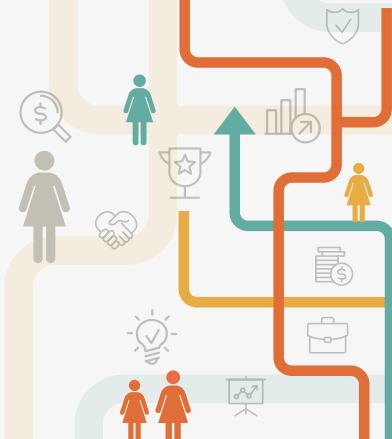


CASE STUDY

TOWARDS ENABLING WOMEN'S FINANCIAL INCLUSION THROUGH DATA

Zambia's Gender Data Journey



Bank of Zambia

Summary

For many years, the Central Bank of Zambia and other key stakeholders have been working towards financial inclusion and gender equality. And although Zambia had made progress on financial inclusion, 2015 Finscope data showed that women were still more likely than men to be financially excluded.

The Bank of Zambia (BoZ) realized that establishing specific recommendations and policies could help bridge this gender gap in access and use of financial services. But to do so, they first needed gender data to inform those policies (Box 1). Key stakeholders agreed that the collection and use of more reliable, high-quality data would allow them to understand where the country was in its financial inclusion journey and focus on the right steps to reach their goals.

Through the execution of a grant received from the Alliance for Financial Inclusion (AFI), funded by the Women's Financial Inclusion Data (WFID) Partnership, and additional financial and technical support from Financial Sector Deepening Zambia and the Rural Finance Expansion Programme, the Bank of Zambia implemented a two-year program in 2018 to develop a framework for collecting and using supply-side sex-disaggregated financial data for policymaking.

With commitment from leadership, a dedicated team, stakeholder engagement, and the support of donors and partners, BoZ developed the initial version of the data framework and is piloting it with financial institutions. As BoZ continues down this road, the Central Bank is sharing its process and tactics, insights and lessons, and its gender data-driven roadmap for the future of women's financial inclusion. This case study is among the many initiatives to drive awareness and better usage of sex-disaggregated data for increased women's financial inclusion.

The Women's Financial Inclusion Data (WFID) Partnership

The Women's Financial Inclusion Data partnership includes the Alliance for Financial Inclusion, Data2X, the Financial Alliance for Women, the Inter-American Development Bank, IDB Invest, the International Finance Corporation, the International Monetary Fund, the World Bank, the Organisation for Economic Co-operation and Development (OECD) and the United Nations Capital Development Fund (UN-CDF). The WFID partnership is the leading platform for women's financial inclusion data and works to increase awareness of the importance of sex-disaggregated financial services data, as well as coordinate efforts and interventions to maximize its collection and use. Current efforts include global advocacy and awareness-raising; showcasing best practices and country experiences through knowledge products and case studies; and working to harmonize definitions and indicators.

Box 1 The Importance of Sex-Disaggregated Data

The gender dimension has acquired growing significance in the economic development debate. Sex-disaggregated data is defined as data collected separately for men and women. Data is disaggregated by sex and not by gender because when it is collected, the biological differences, or sex, of a person are captured.

The primary purposes of collecting sex-disaggregated data are:

- To determine the levels of access, usage, and quality of financial services and gender gaps.
- Identify barriers to financial inclusion for women.
- To assist with modifying existing policies, strategies, and regulatory measures.

The collection and use of sex-disaggregated data provide an opportunity for policymakers to develop policies that specifically target women's financial inclusion. It also provides data to help financial service providers build a business case for developing products and services for women.

BACKGROUND: AN ENABLING POLICY ENVIRONMENT AND CLEAR COMMITMENTS

Several initiatives have proved foundational for BoZ to accelerate women's financial inclusion. These included an enabling policy environment with key commitments from BoZ leadership.

Zambia's policy environment's broader context demonstrates a rich commitment to gender equality and inclusive, sustainable development. Moreover, there is substantial political will stemming from the presidency, where the President appointed women to critical positions, including Vice President, Chief of Justice, and Minister of Finance.

Additionally, Zambia's global commitment to achieving the 2030 Sustainable Development Goals align with its national Vision 2030 development agenda. The country aims to become a prosperous middle-income country by 2030 by highlighting the importance of financial services to empower women, reduce income inequality and promote economic development. This policy includes, among others, equal customary and statutory regulations for women and aims to empower women in terms of literacy and labor as the key vehicles for getting there. Vision 2030 is the country's blueprint for growth from 2017 through this year (2021), which includes pillars on reducing developmental inequalities, enhancing human development, and creating a conducive governance environment for a diversified economy.

Additionally, BoZ launched its first National Financial Inclusion Strategy (2017-2022) as part of a broader effort to bolster the country's financial sector's development. The strategy aims to increase the overall financial inclusion level (through formal and informal services) from 59 to 80 percent and financial inclusion through formal financial services from the current 30 to 70 percent by 2022. The target for women's formal financial inclusion is set at 70 percent. The policy looks to amplify the access of basic financial services to every segment of Zambian society (irrespective of social, economic status, gender, or level of education).

BoZ also committed to promoting and enhancing gender equality in its governance and the broader financial sector following the Government of Zambia's National Gender Policy in 2001, which was revised in 2014 to include measures to address the persistent feminization of poverty amongst other gender issues.

Also, BoZ is an active member of the Alliance for Financial Inclusion—the global network of central banks and regulators that promote financial inclusion policy and regulation. BoZ pledged to incorporate its Denarau Action Plan (which affirms AFI member commitments to close the gender gap in financial inclusion). BoZ is also a signatory of AFI's Maya Declaration, a commitment platform for concrete financial inclusion targets. One of BoZ's commitments is a 50% reduction in financial exclusion for women by 2022.

"If we don't have the data, policymakers will not be aware of gender differences and [will] just base their decisions on assumptions. It is a challenge to bring a gender perspective into policymaking, as this is quite a new area in the central bank."

— Dr. Tukiya Kankasa-Mabula, Former Deputy Governor Bank of Zambia

During the gender data project featured in this case study, the Deputy Governor of BoZ at the time, Dr. Tukiya Kankasa-Mabula was the Chair of AFI's high-level Gender Inclusive Finance Committee and championed gender data within her institution and within the AFI network.

BoZ is currently implementing a Gender Mainstreaming Strategy internally and across national financial service providers to facilitate these commitments, including collecting and using gender data. The role of sex-disaggregated data can be seen in Figure 1's Theory of Change,

where regulators collect supply-side data from financial institutions and use it to guide policy action. In parallel, financial institutions can analyze and use the data to develop financial products and services that serve women's unique needs. As a result, BoZ sees gender data as a key step to improve access to financial solutions for all and creating a more inclusive financial system.

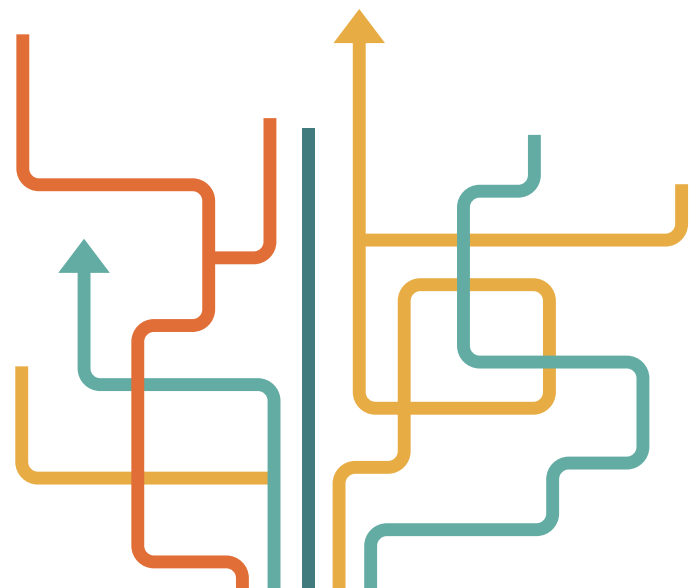


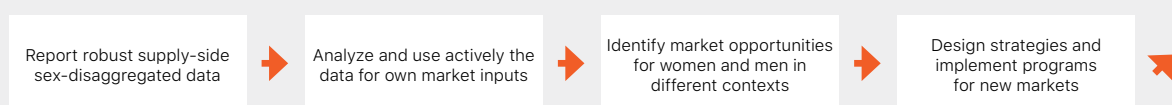
Figure 1: Theory of Change for Financial Inclusion Gender Data

Theory of Change: Financial Inclusion Sex-Disaggregated Data

POLICYMAKERS



FINANCIAL INSTITUTIONS



More inclusive financial systems

Women and WO-SMEs

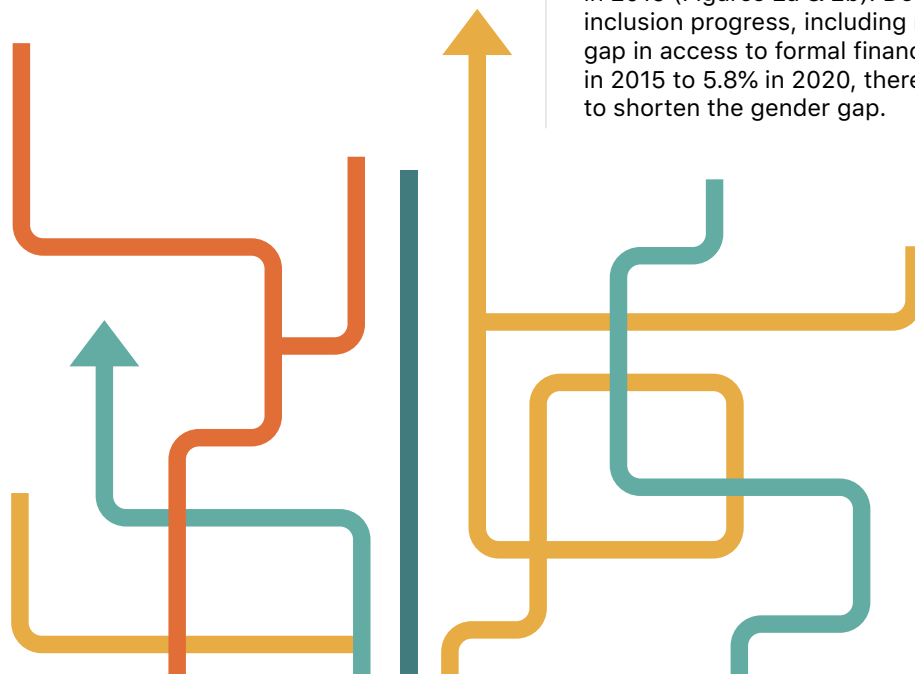
Source: Bank of Zambia, Supply-Side Sex-Disaggregated Baseline Survey Report, 2019.

THE START OF THE JOURNEY TOWARD IMPROVED GENDER DATA

BoZ has long believed in championing evidence-based policymaking and regulation. The central bank supported national demand-side surveys to determine the financial inclusion landscape and understand women's barriers and opportunities (Table 1). BoZ conducted some previous data collection efforts on the supply-side that served as a starting point for a more holistic sex-disaggregated data framework.

Understanding the State of Financial Inclusion and Exclusion Through Demand-Side Data

The three Finscope financial inclusion demand-side surveys, conducted in 2009, 2015, and 2020, reveal key insights about women's access to financial services in Zambia. Between 2009 and 2020, considerable progress has been made in overall financial inclusion. The 2015 Finscope showed that while women made up 51% of the country's total population, only one-third of women had at least one formal financial service, being more likely to be financially excluded, especially from formal financial services. Five years later, the 2020 Finscope revealed remarkable progress - 58.5% of women are financially included, compared to just 33.3% in 2015 (Figures 2a & 2b). Despite overall financial inclusion progress, including reducing the gender gap in access to formal financial services from 9.9% in 2015 to 5.8% in 2020, there are still opportunities to shorten the gender gap.



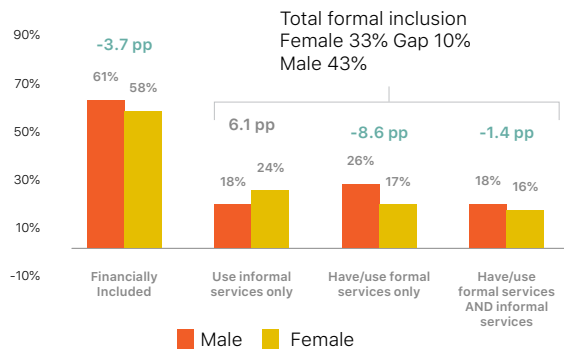
Demand-side data also shows the extent of informal financial services access and usage in Zambia, with a reverse gender gap of 6.1% between men and women in 2015. According to the 2020 Finscope the usage of informal financial services was reduced; however, more women continue to use informal financial services than men. Significantly, there is almost no gender gap in the use of traditional informal financial services (saving groups and money lenders/Kaloba).

An additional relevant finding from the Finscope 2015 and 2020 surveys is the uptake of mobile money as a driver to financial inclusion. From 14% of the total population in 2015 to 58% of the total population in 2020 - a superior increase compared to other financial services.

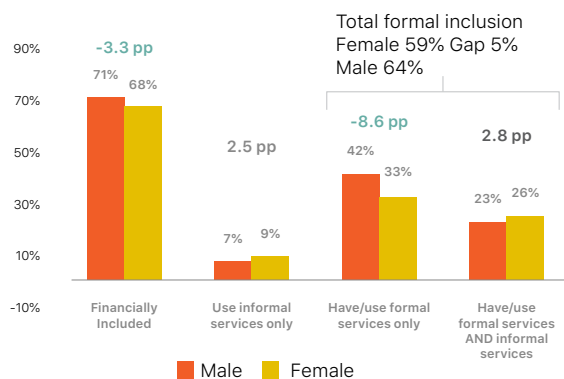
In conclusion, from the demand-side analysis, the 2015 Finscope and 2020 Finscope have shown progress on women's financial inclusion. However, it also signals the remaining work that needs to be done to enable women's full financial inclusion and existing financial gender gaps (Table 1).

Figures 2a & 2b: Uptake of Financial Services for Women and Men

Zambia Finscope 2015:
Financial Gender Gaps



Zambia Finscope 2020:
Financial Gender Gaps



Unearthing Opportunities Through Supply-Side Data

Demand-side data allowed BoZ to better understand the country's financial inclusion landscape from a sex-disaggregated segmentation. The next step was collecting and analyzing sex-disaggregated supply-side data to gain a more granular identification of men's and women's usage of specific financial services and their experiences upon entering the formal financial system.

BoZ first efforts around supply-side data began in 2016 when it implemented the Credit Market Monitoring Program (CMMP). The program developed a system that collects data based on quarterly credit returns on credit account openings submitted by different credit providers operating under the Bank of Zambia's supervision. The CMMP includes banks, building societies, consumer lending microfinance institutions (CLMFIs), enterprise lending microfinance institutions (ELMFIs), and other non-banking financial institutions.

The BoZ established the CMMP to generate quarterly reports and share with market stakeholders aggregated credit data to promote market development and identify the performance in the credit markets, including analysis of credit within priority groups as SMEs, rural users, youth, and women. The CMMP focuses on access to credit and debt stress, including credit segmentation by product (mortgages, leasing, unstructured loans, and revolving credit facilities) and by end-users- households and individuals, businesses, government, and others.

The CMMP reports include sex-disaggregated data in terms of value and volume of disbursements to women as a percentage of the total quarterly disbursements. More granular data segmentation by sex is being planned and will eventually be included following a recent program of automation of data reporting/collection.

Between 2016 and December 2019, the proportion of credit to women in terms of value related to total disbursements (in Kwacha) represented a 10.7% ranging between 4.9% and 16.9% of the total, whilst in terms of loan volume, the proportion averaged 24.1% of total loans ranging between 12.5% and 29.8%.

Although the proportion of credit flow to women has remained relatively low in terms of value, the number of loans to women has grown continuously, implying that the average loan size has trended downwards. More recently, indicators during the current COVID-19 pandemic show a similar trend to previous years. Therefore, future research focusing on the decreasing trend in the average size of loans taken by women could provide more granular data

Table 1: The State of Women's Financial Inclusion in Zambia, Finscope 2009, 2015, and 2020

Type of Inclusion	% of Total Adult Population			2015 Gender Analytics			2020 Gender Analytics		
	2009	2015	2020	Men	Women	Gender Gap	Men	Women	Gender Gap
Formally included	23.10%	38.20%	61.30%	43.20%	33.30%	-9.90%	64.40%	58.60%	-5.80%
Informally included	22.20%	37.90%	32.20%	35.50%	40.30%	4.80%	6.80%	9.30%	2.50%
Financial services that drove the growth in Formal Inclusion from 2009 to 2020	2009	2015	2020	Men	Women	Gender Gap	Men	Women	Gender Gap
Have/use bank services	13.90%	24.80%	20.70%	28.90%	20.90%	-8.0%	24.50%	17.30%	-7.2%
Have/use mobile money services	0%--	14.00%	58.40%	16.80%	11.40%	-5.40%	61.0	56.0	-5.0%
Have/use insurance / pension services	4.00%	5.50%	10.60%	8.10%	3.00%	-5.10%	14.2	7.3	-6.90%
Have/use microfinance services	2.20%	3.80%	2.10%	4.60%	3.00%	-1.60%	2.6	1.7	-0.90%
Have/use capital markets	0.01%	0.30%	0.60%	0.40%	0.20%	-0.20%	0.8	0.4	-0.40%
Financial services that drove the growth in Informal inclusion from 2009 to 2020	2009	2015	2020	Men	Women	Gender Gap	Men	Women	Gender Gap
Use Chilimba*	2.30%	12.50%	8.00%	8.80%	16.00%	7.20%	4.9	10.8	0.00%
Use savings group		6.50%	5.30%	6.30%	6.70%	0.40%	3.9	6.5	2.60%
Use money lender / Kaloba**	2.30%	2.60%	3.30%	2.80%	2.30%	-0.50%	3.6	2.9	-0.70%

Source: Zambia Finscope 2009, 2015, and 2020

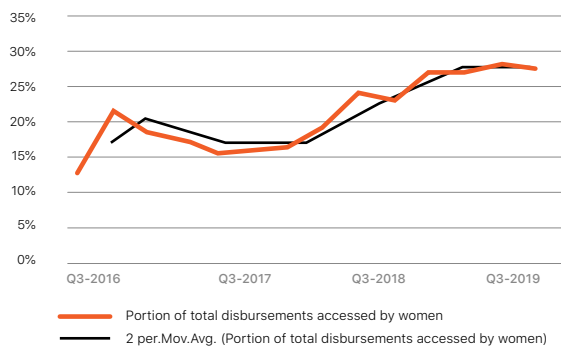
*/ A Chilimba is a traditional merry-go-round mechanism where a group of trusted individuals pools an agreed-upon sum of money at regular intervals, each receiving a pay-out in turn.

**/ Kaloba is the traditional moneylender in Zambian society.

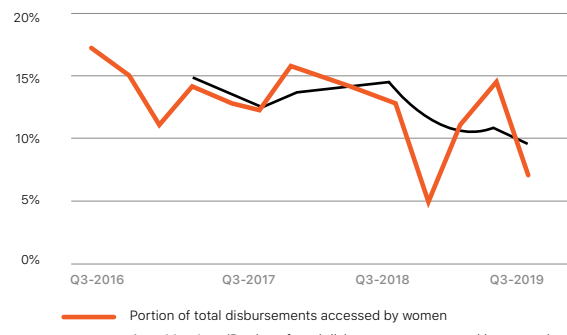
and thus, allow for a detailed explanation of this trend. Ultimately, future research can identify if it is due to new credit channels -including mobile lending – or due to the nature of credit demand (Figures 3a and 3b).

Figures 3a & 3b: Volume and Value of Credit Disbursements by Women in Zambia, 2016 – 2019(% of Total)

Zambia CMMR 2016-2019: Proportion of Volume of credit disbursements accessed by women



Zambia CMMR 2016-2019: Proportion of the Value of credit disbursements accessed by women

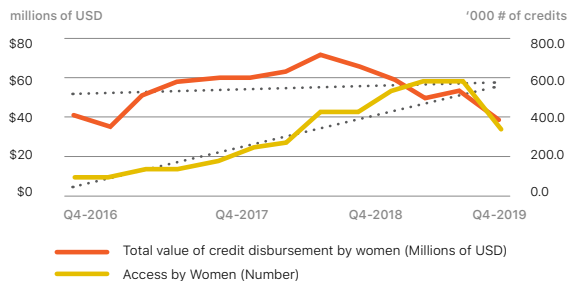


Source: Bank of Zambia, Credit Market Monitoring Report, 2016 -2019.

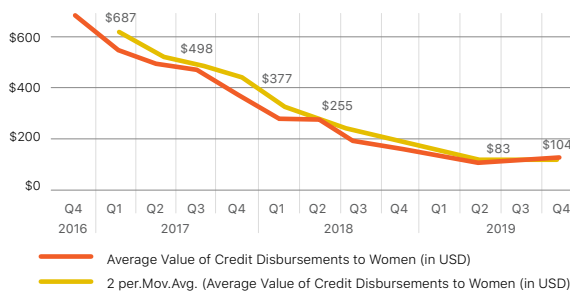
From 2016 to 2019, the CMMP has shown an increase in the volume of credit disbursements to women as a percentage of total disbursements (Figure 3a) and a decrease in the value of these disbursements to women as a percentage of total disbursements (Figure 3b). The average amount of credit disbursed to women was reduced from a mean of USD 1,000 in 2016 to USD 100 by the end of 2019 — (Figures 4a & 4b), indicating that by 2019 a greater number of women were able to access credit lines of various sizes.

Figures 4a & 4b: Zambia Volume and Value of Credit Disbursements to Women and Average Value in USD, 2016 - 2019

Zambia: Value and Number of Credits Disbursed by Women



Zambia: Average Value of Credit Disbursements to Women (in USD)



Source: Bank of Zambia, Credit Market Monitoring Program Report, 2016 -2019.

There is still potential to enhance the analysis of the CMMP data regarding women’s access to credit flow and its impediments, one of which is further disaggregating other data sets such as the number of applications to credit by women. The number of rejected applications would also help determine the reasons for the rejection, particularly understanding women vs. men applicants.

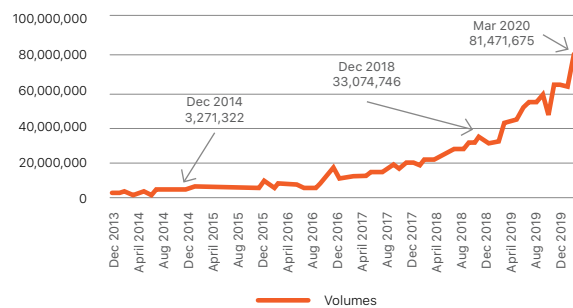
Furthermore, other data that can be disaggregated to enhance the analysis is the number of non-performing loans. The Bank will continue to explore other indicators to enrich the data and analysis pertaining to women and financial inclusion. BoZ also leveraged the CMMR data to estimate the uptake of digital financial services in Zambia and saw an exponential increase in volume and value of mobile money transactions (Figures 5a & 5b). In this reporting period, the data on mobile money transactions was not sex-disaggregated—however, BoZ plans to collect gender data on digital financial services moving forward.

The CMMR system has proven the positive perspectives emerging from further sex-disaggregated data. As a result, BoZ’s leadership

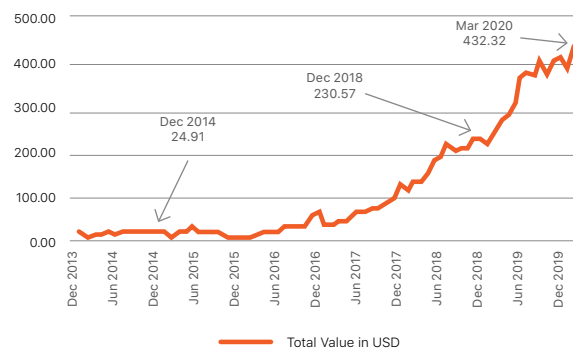
expanded and formalized the financial supply-side data collection with sex disaggregation beyond credit accounts. They are convinced that to obtain a more holistic view of gender patterns and enable regular monitoring to achieve women’s financial inclusion, more data is needed. Hence, sex-disaggregated data is now required for deposit and savings accounts, digital financial services (e-wallets, e-money accounts, and others), active agents, among others.

Figures 5a & 5b: Zambia Volume and Value of Mobile Money in Zambia, 2016 - 2019

Zambia Mobile Money: Volume of Transactions



Zambia Mobile Money: Total Value of Transactions (million USD)



More recently, BoZ is piloting the collection of sex-disaggregated data on digital financial services. These data will establish the link between digital financial services and bridge the gender gap by providing more affordable and yet equally reliable financial services. Relevant elements to consider in the upcoming data collection segmentation will include the value and volume segmented by sex of the different e-money and mobile money accounts and its status (active vs. inactive or dormant accounts) crucial to further financial inclusion.

THE PROCESS OF DEVELOPING THE GENDER DATA FRAMEWORK

Before the project on the supply-side framework began with AFI, BoZ had already started implementing AFI's 2017 Sex-disaggregated Data Toolkit (Figure 6), which enabled a rapid start to the 2018 supply-side gender data project. The 2018 project, under the leadership of an internal task team at BoZ, set about identifying and engaging key stakeholders, conducting peer-learning visits, and gathering baseline data on the current state of sex-disaggregated supply-side data at Zambian Financial Service Providers (FSPs).

Additional expertise and technical capacity building were provided by an international expert in gender-related perspectives and data. The consultant oversaw the program implementation, and a local data consultant focused on designing and analyzing a baseline survey to identify the current status of sex-disaggregated data collection.

Building Stakeholders' Buy-in

To be effective, supply-side sex-disaggregated data collection needed high-level support from BoZ and other stakeholders, including financial service providers, relevant ministries, and other regulators. To raise awareness and increase stakeholder buy-in on the importance of supply-side sex-disaggregated data and women's financial inclusion, BoZ held a stakeholder engagement meeting in mid-2018 with all regulated financial service providers. They discussed the project's plans, the importance of gender data collection and use, examples of gender data use, and the benefits of gender data for FSPs.

The baseline survey that followed the stakeholder engagement to regulated financial institutions, including banks and non-banks, this allowed BoZ to identify the financial sex-disaggregated data segmentation practices per institution and

their gender diversity in management. Both of these aspects helped the BoZ to understand opportunities and challenges. A second well-received stakeholder meeting was held in 2019 to disseminate the baseline survey findings and lay out BoZ's roadmap for the project's remaining activities was also key.

In parallel to these crucial awareness-raising sensitization workshops, BoZ conducted several bilateral meetings and follow-up exchanges with financial service providers and other stakeholders that furthered the business case of women's financial inclusion.

Revealing Best Practices Through Peer Visits

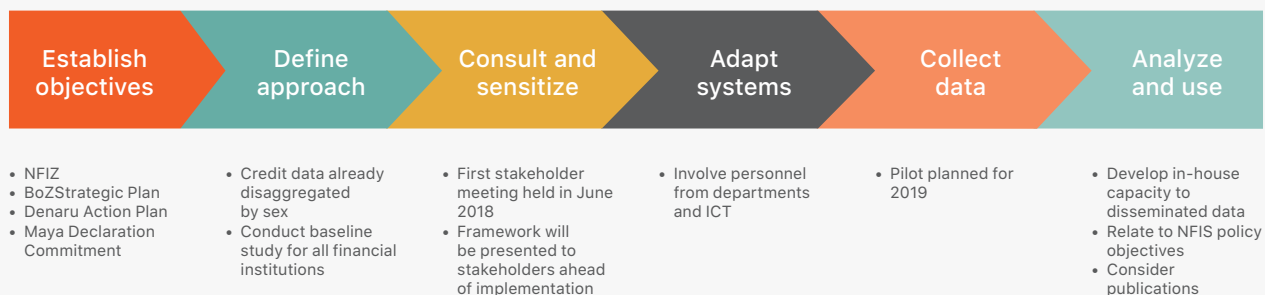
Meanwhile, BoZ also conducted peer-learning visits in countries with already developed robust sex-disaggregated data frameworks and achieved outstanding results. These peer-learning exchanges included a visit to the Chilean financial systems supervisor, the Superintendencia de Bancos e Instituciones Financieras, a pioneer institution in collecting and using sex-disaggregated supply-side data for women's financial inclusion and data-driven policymaking.

BoZ also visited the Brazilian Central Bank, the Banco Central do Brasil, which has one of the more comprehensive credit data collection and reporting frameworks globally.

Finally, BoZ conducted a peer-learning exchange with the Mexican National Banking and Securities Commission (CNBV) to learn about their work on sex-disaggregated supply-side data collection and their gender financial indicators dashboard.

These knowledge exchanges with fellow policymakers allowed the BoZ task team to identify the main elements needed and the necessary adaptations for a successful sex-disaggregated supply-side data collection framework (Box 2).

Figure 6: AFI's Sex-Disaggregated Data Toolkit (2017)



BOX 2

Insights from Bank of Zambia's Peer-Learning Visits

During its visits with fellow policymakers in Chile, Brazil, and Mexico, BoZ identified several key factors in developing a successful supply-side sex-disaggregated data framework:

- High-level buy-in from government and core stakeholders: Key policymakers, decision-makers, and financial service providers must support the project from the beginning and get involved. Ongoing collaboration is a requirement for collecting quality data.
- Establishment of a financial inclusion data system: The central bank needs a robust data system capable of collecting, analyzing, and developing financial Inclusion reports. For data to be useful, it should be Disaggregated, Accurate, Timely, and Accessible (DATA).
- Early stakeholder engagement: It is important to get buy-in from all stakeholders at a national level, raising compliance levels. Therefore, it is crucial to start sensitizing all stakeholders as early as possible.
- Mandatory or voluntary data collection and reporting: The bank has two options: the first, is to issue a regulation mandating the submission of sex-disaggregated data on either all existing accounts or just new accounts, and the second option is to adopt a collaborative approach for the submission of sex-disaggregated data.
- Awareness of double-counting accounts: The main challenge for most jurisdictions is the risk of double-counting, notably because financial service providers tend to identify accounts rather than individuals and because there is a lack of national ID in many countries. In Zambia's case, women and girls face several challenges accessing and using their National Registration Cards due to societal gender norms.
- Unique identification solution: The proposed financial sector identification system should be open source to connect to a national digital ID in the future.

Source: Bank of Zambia Peer Learnings Study Visits Reports.

Obtaining a Baseline for Supply-Side Sex-disaggregated Data

A surveys and polls firm - Ipsos - conducted a project baseline survey in October 2018 under BoZ guidance. The purpose was to assess the current state of sex-disaggregated data from financial service providers (FSPs) and internal gender diversity initiatives within the financial institutions. BoZ sought to understand the nature and scope of supply-side gender data gaps and document and share lessons on its collection, value, and use through the baseline survey. Among the recommendations of the baseline survey, the firm included the importance of collecting a core set of financial inclusion indicators disaggregated by sex and suggested a roadmap/action plan to enable a more comprehensive data collection framework in the future.

The baseline survey covered 63 institutions from a total of 71, most of the Zambian financial services sector, including commercial banks, microfinance institutions, the credit bureau, and a development finance institution (Table 2a). The survey results confirmed the need for the development of a regulatory sex-disaggregated supply-side framework. It revealed that the collection and availability of supply-side sex-disaggregated data

was limited (Table 2b). Most financial institutions had organized their data around account types rather than individual account ownership. Moreover, it showed that many financial products were not sex-disaggregated (for example, digital financial services products and credit cards, as shown in Figure 7).

Institutional Gender Diversity as a Precursor

An additional aspect that BoZ considered was to determine the gender diversity inside the institutional structures since the gender composition in the management structure can impact the internal decision-making process, financial products and affect the way business is conducted. For example, a study in the AFI network on gender diversity identified specific barriers that a lack of gender diversity may preserve including challenges in maintaining work-life balance; women being considered to lack leadership qualities; low levels of awareness on the importance of a stronger representation of women in leadership positions; and women's limited access to mentorship and capacity building opportunities. These may preserve gender inequalities that can be reflected in the financial institutions' services and products¹.

¹ AFI Special Report. Gender Diversity within AFI Member institutions, April 2018. https://www.afi-global.org/wp-content/uploads/publications/2019-02/AFI%20Gender_SP_AW_digital.pdf

Table 2a: Zambia's Distribution of Products and Services of the Financial Institutions

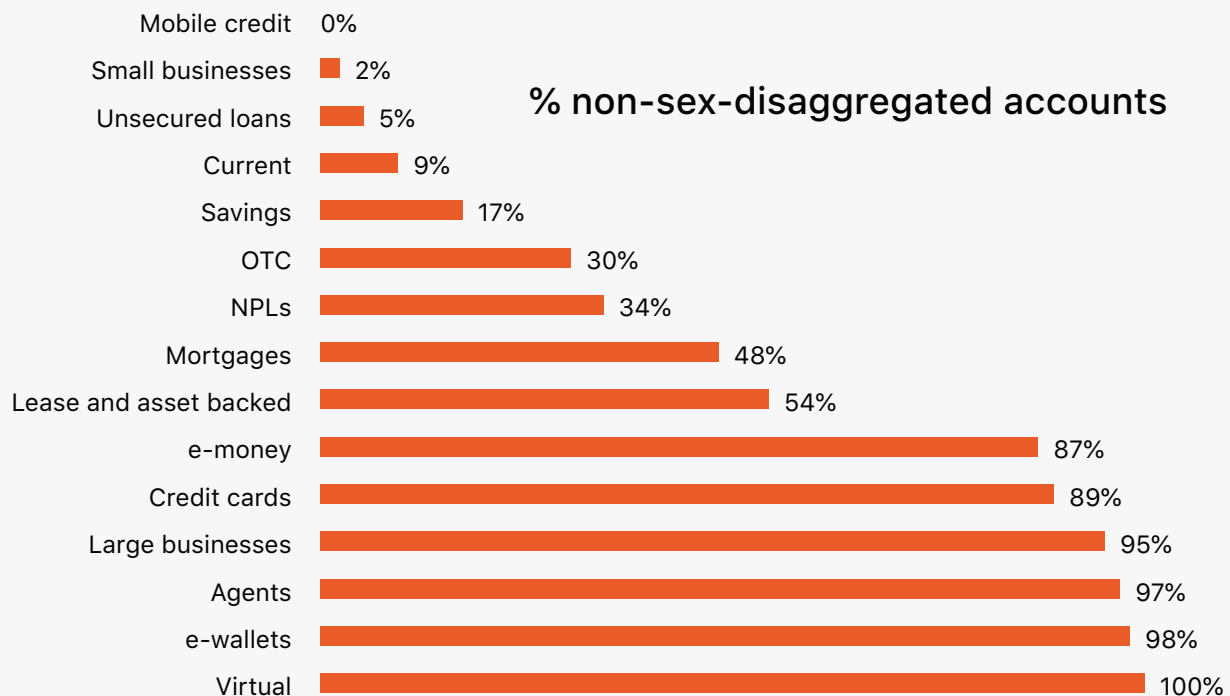
	Savings Accounts	Pension savings accounts	Current accounts	Fixed Deposit Accounts	Forex Accounts	Pre-paid Card Virtual Account	Electronic/ Mobile-Money Wallet	Saving by E/M account	Credit by E/M account	Credit and Other
Bank	•	•	•	•	•	•	•	•	•	•
Designated payment system						•	•	•	•	•
Micro finance institution	•		•	•		•				•
Savings and credit	•	•		•						•
Building society	•	•		•	•					•
Leasing and finance								•		•
Development finance										•

Table 2b: Zambian Financial Institutions Collecting Financial Sex-Disaggregated Data

Financial Institutions	Total Institutions	Institutions surveyed	Until Y2K	2001-2005	2006-2010	2011-2015	2016-2018	Total	% Covering SxDD
Building society	3	3	1	0	0	2	0	3	100%
Savings and credit	1	1	0	0	0	0	1	1	100%
Bank	17	16	5	3	4	0	2	14	88%
Micro finance institution	28	26	1	1	3	5	5	15	58%
Leasing and finance	7	5	0	0	0	2	0	2	40%
Designated payment system	15	12	0	0	0	1	1	2	17%
Credit reference bureaux	1	0	0	0	0	0	0	0	N/A
Development finance	1	1	0	0	0	0	0	0	0%
Total	71	63	7	4	7	10	9	37	59%

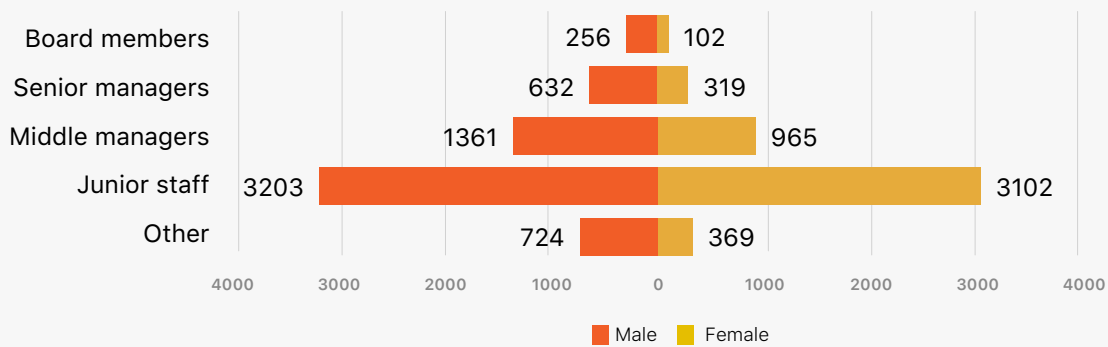
Source: Bank of Zambia, Supply-Side Sex-Disaggregated Data Baseline Survey Report, 2018.

Figure 7: Zambian Baseline Survey Products and Services Without Sex Disaggregation



Source: Bank of Zambia, Supply-Side Sex-Disaggregated Data Baseline Survey Report, 2018.

Figure 8: Zambia, Distribution of FSP Board Members and Employees by Sex, 2018



Source: Bank of Zambia, Supply-Side Sex-Disaggregated Data Baseline Survey Report, 2018.

To this end, BoZ has consistently reported on an annual basis since 2010 the sex and residence diversity of all financial employees in the country by financial sector in its Financial and Other Statistics Booklet².

Following the interest in diversity by BoZ, the sex-disaggregated data baseline survey also included key aspects on gender diversity in management at the financial institutions. Ultimately, the 2018 baseline survey data revealed that despite the financial sector employing a high percentage of women – making up 45% of those employed, women are still under-represented at the board and senior management level, at 28% and 33%, respectively (Figure 8), and designated gender focal points are absent in financial institutions.

EMERGING INSIGHTS FROM SUPPLY-SIDE DATA

Although the baseline survey revealed a limited collection of supply-side sex-disaggregated data among financial institutions in Zambia, the baseline survey provided meaningful insights from those who did submit such data.

The baseline highlighted the value and opportunities that would come with a new gender data collection framework with regular reporting. The insights included:

1) Most financial solutions are not tailored to women's unique financial needs—and there is limited sex-disaggregated data across most digital financial products and services.

As of 2018, only 15 institutions have gender-responsive products and services, ranging from microfinance, self-help groups, and women's banking programs. Additionally, most digital financial product data is not sex-disaggregated

(except for mobile credit)—obscuring potential gender differences and opportunities. Thus limited data inhibits FSPs from understanding the women market and tailoring financial and non-financial services to their needs.

2) While there is a gender gap in savings accounts, women save more than men

Women's savings accounts made up only 29% of all deposit accounts in 2014, with only a slight increase to 31% in 2018. However, average savings balances for women were higher than the balances for men in 2018 despite men earning more than women on average. This reveals an opportunity for the creation of savings solutions that address women's unique needs.

3) Women are better borrowers than men

In 2018, the percentage of non-performing loans was 4.3% for women and 4.9% for men. Also, women-owned small businesses had the lowest rate of non-performing loans, which was 1% to 3% during the survey period. This represents an opportunity for financial institutions to lend more funds to women and women-owned businesses and create lending solutions specific to their needs.

4) Usage of digital financial services is growing significantly and is an opportunity to close the gender gap

From 2014 to 2018, the number of e-money and e-wallet account holders doubled, growing from 4.4 million to 10.6 million. However, most accounts are not disaggregated by sex, and for those that are, men's e-money accounts outnumbered women's accounts throughout this period. This reveals an opportunity to help close the gender gap with digital financial services. For example, the gender gap in mobile credit borrowing narrowed from 78% in 2015 to 60% in 2018.

² Bank of Zambia, Financial and Other Statistics Booklet, various years 2010 – 2020. <https://www.boz.zm/financial-and-other-statistics-booklet.htm>

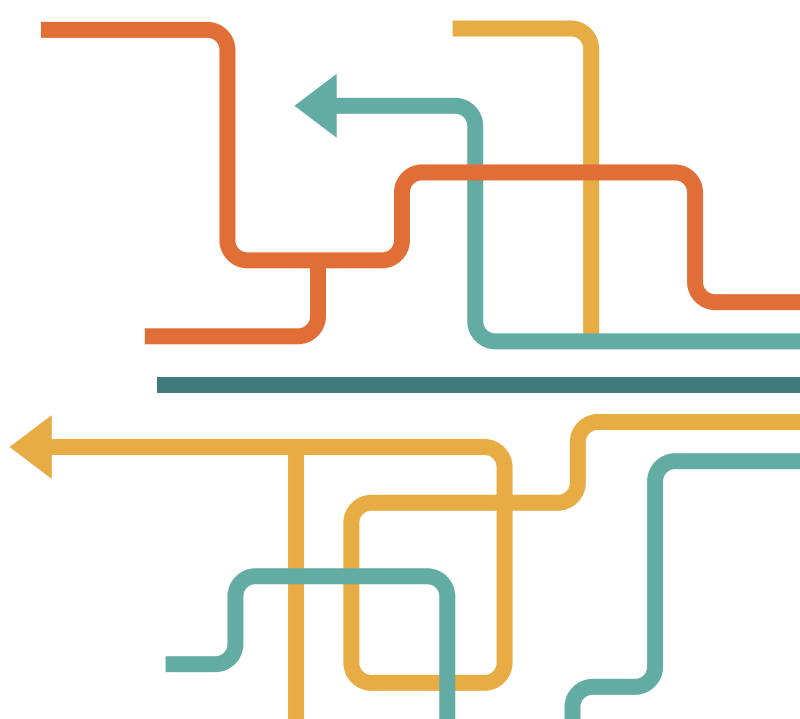
Table 3: Bank of Zambia Financial Inclusion Sex-Disaggregated Indicators

Tier	Indicator Dimension	Products and Services	Indicators	Collection frequency
Tier I	Access/Uptake	Deposit Accounts – current accounts and savings	Volumes / Values	Quarterly
	Access/Uptake	Small businesses accounts – deposits / outstanding loans / NPLs	Volumes / Values	Quarterly
	Access/Uptake	e-Wallet/ e-Money accounts	Volumes / Values	Quarterly
	Access/Uptake	Agents – Active/inactive by location / Agents by gender management (if applicable)	Number / Proportion	Quarterly
	Usage	Unsecured loans, credit cards, mobile credit	V Volume / Value	Quarterly (CCMR)
	Usage	Mortgages, leasing, asset-backed accounts	Volume / Value	Quarterly (CCMR)
	Usage	Non-performing loans (days past due-usually 90 days)	NPL / Total outstanding loans (classified by gender)	Quarterly (CCMR)
	Quality	Institutional diversity - % women in Board membership / % women in senior management positions	Proportions	Annual (Financial and Other Statistic Booklet)
Tier II	Access/Uptake	Over the Counter transactions	Volume / Value	Quarterly
Tier III	Usage	Pre-paid / virtual accounts (based in SMS ownership)	Volume / Value	Quarterly
	Access	Large business accounts	Volume / value	Quarterly

Source: Bank of Zambia.

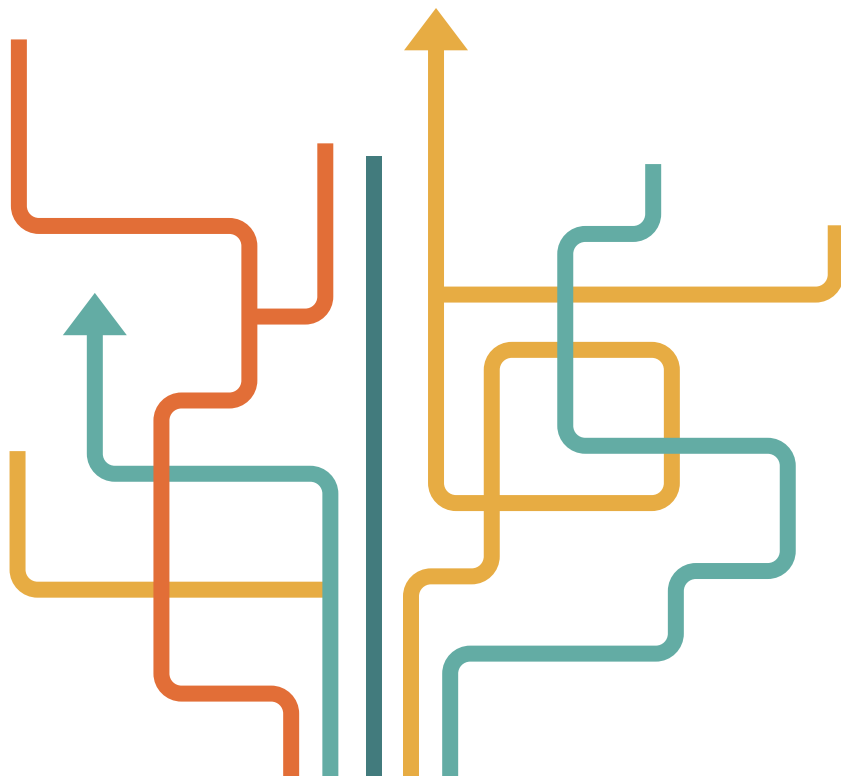
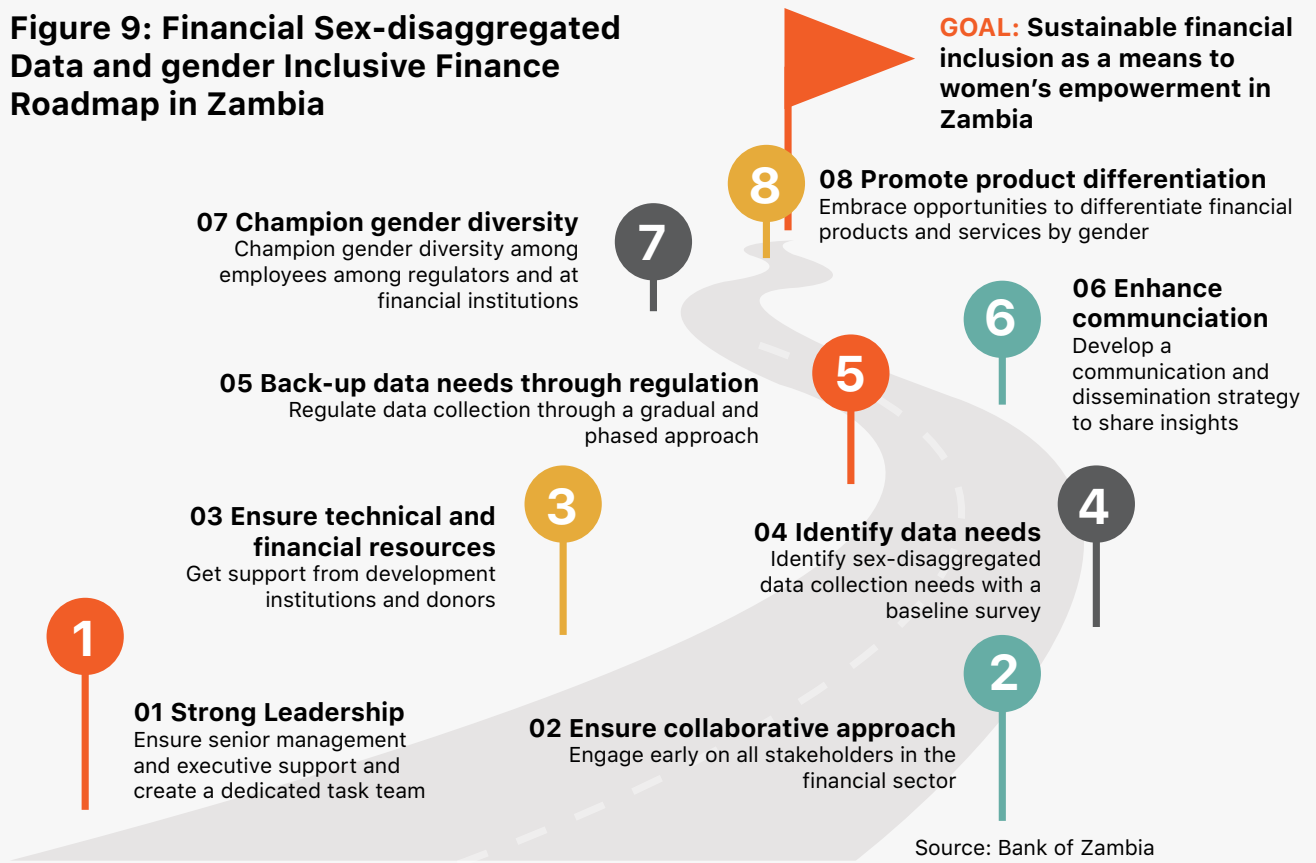
5) Creating Data Framework Templates and Enhancement on Data Collection Systems are needed

Following the completion of the peer-learning visits and baseline survey, BoZ developed its initial framework to collect supply-side sex-disaggregated data. The data collection templates were designed in consultation with the financial institutions and piloted in 2019/2020. The supply-side gender data framework outlines the indicators and the type of gender data collected from FSPs and the collection frequency among three tiers (Table 3).



Ultimately, BoZ's financial roadmap can be summarized as follows:

Figure 9: Financial Sex-disaggregated Data and gender Inclusive Finance Roadmap in Zambia



NEXT STEPS

This project's continuation involves revising the data collection regulations, guidelines, and templates issued by the Bank of Zambia to the different financial service providers. It also consists of adapting data and ITC systems in both Bank of Zambia and data reporting institutions. Because of this, that all financial institutions' data submissions were extended through the end of 2020.

Bank of Zambia is executing its framework in phases (Figure 9), concentrating first on quick-win areas. The generation of new sex-disaggregated data should spur the development of more targeted, evidence-based policies for women's financial inclusion and the monitoring of current policies.

Looking farther out, BoZ is planning to put in place a shared centralized biometric KYC system that will allow the sex of a person to be captured. This system will also enable collecting a more comprehensive array of indicators, including the ones related to deposits accounts and digital financial services such as e-wallets and e-money accounts.

BoZ is also looking to engage with other financial sector regulators and stakeholders to collect sex-disaggregated data for the financial sector and beyond. For instance, leveraging the mandatory Subscriber Identity Module (SIM) registration mandated by the Zambia Information and Communication Technology Authority (ZICTA) will offer an opportunity to build a comprehensive database. It could become the building block for collecting sex-disaggregated data for over-the-counter accounts and other mobile money accounts.

Specific initiatives focused on gender are being formulated and implemented with the use data segmentation

The BoZ in its 2020 – 2023 Strategic Plan has included initiatives aimed at mainstreaming gender, specifically targeting their entities. Some of the expected outputs under this initiative include:

- i. By 2023, a 50% increase (from the baseline number) of financial service providers that offer tailored products, financial services, and credit-related financial services for women.
- ii. By 2021, a revision of the Corporate Governance Directives for Gender Diversity Inclusion on the Board of Directors by 2021 for all supervised entities. The goal is to have at least 40% women on the Board of Directors by 2023. In 2018, men/women representation was 72%/28%.

- iii. By 2023, review and tailor the FAMOS³ Check tool currently tailored for banks to cover all the financial service providers, non-banks, and Payment System providers.
- iv. Publish and share financial inclusion data with the Ministry of Finance and industry stakeholders to promote evidence-based strategies and targeted policies for increasing women's financial inclusion.
- v. Monitor the policies aimed at closing the gender gap.

The following steps to be implemented by the BoZ for increased awareness, quality, and usage of sex-disaggregated data, include: (i) the publication of this case study, (ii) successfully piloting the supply-side sex-disaggregated data framework in 2020/2021, (iii) start the collection and validation of sex-disaggregated data from financial service providers, (iv) publish a gender-disaggregated data report by June 2021, (v) publish and share data with stakeholders starting in January 2022, (vi) leverage digital financial services to halve the current gender gap of 9.9% by December 2023, (vii) develop the shared centralized biometric KYC system that will provide for the sex of a person to be captured by 2023, among others.

Key Highlights and Lessons Learned

Throughout the process of developing a sex-disaggregated data framework for financial inclusion, the Bank of Zambia has learned valuable lessons and critical policy insights:

1. Generate Strong Leadership - Ensure senior management and executive support and create a dedicated task team that reports to them.

From the beginning, the Bank of Zambia's project was supported by senior management and its top Executive, which made it easier for the project team to drive its implementation. The project had a robust and diverse project team drawn from different departments in the BoZ. They met regularly to allocate tasks, monitor progress, and take quick remedial action where necessary. Furthermore, this task team reported periodically to management.

2. Ensure a collaborative approach - Engage all relevant financial sector stakeholders early on in the process.

Stakeholder engagement from other regulators, the National Statistical Office, and financial service providers began at the project's initial stages. This engagement continued throughout the project's lifecycle, including various presentations, meetings,

³ The Female And Male Operated Small enterprises check (FAMOS) is a guide created by the international Labour Organisation (ILO) to help business support agencies, financial institutions and government departments obtain a fresh look – and a systematic assessment – of the extent to which they target and serve women entrepreneurs, their needs and their potentialities. The FAMOS Check is a tool for doing a self-check of one's own organization. The goal of the self-check is to identify opportunities for improvement in the way in which an organization reaches out to and serves both women and men. https://www.ilo.org/empent/areas/social-finance/WCMS_248595/lang--en/index.htm

and interviews. As a result, there was greater awareness and investment in the efforts around supply-side gender data in Zambia through early and consistent stakeholder buy-in.

3. Ensure technical and financial resources - Get support from the government, development institutions, and donors.

BoZ engaged international development actors, research institutions, and donors to secure the required human, technical, and financial resources needed to set up the data framework. AFI's support for the project through the WFID Partnership grant went a long way in financing its activities. However, BoZ also engaged other cooperating partners—Financial Sector Deepening Zambia and Rural Finance Expansion Programme—to fund the remaining project needs.

4. Identify data collection needs – Procure a baseline survey.

To effectively collect and use sex-disaggregated data, regulators must identify any gender gaps in previous and current data collection with a data gap analysis or assessment, similar to the supply-side baseline survey BoZ conducted. BoZ used the information from its survey to help develop its new framework, set goals, and understand the policy areas it needs to concentrate on as it moves forward.

5. Backup Data Needs through Regulation - Regulate data collection through a gradual and phased approach.

When it came to data collection, the Bank of Zambia's best approach was to issue a deliberate regulatory directive to financial service providers to ensure compliance, consistency, and quality of reporting, collection, and dissemination. A phased approach was also strategic. BoZ is collecting sex-disaggregated data in phases, starting with quick-win areas and progressing to those that may require more time to collect. For example, most financial institutions in Zambia had organized their data around account type rather than account ownership, which follows previous regulatory guidelines and industry practices. Because of this historical approach, FSPs needed to adapt their data collection and reporting systems to collect quality sex-disaggregated data and this was not a simple task. It requires the investment of time and resources and this was included in later stages for regulation.

6. Enhance Communication - Develop a communication and dissemination strategy to share insights.

BoZ realized that the process of disaggregating, reporting, collecting, and analyzing the financial inclusion data by sex can never be complete if there is not a robust data-sharing process among other regulators and financial service providers. It is now a priority to provide evidence of the market opportunities available to serve women financially in different contexts (for example, digital financial services opportunities for women or increased lending to women-owned enterprises). The peer-learning shared in the three Latin American countries supported this critical insight.

7. Champion gender diversity – Identify a gender diversity champion between regulators and among financial institutions.

BoZ's baseline survey revealed that gender diversity at board and senior management levels in financial institutions could help facilitate more policies and solutions that address women's specific needs both internally and externally. The survey also identified the need for gender-focal points beyond the human resources department to ensure differentiated products and services for women.

Develop a communication and dissemination strategy to share insights. Continuing with this approach Bank of Zambia adopted the FAMOS check from the ILO to encourage and support a gender-lens approach among all regulated financial institutions to enable a more diverse financial sector. This promotes the adoption of gender-centric products and services and facilitate women's financial inclusion and economic empowerment.

8. Promote financial products differentiation - Embrace opportunities to differentiate products and services with a gender-lens approach

Through its peer-learning visit, BoZ was struck by Chile's example. They found that beyond providing an evidence base for regulatory policy, generating specific data for women and men has allowed the development banks and private service providers to create new financial products and services tailored for women. In BoZ's own NFIS action plan, the central bank hopes to encourage a similar policymaking model and private sector action driven by gender data. Doing so will help to bridge the current financial gap between women and men.

Conclusion

The Bank of Zambia has been a solid advocate for gender diversity in the financial sector, publishing annually detailed data on gender diversity in different financial markets including banks, leasing and finance companies, building societies, non-bank financial corporations, and insurance companies. Additionally, the Bank of Zambia has been advocating among its regulated financial institutions for the development of more differentiated financial products and services to serve women's financial needs.

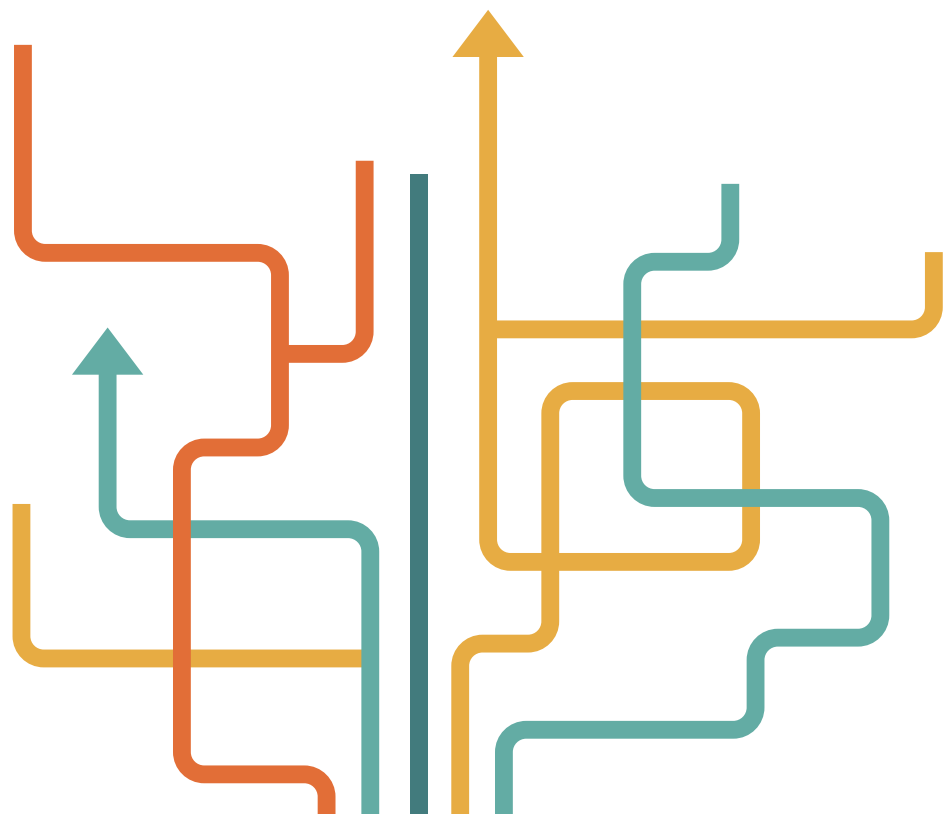
The Bank of Zambia has been using the Female and Male Operated Small enterprises check (FAMOS) as a tool to train Banks and other financial service providers to have a fresh look – and a systematic assessment – of the extent to which they target and serve women entrepreneurs, their needs and their potentialities. It invites a thorough self-assessment of an organization's promotional efforts, staffing and human resource approaches and allocations, internal and external communications, and its formal and informal culture and ways of working, in order to determine its readiness to serve women entrepreneurs as clients. The FAMOS guide also encourages the identification of practical, do-able, simple, and effective responses that can help an organization have better outreach to female clients.

Although the BoZ has not specifically identified a champion in the financial sector, several institutions that have been trained and supported by BoZ have begun to use data to inform their approach to how they work. In this regard, various products

and services tailored for women have started to revolutionize the way women are served by financial institutions. Additionally, the focus is not only on increased access to finance but also capacity building programmes for women entrepreneurs. Several other banks have used the central bank's baseline survey data to drive a more gender diverse workforce and Board membership participation. Others have tailored their approach to more customer-centric business plans. Various financial institutions have also now begun to use their data beyond names and account numbers and are delving into account usage and monitoring loan repayment, among other parameters.

BoZ knows that data collection is not an end but an essential means to identify and tackle gender imbalances in the financial sector. Policies promoting a more diverse and open financial sector and financial products and services differentiation may only be enabled through a more comprehensive and focused sex-disaggregated data collection.

Ultimately, the Bank of Zambia, through its leadership champions, enabling policy environment, and close collaboration with financial service providers and other key stakeholders, has made significant progress in building a foundational sex-disaggregated supply-side data collection framework. With this framework, and regular collection, analysis, and use of gender data, BoZ will continue to accelerate action towards its goal of women's full financial inclusion.



CASE STUDY

TOWARDS ENABLING WOMEN'S FINANCIAL INCLUSION THROUGH DATA

Zambia's Gender Data Journey

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