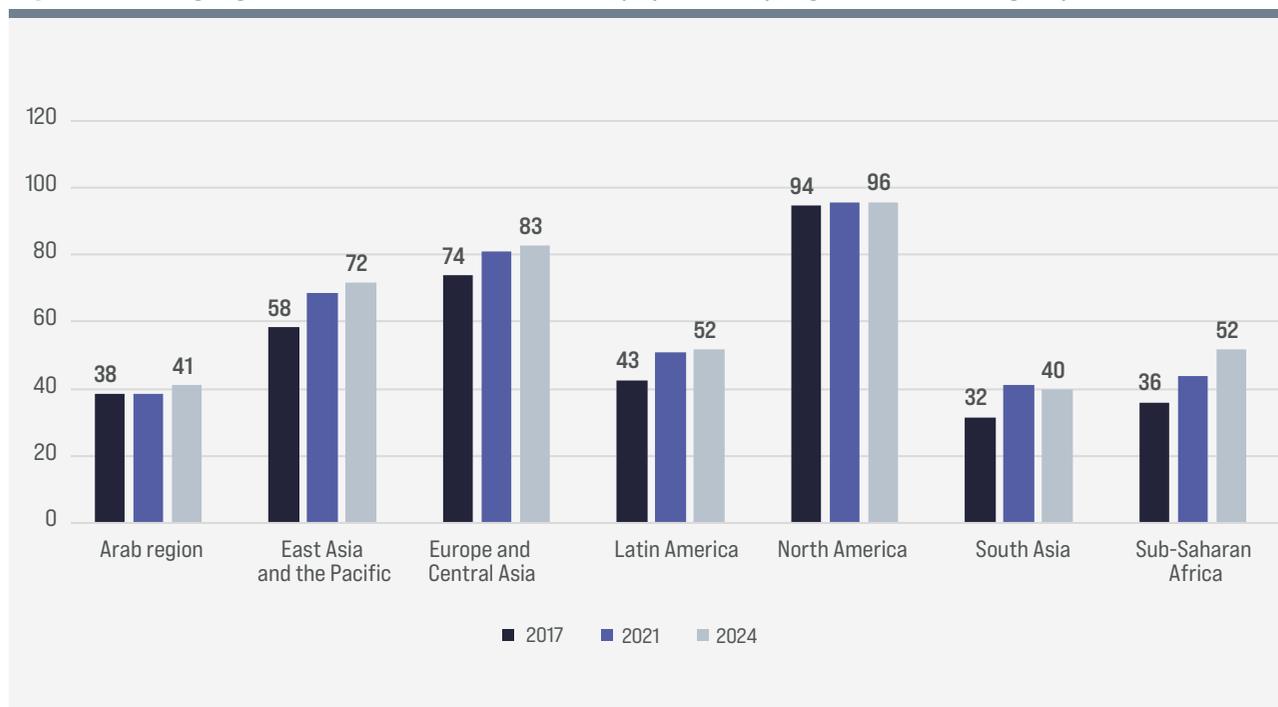
Between 2021 and 2024, digital payment usage declined in a few income-grouped

subregions, including upper-middle-income Arab countries, driven primarily by country-level setbacks. For example, Libya experienced a decline in secure Internet servers, Nicaragua saw lower electricity access, and Mauritius and Bangladesh recorded reduced education spending, all factors that weaken digital readiness.

These patterns are consistent with global research. Cull and others (2023) identify infrastructure such as electricity, mobile networks, broadband and Internet, as well as human capabilities including education, digital literacy and financial literacy, as the strongest drivers of sustained digital payment adoption. Auer and others (2022) similarly show that digital payment surges during the pandemic receded in countries without strong digital ecosystems.

Digital usage rises sharply during shocks but remains high only when supported by solid infrastructure and capabilities, both captured in the Financial Inclusiveness Index's access and barriers pillars.

**Figure 15.** Using digital services to make or receive payments, by region and income group, 2017, 2021, 2024



	2017	2021	2024
East Asia and the Pacific, high-income	94%	97%	97%
Europe and Central Asia, high-income	87%	94%	93%
East Asia and the Pacific, upper-middle income	64%	78%	77%
Arab region, high-income	74%	74%	72%
Latin America, high-income	55%	62%	66%
Europe and Central Asia, upper-middle income	52%	62%	65%
Sub-Saharan Africa, upper-middle income	56%	67%	64%
Sub-Saharan Africa, lower-middle income	41%	51%	61%
Europe and Central Asia, lower-middle income	38%	38%	56%
Latin America, upper-middle income	41%	50%	52%
East Asia and the Pacific, lower-middle income	17%	31%	40%
Sub-Saharan Africa, low-income	26%	31%	40%
South Asia, lower-middle income	32%	41%	40%
Latin America, lower-middle income	34%	36%	30%
Arab region, lower-middle income	23%	23%	28%
Arab region, upper-middle income	26%	26%	20%

Source: Financial Inclusiveness Index database, ESCWA.

## The use of digital payments as a driver of financial inclusion

Digital payments are a powerful entry point into the formal financial system. Using an account for payments is strongly associated with later adoption of other financial services, including saving and borrowing.<sup>a</sup>

For individuals who currently receive payments in cash, such as private or public sector salaries, government transfers or pensions, and remittances, transitioning these payments to an account, whether bank, non-bank, mobile money or digital, would yield immediate benefits for inclusion and accountability.

In Egypt, nearly 23 per cent of adults opened their first account in 2024 specifically to receive wages or government assistance; total account ownership reached 35 per cent.<sup>b</sup> Once accounts are used for payments, transaction activity rises sharply; in rural India, storing income digitally raised household savings by 131 per cent within three months.<sup>c</sup>

Globally, around 1 billion adults with accounts made no digital payments in 2021; India alone accounted for 540 million.<sup>d</sup> Encouraging regular usage therefore requires targeted policy action.

### Policy levers

#### 1. Digitize wages and government-to-person transfers

In Egypt, 87 per cent of private-sector wage recipients were still paid in cash in 2021. Digitizing these flows would increase account activity, strengthen accountability, and advance women's economic empowerment. Globally, 40 million women received government-to-person payments in 2021, highlighting the gender-equity potential.<sup>e</sup>

#### 2. Digitize merchant payments

Merchant digitalization reduces theft risks, lowers transaction times, and increases productivity. Policymakers may need incentives when high fees, unreliable connectivity or taxes deter adoption.

#### 3. Strengthen regulatory and soft infrastructure

Fintech regulation, fintech adoption, interoperability and digital literacy are essential complements to connectivity. Progress differs widely across regions; Africa and East Asia and the Pacific showed the fastest digitalization gains.<sup>f</sup>

Digital payments therefore serve as both an outcome and a catalyst of financial inclusion, particularly when hard and soft infrastructure are aligned.

a World Bank, 2021.

b Global Findex 2025.

c Somville and Vandewalle, 2018.

d Demirgüç-Kunt and others, 2022.

e Global Findex 2021.

f Khera and others, 2021a.

## 5. Gender digital financial gaps

Gender gaps in digital usage, including accessing an account digitally, paying bills, or making/receiving digital payments, are largest in South Asia, sub-Saharan Africa and the Arab region.

Data illustrate stark differences:

- Jordan (2021): only 24.2 per cent of women made/received digital payments vs 47.1 per cent of men.
- Jordan (2024): gap narrowed slightly (28.2 per cent of women vs 47.5 per cent of men).
- Tunisia (2024): only 13 per cent of women made/received digital payments, down from 21 per cent in 2021, while close to 35 per cent of men continued to.
- High-income Arab economies show more balanced participation; in Oman, usage rates are 59.2 per cent for women and 61.0 per cent for men.

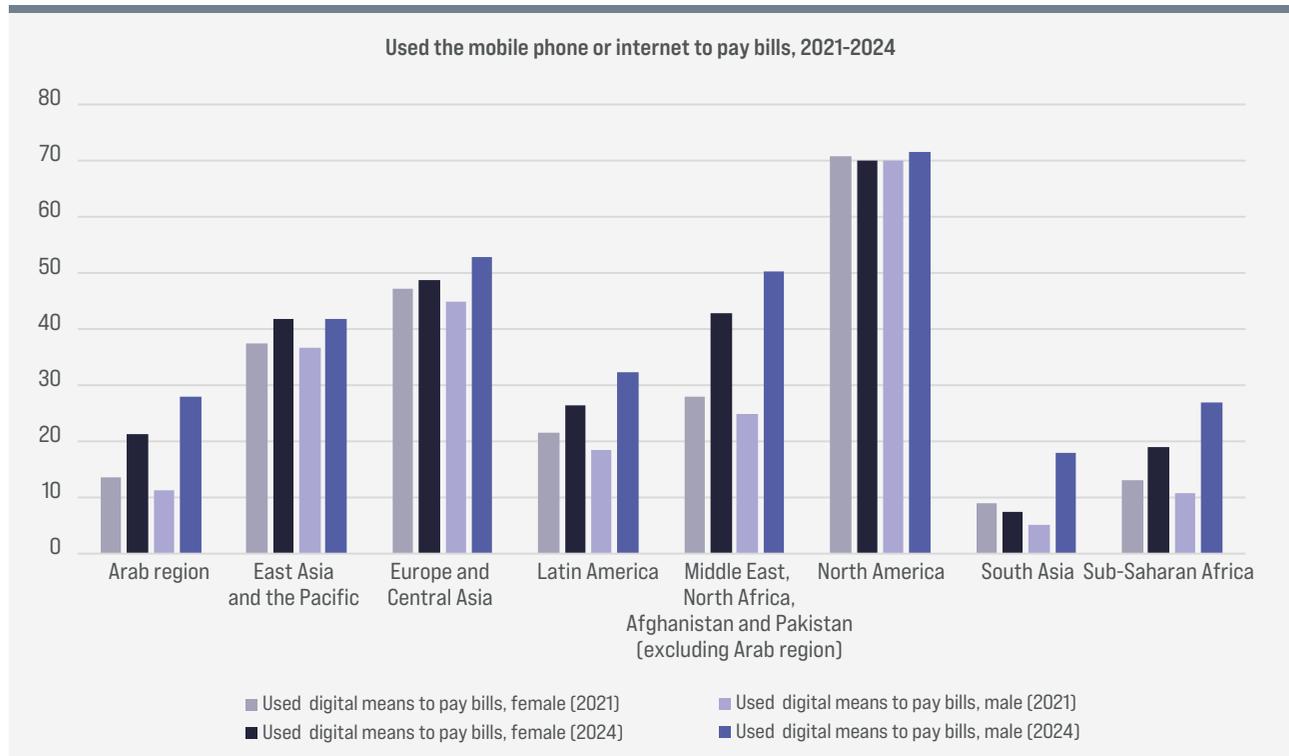
Mobile phone ownership, typically a prerequisite for digital finance, is relatively high in the Arab region, and the gender gap in phone ownership is smaller than the gap in account ownership. This suggests strong potential for mobile-based financial inclusion if key obstacles are addressed.

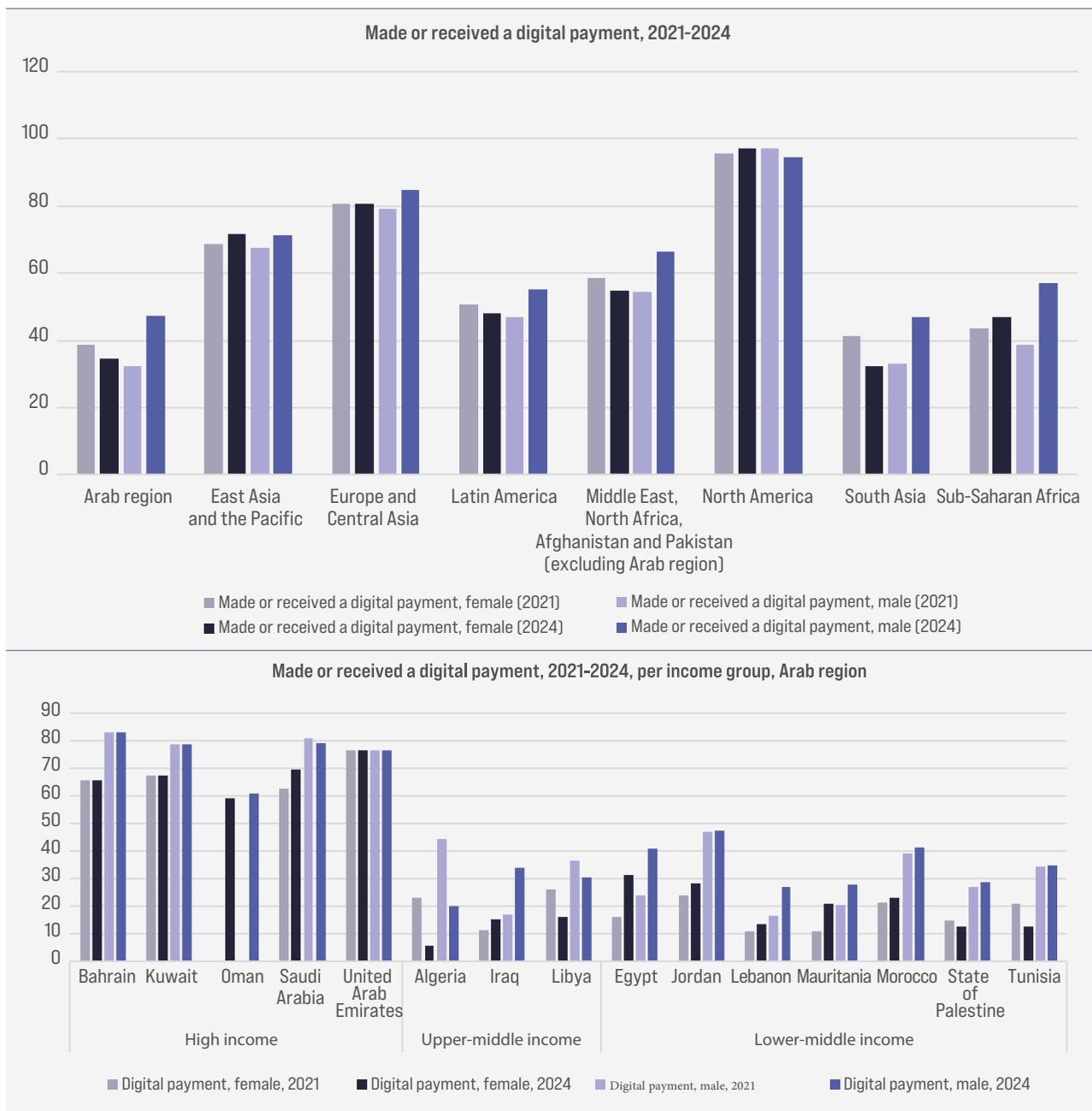
According to the Global System for Mobile Communications Association Mobile Gender Gap (2022, 2025), the largest barriers affecting women in low- and lower-middle-income economies in the Arab region include:

- Affordability (device cost).
- Literacy and digital skills.
- Safety and security concerns.
- Family disapproval.

These constraints align with the Financial Inclusiveness Index barriers pillar and point to the need for targeted digital literacy training, safe-use campaigns and affordability measures.

Figure 16. Digital financial operations in 2024 vs 2021 (Percentage)





Source: Financial Inclusiveness Index database, ESCWA.

Taken together, the usage pillar highlights that the key challenge in the Arab region is no longer only infrastructure, but the effective and equitable use of both

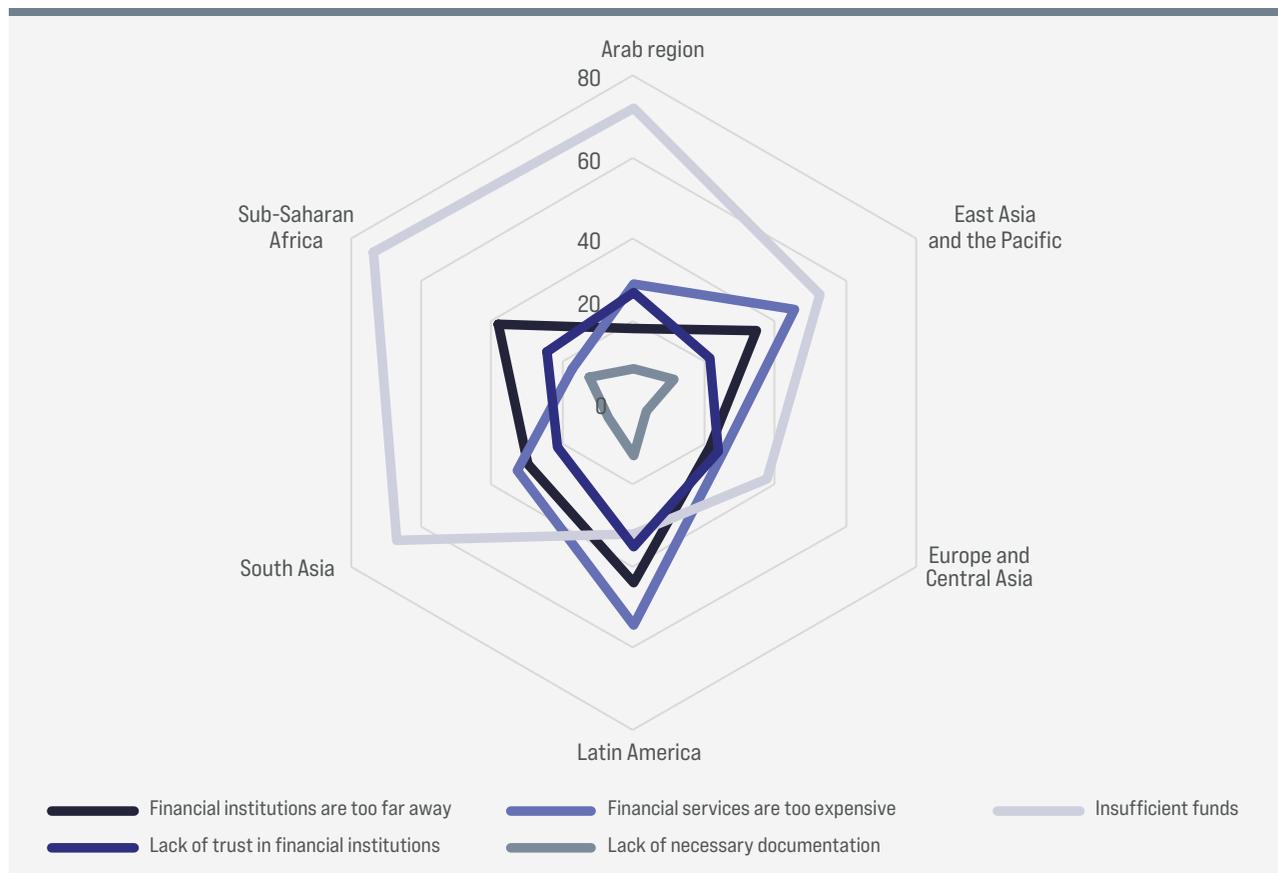
traditional and digital financial services, with gender inequalities and digital divides emerging as central policy concerns.

### C. Barriers

The barriers pillar complements the assessment of infrastructure (access) and behaviours (usage) by identifying the factors

that prevent individuals from entering or effectively using the financial system. These barriers fall into two broad categories:

**Figure 17.** Reasons for remaining unbanked, by region, 2024 (Percentage without an account, age 15+ years)



**Source:** Financial Inclusion Index database, ESCWA.

traditional barriers, linked to account ownership constraints, and digital barriers, linked to regulatory quality, affordability, safety and digital capabilities. Together, they help clarify which constraints are structural and which are policy-addressable, and why availability of services does not always translate into meaningful inclusion.

## 1. Traditional barriers to account ownership

Across all regions, insufficient funds remains the most frequently cited reason for persons being unbanked. In 2024, this reason was reported by 73.4 per cent of unbanked adults in sub-Saharan Africa, 71.9 per cent in the Arab region, and 66.8 per cent in South Asia (figure 17). Within the Arab region, the prevalence is highest in Egypt (90 per cent) and Morocco (75 per cent), illustrating how

low and volatile incomes, and in some cases, minimum deposit and balance requirements, prevent individuals from sustaining accounts.

Other barriers point more directly to policy levers:

- **High cost of services:** nearly 70 per cent of respondents in Ecuador and Mongolia, and around 40 per cent in Jordan and the State of Palestine cited high fees.
- **Distance to financial institutions:** reported by 59 per cent of respondents in Venezuela and around 27 per cent in Iraq.
- **Lack of documentation:** least cited in the Arab region, yet still relevant for vulnerable groups.
- **Lack of trust:** most severe in Lebanon, where 70 per cent of unbanked adults cite distrust following the banking crisis.

## Women, financial inclusion and the law

Women, particularly in low-income, rural or displaced settings, face intersecting barriers, including limited documentation, reduced mobility and constraints linked to marital status, inheritance and labour participation. Countries with stronger civil remedies against workplace harassment see higher women's economic participation.<sup>a</sup> In Algeria, Egypt, Libya and Yemen, women face more hurdles than men in obtaining passports.<sup>b</sup> Mobility and employment restrictions reduce women's ability to earn, save or use accounts independently.<sup>c</sup>

Legal equality alone is not sufficient: adverse social norms can cancel the impact of equal laws.<sup>d</sup> A comprehensive review of national financial inclusion strategies should include legal and regulatory frameworks alongside performance on the Financial Inclusiveness Index's barriers and usage pillars.

a Deléchat and others, 2018.

b Women, Business and the Law, 2023.

c World Bank, 2018.

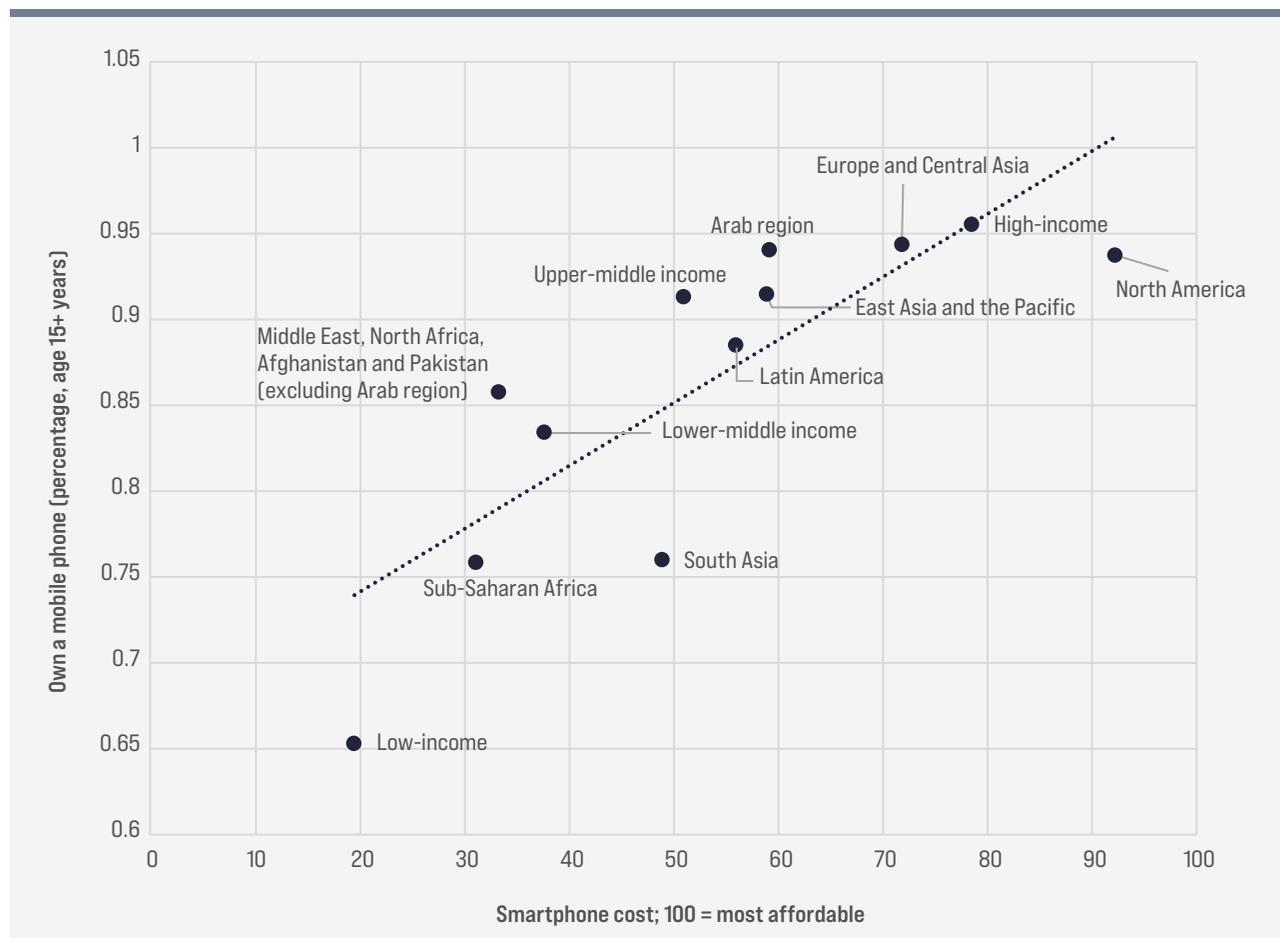
d Perrin and Hyland, 2023.

## 2. Affordability and digital barriers

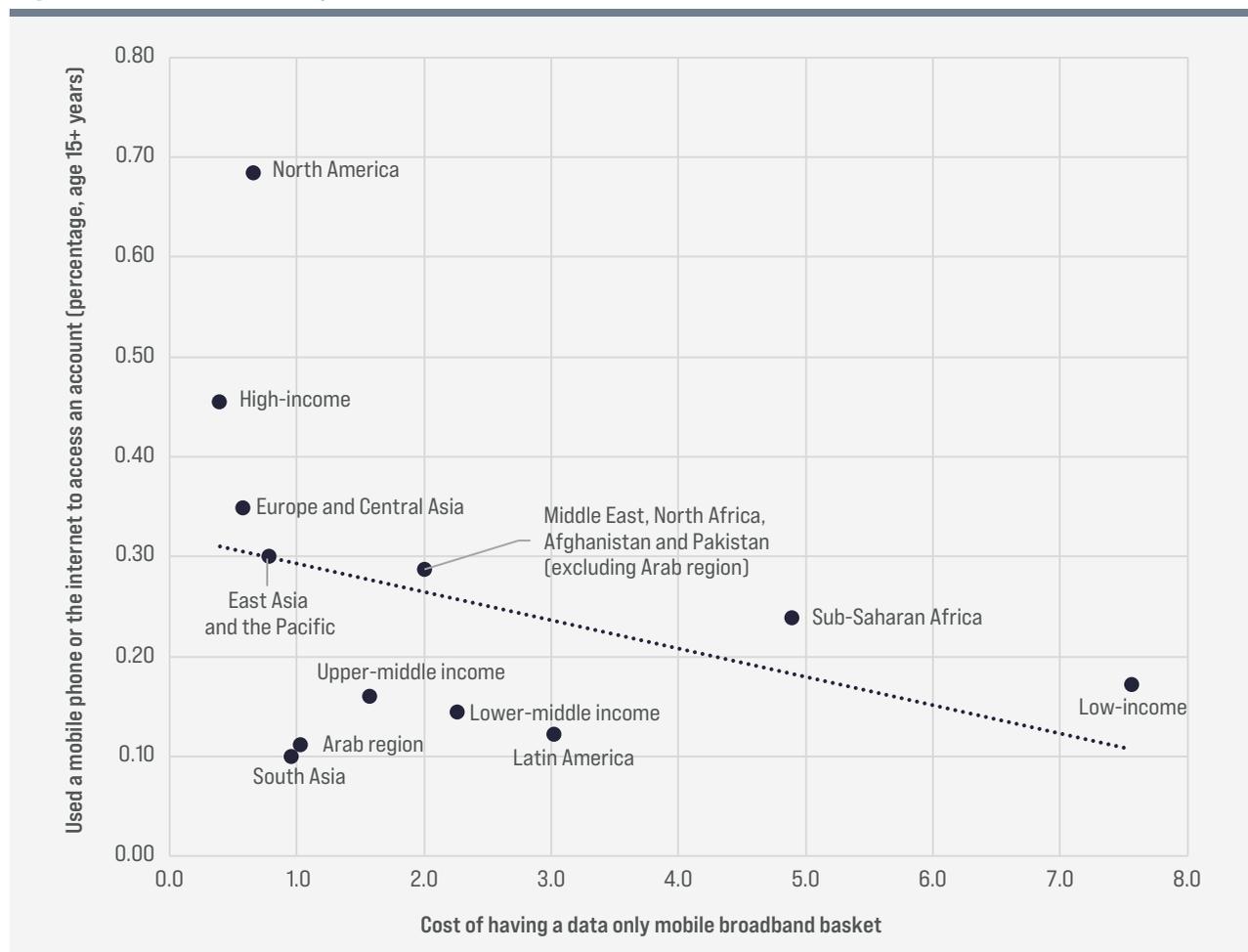
Digital barriers interact with affordability, infrastructure quality and digital literacy.

As smartphones become cheaper, ownership rises (figure 18), yet affordability remains a constraint in many low- and lower-middle-income countries.

**Figure 18.** Affordability and ownership of a smartphone



Source: Financial Inclusiveness Index database, ESCWA.

**Figure 19.** Cost of data-only mobile broadband basket and access to an account

Source: Financial Inclusion Index database, ESCWA.

Initiatives such as Connect Rwanda, Internet for Good and financing schemes such as pay-as-you-go and buy-now-pay-later have helped reduce the burden of upfront device costs. As the cost of mobile data decreases, the use of digital channels to access bank accounts is expected to increase (figure 19).

Affordability, however, is not the primary constraint in the Arab region where smartphone ownership reaches 97 per cent in the upper-middle-income group and 98 per cent in high-income countries, levels higher than those predicted by affordability alone. Broadband cost reductions generally correlate with higher use of digital channels (figure 19).

However, digital financial usage in high-income Arab region countries underperforms relative to peers with similar broadband costs. In East Asia, where costs are similar, about 61 per cent of adults accessed an account digitally compared to 45 per cent in high-income Arab region countries. This reinforces earlier findings: high penetration of mobile phones does not automatically translate into digital financial activity.

### 3. Regulatory quality, competition and fintech limits

Regulatory quality and perceptions of online security shape people's willingness

to use accounts. North America reports the strongest outcomes in ICT regulatory environment, cybersecurity and secure Internet servers. The Arab region lags substantially, especially on secure servers, where even its high-income members have server densities far below comparators in East Asia and the Pacific.

Regulatory gaps are compounded by market structure. In several Arab countries, telecom markets are quasi-monopolistic, limiting competition and slowing improvements in quality and availability.

Financial technology expansion offers potential but is not a substitute for structural reforms. Recent work by Elouaourti and Ibourk (2024) shows that financial technology does not effectively reach older persons, women, those with limited education or low-income groups. Complementing this, Kass-Hanna and others (2022) underscore the importance of digital literacy.

### Financial inclusion and refugees

The Arab region hosts some of the world's largest refugee populations. Lack of documentation prevents many refugees from opening bank accounts, making digital solutions essential. In 2021, the United Nations High Commissioner for Refugees (UNHCR) has facilitated digital cash transfers for 6 million forcibly displaced persons. Some countries have adapted regulations; for example, Zambia allows mobile money providers to onboard users with refugee identification cards.

Innovative models are emerging:

- Innovation Norway supported mechanisms enabling refugees in Kenya and Jordan to access credit or reimbursable grants repayable after resettlement abroad.
- The Kiva-UNHCR partnership has provided 144.5 million dollars in loans to 228,040 refugees since 2016, with a 96.31 per cent repayment rate.

Financial inclusion strategies in the Arab region must include targeted provisions for refugees and displaced persons.

**Source:** UNHCR, [Gaining ground on refugee financial inclusion through advocacy, innovation and partnerships](#), 2023.

# 4.

## Global and regional results of the Financial Inclusiveness Index 2025



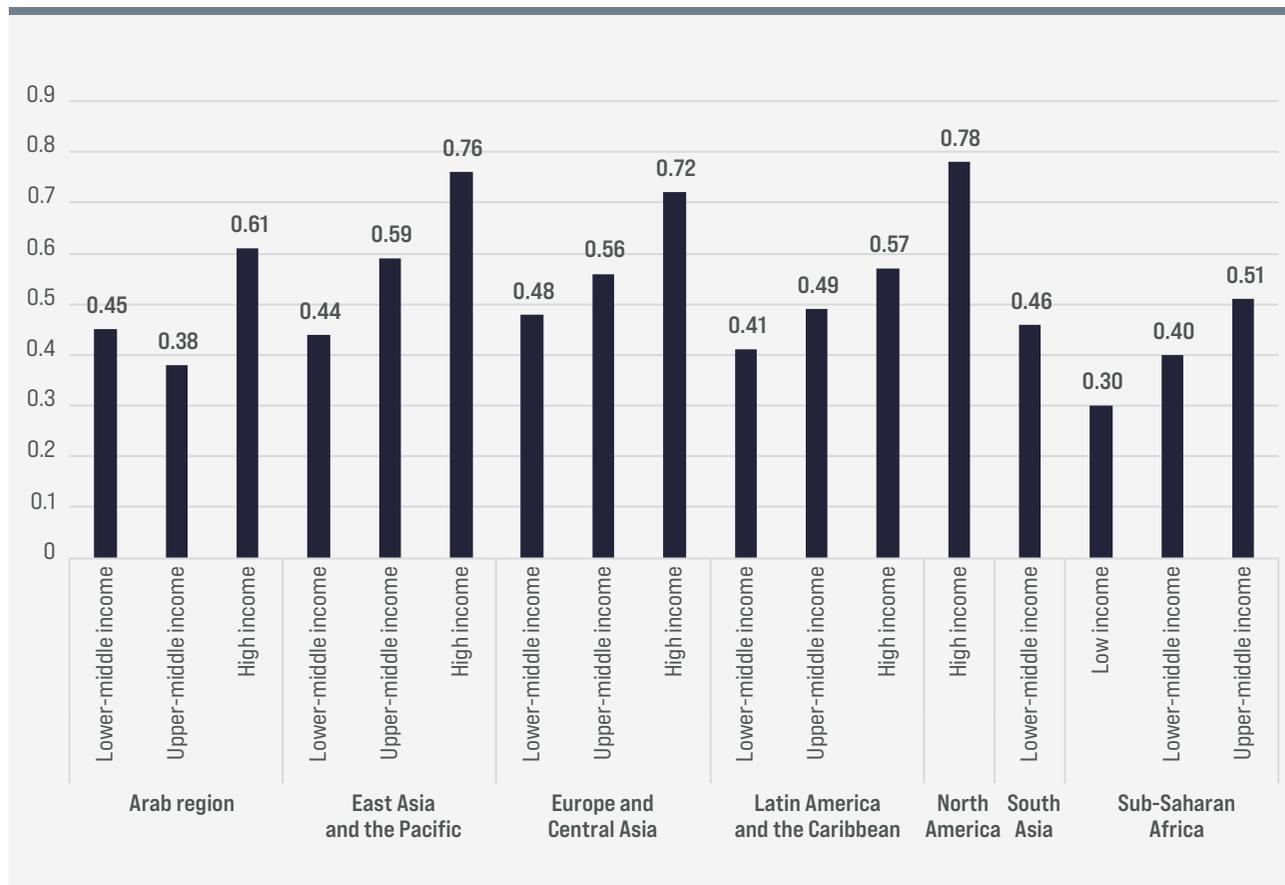
## 4. Global and regional results of the Financial Inclusion Index 2025

The Financial Inclusion Index transforms the diagnostic pillars presented in the previous chapter (access, usage and barriers) into a single composite score that enables cross-country and cross-regional comparison. This chapter summarises the global distribution of financial inclusion outcomes in 2025, identifies

the position of Arab countries within international groupings, and highlights the contribution of each pillar to overall performance. While the methodology is detailed in the annex, the focus here is on interpreting the comparative results to support policymakers in benchmarking progress, identifying gaps, and designing targeted reforms.

### A. Financial Inclusion Index 2025 overall scores and rankings

Figure 20. Financial Inclusion Index scores, by income and regional groupings, 2025



Source: Financial Inclusion Index database, ESCWA.

The 2025 Financial Inclusiveness Index confirms the global hierarchy typically observed in financial development. North America leads, followed by Europe and East Asia and the Pacific, while sub-Saharan Africa and the Arab region show the lowest levels of financial inclusiveness (figure 20). This pattern mirrors broad macro-financial differences, including the maturity of financial systems, regulatory quality and income levels.

Across all regions, income gradients remain highly consistent. High-income

countries score highest, followed by upper-middle income countries, and then lower-middle income economies. This pattern holds for everywhere except the Arab region, where the lower-middle income grouping (0.45) ranks unexpectedly higher than the upper-middle income grouping (0.38). This reversal is attributed to the presence of conflict-affected Iraq and Libya in the upper-middle income group, which depresses the sub-regional average.

**Table 3.** Top 20 countries in the Financial Inclusiveness Index

1	Luxembourg	11	Switzerland
2	Denmark	12	Norway
3	South Korea	13	Australia
4	Belgium	14	Japan
5	United Kingdom	15	Austria
6	United States	16	Germany
7	Netherlands	17	New Zealand
8	Sweden	18	Spain
9	Canada	19	Estonia
10	Finland	20	France

**Source:** Financial Inclusiveness Index, ESCWA.

**Table 4.** Bottom 20 countries in the Financial Inclusiveness Index

120	Côte d'Ivoire	130	Liberia
121	Lao	131	Mali
122	Libya	132	Guinea
123	Iraq	133	Sierra Leone
124	Zimbabwe	134	Madagascar
125	Mozambique	135	Congo, Dem. Rep.
126	Malawi	136	Afghanistan
127	Benin	137	Chad
128	Congo, Rep.	138	Niger
129	Burkina Faso	139	Central African Republic

**Source:** Financial Inclusiveness Index, ESCWA.

The top 20 countries in the Financial Inclusion Index (table 3) are exclusively high-income economies, led by Luxembourg, Denmark and South Korea. Of the top 20, 12 belong to Europe and Central Asia, and only two regions, North America and East Asia and the Pacific, appear in this group. China is the first upper-middle-income entrant (rank 38), and Bahrain is the highest-ranking Arab country (rank 31).

At the other end of the ranking (table 4), the bottom 20 include: 12 low-income countries; 6 lower-middle-income countries; and 2 upper-middle-income, conflict-affected countries (Iraq and Libya).

Sub-Saharan Africa represents almost two-thirds of the bottom quartile. This distribution reflects the uneven adoption of mobile money. While countries like Kenya demonstrate rapid digital financial uptake, several regional peers lag significantly.

**Table 5.** Heatmap of Financial Inclusion Index 2025 ranking, by income grouping and region

	Financial Inclusion Index	Access	Usage	Barriers
North America	8	27	8	7
East Asia and the Pacific, high-income	15	24	14	20
Europe and Central Asia, high-income	23	28	24	24
Arab region, high-income	49	41	61	42
East Asia and the Pacific, upper-middle income	51	47	54	65
Europe and Central Asia, upper-middle income	60	55	69	55
Latin America, high-income	61	60	61	67
Sub-Saharan Africa, upper-middle income	77	80	68	73
Latin America, upper-middle income	82	77	89	91
Europe and Central Asia, lower-middle income	86	82	97	78
South Asia, lower-middle income	91	82	118	90
Arab region, lower-middle income	95	92	119	77
East Asia and the Pacific, lower-middle income	99	99	94	97
Latin America, lower-middle income	108	97	118	113
Sub-Saharan Africa, lower-middle income	109	117	84	109
Arab region, upper-middle income	118	114	112	111
Sub-Saharan Africa, low-income	126	126	110	126

Source: Financial Inclusion Index, ESCWA.

**Table 6.** Heatmap of the Financial Inclusion Index 2025 rankings for Arab countries, by pillar

	Financial Inclusion Index	Access	Usage	Barriers
Bahrain	31	11	36	41
Saudi Arabia	39	40	40	29
United Arab Emirates	43	25	65	24
Kuwait	45	47	39	73
Qatar	64	55	87	43

Oman	71	67	101	39
Morocco	84	85	120	55
Jordan	89	91	114	78
Egypt	90	92	122	69
State of Palestine	94	81	128	88
Tunisia	96	100	118	68
Lebanon	106	73	133	115
Mauritania	108	125	100	67
Algeria	110	108	95	106
Libya	122	114	105	125
Iraq	123	119	135	101

Source: Financial Inclusiveness Index, ESCWA.

Tables 5 and 6 provide a breakdown by region and income group, along with a pillar-by-pillar comparison of countries in the Arab region. Lighter shades in the heatmaps reflect stronger rankings.

Clear patterns are evident. North America (high-income) ranks highest overall (8th globally), followed by East Asia and the Pacific (high-income) at 15th. Sub-Saharan Africa low-income groups rank lowest. High-income Arab countries rank 49th, performing behind other high-income regions.

Within the Arab region, the data confirm that access is not the main constraint for high-income countries; scores for both traditional and digital infrastructure (access) are strong. Usage is the central bottleneck, even in high-performing countries such as Bahrain and the United Arab Emirates,

where low readings in traditional financial operations weigh down overall performance. Upper-middle-income Arab countries are held back by weak scores in infrastructure and barriers, driven by factors such as the low ICT regulatory scores and high digital access costs in Lebanon.

Lower-middle-income Arab countries consistently outperform the upper-middle-income group, demonstrating the impact of conflict and regulatory breakdowns on Financial Inclusiveness Index outcomes. Overall, these patterns show that, for leading economies in the Arab region, the policy challenge is in shifting from infrastructure provision to stimulating active usage and addressing barriers that prevent individuals from fully engaging with the financial system.

## B. Access results

The access pillar consolidates three dimensions: traditional financial infrastructure, digital infrastructure and ease of access to services, allowing a structured assessment of how physical and digital ecosystems translate into meaningful financial entry points. The 2025 results confirm the global patterns

identified in the diagnostics, and reveal distinctive trends for the Arab region, including both strengths and weaknesses.

An examination of the access pillar reveals a clear income gradient across all regions: high-income countries consistently outperform others, particularly in digital

infrastructure and ease of access. North America records the strongest overall performance on the access pillar, although its traditional infrastructure score is lower than that of several high-income peers (figure 21).

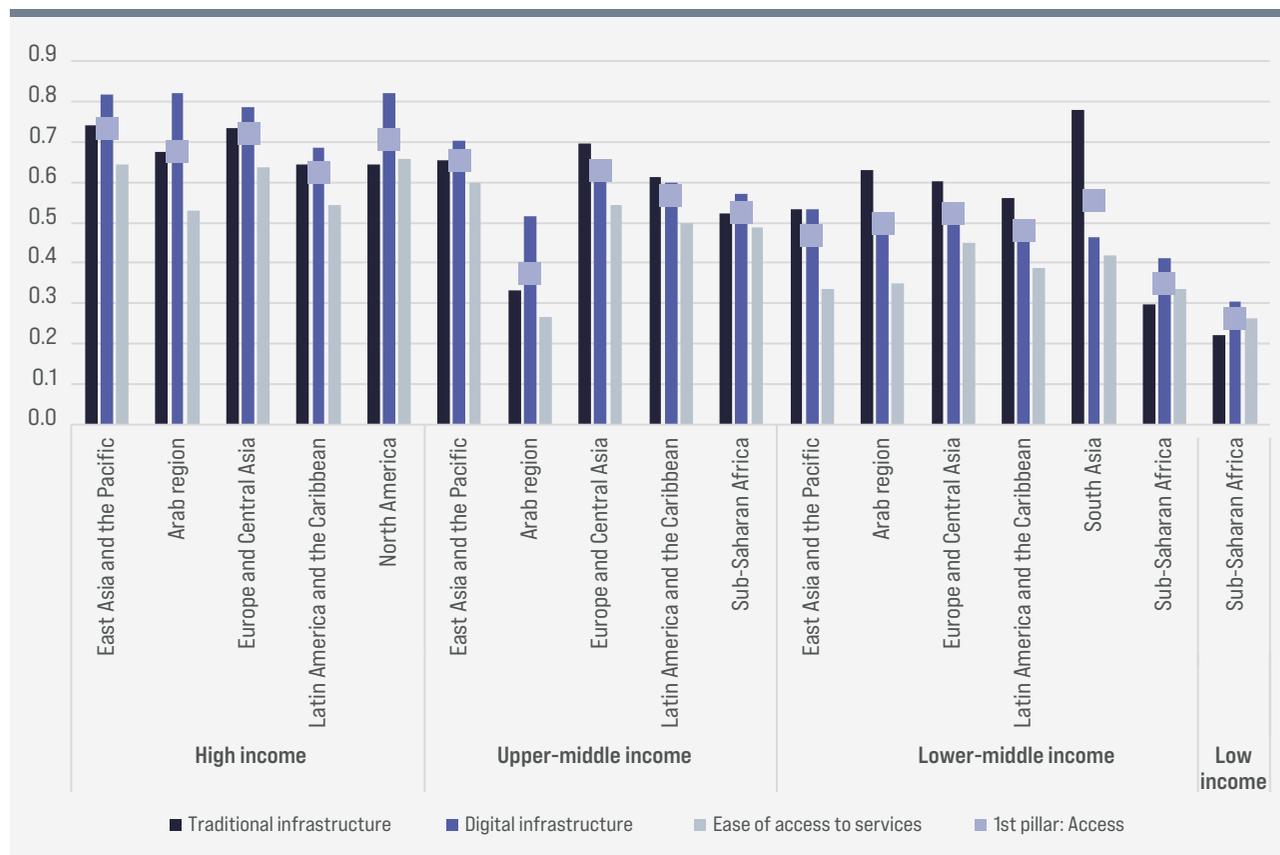
In the Arab region, high-income countries achieve strong traditional and digital infrastructure scores, but they lag behind all other high-income regions on ease of access to services. This signals a structural gap: excellent infrastructure is not yet translating into wide, convenient or frequent use of financial services.

The East Asia and the Pacific region demonstrates significant internal variation. Digital infrastructure is consistently the strongest sub-component across income groups, whereas ease of

access shows the widest dispersion: high- and upper-middle-income groups register scores above 0.60, while the lower-middle-income group records 0.34. This mirrors global patterns: digital connectivity has expanded much faster than the physical network of bank branches and ATMs.

Within upper-middle-income groups, Arab countries underperform relative to all regional comparators across the three sub-components. In lower-middle-income groups, traditional infrastructure (ATMs and branches) remains essential; countries such as those in South Asia outperform some upper-middle-income groups on this component due to relatively dense branch networks. These countries continue to depend on physical channels and require policies that address the cost, availability

**Figure 21.** Average scores of Financial Inclusion Index 2025 access pillar, by component, across region and income groupings



Source: Financial Inclusion Index database, ESCWA.

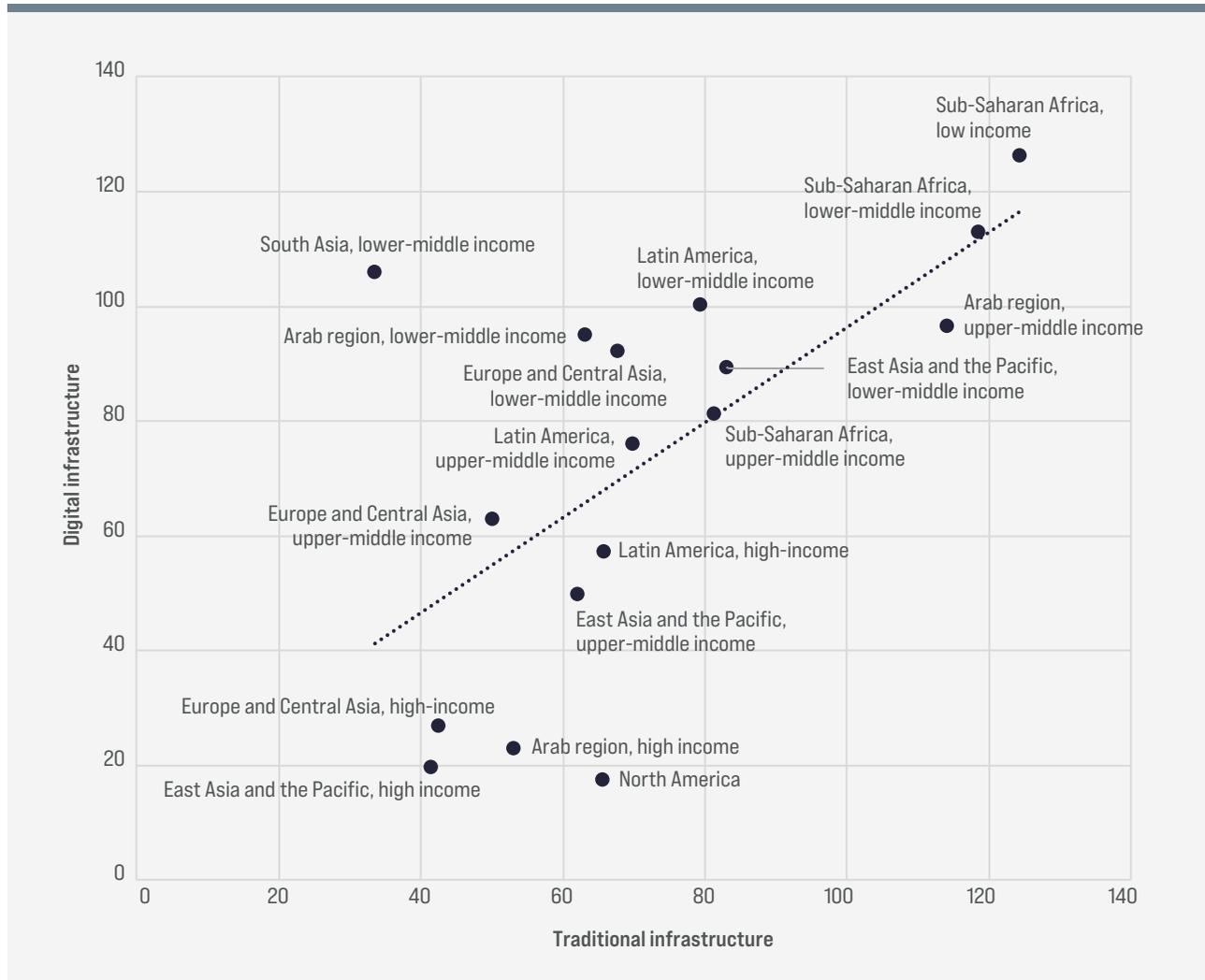
and outreach of traditional infrastructure, particularly where digital alternatives remain limited.

For low- and lower-middle-income Arab countries, barriers are likely similar but more severe. Evidence from neighbouring regions suggests that agent banking and mobile money ecosystems can partially substitute for limited branch networks. South Asia and sub-Saharan Africa illustrate how mobile money agents progressively fill gaps where ATM penetration is low.

A scatterplot of digital versus traditional infrastructure (figure 22)

reveals the global pattern: higher traditional infrastructure tends to align with higher digital performance, though with notable regional exceptions. For instance, the lower-middle-income South Asia group ranks 34th globally on traditional infrastructure, outpacing some upper-middle-income countries in sub-Saharan Africa and East Asia and the Pacific, primarily due to established commercial bank networks. However, this relative advantage does not translate into comparable digital performance, reflecting a persistent digital divide.

**Figure 22.** Financial Inclusiveness Index 2025 access pillar: traditional and digital infrastructure, rank comparison



Source: Financial Inclusiveness Index database, ESCWA.

For the Arab region, the access pillar shows that high-income countries are digital leaders. Their digital infrastructure rankings are significantly stronger than their traditional scores. As shown in figure 21, these countries sit slightly below the global trend line, meaning their digital performance is stronger than traditional scores would predict, due to targeted investment in digital channels. Lower-middle-income countries are outliers in the opposite direction. They combine relatively strong traditional infrastructure with very weak digital infrastructure, placing them far above the trend line. This underscores the need for accelerated digital development.

Table 7 ranks Arab countries within the access pillar and confirms these patterns. High-income countries lead, though with important differences. The United Arab Emirates and Saudi Arabia prioritize

digital infrastructure (ranking first and second in this component), far ahead of traditional infrastructure (ranking 61st and 96th). Lebanon is strong in traditional infrastructure (ranking 18th) but much weaker in digital (rank 73th), and its ease of access ranking is among the lowest globally due to the protracted financial crisis. Among mid-ranking countries, Tunisia stands out in traditional infrastructure, while Algeria performs better on ease of access than on digital infrastructure.

Overall, the access pillar results confirm a central message for the Arab region: the challenge is not infrastructure alone, it is the conversion of infrastructure into actual financial access, particularly in lower-middle-income countries and for the ease-of-access component in high-income economies.

**Table 7.** Heatmap of the access pillar rankings for Arab countries, by sub-pillar

	1st pillar: Access	Traditional infrastructure	Digital infrastructure	Ease of access to services
Bahrain	11	17	7	43
United Arab Emirates	25	61	1	57
Saudi Arabia	40	96	2	36
Kuwait	47	23	33	89
Qatar	55	34	56	74
Oman	67	87	39	62
Lebanon	73	18	73	114
State of Palestine	81	27	107	93
Morocco	85	64	94	88
Jordan	91	69	93	96
Egypt	92	84	79	87
Tunisia	100	60	90	132
Algeria	108	118	85	108
Libya	114	116	97	124
Iraq	119	108	108	136
Mauritania	125	119	130	119

Source: Financial Inclusiveness Index database, ESCWA.

## C. Usage pillar results

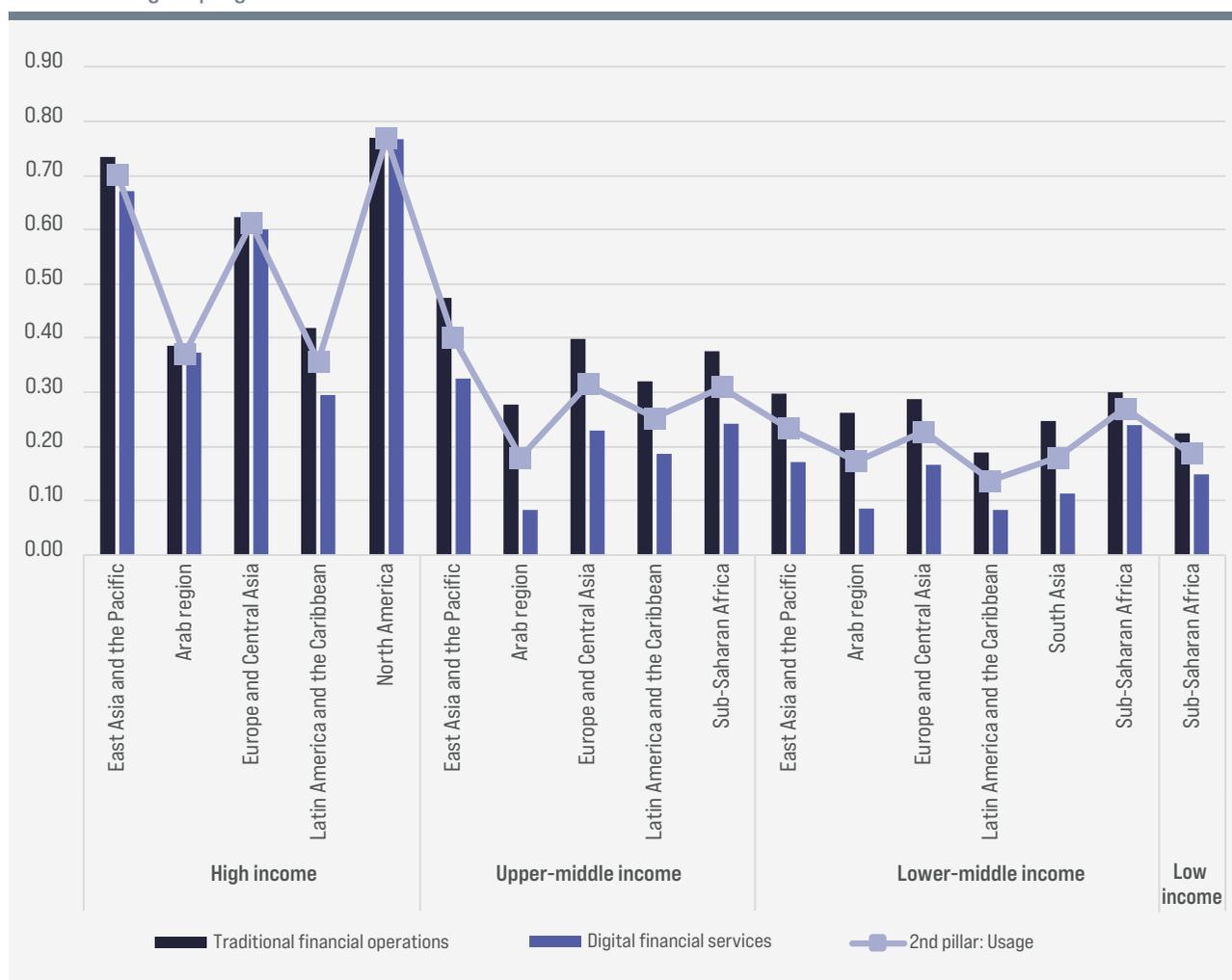
The usage pillar captures the extent to which individuals actively engage with financial services through both traditional and digital channels. It moves beyond the availability of infrastructure to assess whether people actually use accounts, make payments, save, borrow, or access digital financial platforms. The 2025 results reinforce the diagnostic findings: while infrastructure is increasingly widespread, especially in high-income Arab countries, usage remains uneven across regions and income groups,

revealing a persistent gap between access and effective financial participation.

Across all income groupings, the Arab region continues to lag behind every other region on the usage pillar (figure 23). This confirms the central diagnostic finding: strong access, especially digital access, does not translate into widespread use of financial services.

High-income Arab countries perform better than Latin America and the Caribbean on digital financial activities

**Figure 23.** Average scores of Financial Inclusiveness Index 2025 usage pillar, by component, across region and income groupings



Source: Financial Inclusiveness Index database, ESCWA.

within the high-income category, reflecting the robust digital infrastructure documented earlier. However, this advantage does not carry over to other income groups: upper-middle-income and lower-middle-income Arab countries rank below all their regional peers in both traditional and digital usage.

Despite differences across countries, traditional and digital sub-pillars tend to move together, indicating that usage behaviours remain interdependent (table 8). The rapid expansion of financial technology in several Arab countries may not yet be captured in current datasets, as many new initiatives remain untracked.

A few high-income countries, particularly Oman and the United Arab Emirates, exhibit strong digital usage but comparatively weaker traditional financial operations. Their overall usage pillar scores are lowered by this imbalance. These results are

consistent with their strategic prioritization of digital transformation.

Conversely, Algeria and Mauritania perform comparatively better in traditional financial operations than in digital financial activities. This contrasts with their access pillar results, indicating that although digital access is available, it is not fully translating into active digital use, and traditional channels still dominate.

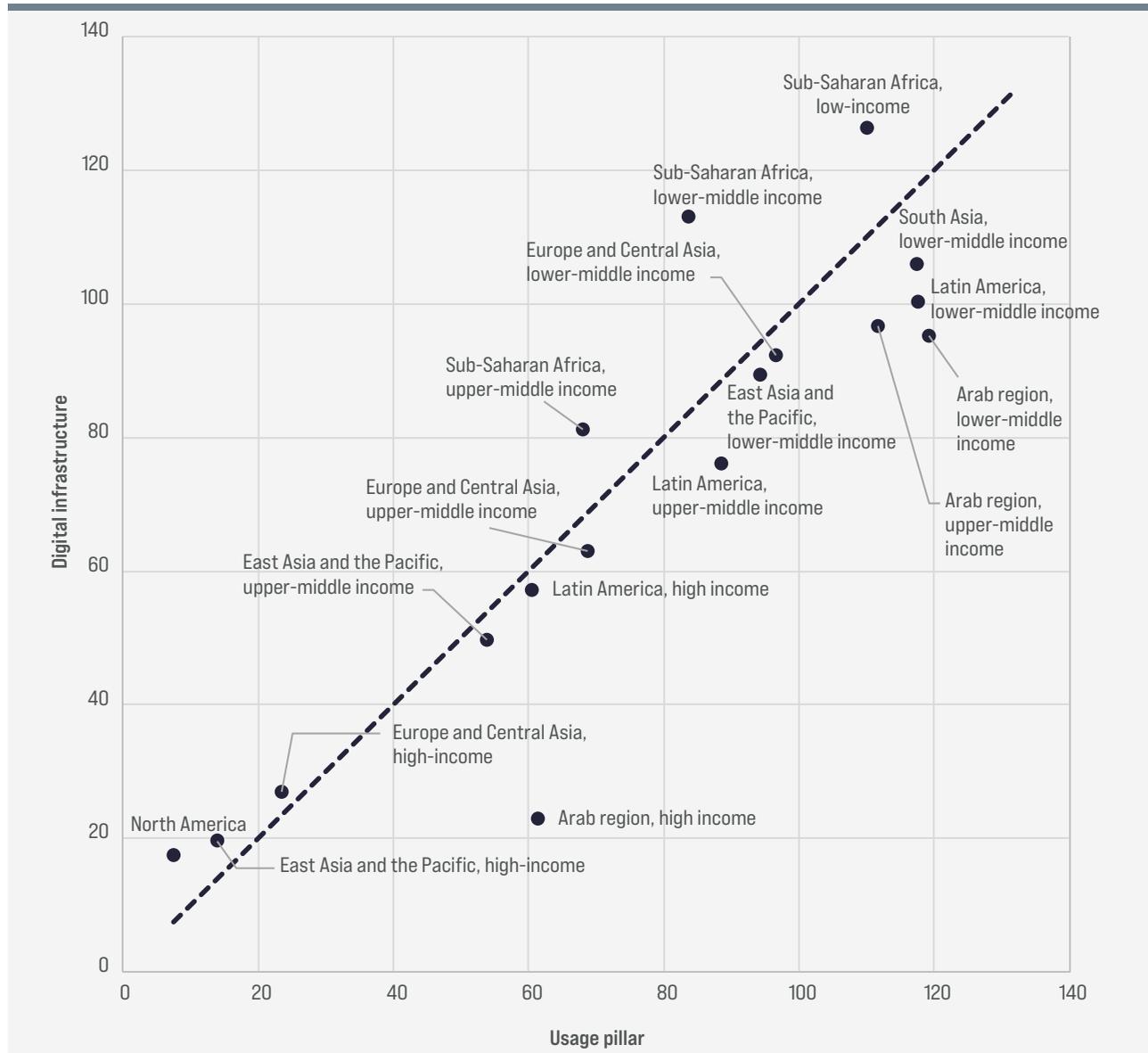
These observations are reinforced by the scatterplot comparing digital infrastructure with usage, which shows a strong positive correlation globally; however, high-income Arab countries fall significantly below the trend line (figure 24). This positions them as clear under-utilizers: countries with excellent infrastructure but usage levels far lower than expected. The implication is that the constraint is not infrastructure, but adoption, trust, literacy and incentives.

**Table 8.** Heatmap of Financial Inclusiveness Index 2025 usage pillar rankings in the Arab region, by sub-pillar

	2nd pillar: Usage	Traditional financial operations	Digital financial services
Bahrain	36	37	35
Kuwait	39	43	39
Saudi Arabia	40	32	43
United Arab Emirates	65	93	51
Qatar	87	112	
Algeria	95	61	137
Mauritania	100	75	118
Oman	101	134	61
Libya	105	91	116
Jordan	114	105	114
Tunisia	118	100	128
Morocco	120	106	121
Egypt	122	104	126
State of Palestine	128	121	131
Lebanon	133	130	136
Iraq	135	137	122

Source: Financial Inclusiveness Index database, ESCWA.

**Figure 24.** Financial Inclusiveness Index 2025 usage pillar and digital infrastructure linkages



**Source:** Financial Inclusiveness Index database, ESCWA.

Upper-middle-income and lower-middle-income Arab region countries appear in the top-right laggards quadrant, where both digital infrastructure and usage scores are weak. Their proximity to the 45-degree line indicates that their poor usage performance is largely consistent with underdeveloped digital infrastructure, rather than a behavioural or institutional anomaly.

The comparison with lower-middle-income South Asia countries further illustrates this point. Despite an 11-point gap in

digital infrastructure rankings, driven by differences in mobile phone ownership (90 per cent in lower-middle-income Arab region countries vs 76 per cent in South Asia), usage scores differ only slightly. South Asia benefits from stronger public Wi-Fi availability, yielding marginally higher Internet coverage (88 per cent vs 85.6 per cent). This suggests that improvements in connectivity alone do not guarantee higher usage, and that behavioural, institutional and regulatory conditions shape adoption.

Overall, the usage pillar ranking confirms that usage is the Arab region’s core challenge. Without strengthened digital and financial literacy, improved trust in

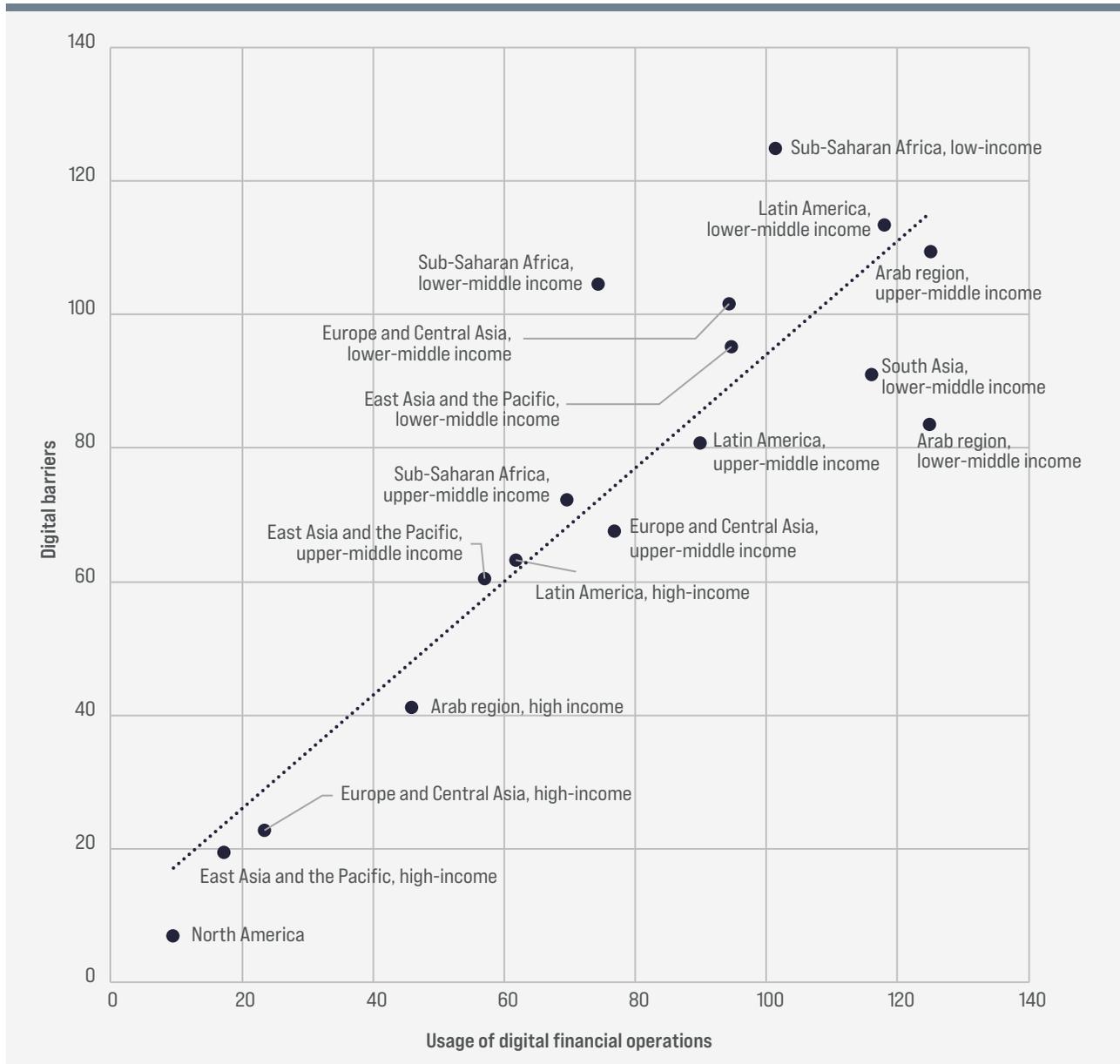
digital channels, better interoperability and product offerings suited to household needs, technological progress risks widening the divide rather than closing it.

## D. Barriers pillar results

The barriers pillar assesses the obstacles that prevent individuals from entering or effectively participating in the financial

system, ranging from traditional constraints such as cost, distance, documentation and trust, to digital constraints linked to

**Figure 25.** Financial Inclusion Index 2025 usage of digital financial operations vs digital barriers, rankings



Source: Financial Inclusion Index database, ESCWA.

regulation, security, affordability and ICT readiness. The 2025 results show clear income-based patterns but also reveal important exceptions in the Arab region, where structural strengths (electricity access, literacy, mobile ownership) coexist with weaknesses in regulatory quality and cybersecurity. These disparities sharpen the distinction between infrastructure availability and effective financial participation, and help identify the specific areas where policy reforms can have the strongest impact.

A scatterplot of digital barriers and digital financial usage (figure 25) confirms a positive relationship across regions: countries with fewer digital barriers tend to report higher usage of digital financial operations. Within the Arab region, however, a pronounced divide emerges. Upper-middle-income and lower-middle-income Arab countries cluster well below Arab high-income countries, reflecting significant gaps in ICT regulation, cybersecurity and digital readiness.

Lower-middle-income Arab countries display lower than expected digital usage despite relatively low digital barriers, an inconsistency driven largely by regulatory indicators. For example, ICT regulatory scores are very low in Libya (7) and Iraq (60), in contrast to higher scores in Morocco (86.5) and Egypt (83.5). Electricity access follows a similar pattern: in Libya, it reaches only 70 per cent of the population, while in Morocco and Tunisia, it reaches 100 per cent. These disparities illustrate how legacy infrastructure, conflict exposure and uneven institutional investment continue to shape digital readiness across the region.

Differences in digital and traditional barriers are shaped by several structural factors:

### ● Legacy systems

Countries with long-standing underinvestment in financial, legal and digital systems, such as Iraq, Libya and parts of Mauritania, experience

higher digital barriers despite recent improvements in infrastructure.

### ● Labour market and income constraints

A large share of migrant workers in the GCC still earn below the minimum income required to open standard bank accounts. However, wage protection systems and financial technology solutions (digital wallets, low-cost remittances, microfinance) are beginning to ease access for these groups.

### ● Gender-based constraints

Women in several Arab countries face obstacles obtaining documentation, travelling alone, or accessing mobile phones, which limits their ability to open or use accounts. Even when digital barriers are statistically low, gender gaps in documentation or mobility suppress usage.

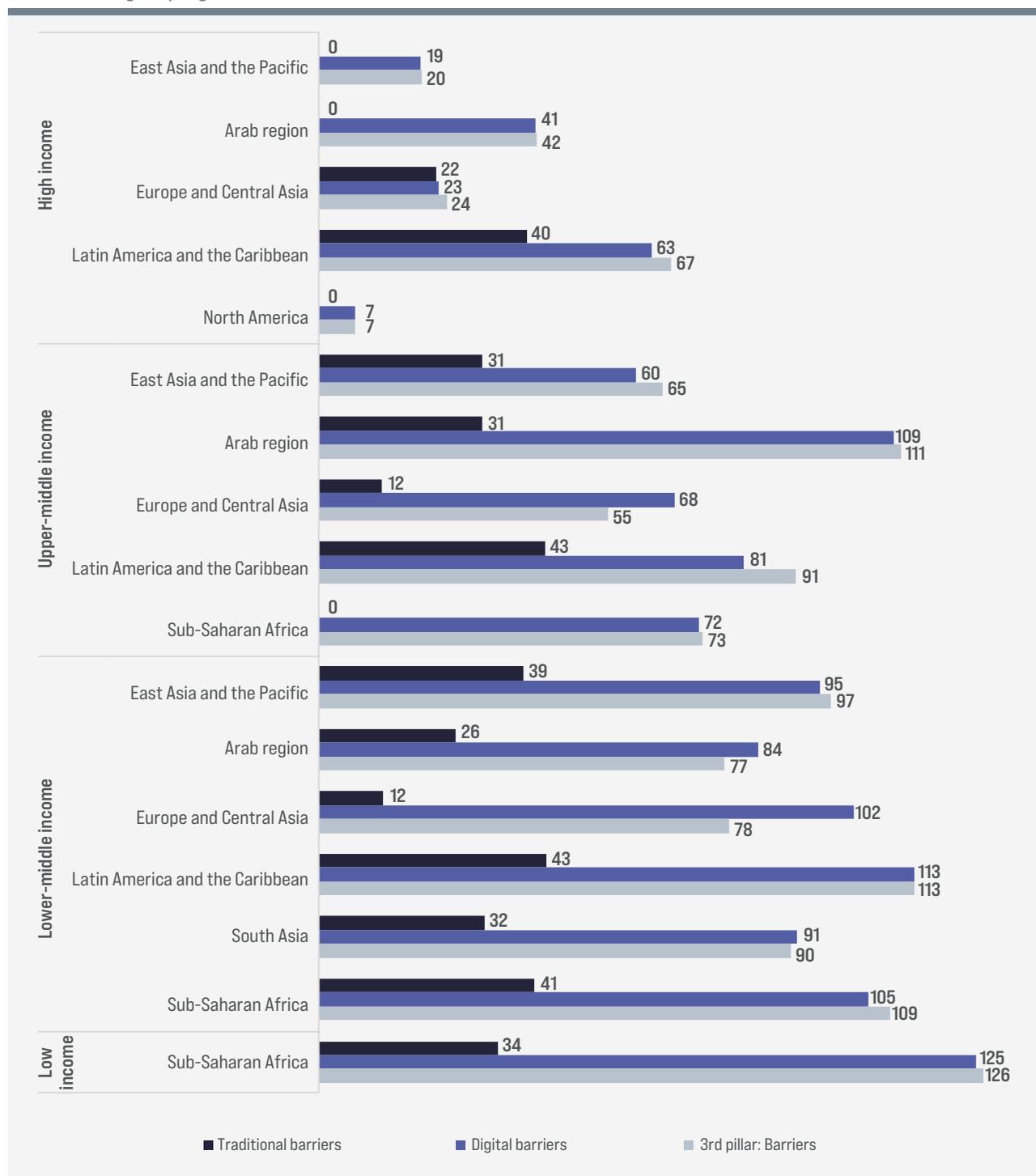
### ● Trust and socioeconomic exclusion

In Lebanon, for instance, distrust of the banking sector, amplified by the ongoing financial crisis, continues to depress account ownership and digital usage despite relatively strong digital infrastructure.

Across regions, countries with higher digital usage tend to show fewer digital barriers. This suggests that regulatory quality, consumer protection and cybersecurity play a decisive role in turning infrastructure into effective financial participation.

Traditional barriers, including insufficient funds, cost, distance, documentation and trust, continue to shape financial exclusion globally. Insufficient funds remain the most frequently cited reason in low- and middle-income regions. High costs and distance are particularly acute in sub-Saharan Africa and in low-income countries globally, where physical access to financial institutions remains limited.

**Figure 26.** Average ranks of Financial Inclusiveness Index 2025 barriers pillar, by component, across region and income groupings



Source: Financial Inclusiveness Index database, ESCWA.

Income levels strongly correlate with barrier scores (figure 26). High-income countries show the lowest overall traditional and digital barriers (hence the highest rankings).

Two exceptions stand out: Latin American high-income economies perform worse on digital barriers than upper-middle-income East Asia and the Pacific countries; while

Arab region lower-middle-income economies perform better on digital barriers than Arab upper-middle-income countries, primarily due to conflict-affected Libya and Iraq.

Within the Arab region (table 9), the United Arab Emirates, Saudi Arabia and Oman lead, although important nuances persist. The United Arab Emirates ranks 24th on digital barriers, lower than its overall performance, due to weaker scores on ICT regulatory environment, smartphone costs

and government expenditure on education compared to Saudi Arabia.

Countries such as the State of Palestine, Lebanon and Mauritania score lower digital barrier rankings but perform better on traditional barriers, reflecting relatively stronger financial literacy and documentation accessibility at the same time as persistent weaknesses in digital readiness and electronic security.

**Table 9.** Heatmap of the Financial Inclusiveness Index 2025 barriers pillar rankings in the Arab region, by sub-pillar

	3rd pillar: Barriers	Traditional barriers	Digital barriers
United Arab Emirates	24		24
Saudi Arabia	29		28
Oman	39		38
Bahrain	41		40
Qatar	43		42
Morocco	55	16	52
Mauritania	67	1	129
Tunisia	68	23	71
Egypt	69	30	55
Kuwait	73		75
Jordan	78	36	69
State of Palestine	88	27	93
Iraq	101	31	108
Algeria	106		98
Lebanon	115	50	116
Libya	125		122

**Source:** Financial Inclusiveness Index database, ESCWA.

The barriers results point to three policy priorities for the Arab region:

1. Strengthening regulatory and cybersecurity frameworks to ensure digital financial ecosystems are safe and reliable.
2. Scaling literacy and trust-building programmes, especially where mobile ownership is high but adoption is low.
3. Addressing gender and documentation gaps, which remain binding barriers even in countries with strong digital infrastructure.

## E. Evolution of financial inclusiveness: Financial Inclusiveness Index 2025 vs Financial Inclusiveness Index 2023

The comparison of Financial Inclusiveness Index 2025 with Financial Inclusiveness Index 2023 (table 10) demonstrates that the Index captures meaningful year-to-year shifts in financial ecosystems. While the global hierarchy remains broadly unchanged; North America continues to

lead and sub-Saharan Africa remains the least inclusive, trends within pillars reveal important improvements, regressions and emerging pressures. Figures 27–30 illustrate how changes in access, usage and barriers differ across regions and within the Arab region.

**Table 10.** Comparison of Financial Inclusiveness Index scores, 2025 vs 2023

	Financial Inclusiveness Index Score 2023	Financial Inclusiveness Index Score 2025
North America	0.746	0.783
Europe and Central Asia	0.635	0.657
East Asia and the Pacific	0.589	0.597
Middle East, North Africa, Afghanistan and Pakistan (excluding Arab region)	0.528	0.530
Arab region	0.484	0.497
Latin America	0.500	0.496
South Asia	0.480	0.464
Sub-Saharan Africa	0.360	0.363

**Source:** Financial Inclusiveness Index database, ESCWA.

### 1. Changes in access

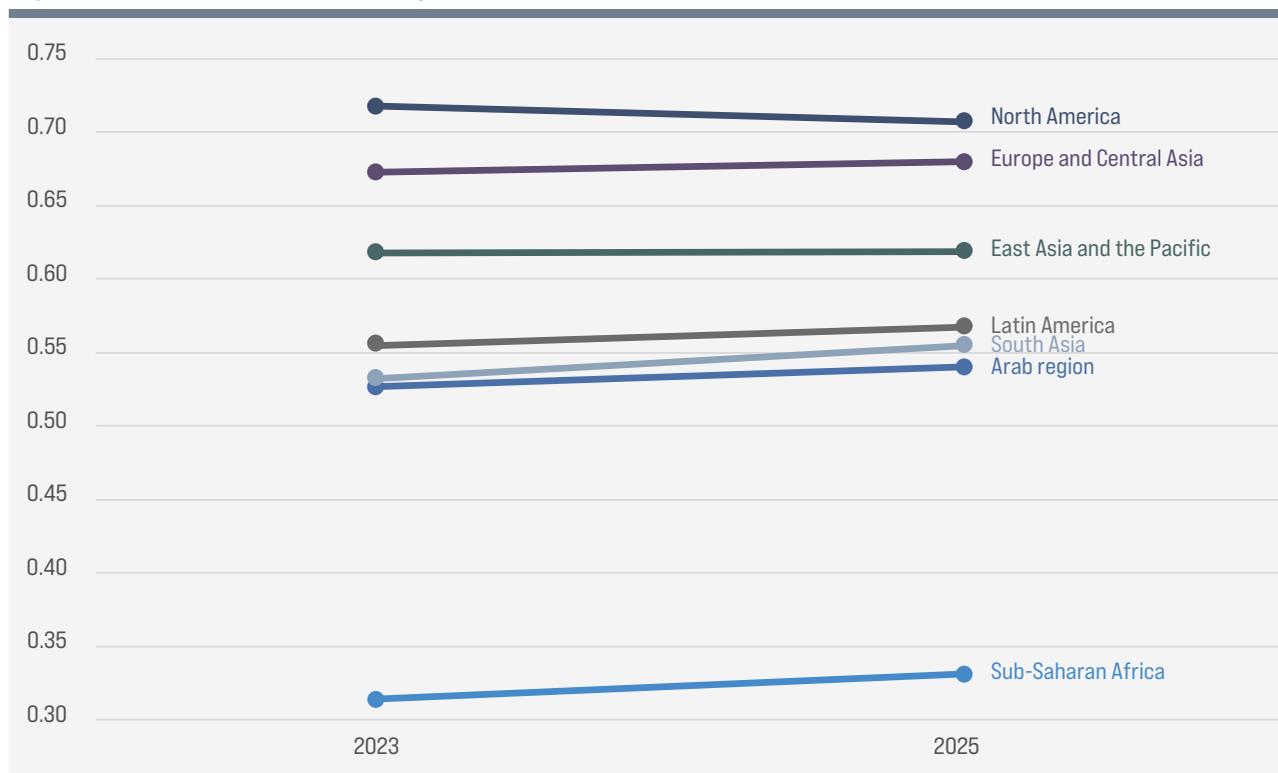
Access scores improved in most regions between 2023 and 2025 (figure 27). Sub-Saharan Africa recorded strong gains driven by digital infrastructure, while South Asia benefited from improvements in traditional infrastructure. The Arab region stands out as the only region where both traditional and digital infrastructure were strengthened simultaneously.

However, these advances were offset by a sharp deterioration in the ease of access to services, the steepest regional decline globally. This suggests that investment in infrastructure did not translate into smoother access, pointing to bottlenecks in documentation requirements, onboarding and operational practices.

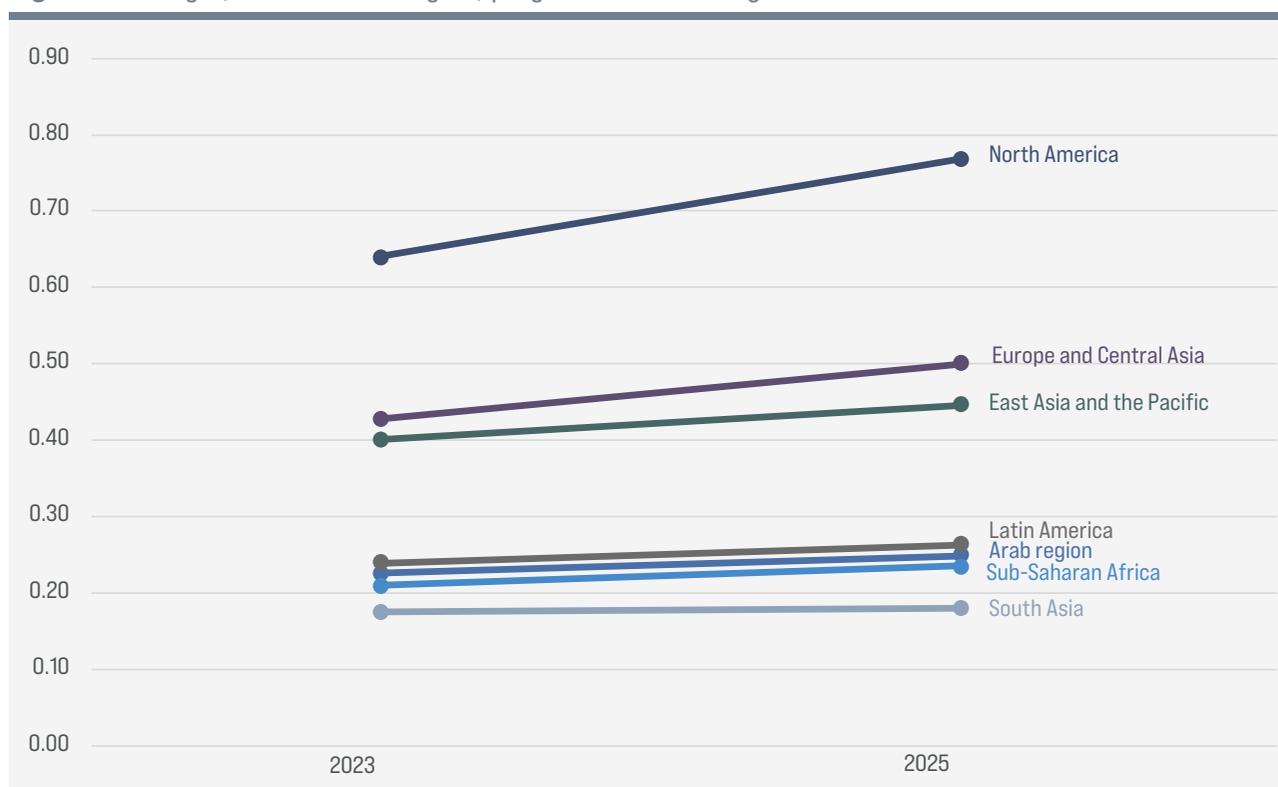
### 2. Changes in usage

Usage rose across all regions for both traditional and digital financial services (figure 28). The largest gains occurred in North America and Europe and Central Asia, while South Asia showed the weakest growth in digital financial activities. Traditional usage grew modestly everywhere except East Asia and the Pacific, where it declined.

For the Arab region, the improvement in usage is positive but remains small relative to its digital infrastructure capacity, confirming the pattern already highlighted in the pillar-level analysis: the region's core challenge is not access but effective utilization.

**Figure 27.** Access to finance mostly on the rise

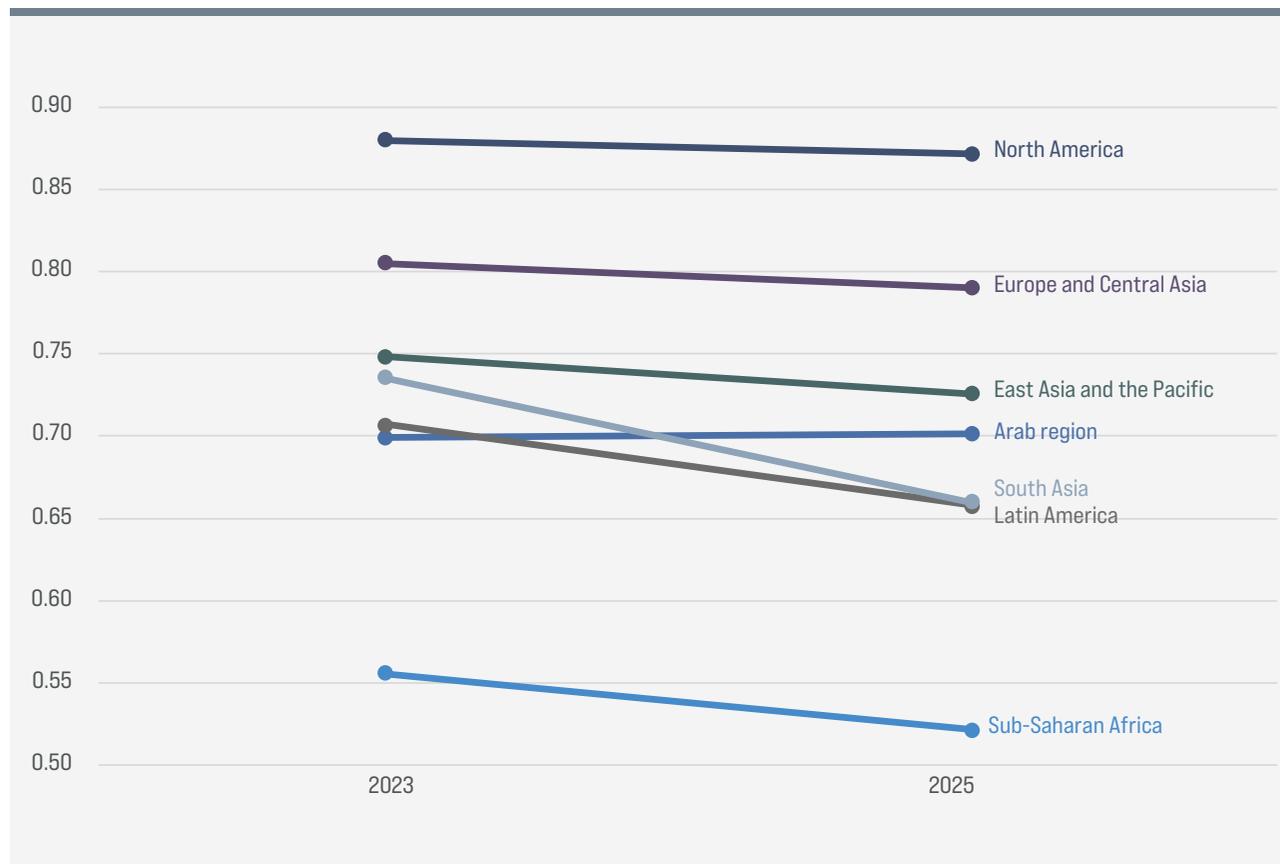
Source: Financial Inclusiveness Index database, ESCWA.

**Figure 28.** Usage (traditional and digital) progressed in most regions

Source: Financial Inclusiveness Index database, ESCWA.

### 3. Changes in barriers

**Figure 29.** Barriers declined across regions, Arab countries experience a moderate rise



Source: Financial Inclusiveness Index database, ESCWA.

Barriers declined overall in 2025 compared with 2023, though with strong regional variations (figure 29). South Asia registered the sharpest decline in traditional barriers, largely due to increases in the share of respondents citing insufficient funds. Sub-Saharan Africa showed only a modest reduction in barriers, with several traditional constraints worsening.

The Arab region recorded an increase in traditional barriers driven almost entirely by a surge in distrust of financial institutions, from 13 per cent in 2023 to 27 per cent in 2025. Scores for Lebanon explain this shift, with distrust rising dramatically (from 18 per cent to 68 per cent) in relation to the ongoing financial crisis. Digital barriers exhibited a more mixed pattern

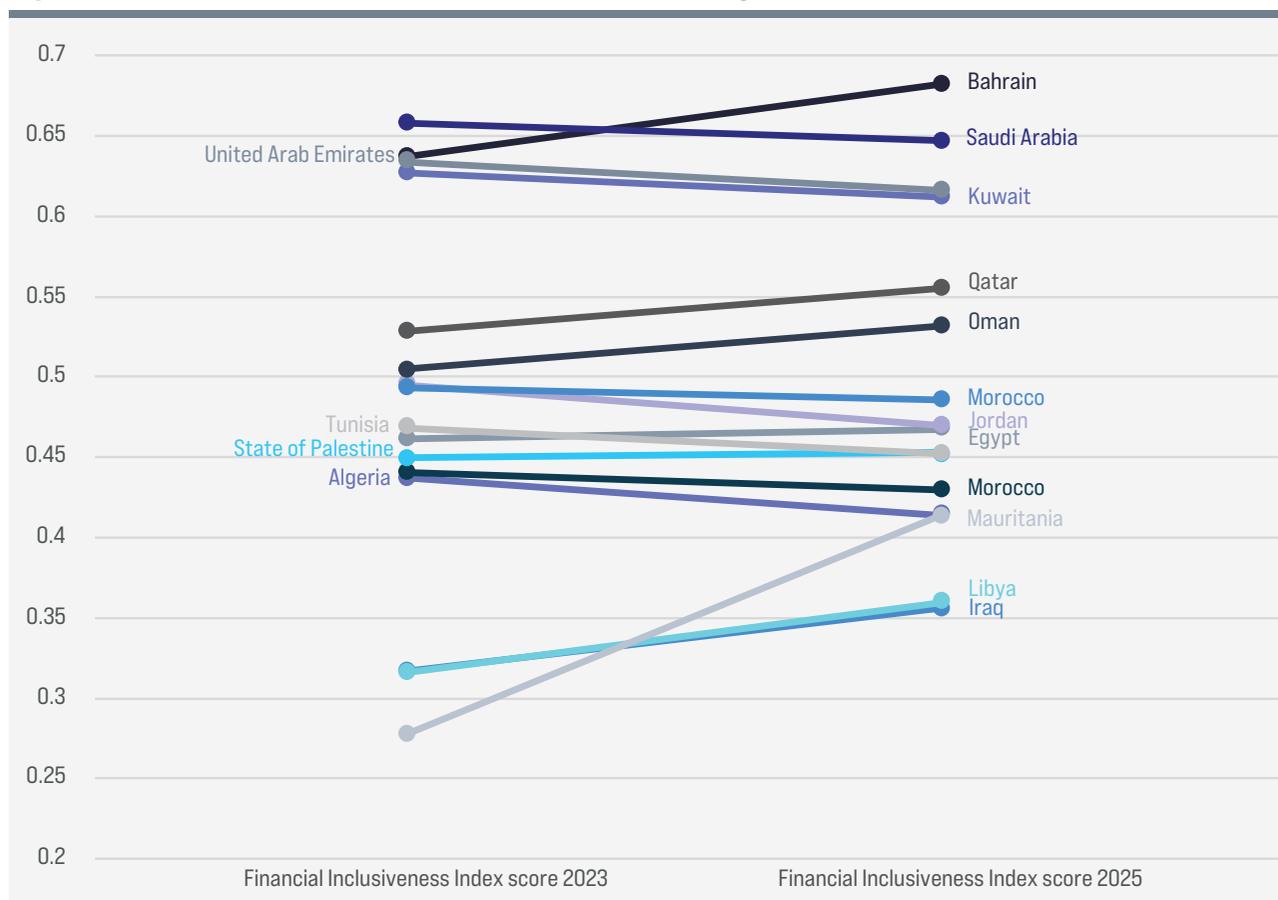
across regions, with improvements linked to stronger regulatory environments and reductions linked to cybersecurity gaps.

#### 4. Arab country movements

Figures 30 and 31 show meaningful shifts within the Arab region. GCC countries remain consistent top performers, but movements among non-GCC members are noteworthy:

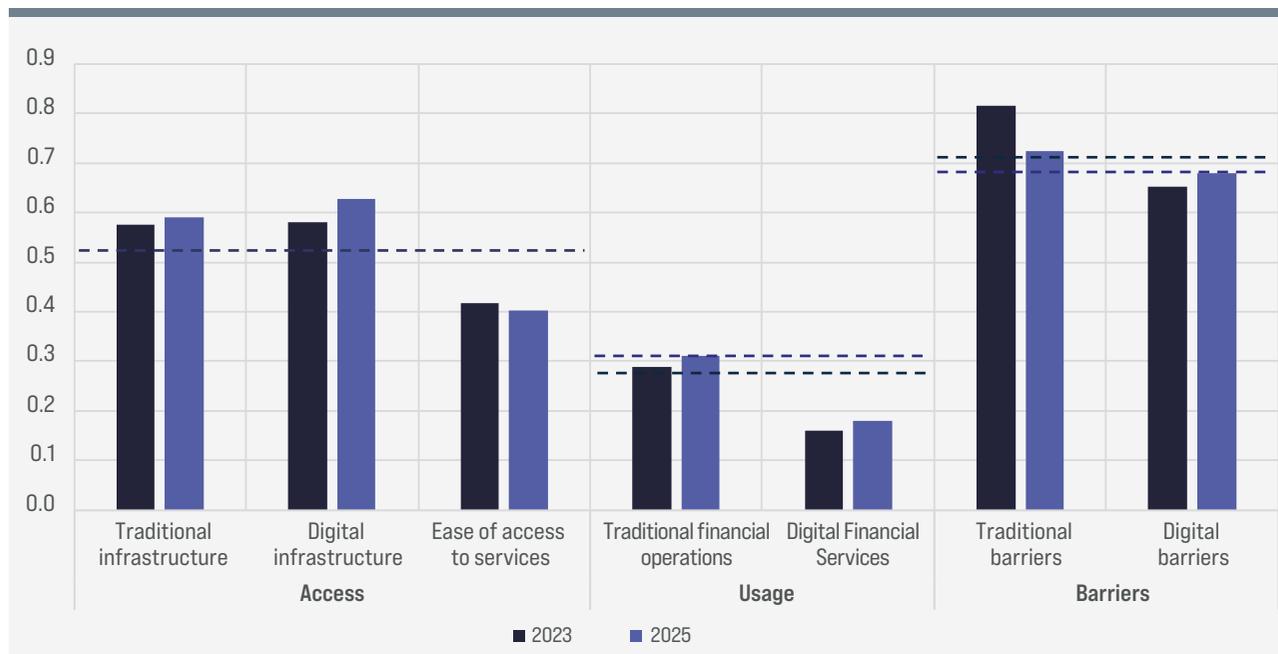
- Mauritania registered a substantial improvement (0.28 → 0.41).
- Algeria experienced a modest decline (0.44 → 0.41).
- Libya and Iraq, the region's lowest performers, both improved their overall scores.

Figure 30. Financial Inclusiveness Index scores in the Arab region, 2025 vs 2023



Source: Financial Inclusiveness Index database, ESCWA.

Figure 31. Financial Inclusiveness Index pillars in the Arab region, 2025 vs 2023



Source: Financial Inclusiveness Index database, ESCWA.

## F. Conclusion

The Financial Inclusiveness Index 2025 provides a comprehensive assessment of financial inclusion across 139 countries, covering access, usage and barriers to financial services through traditional and digital channels. The results reaffirm the global rankings in financial inclusiveness: North America leads, followed by Europe and East Asia and the Pacific, while sub-Saharan Africa and South Asia continue to lag, reflecting structural differences in financial development and income levels.

Among the top 40 countries, all but one (China, rank 38) are high-income economies. The bottom 20 consist largely of low-income countries, and include Iraq and Libya in the Arab region, where conflict and institutional fragility continue to hinder inclusion. The uneven adoption of mobile money in Africa explains the divergence between top performers such as Kenya and structurally similar peers.

### Access

Access results show that digital infrastructure improved significantly between 2023 and 2025, faster than traditional infrastructure, reflecting post-COVID-19 shifts towards mobile and Internet banking. High-income countries increasingly rely on digital channels, while low-income countries continue to depend on ATMs, bank branches and agent banking. A persistent digital divide remains both across and within regions, including within the Arab region, where high-income members outperform middle-income economies by a wide margin.

### Usage

Usage remains the weakest dimension for the Arab region, where countries underperform across all income groups. Even within high-income Arab countries, usage does not match the strength of digital infrastructure, which confirms that

the region's central challenge is translating access into actual financial behaviour.

Differences in usage reflect legacy infrastructure, labour market characteristics, digital and financial literacy gaps and persistent gender disparities, all of which influence adoption.

### Barriers

Traditional barriers, especially insufficient funds and high cost of services, remain widespread. High-income countries face fewer barriers overall, though digital barriers (cybersecurity, regulatory environment, secure servers) still impact performance.

In the Arab region, strengths include high electricity access and digital literacy, while weaknesses include low secure-server density, uneven ICT regulatory environments, and regulatory quality gaps.

Legal and regulatory factors also limit access and usage, particularly for women, young people, low-income households, refugees and forcibly displaced persons. This points to a need for reforms addressing documentation constraints, mobile and digital rights, inheritance and asset ownership, consumer protection, and regulatory clarity for digital financial services.

### Future directions

Future editions of the Financial Inclusiveness Index will continue to strengthen data coverage and refine methodologies as new indicators become available, particularly in digital financial services, mobile money ecosystems, and financial access for small- and medium-sized enterprises (SMEs). Improvements will remain contingent on the availability and comparability of international datasets. These refinements will aim to enhance the accuracy, policy relevance and monitoring value of the Financial Inclusiveness Index over time.

# 5.

## Policy recommendations for Arab countries



# 5. Policy recommendations for Arab countries

Financial inclusion is both a foundation and a consequence of inclusive development. The Financial Inclusiveness Index highlights that the constraints faced by Arab countries differ according to income level and institutional context. While high-income economies must convert strong infrastructure into meaningful usage, middle- and lower-income countries face more structural challenges related to digital access, regulatory frameworks, education, trust and affordability. This chapter translates the diagnostic findings and the global and regional results into a set of actionable policy recommendations organized along the three pillars of the

Financial Inclusiveness Index: access, usage and barriers. These recommendations synthesize international experience and regional realities, offering ESCWA member States reform options that can be adapted to national priorities.

Country-specific simulations and prioritization pathways are available through the ISPAR platform. We encourage users to refer to the ISPAR platform for the most updated country diagnostics and tailored policy options, as these are periodically revised in line with data updates and country priorities.

## A. Policy recommendations: access pillar

The access pillar captures three key dimensions: physical infrastructure, digital infrastructure and ease of access. While high-income Arab countries generally perform well in access, progress remains uneven across the region. Over the past

three decades, technological advancements and lower costs in ICT have transformed the landscape of financial services, moving away from traditional brick-and-mortar infrastructure, such as banks and ATMs, towards the Internet and mobile devices.

### 1. Physical infrastructure



In lower-income and rural areas, traditional branch-based models are costly and insufficiently dense. Expanding agent-based banking, leveraging local shops, post offices and small businesses, offers a low-cost delivery channel that has proven effective in other regions. Mobile money can play a critical role, particularly where smartphone penetration is uneven.

However, mobile money services require strong cash-in/cash-out agent networks and enabling regulation. These networks enable individuals to convert cash into electronic value and vice versa. The Arab region shows significant variation in agent density (from high coverage in Egypt to limited networks in Jordan and others), suggesting scope for targeted scaling.

## 2. Digital infrastructure



Digital access is increasingly central to financial inclusion. Policymakers should prioritize:

- Investment in reliable electricity and broadband networks.
- Policies that increase competition in the telecommunications sector to reduce mobile broadband costs and improve service quality.
- Regionally coordinated broadband initiatives, leveraging high-income Arab countries' financial and technical capacity.

## 3. Ease of access



Persistent gender gaps reflect social norms, regulatory restrictions and legal constraints. Key reforms include:

- Removing legal obstacles that prevent women from opening or operating bank accounts.
- Simplifying identification requirements.
- Expanding acceptance of a wider range of collateral or personal guarantees.
- Ensuring equal access to mobile phones and digital devices.
- Providing targeted financial literacy programmes for women and young people.

### Central bank digital currencies and financial inclusion

Central bank digital currencies are potential tools to improve financial inclusion by offering secure, low-cost digital payments backed by central banks.

To succeed, central bank digital currencies require:

- Simple and inclusive onboarding mechanisms, including remote know your customer.
- Interoperability with existing payment systems.
- Offline capabilities for areas with weak connectivity.
- Transparent communication and consumer education.
- Pricing models that promote adoption.

For countries with high remittance flows or fragmented payment ecosystems, central bank digital currencies may reduce transfer costs and expand access for unbanked and underbanked groups. Experiences from the Bahamas, Nigeria, Jamaica, China and the United Arab Emirates illustrate diverse policy objectives and implementation strategies.

## B. Policy recommendations: usage pillar

High levels of account ownership across the Arab region have not translated into active usage. The diagnostic results show that usage is the main bottleneck, including in high-income countries.

### 1. Digitizing payments



Quick, scalable gains can come from:

- Expanding low-cost digital payment options for utilities, fees and remittances.
- Digitizing government-to-person payments, including wages, social transfers, pensions and subsidies.
- Incentivizing private-sector wage digitalization.

These measures reduce reliance on cash, strengthen transparency, and increase engagement with formal financial channels.

### 2. Addressing usage constraints



Field evidence highlights several factors that cause low usage:

- Transaction costs and fees.
- Limited financial literacy.
- Burdensome documentation and know your customer procedures.
- Lack of trust, including concerns about transparency and data security.

Policy responses should include:

- Simplified account types with minimal documentation.
- Financial education campaigns tailored to women, young people and low-income groups.
- Strengthening deposit insurance schemes to enhance trust.
- Reviewing fee structures to increase affordability.

### 3. Supporting underserved groups



Specific measures include:

- Women-friendly service desks and products.
- Micro-loans without traditional collateral, supported by personal guarantees.
- Expanding SME financing through development banks, microfinance and community finance institutions.

## 4. Mobile money and regulatory constraints



In several countries in the Arab region, mobile money remains constrained by rules requiring accounts to be linked to bank accounts or limited to nationals only. Reviewing these regulations would facilitate wider adoption.

## C. Policy recommendations: barriers pillar

The barriers pillar captures both traditional and digital constraints. Here, policies can address multiple challenges simultaneously.

### 1. Traditional barriers



Insufficient funds, high service costs and distance from financial institutions remain common reasons for being unbanked. Policy options include:

- Low-cost, no-minimum-balance basic accounts.
- Agent banking in underserved areas.
- Expanding Shariah-compliant financial products where needed.

### 2. Digital barriers



Digital access remains constrained by:

- High mobile broadband costs.
- Weak ICT regulation.
- Inadequate cybersecurity infrastructure.
- Low digital literacy.

Priority reforms include:

- Strengthening ICT regulatory frameworks and cybersecurity capabilities.
- Reducing broadband and smartphone costs through market liberalization.
- Implementing large-scale digital literacy programmes, particularly in rural and older populations.

### 3. System-wide enablers



Progress also depends on:

- Political and regulatory stability.
- Clear legal rights and consumer protections.
- Enabling frameworks for financial technology, microfinance, crowdfunding and payment service providers.

ESCWA can support countries wishing to design or update national financial inclusion strategies, including gender-segregated data collection and policy prioritization.

## D. Cross-cutting enabler: financial technology

Financial technology offers significant opportunities to expand access, reduce costs, and bypass infrastructure constraints. Its potential spans payments, credit, savings, insurance and cross-border transactions.

Key policy priorities include:

- Enabling proportional regulation for payment providers, digital lenders and mobile money operators.
- Introducing national electronic identification to facilitate seamless digital onboarding.
- Supporting innovation sandboxes for new products.
- Strengthening cybersecurity, data protection and consumer safeguards.
- Addressing risks of over-indebtedness and discriminatory algorithms.

Financial technology can also support financial and digital literacy through gamified tools, mobile platforms and targeted education applications.

### Financial technology and digital innovation as catalysts for financial inclusion

Financial technology has become a central driver of financial inclusion through expanding access to payment systems, lowering transaction costs, and offering alternative digital channels for savings, credit and insurance. Mobile money remains one of the most transformative innovations, especially in regions where traditional financial infrastructure is limited. Its success, which is visible in parts of Africa, South Asia and emerging markets, illustrates how low-cost, technology-enabled models can reach underserved populations.

Beyond mobile money, the rise of online payment platforms, digital wallets and instant transfer systems demonstrates how financial technology can simplify everyday financial transactions. These tools reduce dependence on cash, broaden access to financial services, and help individuals and small firms manage liquidity, transact safely, and participate more fully in the formal economy.

Financial technology innovations also support credit access. By using alternative data such as mobile phone usage or utility payments, digital lenders and micro-lending platforms can extend small, unsecured loans to individuals and SMEs that lack formal credit history. These products can help microentrepreneurs grow their businesses and provide a pathway towards stronger financial resilience.

Digital identity solutions are another emerging enabler. Secure electronic identification makes it easier for individuals to open accounts, access formal financial services, and receive government benefits. For marginalized groups such as women, low-income households, refugees and displaced persons, digital identification can reduce key barriers linked to documentation and trust.

At the same time, the uptake of financial technology raises several risks that require careful oversight. These include cybersecurity threats, data privacy concerns, potential misuse for illicit activities, liquidity risks faced by fintech providers, and the possibility of consumer harm in digital lending. Ensuring adequate regulation, supervision and consumer protection is essential to safeguarding users while supporting innovation.

As countries increasingly explore digital forms of money, including central bank digital currencies, financial technology will continue to reshape financial inclusion. Central bank digital currencies could offer low-cost payments, improve cross-border transfers, and expand access for unbanked or underbanked populations, provided they are supported by strong digital infrastructure, effective regulation, and programmes promoting financial and digital literacy.

Financial technology offers a powerful set of tools to broaden financial access and usage, but its benefits will materialize only alongside investment in infrastructure, workforce skills, trust and sound regulatory frameworks.



# Annex. Methodology of the Financial Inclusiveness Index

This annex presents the methodological foundations of the Financial Inclusiveness Index. It details the data sources,

indicator treatment, normalization procedures and aggregation rules used to construct the index.

## A. Conceptual measurement principles

The Financial Inclusiveness Index measures financial inclusion along three dimensions: access, usage and barriers, reflecting both traditional and digital channels. The Index follows the principles of:

- **International comparability:** reliance exclusively on standardized, globally recognized datasets.
- **Parsimony:** inclusion of only essential, non-redundant indicators.
- **Transparency:** clear and explicitly

documented transformations and methodological choices.

- **Reproducibility:** uniform application of rules across all countries and Index editions.

The Financial Inclusiveness Index is designed as a diagnostic instrument specifically focused on these three dimensions of financial inclusion. It does not seek to provide a comprehensive assessment of overall financial system performance.

## B. Data sources and country coverage

Indicators come exclusively from internationally recognized statistical sources to ensure cross-country comparability:

- World Bank Global Findex.
- IMF Financial Access Survey (FAS).
- International Telecommunication Union (ITU) ICT Indicators.
- United Nations Educational, Scientific and Cultural Organization Institute for Statistics (UIS).
- Economist Intelligence Unit (EIU) – Inclusive Internet Index.
- World Bank World Development Indicators (WDI), providing supplementary digital and infrastructure metrics.

Country coverage is determined by data availability. Some low-income and fragile economies, including some Arab region countries, are underrepresented due to missing values for essential indicators. To maintain the methodological integrity of the Index and ensure reliable aggregation at the pillar and dimension levels, the 2025 edition applies the following inclusion criteria:

- Countries are retained only if no more than 30 per cent of their indicator values are missing.
- Indicators are included only when missingness does not exceed 30 per cent of the total country sample.

This approach ensures that the Index reflects observed reality rather than modelled assumptions, particularly for

low-income and fragile economies where data scarcity is prevalent.

## C. Indicator selection

Indicator selection followed three criteria:

- **Conceptual relevance:** The indicator must directly measure access, usage or barriers to financial inclusion.
- **International comparability:** Definitions, methodologies and measurement standards must be consistent across countries.
- **Temporal availability:** Sufficient

historical coverage must exist to enable time-series analysis and tracking.

When multiple indicators captured the same underlying concept, redundant series were excluded. In such cases, the Index retains the most stable, consistently reported and internationally comparable indicator, ensuring coherence across editions and reducing noise in the normalization process.

## D. Data treatment

Data treatment follows standardized rules to ensure comparability across countries and indicators. All transformations were applied consistently across editions to maintain time-series integrity. The data treatment process reduces distortions and ensures comparability.

Capping thresholds are determined through statistical analysis of distributions and validated against known institutional characteristics in high-performance countries.

For indicators where higher values correspond to weaker financial inclusion outcomes, values were reversed prior to normalization. These include:

### 1. Outlier detection and capping

Extreme values that could distort normalization and create artificial score inflation are identified and capped:

- **ATMs per 100,000 adults:** Capped at empirically observed maximums based on global distributions.
- **Bank branches per 100,000 adults:** Similarly capped to prevent outlier effects.
- **Digital indicators** (mobile broadband subscriptions, secure Internet servers): Capped at plausible upper bounds derived from regional and global benchmarks.

- Cost-related financial barriers.
- Distance to financial service points.
- Documentation requirements.
- Trust-related constraints.
- Affordability challenges for digital access (e.g., smartphone cost, data-only broadband basket prices).

This ensures that, across all indicators, higher values consistently reflect better performance.

## 2. Log transformations

A subset of indicators exhibiting significant right-skew were log-transformed. This reduces the influence of extreme values

and improves cross-country comparability, particularly between economies with highly divergent sizes or levels of digital infrastructure development.

## E. Missing data and year alignment

The Financial Inclusiveness Index uses a strict approach to missing data:

- No cross-country substitution or expert-based imputation is permitted.
- Indicators with more than 30 per cent missing observations across the country sample are excluded.
- Countries missing more than 30 per cent of indicators are removed from the Index.

Missing values are addressed exclusively through two controlled methods:

- Last available observation, used when a recent data point exists within the same series.
- Nearest-year alignment, applied to indicators released biennially or triennially to ensure temporal consistency.

## F. Normalization method

Normalization transforms indicators into a common 0–1 scale.

The Financial Inclusiveness Index uses min-max normalization, applied consistently:

$$x' = \frac{x - \min(x)}{\max(x) - \min(x)}$$

Reverse indicators were normalized after inversion.

Fixed anchor values were used when necessary to ensure stability across editions.

- Normalization ranges were kept consistent with the 2023 edition whenever possible, except where expanded data availability necessitated recalculation.
- Normalization was applied at the global level, not regional, to preserve comparability.

## G. Aggregation structure

Aggregation follows a transparent, equal-weight structure:

### 1. Indicators → Sub-dimensions

Simple average of indicators within each sub-dimension.

### 2. Sub-dimensions → Pillars

Each sub-dimension weighted equally within its pillar.

### 3. Pillars → Index

The three pillars (access, usage, barriers) carry equal weight:

$$FII = \frac{1}{3} (\text{Access} + \text{Usage} + \text{Barriers})$$

This structure prevents pillar dominance and maintains interpretability.

## H. Sensitivity analysis and robustness

To validate the stability of the rankings, the 2025 methodology was subjected to rigorous stress testing, including:

- **Alternative normalization:** Testing z-scores against min-max scaling.
- **Aggregation methods:** Comparing geometric means against arithmetic means.

- **Exclusion sensitivity:** Recalculating rankings after removing high-skew indicators.

The results indicated high Spearman rank correlations between the standard Financial Inclusiveness Index methodology and alternative models, confirming that the Index is robust to methodological variations.

## I. Limitations of the Index

The Financial Inclusiveness Index is intended primarily as a diagnostic instrument and does not capture:

- Informal financial arrangements or mechanisms.
- Broader aspects of financial stability or systemic risk.
- Development of capital markets.

- The quality, appropriateness or suitability of financial products.
- Consumer protection frameworks.
- Welfare outcomes directly resulting from financial inclusion.

Analyses and interpretations of the Financial Inclusiveness Index should be contextualized within each country's institutional structures, regulatory frameworks and prevailing social norms.

## J. Online resources

To ensure full transparency and facilitate reproducibility, the following materials are available on the Financial Inclusiveness Index webpage:

- A detailed indicator-by-indicator table describing data preparation, treatment rules, transformations and capping thresholds.

- A complete list of data sources with links to the original providers and technical documentation.



Pillar	Sub-dimension	Indicator	Definition (source)	Transformation	Capping rule	Notes/rationale	Reference year	Update frequency
Access	Traditional infrastructure	ATMs per 100,000 adults	The number of ATMs available per 100,000 adults (IMF FAS).	Logarithm	Cap at 180	Avoids extreme values from small-population countries.	2023	Annual
		ATMs per 100,000 km <sup>2</sup>	The geographic density of ATMs per 100,000 square kilometres (IMF FAS).	Logarithm	Cap at 180	Corrects high spatial skewness.	2023	Annual
		Bank branches per 100,000 adults	The number of commercial bank branches per 100,000 adults (IMF FAS).	Logarithm	Cap at 45	Prevents over-weighting of financial hubs.	2023	Annual
		Bank branches per 100 km <sup>2</sup>	The geographic density of commercial bank branches per 100 square kilometres (IMF FAS).	Logarithm	Cap at 55	Corrects high spatial skewness.	2023	Annual
Access	Digital infrastructure	Own a mobile phone (percentage, age 15+ years)	The percentage of adults (age 15+ years) who own a mobile phone (World Bank Global Findex).	None	None	Taken as reported.	2024	Every 3 years
		Household computer (percentage)	The percentage of households with access to a computer at home (ITU).	None	None	Minimal skew observed.	2023	Annual
		E-finance content	Does the largest retail banking institution offer online banking services? (EIU).	None	None	—	2022	
		Government initiatives to make Wi-Fi available	Does the Government provide public Wi-Fi access in the largest city in the country and is it free to connect to? (EIU).	None	None	—	2022	
		International Internet bandwidth per Internet user	Refers to the total used capacity of international Internet bandwidth, in bits per second per Internet user (ITU).	None	Cap at 550,000	Corrects very heavy right-skew.	2023	Annual
		Active mobile broadband subscription per 100 inhabitants	Active mobile-broadband subscriptions per 100 inhabitants (ITU).	Logarithm	Cap at 200	Ensures telecom outliers do not dominate.	2023	Annual

Pillar	Sub-dimension	Indicator	Definition (source)	Transformation	Capping rule	Notes/rationale	Reference year	Update frequency
		Fixed broadband subscriptions per 100 inhabitants	Fixed broadband subscriptions per 100 inhabitants (ITU).	None	Cap at 50	Based on OECD saturation ranges.	2023	Annual
		Proportion of population covered by a mobile network, by technology (percentage)	Refers to the percentage of inhabitants that are within range of at least a 3G mobile-cellular signal, irrespective of whether or not they are subscribers (ITU).	None	Cap at 100	Saturation expected at 100 per cent.	2024	Annual
<b>Access</b>	Ease of access	Account (percentage, age 15+ years)	The percentage of adults (age 15+ years) with an account at a financial institution or with a mobile money service provider (World Bank Global Findex).	None	None	—	2024	Every 3 years
		Owns a credit card (percentage, age 15+ years)	The percentage of adults who own a credit card (World Bank Global Findex).	None	None	—	2024	Every 3 years
		Owns a debit card (percentage, age 15+ years)	The percentage of adults who own a debit card (World Bank Global Findex).	None	None	—	2024	Every 3 years
		Deposit accounts with commercial banks per 1,000 adults	The number of deposit accounts with commercial banks per 1,000 adults (IMF FAS).	Logarithm	Cap at 19.518	Stabilizes distribution.	2023	Annual
		Number of loan accounts with commercial banks per 1,000 adults	The number of loan accounts with commercial banks per 1,000 adults (IMF FAS).	Logarithm	Cap at 7.001	Stabilizes distribution.	2023	Annual
		Main source of emergency funds in 30 days: loan from a bank, employer or private lender (percentage, age 15+ years)	The percentage of respondents who say it is possible for them to come up with emergency funds in 30 days and list borrowing from a bank, employer or private lender as their main source of emergency funds (IMF FAS).	None	None	—	2024	Every 3 years

Pillar	Sub-dimension	Indicator	Definition (source)	Transformation	Capping rule	Notes/ rationale	Reference year	Update frequency
Usage	Traditional	Made a deposit (percentage with a financial institution account, age 15+ years)	Among respondents with a financial institution account, the percentage who report making one or more deposits into their account in the past year. This includes cash, electronic deposits or any transfer of money into the account by the respondent, an employer or another person or institution (World Bank Global Findex).	None	None	—	2021	
		Made a withdrawal (percentage with a financial institution account, age 15+ years)	Among respondents with a financial institution account, the percentage who report withdrawing money from their account one or more times in the past year (World Bank Global Findex).	None	None	—	2021	
		Sent or received domestic remittances: using an account (percentage, age 15+ years)	Percentage of adults sending or receiving domestic remittances via a financial institution account (World Bank Global Findex).	None	None	—	2024	Every 3 years
		Received government payments (percentage, age 15+ years)	Percentage of adults receiving government payments into an account (World Bank Global Findex).	None	None	—	2024	Every 3 years
		Saved at a financial institution (percentage, age 15+ years)	The percentage of respondents who report saving or setting aside any money at a bank or another type of financial institution in the past year (World Bank Global Findex).	None	None	—	2024	Every 3 years

Pillar	Sub-dimension	Indicator	Definition (source)	Transformation	Capping rule	Notes/rationale	Reference year	Update frequency
		Borrowed from a formal financial institution (percentage, age 15+ years)	The percentage of respondents who report borrowing any money from a bank or another type of financial institution or using a credit card in the past year (World Bank Global Findex).	None	None	—	2024	Every 3 years
Usage	Digital	Used a mobile phone or the Internet to access an account (percentage, age 15+ years)	The percentage of respondents who report that in the past year, they used a mobile phone or the Internet to make a payment, make a purchase, or to send or receive money through an account (World Bank Global Findex).	None	None	—	2021	Every 3 years
		Made or received a digital payment (percentage, age 15+ years)	The percentage of respondents who report using mobile money, a debit or credit card, or a mobile phone to make a payment from an account, or report using the Internet to pay bills or to buy something online or in a store, in the past year (World Bank Global Findex).	None	None	—	2024	Every 3 years
		Used a mobile phone or the Internet to pay bills (percentage, age 15+ years)	The percentage of respondents who report using a mobile phone or the Internet to pay bills in the past year (World Bank Global Findex).	None	None	—	2024	Every 3 years
		Used a mobile phone or the Internet to buy something online (percentage, age 15+ years)	The percentage of respondents who report using a mobile phone or the Internet to buy something online in the past year (World Bank Global Findex).	None	None	—	2024	Every 3 years

Pillar	Sub-dimension	Indicator	Definition (source)	Transformation	Capping rule	Notes/ rationale	Reference year	Update frequency
		Saved using mobile money (percentage)	The percentage of respondents who report saving money using a mobile money account (World Bank Global Findex).	None	None	—		Every 3 years
		Borrowed using mobile money (percentage)	The percentage of respondents who report borrowing any money using a mobile money account in the past year (World Bank Global Findex).	None	None	—	2024	Every 3 years
		Sent or received domestic remittances: through a money transfer service (percentage, age 15+ years)	The percentage of respondents who report personally sending or receiving any of their money in the past year to or from a relative or friend living in a different area of their country, and sent or received it over-the-counter in a branch of their financial institution, through a mobile banking agent, or through a money transfer service (World Bank Global Findex).	Reverse	None	—	2024	Every 3 years
<b>Barriers</b>	Traditional	No account because financial institutions are too far away (percentage without an account, age 15+ years)	Among respondents who report having no account, the percentage who report that they do not have a financial institution account because financial institutions are too far away (World Bank Global Findex).	Reverse	None	—	2024	Every 3 years
		No account because financial services are too expensive (percentage without an account, age 15+ years)	Among respondents who report having no account, the percentage who report not having a financial institution account because financial services are too expensive (World Bank Global Findex).	Reverse	None	—	2024	Every 3 years

Pillar	Sub-dimension	Indicator	Definition (source)	Transformation	Capping rule	Notes/rationale	Reference year	Update frequency
		No account because of insufficient funds (percentage without an account, age 15+ years)	Among respondents who report having no account, the percentage who report not having a financial institution account because they do not have enough money to use one (World Bank Global Findex).	Reverse	None	—	2024	Every 3 years
		No account because of a lack of necessary documentation (percentage without an account, age 15+ years)	Among respondents who report having no account, the percentage who report not having a financial institution account because they lack the documentation needed to open one, such as an identity card, a wage slip, or the like (World Bank Global Findex).	Reverse	None	—	2024	Every 3 years
		No account because of a lack of trust in financial institutions (percentage without an account, age 15+ years)	Among respondents who report having no account, the percentage who report not having a financial institution account because they do not trust financial institutions (World Bank Global Findex).	Reverse	None	—	2024	Every 3 years
<b>Barriers</b>	Digital	ICT regulatory environment	The ICT regulatory environment indicator is based on the ICT Regulatory Tracker composite index that provides a measure of the existence and features of ICT legal and regulatory frameworks. The index covers 50 indicators distributed across four pillars: (1) regulatory authority, (2) regulatory mandate, (3) regulatory regime, and (4) competition framework. Scores are standardized to a scale of 0–2 (ITU).	None	None	ITU composite index.	2021	

Pillar	Sub-dimension	Indicator	Definition (source)	Transformation	Capping rule	Notes/ rationale	Reference year	Update frequency
		Regulatory quality	Captures perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development (Worldwide Governance Indicators).	None	None		2024	Annual
		Cybersecurity	Reference that measures the commitment of countries to cybersecurity at a global level.	None	None	ITU.	2023	Every 2 years
		Secure Internet servers	The number of distinct, publicly-trusted Transport Layer Security/ Secure Sockets Layer certificates found in the Netcraft Secure Server Survey (World Bank).	Logarithm		High variance across income groups.	2023	Annual
		Smartphone cost (handset)	Indexed scores of the price of an entry-level handset to the consumer, as a percentage of gross national income per capita (EIU).	Reverse		Higher cost indicates larger barrier.	2022	
		Data-only mobile broadband basket	Entry-level data-only mobile-broadband basket. Combined time series data: from 2013 to 2017, the basket is composed of the cheapest post-paid, computer-based plan for a USB/dongle providing at least 1 GB of monthly data using at least 3G technology; from 2018 to 2020, the basket refers to the cheapest mobile broadband plan providing at least 1.5 GB of monthly data using at least 3G technology; from 2021, the basket refers to the cheapest mobile broadband plan providing at least 2 GB of monthly data using at least 3G technology.	Reverse	Cap at 10	Higher cost indicates larger barrier.	2024	Annual

Pillar	Sub-dimension	Indicator	Definition (source)	Transformation	Capping rule	Notes/rationale	Reference year	Update frequency
		Access to electricity (percentage of population)	Access to electricity is the percentage of population with access to electricity. Electrification data are collected from industry, national surveys and international sources.	None	None	Cap at 100.	2023	Annual
		Support for digital literacy	Does the Government have a plan or strategy that addresses digital literacy for students and training for teachers? (World Bank).	None		—	2021	
		Digital skills among active population	In your country, to what extent does the active population possess sufficient digital skills (e.g., computer skills, basic coding, digital reading)? [1 = not all; 7 = to a great extent] (World Economic Forum).	None	None	ITU.	2021	
		Mean years of schooling	Mean years of schooling is the average number of years of education completed by a country's population (25 years and older) excluding years spent repeating grades (United Nations Development Programme).	None	Cap at 15	Narrow range; no transformation needed.	2022	Annual
		Government expenditure on education, total (percentage of GDP)	General government expenditure on education (current, capital and transfers) is expressed as a percentage of GDP. It includes expenditure funded by transfers from international sources to government. General government usually refers to local, regional and central governments (World Bank).	None	Cap at 10	—	2023	Annual

# References

- Aker, Jenny C., and others (2015). Payment Mechanisms and Antipoverty Programs: Evidence from a Mobile Money Cash Transfer Experiment in Niger. Tufts University, Middlesex County, MA.
- Aslan, Goksu, and others (2017). Inequality in Financial Inclusion and Income Inequality. IMF Working Paper 17/236, International Monetary Fund, November.
- Auer, Raphael, and others (2022). Central bank digital currencies: a new tool in the financial inclusion toolkit?. FSI Insights on policy implementation No 41, Bank for International Settlements.
- Batista, Cátia and Pedro C. Vicente (2021). Is Mobile Money Changing Rural Africa? Evidence from a Field Experiment. CReAM Discussion Paper Series 2116, Centre for Research and Analysis of Migration (CReAM), Department of Economics, University College London.
- \_\_\_\_\_ (2023). Is Mobile Money Changing Rural Africa? Evidence from a Field Experiment. IZA Institute of Labor Economics Discussion Paper No. 16101, April. Available at <https://docs.iza.org/dp16101.pdf>.
- Central Bank of the UAE (2025). Digital Dirham – Selected Issues and Policy Considerations. Working Paper No. 1/2025, July. Available at [https://centralbank.ae/media/qw1ex32h/cbdc-long-report\\_july.pdf](https://centralbank.ae/media/qw1ex32h/cbdc-long-report_july.pdf).
- Cull, Robert, and others (2023). Digital Payments and the COVID-19 Shock: The Role of Preexisting Conditions in Banking, Infrastructure, Human Capabilities, and Digital Regulation. Policy Research Working Paper No. 10603. World Bank. Available at <https://openknowledge.worldbank.org/entities/publication/c6c3a8dc-091f-45f0-b128-fd0b5b305e78>.
- Deléchat, Corinne, and others (2018). What is Driving Women's Financial Inclusion Across Countries?. IMF Working Paper 2018/038, International Monetary Fund, March.
- Demirgüç-Kunt, Asli, and others (2022). The Global Findex Database 2021: Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19. World Bank.
- Djahini-Afawoubo, Dossè Mawussi, Mawuli Kodjovi Couchoro and Fambari Kokou Atchi (2023). Does mobile money contribute to reducing multidimensional poverty?. Technological Forecasting and Social Change, vol. 187, February. Available at <https://www.sciencedirect.com/science/article/abs/pii/S0040162522007156>.
- Elouaourti, Zakaria and Aomar Ibourk (2024). Financial Technologies for All MENA citizens: Tackling barriers and promoting inclusion. Regional Science Policy & Practice, vol. 16, Issue 6, June. Available at <https://www.sciencedirect.com/science/article/pii/S1757780224000519>.
- GSMA (2021). The Mobile Gender Gap 2021 report. Accessed via <https://www.gsma.com/r/wp-content/uploads/2021/07/The-Mobile-Gender-Gap-Report-2021.pdf>.
- \_\_\_\_\_ (2022a). The Mobile Gender Gap 2022 report. Accessed via <https://www.gsma.com/r/wp-content/uploads/2022/06/The-Mobile-Gender-Gap-Report-2022.pdf>.
- \_\_\_\_\_ (2022b). State of the Industry Report on Mobile Money 2022. Accessed via [https://www.gsma.com/sotir/wp-content/uploads/2022/03/GSMA\\_State\\_of\\_the\\_Industry\\_2022\\_English.pdf](https://www.gsma.com/sotir/wp-content/uploads/2022/03/GSMA_State_of_the_Industry_2022_English.pdf).
- \_\_\_\_\_ (2024). The State of Mobile Internet Connectivity 2024. Available at <https://www.gsma.com/r/wp-content/uploads/2024/10/The-State-of-Mobile-Internet-Connectivity-Report-2024.pdf>.
- \_\_\_\_\_ (2025a). The Mobile Gender Gap Report 2025. Available at <https://www.gsma.com/r/wp-content/uploads/2025/06/The-Mobile-Gender-Gap-Report-2025.pdf>.
- \_\_\_\_\_ (2025b). The State of the Industry Report on Mobile Money 2025. Available at [https://www.gsma.com/sotir/wp-content/uploads/2025/04/The-State-of-the-Industry-Report-2025\\_English.pdf](https://www.gsma.com/sotir/wp-content/uploads/2025/04/The-State-of-the-Industry-Report-2025_English.pdf).

- International Monetary Fund (2022). Financial Access Survey 2022 Trends and Developments. International Monetary Fund, October. Data available at <https://data.imf.org/?sk=E5DCAB7E-A5CA-4892-A6EA-598B5463A34C>.
- \_\_\_\_\_ (2025). Could a CBDC Help Promote Financial Inclusion?. Chapter 5 of the Central Bank Digital Currency Virtual Handbook (updated April 2025), International Monetary Fund. Available at <https://www.imf.org/en/Topics/digital-payments-and-finance/central-bank-digital-currency/virtual-handbook#chapter5>.
- Jack, William, and Tavneet Suri (2014). Risk sharing and transactions costs: Evidence from Kenya's mobile money revolution. *American Economic Review*, vol. 104, No. 1, pp. 183–223.
- Kass-Hanna, Josephine, Angela C. Lyons and Fan Liu (2022). Building financial resilience through financial and digital literacy in South Asia and Sub-Saharan Africa. *Emerging Markets Review*, vol. 51.
- Khera, Purva, and others (2021a). Is Digital Financial Inclusion Unlocking Growth?. IMF Working Paper 21/167, International Monetary Fund, June.
- \_\_\_\_\_ (2021b). Measuring Digital Financial Inclusion in Emerging Market and Developing Economies: A New Index. IMF Working Paper 21/90, International Monetary Fund, March.
- Lopokoikit, Sitoyo and Aiaze Mitha (2022). "Digital Finance Platforms to empower all," with the technical support of UNDP. Available at <https://www.vodafone.com/sites/default/files/2022-10/digital-finance-platforms-to-empower-all.pdf>.
- Patnam, Manasa, and Weijia Yao (2020). The Real Effects of Mobile Money: Evidence from a Large-Scale Fintech Expansion. IMF Working Paper 20/138, International Monetary Fund, July.
- Perrin, Caroline and Marie Hyland (2023). Gendered Laws and Women's Financial Inclusion. World Bank Policy Research Working Paper 10282, January. Available at <https://openknowledge.worldbank.org/server/api/core/bitstreams/879b7245-c19f-519c-bac7-798b13d9d5a3/content>.
- Shirono, Kazuko, and others (2021). Is Mobile Money Part of Money? Understanding the Trends and Measurement. IMF Working Paper No. 21/177, International Monetary Fund, July.
- Somville, Vincent, and Lore Vandewalle (2018). Saving by Default: Evidence from a Field Experiment in Rural India. *American Economic Journal: Applied Economics*, vol. 10, No. 3, July, pp. 39–66.
- United Nations Secretary General's Special Advocate for Inclusive Finance for Development (2023). Igniting SDG Progress Through Digital Financial Inclusion – 2023 Edition. Available at <https://reliefweb.int/report/world/igniting-sdg-progress-through-digital-financial-inclusion-2023-edition>.
- Wieser, Christina, and others (2019). The Impact of Mobile Money on Poor Rural Households: Experimental Evidence from Uganda. World Bank Policy Research Working Paper 8913, updated version December 2022. Available at <https://openknowledge.worldbank.org/server/api/core/bitstreams/a8fbd562-5ede-5a9d-82f8-2e7f02a7c999/content>.
- World Bank (2018). Women's financial inclusion and the law. Available at <https://thedocs.worldbank.org/en/doc/610311522241094348-0050022018/original/FinancialInclusion.pdf>.
- \_\_\_\_\_ (2022). Authorized Innovation in Payments: Opportunities and Challenges for EMDEs. Fintech and the Future of Finance Flagship Technical Note.
- \_\_\_\_\_ (2023). Women, Business and the Law 2023. Accessed via <https://wbl.worldbank.org/en/wbl>.

# Endnotes

1. From the World Bank Financial Inclusion overview page. Available at <https://www.worldbank.org/en/topic/financialinclusion/overview>.
2. In 2019, the United Nations General Assembly passed a resolution on “Financial Inclusion for Sustainable Development”, which formally acknowledges this connection. Available at [https://digitallibrary.un.org/record/3847341?ln=zh\\_CN&v=pdf](https://digitallibrary.un.org/record/3847341?ln=zh_CN&v=pdf).
3. Access to banking and financial services is key to poverty reduction strategies. Target 1.4 within the SDGs aims to ensure that all people, especially the vulnerable and those living in poverty, have “equal rights to economic resources, as well as access to basic services... and financial services, including microfinance”.
4. This is the primary SDG related to financial access. Within this SDG, target 8.10 seeks to “strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all”. The number of commercial bank branches and ATMs per 100,000 adults is a specific metric used to monitor progress towards this target.



The Financial Inclusiveness Index 2025 provides an integrated, data-driven assessment of financial inclusion across 139 countries by measuring three linked pillars: access, usage and barriers, through both traditional and digital channels. Built on transparent selection and treatment rules, the Financial Inclusiveness Index enables consistent cross-country benchmarking and highlights where financial ecosystems are succeeding in expanding infrastructure but failing to translate this into meaningful participation.

Within the Arab region, progress in access and digital infrastructure is increasingly visible, while usage continues to lag. This is the case even in high-income countries, suggesting that constraints are related to adoption incentives, literacy, trust and regulatory/cybersecurity readiness. Comparison with 2023 shows infrastructure gains alongside a deterioration in ease of access, and a rise in traditional barriers driven by growing distrust in some contexts. The report translates these findings into actionable priorities, emphasizing payment digitization, simplified onboarding, targeted capability-building, and enabling frameworks for financial technology and mobile money to accelerate inclusive and resilient financial participation.

