

Action and Policy Recommendations to Collect Sex-Disaggregated Targets

In this policy brief, Women's World Banking reviews the landscape of sex-disaggregated data and offers recommendations to identify opportunities for the Indonesian Government to collect, manage, and use sex-disaggregated data, especially to implement the objectives of the ministerial and financial regulators regulations, concerning the provision of data. The recommendations focus on the value of collecting, managing, and using supply-side sex-disaggregated data from the financial sector.

Background

Financial inclusion globally has emerged as a fundamental pillar for fostering economic growth and sustainable development. Since 2010, over 55 countries have made commitments to prioritize financial inclusion, with more than 60 having initiated or are in the process of developing a national strategy for financial inclusion.¹ However, there are 138 countries that still lack financial inclusion strategies altogether. While 43 out of 52 National Financial Inclusion Strategies (NFIS) mention women's inclusion as part of their objectives, women are often referenced fleetingly or grouped with other vulnerable populations as 'underserved'. Moreover, only 17 economies have established specific targets for women's financial inclusion in their NFIS, although in two cases, namely the Philippines and Uganda, the targets are yet to be determined.²

While strategies are crucial for realizing financial inclusion goals, sex-disaggregated data (SDD) plays a pivotal role in advancing these efforts. Understanding the unique financial behaviors, needs, and constraints faced by women is essential for crafting targeted and effective policies and interventions. By disaggregating data by sex, policymakers and stakeholders gain insights into the disparities and challenges that women encounter in accessing and utilizing financial services. This data-driven approach enables the design of tailored initiatives to address barriers such as limited access to formal financial institutions, lack of financial literacy, and gender-based discrimination.

Financial sector providers (FSPs), guided by regulatory bodies, could harness the significant potential of SDD to enhance women's financial inclusion by facilitating data frameworks capable of generating, analyzing, and utilizing pertinent data in an efficient, secure, and impactful manner.³ Moreover, SDD facilitates monitoring and evaluation processes, allowing for the assessment of progress towards gender equality in financial inclusion and the identification of areas requiring further attention and investment. Thus, integrating SDD into financial inclusion strategies is not only imperative for promoting women's economic empowerment but also for fostering inclusive and sustainable development.

When women have access to and actively use financial services, it creates a virtuous cycle of household welfare and national economic development. Despite these benefits, in many countries, including Indonesia, the persistent gender gap in access to finance continues to pose a significant challenge to achieving these positive outcomes⁴. SDD is one of the essential tools for monitoring and addressing this issue.

Even when policies on financial inclusion have been established, the national financial inclusion strategy is laid out, and robust demand-side data collection and other efforts have been made, the lack of a clear mandate for FSPs to provide SDD is stark. This vacuum of SDD has two consequences: first, financial institutions may not track outreach to women or design specific products to reach the women's market; second, governments do not have the information they need to



make or adjust policy to correct gender imbalances in product use.

Women have different financial needs and preferences than their male counterparts. In Indonesia, the National Financial Inclusion and Financial Literacy Survey 2024 showed that women have a slightly higher financial literacy rate than men, and higher level of financial access compared to men⁵. However, the challenge of financial inclusion for women persist beyond financial literacy access. Accessibility of demand-driven financial products and services for women should be given serious consideration. Targeting financial products and services to women requires addressing their specific constraints such as lower financial confidence (despite possessing higher levels of financial literacy); underutilization of financial products; greater unpaid care burden than men⁶; less likelihood to experiment with financial services⁷; and lower mobility compared to men. Studies of the use of SDD shows that it works to track progress towards and refine efforts to achieve strong national-level outcomes. The United Nations Secretary General's Special Advocate for Inclusive Finance for Development (UNSGSA) published a policy note based on the results of a study across 11 countries in Africa which provides a reference for regulators regarding the collection of SDD and the design of evidence-based policies. Of the 11 countries in the study, seven have SDD collection policies on both the supply and demand side⁸. SDD is an important starting point for reducing the gender gap, which can reduce the income gap and promote a country's economic growth.⁹

Setting the context in Indonesia

Policy approaches to SDD are not new in Indonesia. The government's commitment to achieve well-integrated planning, implementation and control of national development is expressed in Presidential Regulation Number 39, 2019 on One Data Indonesia¹⁰. The objective of this regulation is to obtain nationally accurate, integrated, and shared data through the establishment of One Data Indonesia. However, there is no clear directive in place for the systematic collection of SDD, which poses a challenge for stakeholders to accurately assess and address the specific needs of women.

The Central Bank (Bank Indonesia) and the Financial Service Authority (OJK) as the financial regulators of Indonesia have issued regulations to collect SDD in

several areas. In conducting its role as the monetary authority and supervisor of payment system, Bank Indonesia Regulation number 19/10/PBI/2017 on Anti-Money Laundering and Prevention of Terrorism Financing for Non-Bank Payment System Providers and Non-Bank Foreign Exchange Organizers, required collection of SDD as part of customer due diligence process for non-bank payment system. On the consumer protection side, Bank Indonesia's Regulation of Board of Governors Members number 23/17/PADG/2021 requiring payment system providers to collect customers' complaints data to be disaggregated by sex.

As the regulator of the financial service industry, OJK issued a Circular Letter number 21/SEOJK.02/2-29 for digital finance innovation providers to report total transaction and user to OJK disaggregated by sex. The Circular Letter Number 3 Year 2021 on Reporting and Requesting Debtor Information through Financial Information Service System, FSPs are mandated to report SDD for debtors. Through Circular Letter number 1/SEOJK.06/2024, OJK mandate fintech lending to report transactions, disaggregated by sex. However, the data only presents gender differences in loan volume and credit quality and is not yet utilized to analyze challenges and needs¹¹.

In order to sharpen the focus on gender within One Data Indonesia, the Ministry of Women's Empowerment and Child Protection issued Ministerial Regulation Number 4, 2023 on Gender and Child Data.¹² This regulation extends the Presidential Regulation under Article 14 paragraph (3) and Article 15 paragraph (2), emphasizing that further provisions regarding central-level data management will be regulated in Ministerial Regulations, Institutional Regulations, or Agency Regulations. One of its main objectives is to regulate cross-sectoral ministries and institutions in the collection and management of SDD. This regulation can serve as a reference for various sectors to implement SDD collection and utilization, including in the financial industry. Although the Ministry of Women's Empowerment and Child Protection has broadened the scope of regulation concerning One Data Indonesia, its application could extend beyond ministries or institutions including the financial services regulators.

From the perspective of financial inclusion, the Indonesia Coordinating Ministry of Economics as the chair of Financial Inclusion National Council, issued Ministerial Decree number 4, 2021, to direct implementation of the Indonesia NFIS. The Decree stated six methods to achieve the NFIS target of 90% in 2024 which includes SDD, to strengthen evaluation and monitoring of financial inclusion.



These regulations provide a framework for the collection and use of SDD but not yet effectively implemented. Collecting SDD should not only serve as a means to measure the financial inclusion and literacy rates of women and men, but also to assess whether women's needs are being addressed by FSPs. Thus, the collection of SDD should be mandated to FSPs to design gender-responsive financial products.

By acknowledging and acting upon the insights provided by SDD, regulators can bridge the gap between micro-level gender issues and macro-level policy formulation, ultimately fostering a more inclusive and equitable financial landscape for women.

Recommendation for promotion of SDD in Indonesia

Women's World Banking has identified three key policy recommendations to collect and implement SDD for financial inclusion:

1. Create the use case for SDD that benefits national economic development.
2. Collaborate with relevant stakeholders, such as FSPs and data analytics.
3. Take a phased approach to implement the regulation on SDD.

Recommendation 1: Create the use case for SDD that benefits national economic development

To provide evidence on the importance of SDD, practical use cases need to be developed in Indonesia's context. The use cases can be provided by FSPs with support of regulators like OJK or policy makers like the Coordinating Ministry of Economics to ensure that the learning from the use cases can be brought up to policy level. Standardization of definitions is also required to ensure clear and consistent criteria for categorizing data by sex across various sectors and domains of economic activity.

An example of effective use of SDD is from Mexico; before 2012, Mexico primarily relied on supply-side data to measure its financial inclusion goals. In 2012, the Mexican regulatory authority (CNBC) then introduced the National Survey on Financial Inclusion (ENIF), its inaugural demand-side survey. ENIF collects SDD, including access to and usage of financial products, and financial literacy every three years. Government officials and the private sector widely utilize the survey. Insights from product access reveal a significant gender gap in insurance product usage. Supply-side data indicated that 61% of insured individuals were men, contrasting with only 39% being women. The demand-side survey revealed low insurance product usage among both rural men and women (11.5% of men and 10% of women). However, a broader gender gap was observed in urban areas (31% of men versus 25% of women). Price emerged as the primary reason for non-usage, although women were 20% more likely to have uncertainty about insurance services. In 2013, a new law for insurance companies was passed, aimed at customer protection through enhanced transparency and information.

Another example to support the use case of SDD is by provision of tools by the regulators that enable FSPs to first identify and assess their business model against knowledge gained from analyzing SDD. The toolkit can be designed in many forms. There are many examples of toolkit that can be adopted by regulators, one of which is a scorecard. For example, Women's World Banking developed a scorecard that can be used by FSPs to measure and track fairness in lending practices¹³. There are six dimensions to measure fairness using the scorecard, which include credit score, approval rate, loan amount, interest rate, collateral size, and characteristics of rejected candidates. Using this data, the FSP can assess itself on the fairness of its own lending criteria in relation to gender balance.



Case study: Gender-intentional scorecard with regional rural banks in India

As part of Women's World Banking's work with NABARD, the regulatory body for rural banks in India, we have developed a Gender Intentional Scorecard (GIS) for Regional Rural Banks (RRBs). NABARD oversees 43 rural banks that collectively manage over 50 million women accounts. During field visits and pilot tests, it became clear that RRBs recognize the importance of SDD but struggle to interpret it.

The GIS aims to identify gender gaps across six parameters and 50 indicators. The parameters include savings, credit, digital financial services, social security schemes (including micro-insurance and pensions), bank agents and internal workforce, and financial literacy and capability building. The GIS will provide actionable insights alongside the data, designed to drive actions towards greater financial inclusion, addressing a critical need for such a tool.

To illustrate the value of the GIS, sample indicators for a credit scheme called Mudra (flagship loan scheme of India Government to introduce enterprises to the formal financial system and extend affordable credit), among women customers were used in two RRBs. It revealed that despite women holding 60% of accounts, only 27% had received nano/micro loans under the Mudra product scheme, compared to a national average of 70% for this particular credit product. This prompted targeted actions such as: identifying branches and regions with low penetration rates; engaging regional heads to address the issue; organizing bi-weekly credit uptake camps; and, providing branch managers and agents with lists of potential customers. These actions, endorsed by the banks, are expected to increase the usage and quality of SDD, demonstrating its practical benefits.

This initiative aims to enhance financial inclusion and reduce gender gaps in rural banking services. By providing actionable insights through the GIS, rural banks can more effectively utilize SDD, promoting financial equity and empowerment for women in rural areas.



In 2024, Women's World Banking held a Women-Centered Design workshop in Indonesia to help financial service providers create gender-responsive solutions by understanding women's socio-economic backgrounds, geographic challenges, and financial behavior.



Recommendation 2: Collaborate with relevant stakeholders, such as FSPs and data analytics

In developing standards for mandating SDD for FSPs, fostering partnerships between regulators and FSPs is key. The mandate should aim to broaden data collection scope and quality of data, while reducing compliance challenges for FSPs. Importantly, the multi-stakeholder approach fosters a different perspective for the importance of SDD, hence creating a comprehensive argument and evidence to mandate SDD. These enriching perspectives can come from FSPs, regulators, ministries, and women empowerment organizations. Involving voices of women organizations by design is crucial to ensure that the regulation to mandate SDD aligns with a gender responsive policy making process.

Women's World Banking and the United Nations Capital Development Funds (UNCDF), with the support of the Bill and Melinda Gates Foundation, established the Women's Digital Financial Inclusion Hub (IKDP) in Indonesia, with the purpose of promoting women's access and capabilities in using financial and digital services. The IKDP is led by the

Ministry of Women Empowerment and Child Protection in close coordination with the Coordinating Ministry of Economics. The Hub comprises government ministries, regulators, civil society organizations, and FSPs. Membership of the Hub is not binding, but each stakeholder has a role to play to advocate for women's digital financial inclusion.

As a multi-stakeholder forum, the IKDP has generated a number of initiatives, which are considered to be inclusive since it gathers perspectives from women organizations, regulators and FSPs. The collaboration has brought the signing of commitments to implement and coordinate collection and usage of SDD from four relevant [ministries](#). This is a new milestone that can be leveraged to promote SDD to FSPs. This collaborative platform will continue to contribute to the programs of the National Committee for Financial Inclusion, an entity mandated by Law Number 4 of 2023 on Development and Strengthening of the Financial Sector, and is a strategic opportunity to provide multiple perspectives when designing standards for mandating SDD.

Recommendation 3: Take a phased approach to implement the regulation on SDD

SDD should be collected in stages depending on the progress towards gender mainstreaming regulation in the country. The Women's Financial Inclusion Data Partnerships study in 6 countries define country's gender data readiness into five categories: unaware, awareness availability, quality and use¹⁴. It allows for a systematic approach in the process of mandating SDD in a country based on its level of readiness. This entails breaking down the process into phases to ensure careful execution of each step.

For example, in Chile, the mandate came from an overarching plan in 2000 to close the inequality gap between men and women. Chile's Superintendencia de Bancos e Instituciones Financieras (SBIF) has gathered and assessed SDD from its financial system for the past 14 years. The commitment to acquire this

data stemmed from a Gender Plan initiated by the Ministry of Women, which integrated gender considerations across various governmental sectors, including financial services, and was mandated by the Presidency. The plan's execution involved specific targets for data generation, linked directly to performance objectives for government officials. The SBIF research unit spearheaded the data collection and analysis process, which occurred in two phases: initially, credit data was consolidated by cross-referencing ID numbers from the Credit Bureau and the Civil Registry with the borrower's gender, followed by the direct collection of savings and more detailed product-level data from the banks.

Similarly in Indonesia, the regulations to collect sex disaggregated data exist in several reportings, but the implementation is not yet standardized. In some cases, like fintech lending reporting, the SDD is reported in bulk and not yet used to understand the different needs and behaviour of men and women. Transparency in assigning the mandate is also crucial in ensuring the accountability of the process. This transparency involves delegating who is responsible for seeking the data, what specific data they are looking for, and where their focus lies. The use and collection of supply side SDD in Indonesia must align with Law Number 27, 2022 on protection of personal data.



The Central Bank of Egypt (CBE) has implemented several regulatory reforms to support the government's efforts in promoting and sustaining women's financial inclusion. These reforms include issuing guidelines to banks for collecting and reporting SDD to monitor the advancement of financial inclusion, and to map demand-side and supply-side data covering households and MSMEs. By 2020, the collection, analysis and utilization of SDD has

been partially achieved. The CBE has established a Centralized Financial Inclusion Datahub and is currently in the process of collecting data from all financial institutions, including banks and Egypt Post. The data collection is facilitated through a secure unified banking sector network based on the National ID.

Conclusion

Indonesia has several policy hooks to implement and optimize the usage of supply-side SDD. Taking a phased approach to mandating SDD and in consultation with multiple stakeholders is important to ensure the check and balance mechanisms are in place, alongside creating the use case for SDD that benefits national economic development. Not only can the collection, management, and active use of SDD benefit government in supporting inclusive development to promote economic growth, it can also enable FSPs to measure the accessibility of their products for women, thereby benefiting the industry to increase profitability by diversifying or improving product features.

The IMF's Financial Access Survey (FAS) underscores the urgency of providing SDD to address the gender gap¹⁵. SDD becomes a catalyst for informed decision-making by regulators, FSPs and policymakers, offering insights into the unique financial needs and behaviors of both men and women. SDD can be used to understand the gender gap in financial access and usage that can increase women's participation to formal economy. Regulators hold a pivotal role in progressing this issue in the financial services industry, and can mandate FSPs to collect SDD, as highlighted at the 2014 Alliance for Financial Inclusion (AFI) Global Policy Forum¹⁶. It is crucial because SDD not only exposes existing gender disparities but also acts as a catalyst for change. It is not merely a matter of statistical collection but a strategic imperative for addressing systemic gender disparities prevalent in financial inclusion.



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