



**SPEECH BY THE BANK OF ZAMBIA DEPUTY GOVERNOR-
ADMINISTRATION**
DR. TUKIYA KANKASA - MABULA

AT THE STAKEHOLDERS' WORKSHOP

DISSEMINATION OF RESULTS OF BASELINE SURVEY
**– FRAMEWORK FOR COLLECTION OF SEX-
DISAGGREGATED DATA**

Radisson Blu
Lusaka

2 May, 2019

Salutations:

- The Chief Executive Officers of Commercial Banks and Non-Bank Financial Institutions
- The Chief Executive Officer – Rural Finance Expansion Programme (RUFEP)
- The Chief Executive Officer – Financial Sector Deepening Zambia
- The Chief Executive Officer – United Nations Capital Development Fund (UNCDF)
- The Representative -The World Bank Country Office
- The Representative - United Nations Development Programme (UNDP)
- The Representative – African Development Bank (AfDB)
- The Representative - Bankers Association of Zambia
- The Representatives of various Government Ministries
- The Representative – Zambia Institute of Banking and Financial Services
- The Representative – Pensions and Insurance Authority (PIA)
- The Representative – Securities and Exchange Commission (SEC)
- Captains of Industry;
- Distinguished Invited Guests;
- Members of the Press; and Ladies and Gentlemen.

Let me begin by welcoming you all to this workshop on the dissemination of the results of the Baseline Survey on the Supply – Side Sex Disaggregated data conducted in the last quarter of 2018. At the same time, I wish to thank the Alliance

for Financial Inclusion, Rural Finance Expansion Programme and the Financial Sector Deepening Zambia for supporting the development and implementation of a framework for collection of supply-side sex-disaggregated data from regulated financial service providers. Let me also thank Ms Linda Zuze (the International Consultant on the project) and Mr Shebo Nalishebo (the Local Consultant) and IPSOS Zambia for successfully conducting the Survey.

The Bank of Zambia and its collaborating institutions mentioned earlier are greatly indebted to the respondents who participated in the Survey for completing the questionnaires. We thank you most sincerely for your cooperation. In particular, we are aware that the survey got into the way of your work as you completed the questionnaires.

We are pleased to note that the response rate was 90%. This points to the fact that you share in our resolve to bridge the financial inclusion gender gap and engender economic development.

Ladies and Gentlemen, having launched the commencement of the project for the development and implementation of a framework for collection of supply-side sex-disaggregated data almost a year ago, I am pleased that today we can mark a significant milestone towards achieving the objective of the project as we disseminate the results of the baseline survey. The survey results not only give us the situation analysis regarding the availability of supply-side sex-disaggregated data, but also provides a synopsis of the magnitude of the financial inclusion gender gap, which we must all work hard to bridge.

Ladies and Gentlemen, the main purpose of collecting sex-disaggregated data is to determine the levels of access, usage and quality of financial services; identify barriers to women financial inclusion; and assist with modifying the existing policies, strategies and regulatory measures that have been earmarked for increasing women's financial inclusion in the medium to long term in Zambia.

Collection of sex disaggregated data and the use of this data provides an opportunity for countries to develop policies that specifically target women's financial inclusion and at the same time provides data and information for financial service providers to build the business case for developing products and services for women.

Data will help us to know where we are, where we need to be and which areas to focus on. Thus the main objective of the project we embarked on last year is to establish a framework for collection of reliable, quality and comparable sex-disaggregated data that can facilitate the measurement of progress made toward closing the gender gap.

Distinguished guests, let me highlight the key findings from the Survey, which will be the subject of detailed discussion in the course of this morning. The survey revealed among others that;

1. While the financial sector was among the sectors that employ a high percentage of women, they make up 45% of those employed in the sector, presenting a five percentage gender gap. This gap is especially pronounced in the upper echelons of decision-making structures where women make up 28% of board membership and a third of senior management with limited participation beyond marketing positions;

2. The number of borrowers was dominated by men. The number of men with loan accounts in every 1,000 adults was 27 at the end of 2014 compared to 12 for women;
3. When it comes to paying back of loans, women had better repayment behaviour than men. The percentage of non-performing loans for women averaged 4.3% compared to 4.9% for men. Further, women-owned small business accounts exhibited the lowest percentage of non-performing loans, which ranged between 1-3% during this period. This is, on average, 17 percentage-points lower than that of men. This showed that women and women-owned businesses are more prudent borrowers than men and men-owned businesses;
4. Few financial institutions, offered gender- focused products and services. These products and services were mostly tailored for individual women and women smallholder businesses;
5. Most financial institutions' Information Management Systems are unable to provide sex-disaggregated data. Of the 64 institutions surveyed, only 25 institutions (mostly banks and micro-finance institutions) had information management systems that can generate reports based on the sex of account holders, such as the number of women-owned and male-owned accounts, and the number of male and female borrowers; and
6. The number of digital wallets, or e-wallets, has been on the increase. It rose steadily in both number and value. For the sample taken, the number of e-wallets rose to 1.3 million active accounts in 2018 from 86,066 in

2014 while the value increased ten-fold in the last five years, to K405.6 million in 2018 from K42.7 million in 2014. It is gratifying here to note that the gap between men and women has been reducing – from 89% male dominance in 2014 to 80% in 2018.

Ladies and gentlemen, we can conclude from the above findings that the large gender gap in account ownership between men and women suggest that women inherently face more challenges in accessing formal financial products and services.

Further, most financial institutions, especially non-banks have limited or do not have gender-focused product differentiation. This limited differentiation by gender is a missed opportunity for financial institutions considering that women are better savers and are less likely to default on their loans, and therefore good for the financial institutions' bottom-line.

Distinguished guests, financial institutions therefore need to place greater emphasis on segment performance to support individual women and women entrepreneurs who should be assessed as a profitable business proposition, not as part of corporate social responsibility. The market segmentation should go further to also devise age-specific products and services within the sex-differentiated products and services.

We must however, take cognizant of the rapid rise in the use of mobile money as holding great potential to accelerate financial inclusion for women and help reduce the gender gap. Financial service providers must therefore, innovate gender-focused digital financial products and services that will bridge the gap.

Ladies and gentlemen, these findings must be an important ingredient in the design and implementation of the framework for collecting and analyzing sex – disaggregated data.

As I conclude, I wish to thank you all for attending this workshop and hope that you will use this opportunity to delve into the survey findings, the reasons behind the findings, and recommend appropriate response measures that will shape the framework to facilitate information based policies for bridging the financial inclusion gender gap.

It is now my honor and privilege to officially open the workshop and I wish you fruitful deliberations.

I thank you and God bless!