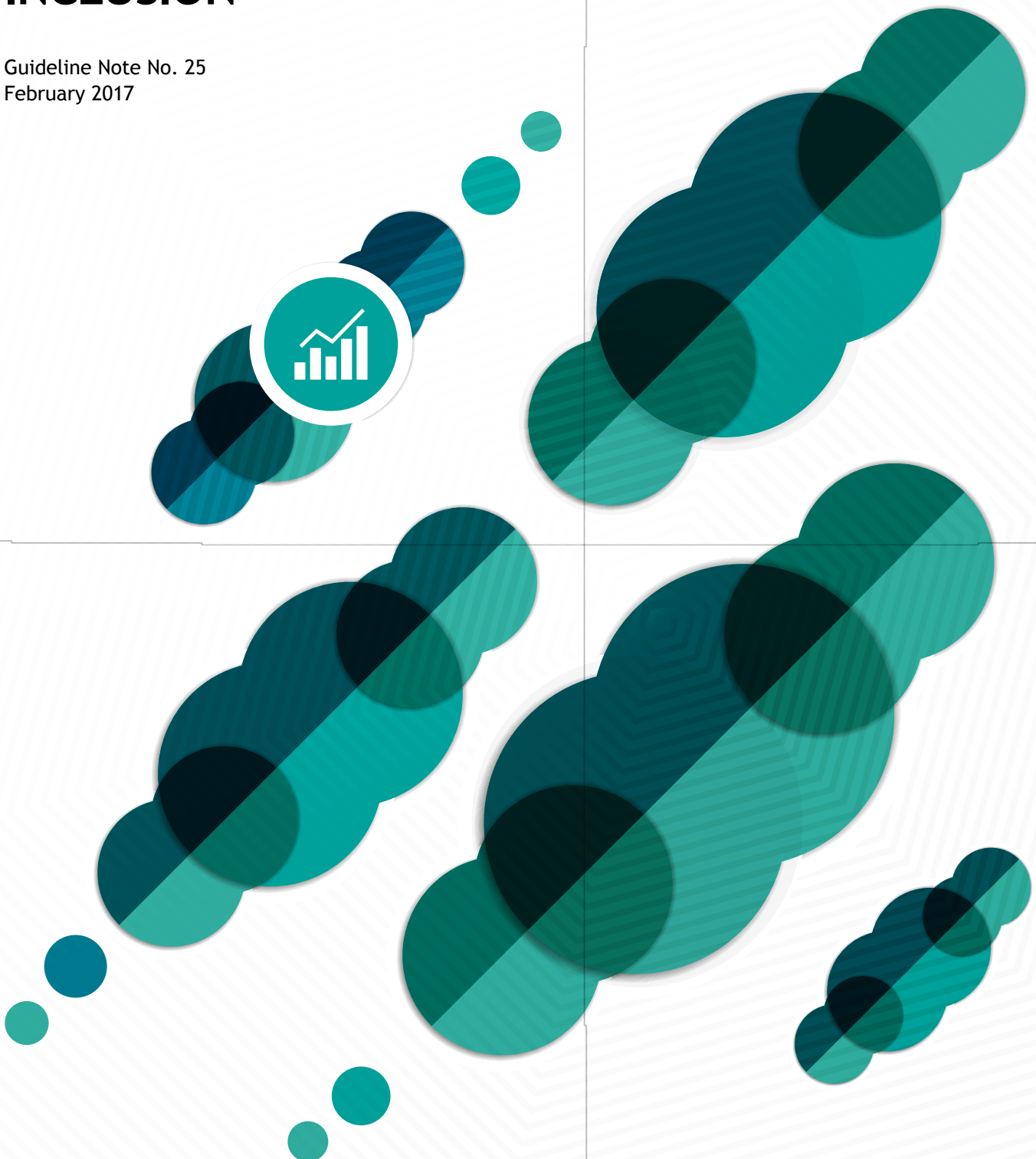




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LEVERAGING SEX-DISAGGREGATED DATA TO ACCELERATE PROGRESS TOWARDS WOMEN'S FINANCIAL INCLUSION

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CONTEXT

Women are still disproportionately excluded from the formal financial system and make up more than half of the world's unbanked population. According to the 2014 Global Findex, 58 percent of women had an account compared to 65 percent of men. This gender gap has persisted at 9 percent for developing economies, despite progress to advance financial inclusion.¹ A gender gap is equally apparent for women-owned businesses, who predominately remain in the informal economy which restricts their access to bank accounts and credit from formal financial service providers (FSPs). Even those women-owned SMEs operating in the formal sector face a significant credit gap, which the IFC estimate is approximately \$2872 billion, making up 30 percent of the total credit gap for SMEs.²

Sex-disaggregated data is essential to achieve financial inclusion for women as individuals and SME owners. It can provide information on the current status of financial inclusion of women, inform evidence based financial inclusion policy making and enable the effectiveness of efforts to address barriers facing women to be tracked. Recognizing its value, 79% of surveyed AFI Members reported in 2016 they currently collect some form of sex-disaggregated data.³



UNCDF is the UN's capital investment agency for the world's 48 least developed countries. With its capital mandate and instruments, UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development. UNCDF's Shaping Inclusive Finance Transformations (SHIFT) programme aims to expand women's economic empowerment through financial inclusion. SHIFT advances financial markets by changing the behavior of market actors to stimulate investment, business innovations and regulatory reform in growing inclusive enterprises. SHIFT catalyses innovative partnerships to accelerate financial inclusion and women's economic participation in the least developed countries of the ASEAN region. The SHIFT programme is jointly co-funded by UNCDF and the Australian Government Department of Foreign Affairs and Trade (DFAT).

WHAT IS SEX-DISAGGREGATED DATA?

Sex-disaggregated data is defined as data collected separately for males and females. Data is disaggregated by "sex", and not by "gender" because when data is collected, it is the biological differences or "sex" of a person that is captured.⁴ By comparison the term "gender" refers to the social relations between men and women, which is socially constructed and can change over time and from place to place.⁵ In the context of financial inclusion policymaking, sex-disaggregated data can refer to either supply-side data collected from financial service providers (FSPs) or demand-side data collected for instance through national surveys.

WHY COLLECT SEX-DISAGGREGATED DATA? THE OPPORTUNITY FOR POLICY MAKERS AND REGULATORS

Collecting and using sex-disaggregated data can support the objective of closing the financial inclusion gender gap and contributing to the broader goal of full financial inclusion. Both supply and demand-side sex-disaggregated data can be leveraged on to gather valuable insights to understand the needs and behaviors' that drive gender dimensions of access, usage and quality of financial services and provide evidence of successful policy interventions. For example, sex-disaggregated data on mobile ownership provides insights that over 1.7 billion females in low- and middle- income countries do not own mobile phones and women are on average 14% less likely to own a mobile phone than men. This data indicates there are gender implications for the success of policies that promote mobile distribution models to advance financial inclusion, particularly in rural regions.⁶

From the financial inclusion policymaker and regulator perspective, sex-disaggregated data can contribute to the core objectives of financial stability, financial integrity and consumer protection. For example, an analysis of member data by the Global Banking Alliance for women found that there were lower loan-to-deposit ratios for women across most banks in all reported segments. As such, the financial inclusion of women can strengthen financial stability by increasing the deposit base.⁷

> **The Financial Inclusion National Council in Tanzania** has expanded its financial inclusion database to include data by gender and age and expand the data collected to incorporate usage and quality, as well as financial access indicators. It is anticipated that this will better enable the accurate capture of the state of women's financial inclusion in Tanzania.⁸

> **The Central Bank of Nigeria** uses survey data conducted by Enhancing Financial Innovation and Access (EFInA), the Access to Financial Services in Nigeria Survey to provide a picture of the status of women's financial inclusion in the country. In addition, sex-disaggregated data enables the Bank to track progress of the MSME Development Fund established in 2014, which has the explicit target to issue at least 60% of loans to women.⁹

1 World Bank, 2015.

2 IFC, 2014.

3 AFI 2016 Survey on Women's Financial Inclusion.

4 Data2X, GBA and IDB 2015.

5 <http://info.worldbank.org/etools/docs/library/192862/introductorymaterials/Glossary.html>

6 GSMA, 2015.

7 Data2X, GBA and IDB 2015.

8 AFI and Women's World Banking, 2016 a.

9 AFI and Women's World Banking, 2016 b.

> The Superintendencia de Bancos e Instituciones Financieras de Chile (SBIF) has consistently tracked sex-disaggregated financial system data since 2001 as a result of a government wide initiative to address gender gaps, mainstream change across public entities and include a gender perspective in public policy.¹⁰

Policymakers and regulators depend on FSPs to collect supply-side data. At a market level, sex-disaggregated data can build the business case and size the market opportunity of serving women, and facilitate estimations of the market potential of the women's financial service industry for diverse products and services. For instance, IFC, AXA and Accenture estimate the insurance industry will earn up to \$1.7 trillion from women alone by 2030 – half of which in just 10 emerging economies.¹¹

From the FSP perspective, collecting this data not only allows providers to fulfil the requirements of regulators to submit any such data, but more importantly enhances their value proposition to specific market segments. Collecting sex-disaggregated data is recognized as essential to build the internal business case for developing women's market programs. Its collection also allows FSPs to adopt a customer centric approach to support their understanding of the different needs, preferences, behavior and profitability of diverse client segments. This includes the women's market segment and its various sub segments. Only then can FSPs design product and service solutions that better target and serve the needs of different customer groups. For example, sex-disaggregated data collected by some FSPs with women's market programs includes access, usage, profitability, risk, engagement, non-financial services and internal diversity.¹²

WHAT DATA IS COLLECTED BY AFI MEMBERS?

More than three quarters (76%) of surveyed AFI Members collect sex-disaggregated data on account ownership. Meanwhile more than two thirds of the sample collect credit (73%), and a similar percentage collect savings data (70%).

> The National Bank of Cambodia, the Banque de la République du Burundi, Bank Negara Malaysia and Superintendencia de Banca, Seguros y AFPs in Peru are all examples of AFI Members that collect data on account ownership, credit and savings.

> Bangladesh Bank collects sex-disaggregated SME Credit Data.

In just over half (58%) of respondent countries that collect sex-disaggregated data, the credit rating agency / credit bureau collects such data. Given that financial literacy is perceived by 75% of survey respondents to be the top barrier to women's financial inclusion its collection is found to be meaningful by multiple AFI members. Other data currently sex-disaggregated by AFI Members includes mobile financial services and mobile money, payments, insurance and micro insurance. (see fig 1)

> The Central Bank of Armenia collects sex-disaggregated financial literacy data.

> Bank of Ghana collects mobile financial service and mobile money data split by male and female, including for indicators on mobile money products (Savings, Insurance, Investments) and e-money services customer complaints.

> The Bank of Thailand conducts demand-side surveys to collect sex-disaggregated data on access to financial services including investment and insurance.

> The Reserve Bank of Zimbabwe began the collection of sex-disaggregated data from banking and microfinance institutions beginning the quarter ending 30 June 2016.

> The Ministry of Economy Finance and Planning Senegal has extended the framework it uses for the microfinance sector to collect sex disaggregated data on access and usage of financial services, to the banking and insurance sectors.

9 AFI and Women's World Banking, 2016 b.

10 Data2X, ECLAC, GBA and IDB, 2016.

11 Accenture, Axa and IFC, 2015.

12 GBA, 2015.

FIG 1: AFI MEMBER COUNTRIES COLLECTING SELECT FINANCIAL INCLUSION SEX-DISAGGREGATED DATA

ACCOUNT OWNERSHIP	Bangladesh, Burundi, Cambodia, Colombia, Costa Rica, Ghana, Kenya, Madagascar, Malaysia, Mexico, Morocco, Mozambique, Palestine, Peru, Democratic Republic of Congo, Rwanda, Samoa, Senegal, Swaziland Tajikistan, Thailand, The Republic of Belarus, Zambia, Zimbabwe.
CREDIT	Bangladesh, Brazil, Burundi, Cambodia, Colombia, Costa Rica, Ghana, Haiti, Kenya, Malaysia, Mexico, Morocco, Palestine, Peru, Democratic Republic of Congo, Rwanda, Samoa, Senegal, Tajikistan, Thailand, The Republic of Belarus, Vanuatu, Zambia and Zimbabwe.
SAVINGS	Bangladesh, Burundi, Cambodia, Colombia, Costa Rica, Ghana, Haiti, Kenya, Malaysia, Mexico, Palestine, Peru, Democratic Republic of Congo, Rwanda, Samoa, Senegal, Solomon Islands, Tajikistan, Thailand, The Republic of Belarus, Timor- Leste, Vanuatu.
MOBILE BANKING & MONEY	Ghana, Vanuatu.
CREDIT BUREAU	Colombia, Costa Rica, Haiti, Kenya, Malaysia, Morocco, Palestine, Russian Federation, Rwanda, Swaziland, Tajikistan, Tanzania, Thailand
FINANCIAL LITERACY	Armenia, Kenya, Malaysia, Mexico, Peru, Democratic Republic of Congo, Thailand and Timor-Leste
PAYMENTS	Bangladesh, Kenya, Malaysia, Mexico, Peru, Thailand
MICRO INSURANCE	Bangladesh, Ghana, Haiti, Kenya, Mexico, The Republic of Belarus

WHAT IS THE VALUE OF THIS DATA?

The recognition of the value of sex-disaggregated financial inclusion data is relatively a new phenomenon. Despite this, research by GBA found a majority of banks have the capability to disaggregate data by sex, and already a third of surveyed AFI Members have used sex-disaggregated data from their jurisdictions to identify and address gender specific barriers to financial inclusion.¹³

- > **Bangladesh Bank** has modified its SME financing policy for women;
- > **The Banque de la République du Burundi** shares sex-disaggregated data with financial service providers and other stakeholders to create awareness on the disparities in the use of financial services among men and women. This information sharing encourages financial service providers to find solutions on how to attract more women clients;
- > **National Bank of Cambodia** is using sex-disaggregated data to inform its national policy and strategy for financial inclusion;
- > **Bank Negara Malaysia** has established programmes and introduced products targeted for women;
- > **National Banking and Securities Commission (CNBV)** in Mexico has drawn on the data to conduct a diagnosis for its financial inclusion policy;
- > **Palestine Monetary Authority** has used the data to support the development of its national strategy for financial inclusion;
- > **The National Bank of Rwanda** has identified barriers to women's financial inclusion and established initiatives to address these such as women's guarantee funds;
- > **The Central Bank of Samoa** has used the data to inform its national financial inclusion strategy and objectives;
- > **The Ministry of Economy Finance and Planning Senegal**, informed by the data, has made available public funds to support women's entrepreneurship, built awareness about women's access and usage of financial services and established programs to increase women's access to credit;
- > **The Bank of Thailand** uses indicators from both international (i.e. World Bank's Global Findex) and local (i.e. National demand-side survey on financial access) sources of data to determine the differences in financial inclusion between women and men such as level of financial access and financial literacy; and
- > **The Reserve Bank of Zimbabwe** has identified women's financial inclusion as a priority area in its national financial inclusion strategy and has begun to develop specific women focused initiatives to address the challenge. These include encouraging banks to establish women desks to facilitate development of tailored financial products for women and the government approval of the establishment of a women's bank and a Women Empowerment Fund.

By taking proactive steps to collect and use sex-disaggregated financial inclusion data, progress on closing the financial inclusion gender gap can be more accurately measured. Furthermore, financial inclusion policy change that works for women as well as men can be achieved, towards the overall goal of full financial inclusion.

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¹³ GBA & Mckinsey, 2014.

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