Towards a global financial inclusion data infrastructure

Djibril M Mbengue, Consultative Group to Assist the Poor, World Bank

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1 This presentation was prepared for the workshop. The views expressed are those of the author and do not necessarily reflect the views of the BIS or the central banks and other institutions represented at the workshop.
“Data could be a means to put the cards on the table; data are less controversial than policies and can get policy makers and regulators to start talking.”
Context:
Global Partnership for Financial Inclusion (GPFI)
- Created in 2010
- Three sub-groups, and one in formation
- Implementation partners (AFI, CGAP, IFC, and the World Bank)

Financial Inclusion Data and Measurement Sub-group
- Co-chairs: Australia, Mexico, South Africa
- Key achievements:
  - G-20 Basic Set of Financial Inclusion Indicators developed and adopted by Leaders
  - Publication: “Financial Inclusion Data: Assessing the Landscape and Country-Level Target Approaches”
“Financial inclusion” refers to a state in which all working age adults have effective access to credit, savings, payments, and insurance from formal service providers.
Robust financial inclusion data architecture is emerging

Broader coverage

IMF FAS
IMF IFS
IMF FSI
WB/FinCoNet Financial Consumer Protection Survey

Global Findex Individual Surveys
WBG Enterprise Surveys

Deeper coverage

WB Payment Systems
BIS Payment Systems
WB FSAPs-A2F modules
WB CPFL Diagnostics
WB Remittance Prices
ECB MFI
ECB BLS
Bankscope
WSBI
WOCCU
The MIX
Microcredit Summit

WB LSMS
ECB HFCS
MECOVI
FinScope HH Surveys
OECD Fin. Edu.
WB CP/FL Survey
WB Migration & Remittances
Financial Diaries

Source: Adaptation from Bill & Melinda Gates Foundation (2010). “
Widespread use of surveys at country level is correlated with use national inclusion strategies.

How widespread is the use of surveys to monitor access to financial services?

- **HH Survey**
  - Use: 57
  - Do Not Use: 62

- **Firm Survey**
  - Use: 41
  - Do Not Use: 73

- **Financial Institution Survey**
  - Use: 50
  - Do Not Use: 66


Strategy documents and data collection

- **No strategy document**
  - At least one survey: 27
  - No survey: 40

- **Strategy document**
  - At least one survey: 45
  - No survey: 19

Note: CGAP/WBG Financial Access database. Based on responses from 131 countries.

The G20 Basic Set of Financial Inclusion Indicators

<table>
<thead>
<tr>
<th>Categories</th>
<th>Indicators</th>
<th>Existing Global / Multi-country Source</th>
<th>Dimension of Financial Inclusion Measured</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Formaly banked adults</td>
<td>% of adults with an account at a formal financial institution</td>
<td>Global Findex</td>
<td>Usage</td>
</tr>
<tr>
<td></td>
<td>Number of depositors per 1,000 adults OR number of deposit accounts per 1,000 adults</td>
<td>IMF FAS</td>
<td></td>
</tr>
<tr>
<td>2 Adults with credit by regulated institutions</td>
<td>% of adults with at least one loan outstanding from a regulated financial institution</td>
<td>Global Findex</td>
<td>Usage</td>
</tr>
<tr>
<td></td>
<td>Number of borrowers per 1,000 adults OR number of outstanding loans per 1,000 adults</td>
<td>IMF FAS</td>
<td></td>
</tr>
<tr>
<td>3 Formally banked enterprises</td>
<td>% of SMEs with an account at a formal financial institution</td>
<td>WBG Enterprise Surveys</td>
<td>Usage</td>
</tr>
<tr>
<td></td>
<td>Number of SMEs with deposit accounts/number of deposit accounts OR number of SME depositors/number of depositors</td>
<td>IMF FAS</td>
<td></td>
</tr>
<tr>
<td>4 Enterprises with outstanding loan or line of credit by regulated institutions</td>
<td>% of SMEs with an outstanding loan or line of credit</td>
<td>WBG Enterprise Surveys</td>
<td>Usage</td>
</tr>
<tr>
<td></td>
<td>Number of SMEs with outstanding loans/number of outstanding loans to SMEs/number of outstanding loans</td>
<td>IMF FAS</td>
<td></td>
</tr>
<tr>
<td>5 Points of service</td>
<td>Number of branches per 100,000 adults</td>
<td>IMF FAS</td>
<td>Access</td>
</tr>
</tbody>
</table>
First launched at IMF/WB Annual Meetings in Istanbul, 2009

IMF FAS – 2012 and beyond

- Only global supply-side data source with comparable data on basic indicators of financial access and usage (187 economies)

- G20 Leaders in Cannes 2011 endorsed a recommendation for IMF to continue and improve FAS

- 2012 FAS is conducted by the IMF, with IFC and CGAP support

- 2012 FAS questionnaire enhancements
  - time series for credit unions, financial cooperatives, and microfinance institutions
  - separate identification of SMEs, households, life insurance, and non-life insurance companies

http://fas.imf.org
## Demand Side: Global Findex & Enterprise Surveys

### Enterprise Surveys
- Measures the use of financial services by small, medium, and large enterprises
- Conducts firm-level surveys of a representative sample of an economy’s private sector
- Surveyed over 130,000 companies in 135 economies

[http://www.enterprisesurveys.org](http://www.enterprisesurveys.org)

### Global Financial Inclusion Database (Global Findex)
- Measures the use of formal and informal financial services by individuals through the Gallup World Poll Survey
- Surveyed in 2011 over 150,000 individuals from 148 countries on payments, savings, credit and insurance

41% of adults in developing economies are banked—compared to 89% of adults in high-income economies.

37% of women in developing economies are banked—compared to 46% of men.

The lowest quintile of adult income earners in developing countries are less than half as likely to have an account than those in the highest quintile.

* The IMF’s FAS provides other measures of Formally Banked Adults: the number of depositors per 1,000 adults OR the number of deposit accounts per 1,000 adults.
8% of adults in developing economies borrowed money from a formal lender in the past year (excluding credit card debt) —compared to 14% of adults in high-income economies.

* The IMF’s FAS provides other measures for Adults with Formal Credit: the number of borrowers per 1,000 adults OR number of outstanding loans per 1,000 adults.
Formally Banked Small & Medium Enterprises

- The Enterprise Survey data shows that 87% of SMEs (5-99 employees) have a checking or savings account at a formal financial institution.

- 86% of small firms (5-19 employees) have an account, compared to 93% of medium firms (20-99 employees).

- 91% of small firms in Latin America and the Caribbean have an account, compared to 77% of small firms in South Asia.

* The IMF’s FAS provides other measures for formally banked enterprises: the number deposit accounts by SMEs (% of number of deposit accounts by non-financial corporations) OR number of SME depositors (% of number of non-financial corporation depositors).
Small & Medium Enterprises with a Bank Loan or Line of Credit (L/C)

- The Enterprise Survey data shows that 34% of SMEs (5-99 employees) have a bank loan or L/C
- 21% of SME’s in Sub-Saharan Africa have a bank loan or L/C, compared to 36% of SME’s in East Asia and the Pacific
- 35% of firms with a female senior manager has a bank loan or L/C, compared to 38% of firms with a male senior manager

* The IMF’s FAS provides other measures for Enterprises with Outstanding loan or line of credit by regulated institutions: the number of loans by SMEs (% of number of loans by non-financial corporations) OR number of SME borrowers (% of number of non-financial corporation borrowers)
Points of Service

- Physical outreach of banks is improving on average.
- ATM networks are expanding faster than commercial bank branches.

- Low-income countries have 3.3 commercial bank branches and 3.9 ATMs per 100,000 adults in 2011 – compared to 47 commercial bank branches and 18 ATMs per 100,000 adults for the world as a whole.
- These numbers were 2.9 and 0.3 for branches and ATMs, respectively, in 2004 for low-income countries.
The journey continues... a few priorities

✓ Country-level data

✓ Harmonized definitions and standardized methodologies.

✓ Data from a range of providers, beyond commercial banks.

✓ Establishing and using financial identify.

✓ Detailed data on customer segments.

✓ Firm data, especially that of micro, very small, and small enterprises.

✓ Open data.

Advancing financial access for the world’s poor

www.cgap.org
www.microfinancegateway.org