Introduction

Financial Inclusion Level and Gender Gap

Ethiopia’s Women Digital Finance

Highlight on the National Digital Payment and Financial Inclusion Strategies
In Ethiopia:

- Financial inclusion gender gap reduced from 19% in 2017 to 16% in 2021 showing improved women adoption of financial services.

- Improvements in regulatory and market environment paved the way for significant development in financial inclusion.

- DFS now reached more than 90 million mobile money accounts which is more than 35% of all saving accounts, 12.5 million women (14%).

- Around 37 million digital financial services accounts are owned by women, which is around 22.2% share from the total 168.3 million DFSs (MM, MB, IB, DC).
- This is an indication that women FI inclusion is increasing particularly in recent past few years.
2. Financial Inclusion level, Findex 2021

Financial Inclusion Level 2021

- Niger: 10 (2017) vs 13 (2021)
- Egypt: 24 (2017) vs 31 (2021)
- Ethiopia: 35 (2017) vs 46 (2021)
- Kenya: 75 (2017) vs 83 (2021)
Financial Inclusion Gender Gap

Financial Inclusion Gender Gap, Findex 2021

- **Male**
- **Female**
- **Gender Gap**

<table>
<thead>
<tr>
<th>Country</th>
<th>Male</th>
<th>Female</th>
<th>Gender Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>41</td>
<td>20</td>
<td>21</td>
</tr>
<tr>
<td>Nigeria</td>
<td>55</td>
<td>35</td>
<td>20</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>55</td>
<td>39</td>
<td>16</td>
</tr>
<tr>
<td>Kenya</td>
<td>83</td>
<td>75</td>
<td>8</td>
</tr>
<tr>
<td>Mali</td>
<td>46</td>
<td>41</td>
<td>5</td>
</tr>
</tbody>
</table>
Enabling Strategies and Regulations:

National Financial Inclusion Strategy 2016 – 2021

Following DFS and Agent Banking added as Banking Services (Amendment – Banking Proclamation, 2019)

- Payment Instrument Issuer, Payment System Operator and Use of Agent Directives – 2020;

The “Digital Ethiopia – 2025” – Ministry of Innovation and Technology action to drive digitization and also achieve financial inclusion.

With the support of UNCDF – BTCA and BCG as a consultant


4 Pillars: Infrastructure, adoption of DP, regulatory and oversight and Innovation

32 Actions
ACTION 20 Capture sex-disaggregated data:

- inform responsible and intentional decision-making
  - better inform policies and products to increase financial inclusion for women.
  - to understand the main causes for the lack of financial inclusion.
  - The policy makers will come up with policy interventions to create an enabling environment for overall financial inclusion and women financial inclusion in particular.
Implementation Framework

Responsible Institutions:

- **NBE**: FIS Cluster including Payment, FXRMD, IT and FIS;
- **Gov’t Inst**: MINT, MoF, MoA, MoCult.&Toursim, INSA and ECA
- **Private**: Financial Service Providers (Banks, PIIs and PSOs);
- **Development Partners**: Bill and Melinda Gates Foundation, FSDE, UNCDF, UNDP, WBGs

**Action Teams**

14 Teams composed from the responsible Institutions including NBE

**Governance**

- The Council for financial inclusion is a cross institution body chaired by MoF with the mission to promote financial inclusion and digital payments,
- The Steering Committee is chaired by the Vice Governor of Financial Institutions Supervision, NBE
- The Secretary of SC is the FIS at NBE (responsible for overseeing the implementation, setting the direction, and validating the approach to the action team plans.)
National Financial Inclusion Strategy 2021-2025

• Mission - to ensure 70% of adults are included by 2025.
• Special approaches are defined for extremely underserved, leveraged for women, who face unique and significant barriers to inclusion.
• DD side Target: Halve the gender gap in account ownership from its current estimated 19PP (2020) to 10PP by 2025,
• SS side Target: Increase transaction account per 100 women to 135 by 2025 from what it was 49 in 2020;
• The Program : Drive Financial Inclusion for Women
Actions and Initiatives:

1: Establish a knowledge base on women’s unmet financial needs and barriers to financial inclusion;

2: Launch women's account enrollment and educational outreach campaigns with a prioritized focus on youth, linking to NFES;

3: Encourage that at least ¼ of the Senior Management (VP and Directors) of the financial institutions to be women, who will be mainly dedicated to promote women financial inclusion;

4: Encourage that at least one woman to have a seat on the board of the financial institutions;

5: Research and formulate a policy to encourage and motivate women financial inclusion, such as allowing increased saving interest rate (Initiatives);

6: Explore the possibility to establish credit guarantee scheme dedicated to women financing (Initiatives); and

7: Set up wholesale funding dedicated to women financing (to address liquidity issues of lending institutions, (Initiatives).
Plan Performance (Target vs. Achievement)

<table>
<thead>
<tr>
<th>Strategic Objective 3 Financial Inclusion, Deepening and Digitization</th>
<th>Target (%) (A)</th>
<th>Actual (%) (B)</th>
<th>Deviation (%,PP) (C)</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume of digital payments &amp; financial services (transaction nos, in millions)</td>
<td>750</td>
<td>929</td>
<td>23.9</td>
<td></td>
</tr>
<tr>
<td>Value of digital payments &amp; financial services (in ETB trillions)</td>
<td>3.5</td>
<td>4.1</td>
<td>17.1</td>
<td></td>
</tr>
<tr>
<td>Number of transaction accounts per 100 adults</td>
<td>377.1</td>
<td>398.9</td>
<td>5.8</td>
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</tr>
<tr>
<td>Number of access points per 100k adults</td>
<td>514.8</td>
<td>602.9</td>
<td>17.1</td>
<td></td>
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</tbody>
</table>
THANK YOU !!!

NATIONAL BANK OF ETHIOPIA