THE FINANCIAL INCLUSION *Bulletin*

Volume 2, Issue 1(January -December 2022)

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ABBREVIATIONS

AFI	: Alliance for Financial Inclusion
CRS	: Credit Reference System
DFS	: Digital Financial Services
ECGC	: Export Credit Guarantee Company
GMW	: Global Money Week
ICS	: In-Country Support
INFE	: International Network on Financial Education
IPEC	: Insurance and Pensions Commission
M&E	: Monitoring and Evaluation
MSMEs	: Micro, Small and Medium Enterprises
NDS 1	: National Development Strategy 1
NFIS II	: National Financial Inclusion II
NPS	: National Payment Systems
OECD	: Organisation for Economic Co-operation and Development
POTRAZ	: Post and Telecommunications Regulatory Authority of Zimbabwe
SECZ	: Securities and Exchange Commission of Zimbabwe
SDGs	: Sustainable Development Goals
WEDO	: Women Entrepreneurship Day Organisation
ZAMFI	: Zimbabwe Association of Microfinance Institutions

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1. INTRODUCTION

1.1 In 2021, the Bank launched the inaugural Financial Inclusion Bulletin covering the period January 2021 to December 2021 as a platform to share the financial inclusion initiatives by the various stakeholders. The Financial Inclusion Bulletin has become a fascinating and evolving initiative not only for financial sector development but also a platform that provides insights towards sustainable and inclusive economic development.

1.2 Financial inclusion in Zimbabwe remains a key priority area, a strategic goal for financial markets development, and a major driver for inclusive economic development in line with the country's development aspirations as outlined in the National Development Strategy 1, '***leaving no one and no place behind***'.

1.3 During 2022, several initiatives were undertaken, culminating in the launch of the National Financial Inclusion Strategy II (NFIS II) in October 2022.

1.4 These initiatives include the commissioning of two FinScope Surveys, the Consumer and MSME surveys, stakeholder consultations on the survey results, development of a robust credit infrastructure, financial literacy programs, and capacity building of the financial inclusion team through peer learning visits.

1.5 Further, a number of financial literacy awareness campaigns were undertaken to increase the level of awareness of financial products and services. These programs included the Global Money Week (GMW) celebrations, financial literacy programs in schools and colleges, and participation in women group meetings on financial inclusion and presentations at MSME conferences.

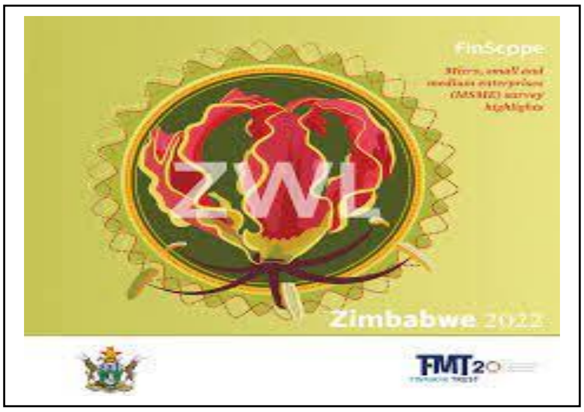
1.6 The Bank has taken a strategic approach to economic development by championing the development of the National Financial Inclusion Strategy II, which brings together diverse stakeholders including financial sector regulators, financial service providers in the banking, insurance and pensions, capital markets, development institutions, mobile network operators, and government ministries.

1.7 To coordinate financial inclusion efforts and facilitate full participation of various stakeholders in the financial inclusion activities, ten (10) thematic working groups have been established to spearhead targeted action plans to ensure not only access to, but increased usage of a wider array of financial services among the marginalised and target groups.

1.8 The Financial Inclusion Bulletin provides a synopsis of various financial inclusion initiatives and activities by the Bank, financial sector regulators, financial service providers and other stakeholders during the review period.

2. FINANCIAL INCLUSION INITIATIVES BY THE RESERVE BANK

FinScope Consumer & MSME Surveys



2.1 Following the end term of the National Financial Inclusion Strategy I (2026-2020), the Bank commissioned two FinScope surveys, the Consumer and MSMEs surveys, to evaluate effectiveness of financial inclusion strategies deployed under NFIS I as well as facilitate generation of baseline statistics for development of NFIS II.

2.2 FinMark Trust was engaged to conduct both FinScope MSME and Consumer Surveys. The World Bank Group provided funding for the FinScope MSME survey, while Alliance for Financial Inclusion (AFI) provided funding for the FinScope Consumer survey through a grant.

2.3 To facilitate smooth conducting of the surveys, two steering committees were established, the FinScope MSME Survey Steering Committee and the FinScope Consumer Survey Steering Committee.

2.4 The FinScope MSME Survey Steering Committee members were drawn from the Reserve Bank (Secretariat), the Ministry of Women Affairs, Community, Small and Medium Enterprises Development, Small and Medium Enterprises Association, Insurance and Pensions Commission (IPEC), Securities and Exchange Commission of Zimbabwe, Zimbabwe Association of Microfinance Institutions (ZAMFI), Bankers

Association of Zimbabwe, and Consumer Council of Zimbabwe. Zimbabwe Statistical Office (Zimstats) was part of the meetings as they are the custodians of the national statistics in Zimbabwe and were key to the conducting of both surveys.

2.5 The FinScope Consumer Survey Steering Committee members were drawn from the Bankers Association of Zimbabwe, IPEC, SECZ, ZAMFI, the Ministry of Finance and Economic Development, while the Bank coordinated the meetings and provided secretariat duties.

2.6 Both Steering Committees were afforded an opportunity to go through the Survey Questionnaires (Survey instruments) and to provide comments before the same were adopted and deployed for the surveys.

2.7 The Bank participated in the two surveys as part of the capacity building initiatives for the Bank in preparation for conducting mid-term reviews to the NFIS II.

2.8 Both surveys provided information on the impact of National Financial Inclusion Strategy I (NFIS I) on the vulnerable and underserved groups including women, youth, MSMEs, rural communities, persons with disabilities, the progress made towards achieving the NFIS I objectives, and challenges in the implementation of the first phase of the National Financial Inclusion Strategy. The survey results were launched on 6 December 2022 at the Reserve Bank of Zimbabwe.

2.9 Data from the two surveys was used in setting financial inclusion targets and initiatives for NFIS II which was launched on 31 October 2022.

Launch of the FinScope MSME & Consumer Survey Results

Financial Inclusion Team – RBZ

Deputy Governor Chipika and the FinMark Trust Team

The 2022 FinScope Consumer Survey Results

2.10 The results of the 2022 FinScope Consumer and MSMEs Surveys reflected remarkable improvement in financial inclusion on the access strand, with 83% of the adult population formally served, up from 69% in 2014. Formally served MSMEs increased from 18% in 2012, to 95% in 2022, whilst reducing the exclusion gap from 43% to 3% over the same period.

2.11 The overall financial exclusion gap for consumers reduced from 23% in 2014 to 12% in 2022. A summary of the FinScope Consumer survey results is indicated in Table 1.

Table 1: The 2022 FinScope Consumer Survey

<table>
<tr><th>Target Group Survey Results</th><th>Comment</th></tr>
<tr><td colspan="2">The FinScope Consumer survey results provided more understanding of the demographics and sources of income for Zimbabweans as summarised hereunder:

9% of women are formally employed compared to 17% of men.
73% of the adult population earn US$100 or less per month, up from 65% in 2014, the majority of whom are women in rural areas (82%).
The majority of the population (72%) reside in rural areas and agriculture is the main source of income.
However, 65% of rural population face challenges in terms of agricultiral inputs, while 24% lack capital investment into their enterprises , and 20% face water challenges which is key to their productivity.
The majority of the adult population relies on the informal sector as a source of employment and income. The informal services sector forms an important part of household income.
Agriculture plays a critical role and any financial inclusion initiatives excluding the rural communities and smallholder farmers is sub-optimal.
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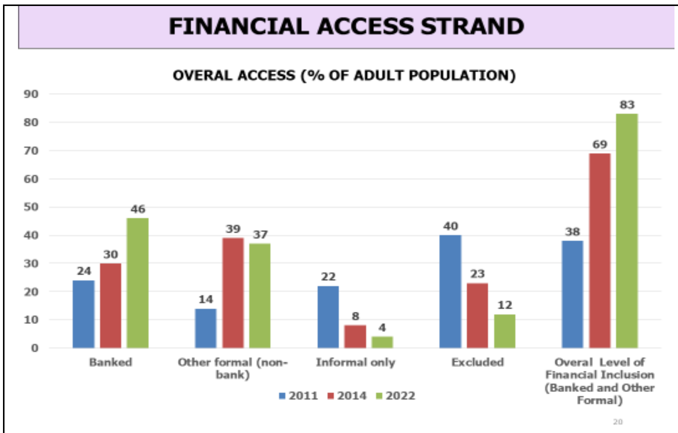
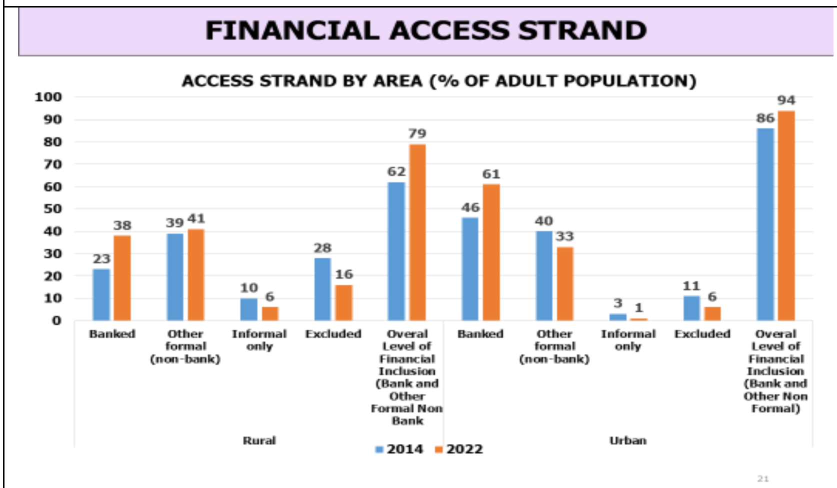
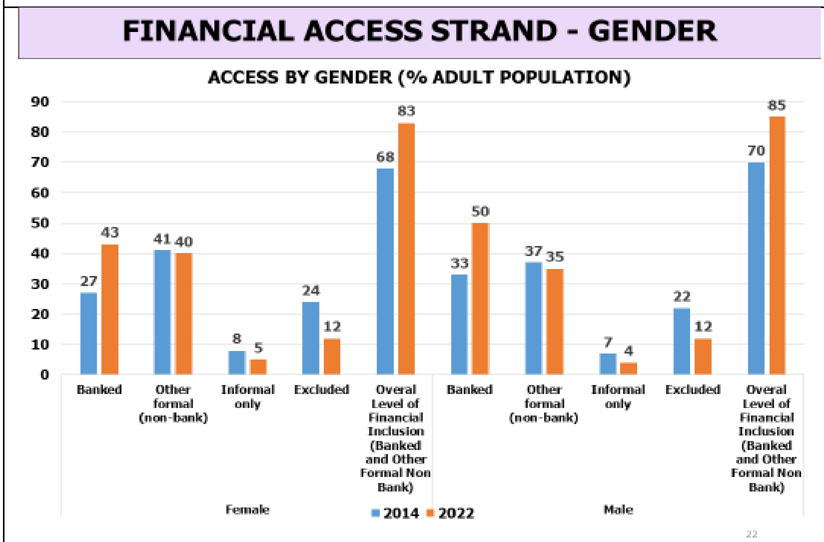


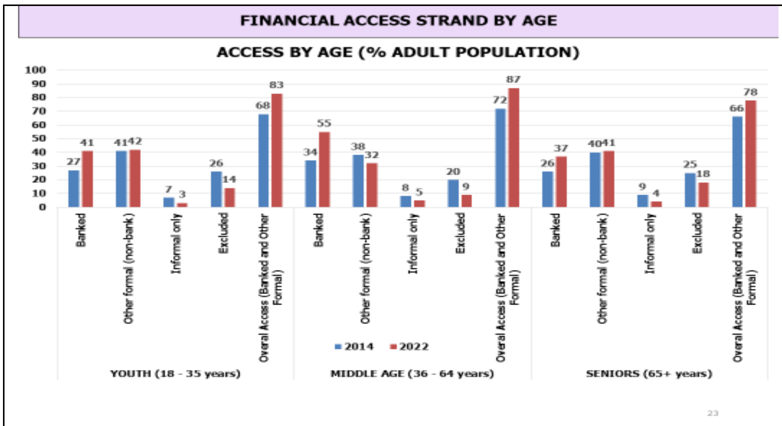
Overall Access to financial Services improved from 69% in 2014 to 83% largely driven by uptake of banking products buttressed by increased uptake of mobile money.



Financial inclusion for the rural communities improved from 62% in 2014 to 79% in 2022. The majority of the population reside in rural areas. Rural communities and smallholder farmers remain a target group for financial inclusion initiatives

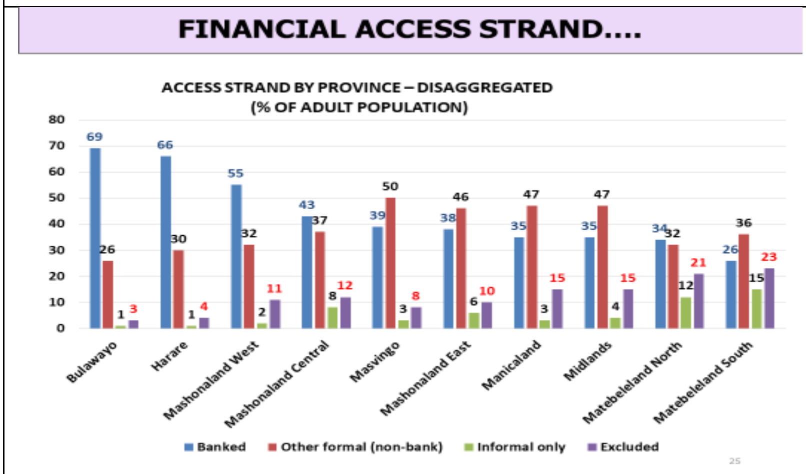


Financial inclusion of women improved from 68% in 2014 to 83% in 2022, while inclusion of men on the access strand improved from 70% in 2014 to 85% largely driven by uptake of banking products.



Financial inclusion of the youth has improved significantly from 68% in 2014 to 83% in 2022 largely driven by mobile money.

Overall access for the elderly improved from 66% in 2014 to 78% in 2022, however, it trails behind the middle aged and the youth.



Financial inclusion by geographical area indicated that most of the country's provinces have made significant progress on the access strand. However, Matabeleland North and Matabeleland South continue to trail behind other provinces with 22% and 23%of the population still financially excluded.

2.12 The FinScope Consumer survey results indicate that 25% of adults have not made any plans on how they will meet their expenses in old age, while 78% of adults have not made any funeral provisions. Insurance uptake is still very low in Zimbabwe and various initiatives will be undertaken to improve uptake and usage of insurance financial services. Lack of awareness of insurance products and the cost of insurance have been identified as some of the major reasons for the low uptake of insurance.

2.13 Development of the NFIS II, and the proposed financial inclusion initiatives were informed by the FinScope Consumer survey results, and also took into account the barriers that continue to militate against increased access as well as usage of financial services to the target groups, the financial capability of the marginalised segments, sources of income and typology of financial services on offer in the financial services sector.

The 2022 FinScope MSME Survey Results

2.14 The FinScope MSME Survey indicated that the micro, small and medium enterprises sector continues to be a key pillar for sustainable and inclusive economic development as well as employment creation in Zimbabwe.

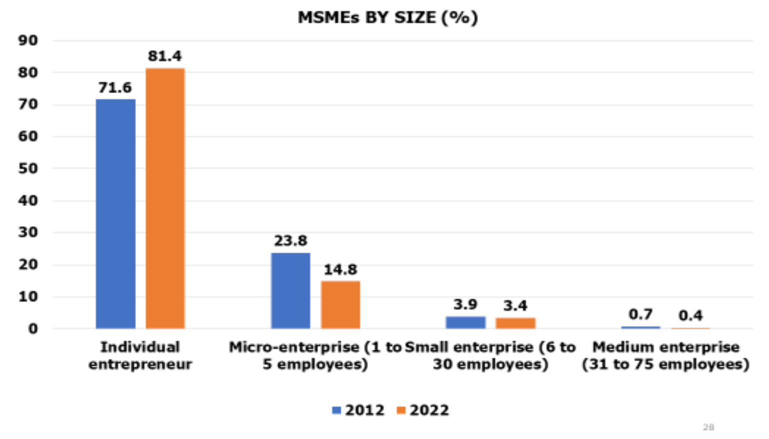
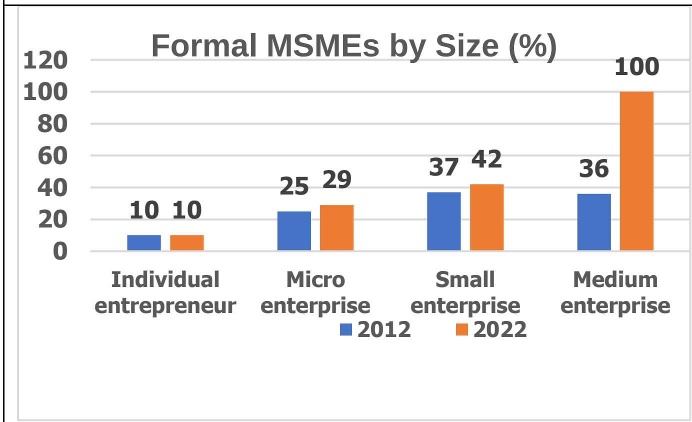
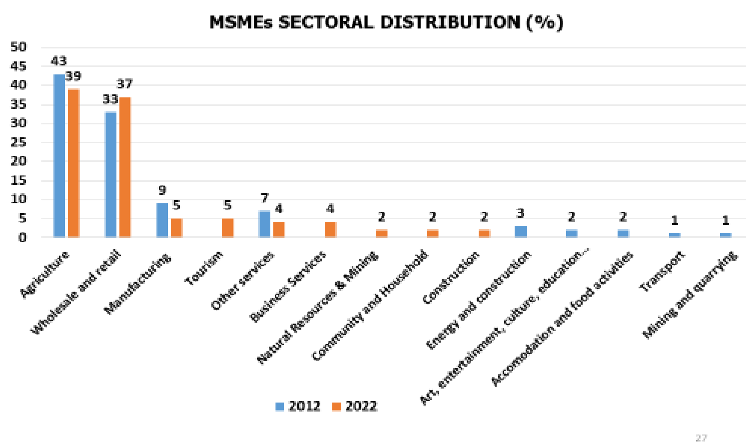
2.15 The MSME sector contributes 60% to the country's GDP and employ approximately 3.3 million people comprising of 1.6 million business owners and 1.7 million employees, making the sector a significant player in Zimbabwe's sustainable and inclusive economic development agenda.

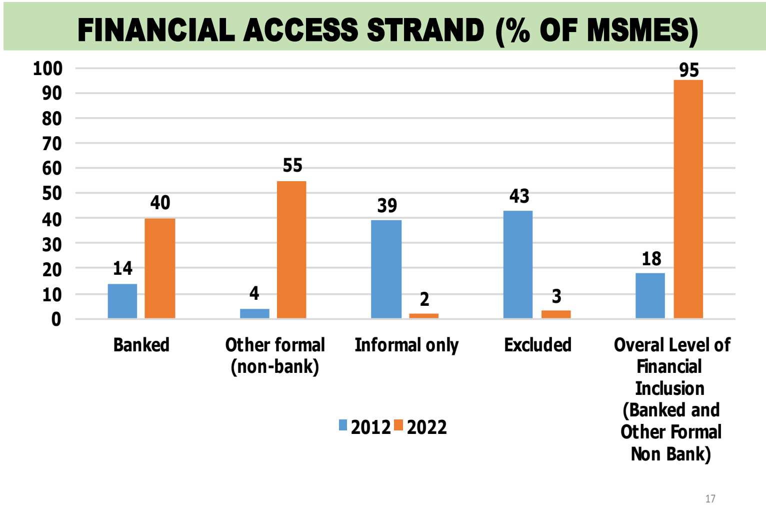
2.16 Zimbabwe has prioritised 10 Sustainable Development Goals (SDGs) and the micro, small and medium enterprises play a critical role in the attainment of all the 10 SDGs.

2.17 Cognisant of the important role of MSMEs in sustainable and inclusive economic development, the MSME survey sought to evaluate financial inclusion progress for MSMEs under NFIS I, identify challenges to access and usage of financial services by MSMEs, identify baseline statistics as well as financial inclusion targets for MSMEs under NFIS II.

2.18 A summary of the FinScope MSME Survey is indicated in Table 2.

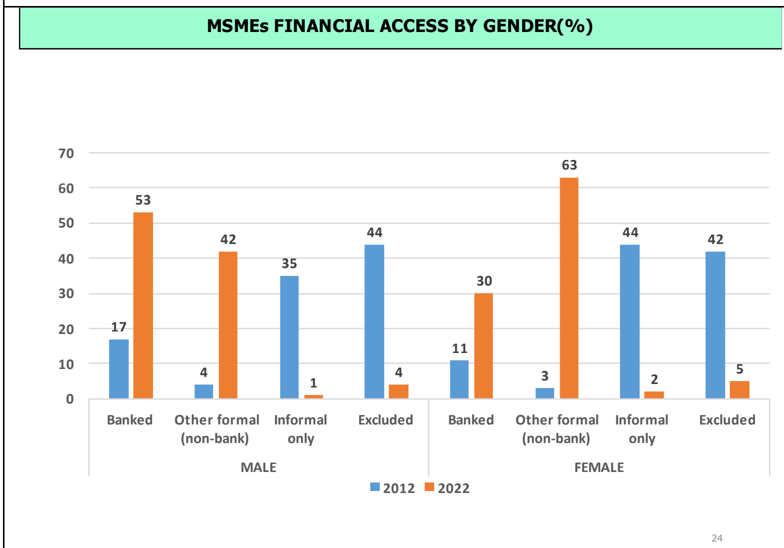
Table 2: FinScope MSME Survey

FinScope Survey Results	***Comment***
SIZE AND SCOPE OF MSMEs  	The MSME sector plays a critical role as a bedrock for new entrepreneurship development and innovation. Approximately 81.4% of MSMEs are individual entrepreneurs, up from 71.6% in 2012. Individual entrepreneur businesses are constrained in terms of growth and increased scale due to lack of funding and support emanating from the high levels of informality.
 	About 86% of the MSMEs were informal in 2022, while formal MSMEs accounted for only 14% of total MSMEs in 2022. This presents a challenge in terms of access to formal financial services and formal service providers. Most of these micro and small enterprises lack sufficient funding to facilitate registration.
MSMEs BY SECTOR  	The MSME survey indicated that the majority of MSMEs are in the agricultural sector (43%), followed by wholesale and retail (37%). Financial inclusion initiatives for MSMEs will target these sectors of the economy.



Overall access to financial services by MSMEs improved from 18% in 2012 to 95% in 2022, largely driven by uptake of other non-bank financial services. The banked MSMEs improved over the same period from 14% in 2012, to 40% in 2022.

Main barrier to banking has been identified as the business size with the majority of MSMEs being individual entrepreneurs with no business account.



Approximately 53% of men-owned MSMEs are banked up from 17% in 2012, while only 30% of women-owned MSMEs are banked, up from 11% in 2012. The exclusion gap for the women-owned MSMEs declined from 42% in 2012 to 5% over the review period.

2.19 The FinScope MSME survey results indicate that 68% of MSME owners use their businesses as the only source of income while 32% also get additional sources of income from other sources including other businesses (45%), spouse (35%) and income from another job (10%).

2.20 Approximately 60% of MSMEs do not save and only 3% of business owners use formal savings products from banks down from 13% in 2012. Financial inclusion initiatives targeting improvement of savings in the formal financial services sector will be key in improving the savings culture among MISMEs.

Delegates at the Launch of the Survey Results

Delegates at the Launch of the FinScope Survey Results

3. DEVELOPMENT & LAUNCH OF THE NATIONAL FINANCIAL INCLUSION STRATEGY II

3.1 The process of drafting the National Financial Inclusion Strategy II followed a consultative approach both locally and regionally including peer learning visits to ensure that international and regional best practice is adopted in drafting, launching and implementing the NFIS II.

Peer Learning Visits

3.2 As part of the consultative approach to the NFIS II formation, two Reserve Bank of Zimbabwe teams visited Zambia (18 to 22 July 2022) and Tanzania (8 to 12 August 2022) for peer learning on financial inclusion.

RBZ FI Team : Peer Learning Visit - Tanzania

3.3 The peer learning was part of the exchange programme which was facilitated by Alliance for Financial Inclusion as part of an In-Country Support (ICS) grant to Zimbabwe.

3.4 The following were the objectives of the Study Peer-learning Tour:

RBZ FI Team with Bank of Tanzania – Peer Learning

i. Identifying key components of the National Financial Inclusion Strategy needed to re-formulate or transition to the next phase of the National Financial Inclusion Strategy;

RBZ Financial Inclusion Team – Peer Learning BOT

ii. To provide key learning points for integration in the development of the National Financial Inclusion Strategy II; and

iii. To facilitate sound financial inclusion recommendations for consideration by the Reserve Bank of Zimbabwe based on the experiences of Zambia and Tanzania.

3.5 The key takeaways from the peer learning visits to Central Bank of Zambia and Central Bank of Tanzania are summarised hereunder:

RBZ Peer learning Team and Bank of Zambia

a) Importance of diagnostic surveys in evaluating progress and the impact of financial inclusion initiatives undertaken, as well as create baseline statistics for the next phase of the national financial inclusion strategy.

b) Importance of collaboration among various financial inclusion stakeholders including the central bank, the financial services sector, private sector, the academia, and development institutions.

c) Importance of gender, age and geographic disaggregated data during formulation, implementation and monitoring stages.

d) Adoption of a suitable governance and coordination structure which can be mandate-based model or private-public engagement model.

e) Importance of a Monitoring and Evaluation Framework in monitoring progress during implementation of the National Financial Inclusion Strategy to facilitate timely policy interventions.

Internal Review of FinScope Consumer and MSME Results

3.6 As part of the development of the NFIS II, the Bank held workshop from 25-26 August 2022, to review the results of the FinScope Consumer and MSME surveys.

3.7 The objective of the review workshop was to facilitate the correct understand and interpretation of the FinScope Consumer and MSME survey results in order to correctly incorporate the results into the NFIS II as well as provide comments to FinMark Trust as they finalise the survey reports.

3.8 The workshop was attended by the Deputy Governor, Dr. J T. Chipika, the Financial Inclusion Unit staff members and two officials from the Reserve Bank's Economic Research Department.

Stakeholder Consultative Workshops

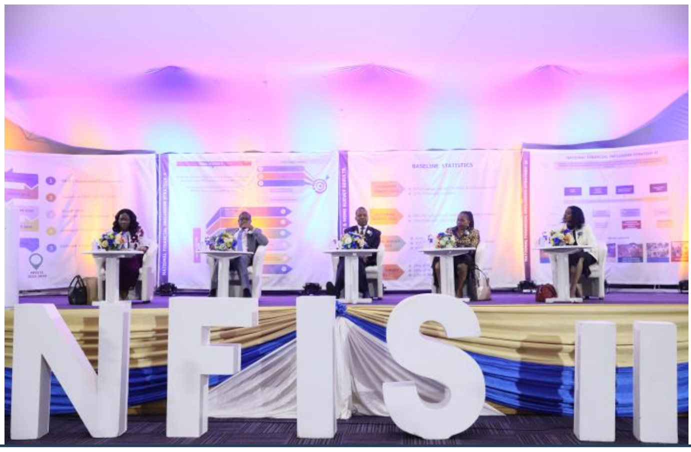
3.9 In line with the consultative approach, a stakeholder's consultative meeting was held on 26 September 2022 at the Rainbow Towers in Harare, to get input from various stakeholders for incorporation in the NFIS II.

3.10 The workshop was attended by key stakeholders drawn from Government Ministries, financial institutions, development partners, tertiary institutions and other financial sector regulators.

3.11 The discussions covered challenges faced by the targeted financial inclusion segments and recommendations for National Financial Inclusion Strategy II.

Launch of The National Financial Inclusion Strategy II

3.12 The NFIS II was launched by the Minister of Finance and Economic Development on 31 October 2022 at the Rainbow Towers with approximately 200 delegates in attendance physically, while the event was also streamed live to a wider viewership.



Launch of the National Financial Inclusion Strategy II

3.13 The launch was attended by the Minister of Information, Media and Broadcasting Services, Hon. Minister Monica Mutsvangwa, the Minister of Women's Affairs, Community, Small and Medium Enterprises Development, Hon. Dr. Sithembiso Nyoni, the Commissioner of the Insurance and Pensions Commission of Zimbabwe, Dr. Grace Muradzikwa, Bankers' Association of Zimbabwe, the Securities and Exchange Commission of Zimbabwe, Zimbabwe Association of Microfinance Institutions, the World Bank, FinMark Trust, banks, insurance companies, microfinance institutions, capital markets operators, senior management from the Reserve Bank, and development institutions.

3.14 The Governor, Dr. J.P. Mangudya gave the opening remarks, while the Deputy Governor, Dr. J.T. Chipika presented the national financial inclusion journey leading to the development of NFIS II.

3.15 In his opening remarks, the Governor of the Reserve Bank of Zimbabwe Governor, Dr. J. P. Mangudya indicated that while the financial inclusion journey and in particular the implementation of the first phase of the National Financial Inclusion Strategy was challenging amid unexpected shocks from the Covid-19 pandemic, the Bank managed to stay on course in the achievement of the main objective of building an inclusive economy in Zimbabwe.

Dr. J.P. Mandundya, Governor , RBZ

3.16 He indicated that COVID-19 made inclusivity more urgent. The lack of resilience affected everyone and everywhere, but was more pronounced in women, micro, small and medium enterprises, smallholder farmers and the poor.

3.17 He further indicated that cognisant of the importance of financial inclusion as a key driver of sustainable and inclusive economic growth, policymakers globally have placed financial inclusion as a key policy and strategic priority.

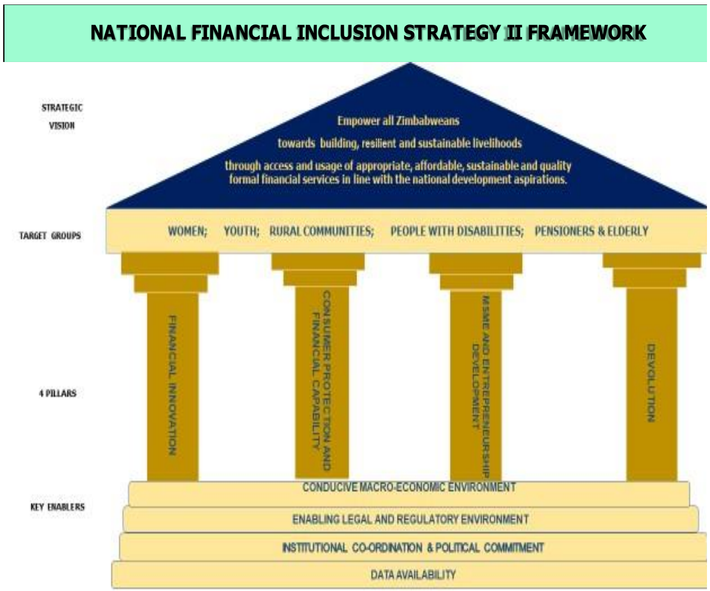
3.18 The Governor indicated that financial inclusion plays a critical role in the creation of an inclusive economy where all economically active Zimbabweans have an opportunity to create wealth, reduce poverty, build resilience towards unexpected shocks as well as participate in the economic development of the country.

3.19 In presenting the country's financial inclusion journey from 2016 to 2020, the Reserve Bank Deputy Governor, Dr. J. T. Chipika highlighted that NFIS I initiatives under NFIS I were a great success as evidenced by the overall financial inclusion level of 83% in 2022, up from 69% in 2014, and the narrowing of the financial exclusion gap from 23% to 12% over the same period.

Dr. J.T. Chipika, Deputy Governor, RBZ

3.20 She further highlighted that the remarkable progress on the access strand was underpinned by a number of initiatives ranging from establishment of empowerment facilities which were established by the Bank as seed fund, low know-your-customer requirements which witnessed an increase in low-cost accounts, establishment of women and MSME desks in banking halls, and establishment of a robust credit infrastructure comprising the credit reference system, the MSME credit guarantee and the collateral registry which was due to be launched towards the end of 2022.

3.21 While significant progress had been made in facilitating access to finance by the marginalised groups, the Deputy Governor indicated that women, youth, micro, small and medium scale enterprises, rural communities and smallholder farmers, persons with disabilities, and the pensioners and the elderly will remain key target groups under the next phase of the NFIS.



3.22 The NFIS II is anchored on four key pillars namely; Financial Innovation, Consumer Protection & Financial

Capability, Microfinancing, MSME & Entrepreneurship Development, and Devolution. The expected outcomes are financial deepening and improved livelihoods and financial capability.

3.23 The NFIS II seeks to increase the overall usage of formal financial services from 70% (2022) in terms of transactional accounts to 90%, (digital financial services from 77% (2022) to 90%, savings from 15% in 2022, to 50%, credit from 16% (2022) to 50%, and insurance from 22% (2022) to 40%. The level of access to financial services from 83% in 2022, to 95% by 2026.

3.24 In his official remarks, the Minister of Finance and Economic Development, the Hon. Professor Mthuli Ncube, indicated that NFIS II is designed to support and facilitate the attainment of the objectives of the National Development Strategy (NDS 1) whose overarching goal is to ensure accelerated, inclusive, and sustainable economic growth, social economic transformation and Zimbabwe's development towards an upper middle-income economy by 2030.

Hon. Professor Mthuli Ncube, Minister of Finance & Economic Development

3.25 The Hon. Minister indicated that financial inclusion is at the core of inclusive and sustainable economic growth as it facilitates not only the integration of the unbanked into the formal economy but creation of entrepreneurs and small and medium scale enterprises, reducing inequality.

Delegates at the Launch of the National Financial Inclusion Strategy II (NFIS II)

Hon. Ministers, the Governor, Deputy Governor, IPEC Commissioner and Reserve Bank Senior Management at the Launch of the National Financial Inclusion Strategy II

NFIS II Implementation Plan

3.26 Following the official launch of the National Financial Inclusion Strategy II, a strategy implementation plan workshop was held on 1 and 2 February 2023, to map out the key focus areas, activities, timelines as well as assigned responsibilities.

3.27 The implementation plan outlines the key strategic focus areas, activities to be undertaken, indicators, reporting timelines, responsible institutions, and funding strategies for the activities.

Delegates attending the NFIS Implementation Plan Workshop

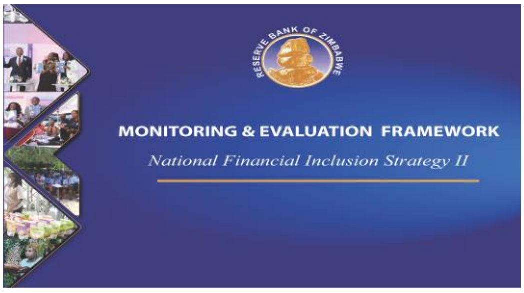
3.28 Thematic Working Groups which are constituted by stakeholders across the economic sectors, will spearhead the implementation of the strategic activities for their respective target segments and pillars of the NFIS II. The Bank will coordinate the implementation of the NFIS II.

Thermatic Working Group at Work

3.29 For each thematic area, the workshop covered the key strategic priorities and the respective activities to realise the strategic priorities. One of the issues discussed was the inclusion of persons with disabilities (PwDs) by making sure that even information on the National Financial Inclusion Strategy II is user-friendly to PwDs.

The Monitoring & Evaluation Framework

3.30 The Bank, with technical assistance from FinMark Trust, developed the NFIS II Monitoring and Evaluation (M&E) Framework to monitor progress during implementation of NFIS II and take appropriate policy interventions to ensure the NFIS II targets are aligned.



3.31 The M&E Framework is an essential component of the strategy implementation which provides a set of tools that facilitates timely evaluation of whether the Strategy is achieving the desired outcomes and expected impact on the target groups.

3.32 The M&E Framework identifies key financial inclusion performance indicators for the identified target groups in disaggregated format. The outcomes of the strategic actions identified in the Implementation Plan are measured against set targets, and while primary monitoring and reporting are done per strategic action, reporting will also be done on an aggregate basis.

3.33 Training and capacity building of the Reserve Bank Financial Inclusion Unit, IPEC SECZ, and providers of financial inclusion data is scheduled for 2023.

Global Money Week Celebrations 2022

3.34 The Reserve Bank of Zimbabwe participated in the 10th Global Money Week Celebrations (GMW) which were held from 21-27 March 2022. The GMW was initiated by Child Youth International in 2012 and is now being coordinated by the Organisation for Economic Co-operation and Development International Network on Financial Education (OECD/INFE).

3.35 The 2022 celebrations were held under the theme **"Build your future, be smart about money".** The theme captures the importance of thinking about one's own future when making financial decisions from a tender age since youths are the future corporate leaders.

CEO Roundtable

3.36 The Reserve Bank hosted the inaugural virtual financial sector CEO's Roundtable on financial education on 22 March 2022, to launch the GMW celebrations in Zimbabwe. The Deputy Governor of the Reserve Bank of Zimbabwe, Dr. J. T. Chipika officially launched the GMW celebrations.

3.37 The Roundtable meeting, articulated at a national level, the vision and objective of financial education for young people, to ensure that young people gradually acquire the knowledge, skills, attitudes and behaviour necessary to make sound financial decisions.

3.38 It was resolved at the Roundtable that going forward, the Financial Education CEO's Roundtable, which creates a platform for deliberating on strategic issues with respect to financial education for the young people, would become an annual event to launch the Global Money Week celebrations.

Global Money Week Celebrations in the Provinces

3.39 Further, as part of the GMW activities, the Reserve Bank visited 20 selected rural primary and secondary schools in the country's seven (7) provinces, Mashonaland East, Mashonaland Central, Mashonaland West, Masvingo, Matabeleland South, Manicaland, and Midlands provinces and two secondary schools in Harare.

GMW celebrations in the Schools

3.40 Approximately 4,800 school children from Grade 1 to Form 6, together with staff members and representatives from the Ministry of Primary and Secondary Education attended the celebrations.

3.41 During the GMW celebrations, eleven (11) banking institutions, four (4) deposit taking microfinance institutions, three (3) credit-only microfinance institutions, the Securities Exchange Commission of Zimbabwe, and the Zimbabwe Stock Exchange, participated in the 2022 Global Money Week celebrations.

The Bank awarding prizes to the GMW winners

Robust Credit Infrastructure

Collateral Registry Launch

3.42 The Governor, Dr. J.P. Mangudya, officially launched the Collateral Registry in November 2022.

Dr. J.P. Mangudya, Launching the Collateral Registry

3.43 The collateral registry is expected to further strengthen the credit infrastructure in Zimbabwe by facilitating usage of moveable assets as collateral to access financial products to fund the micro and small enterprises for the marginalised groups who have viable projects but lack the requisite conventional collateral.

3.44 The operationalization of the collateral registry marks a critical milestone in making financial products accessible particularly for the micro, small and medium enterprises which are the major drivers of the economy in Zimbabwe.

3.45 As part of the communication strategy, the Bank, in 2023, is expected to conduct several trainings and awareness workshops in all the provinces of the country.

Launch of the Collateral Registry

3.46 Following the official launch, the Reserve Bank began the process of onboarding trained banking institutions and microfinance institutions as clients.

3.47 As at 31 December 2022, the Collateral Registry System had **74** active registered security interests with a corresponding secured principal loan amount of ZW$967.59 million. The type of collateral registered as security in the Registry largely comprise of motor vehicles and household goods.

3.48 A total of 56 searches were conducted in the Collateral Registry System largely by public users and credit-only microfinance institutions.

Table 3: Collateral Registry Searches

Client Type	Total
Building Society	**3**
Commercial Bank	**1**
Credit Only Microfinance Institution	**20**
Public User	**32**
Total	**56**

3.49 As at 31 December 2022, the Reserve Bank of Zimbabwe was in the process of finalising the Collateral Registry Regulations in preparation for Gazetting by the Minister.

3.50 Going forward, public awareness will be conducted in all provinces from May 2023 and training of microfinance institutions which were not trained in the first round of training.

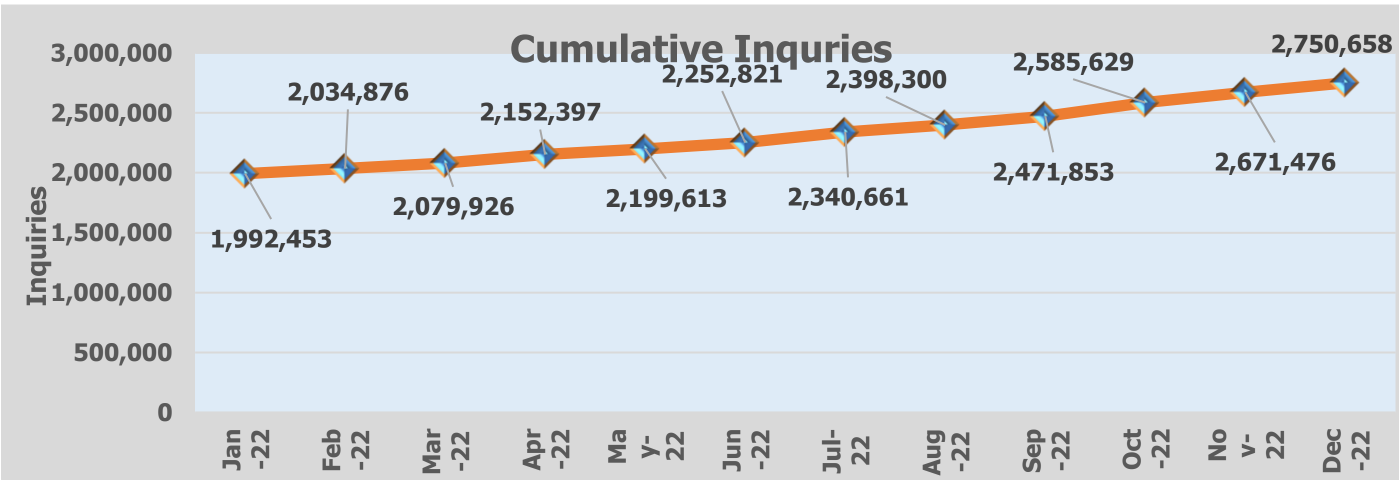
Credit Registry

3.51 As of 31 December 2022, the Credit Registry held over 1.92 million records of which 598,137.00 were active loan contracts, with individuals' records accounting for 98.02% of the total records in the credit registry.

3.52 Cumulative Credit Registry inquiries were 2.75 million as of 31 December 2022 from 1.96 million as at 31 December 2021 indicating a steady increase of 40.58% over the year.

3.53 The figure below illustrates the trend in cumulative Credit Registry inquiries for the period January 2022 to December 2022.

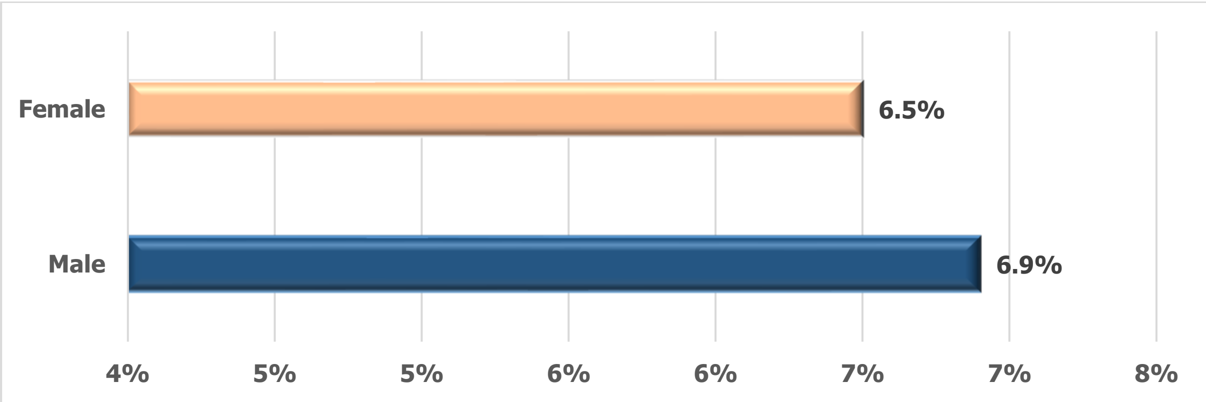
Figure 1: Credit Registry Cumulative Enquiries



3.54 Contracts by gender distribution remains skewed towards male borrowers (68.40%) while female borrowers accounted for 31.60% of loan contracts registered in the Credit Registry.

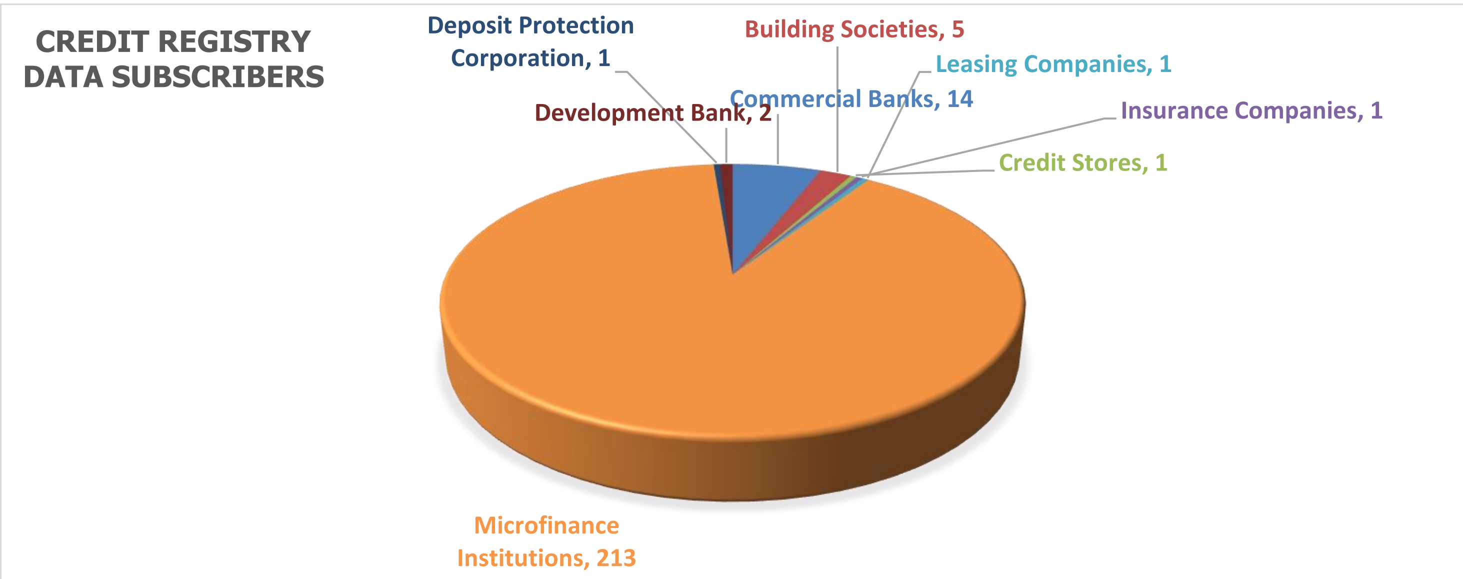
3.55 As of 31 December 2022, 6.5% of loans granted to female borrowers were delinquent contracts (90 days past due) within 12 months from the date of issuance compared to male borrowers who had 6.9% of their loans in arrears as shown below.

Figure 2: Sex Disaggregated Delinquency Ratios



3.56 Registered subscribers accessing the Credit Registry were 238 as of 31 December 2022 as redefected in figure 3.

Figure 3: Credit Registry Data Subscribers



3.57 The Credit Registry continued to engage lenders through virtual training to the extent feasible, to widen the subscriber base to the Credit Registry.

3.58 In preparation for on boarding of microfinance institutions as data providers to the Credit Registry, microfinance institutions are required to review the adequacy of their information technology systems, internet connectivity and other infrastructural requirements, this is expected to enrich and broaden the scope of credit registry database for the benefit of subscribers.

The National Payment Systems (NPS)

3.59 The significant increase of digital transactional values in the economy over the years has provided immense opportunities to deepen financial inclusion, as digital payment systems transaction values continued on an upward trajectory with a 220% growth to ZW$33.2 trillion in 2022, compared to 2021.

3.60 However, it has also created new consumer risks, which can be addressed largely through financial literacy, financial education, and awareness campaigns, among others. Some of the major challenges relate to elevated cyber security and money laundering threats whose implications militate against financial stability.

DFS and Innovative Payment Systems

3.61 The Bank continues to create an enabling environment for new digital products in the financial sector in pursuit of the financial inclusion agenda. Innovation remains one of the major pillars of the National Financial Inclusion Strategy II.

3.62 Some technologies introduced and operational in the Zimbabwean market include those shown below. These also help to provide convenience to the transacting public.

Figure 4: Examples of Technologies in Zimbabwe

3.63 The visual below shows some of regulated payment systems in Zimbabwe.

Figure 5: Regulated Payment Systems in Zimbabwe

3.64 The RBZ through its National Payment Systems and Fintechs integrated strategies aim at improving access, usage and quality of financial services and products. The Bank chairs the NFIS II Digital Financial Services Thematic Working Group and works together with other stakeholders in the thematic working group, leveraging on fintech, to broaden the scope and offering of digital financial services.

Digital Payment Systems Transactional Activities

3.65 The values transacted continued an upward trajectory and there was wide usage of mobile platform in low value transactions.

3.66 For the year ended the 31 December 2022, the Bank registered aggregate national payment systems transactions values of ZWL33.24 trillion, and transaction volumes of 1.13 billion.

3.67 The values and volumes for payment systems are shown in Figures 6 and 7.

Figure 6: Digital Payment Systems Transactional Values -Dec. 2022

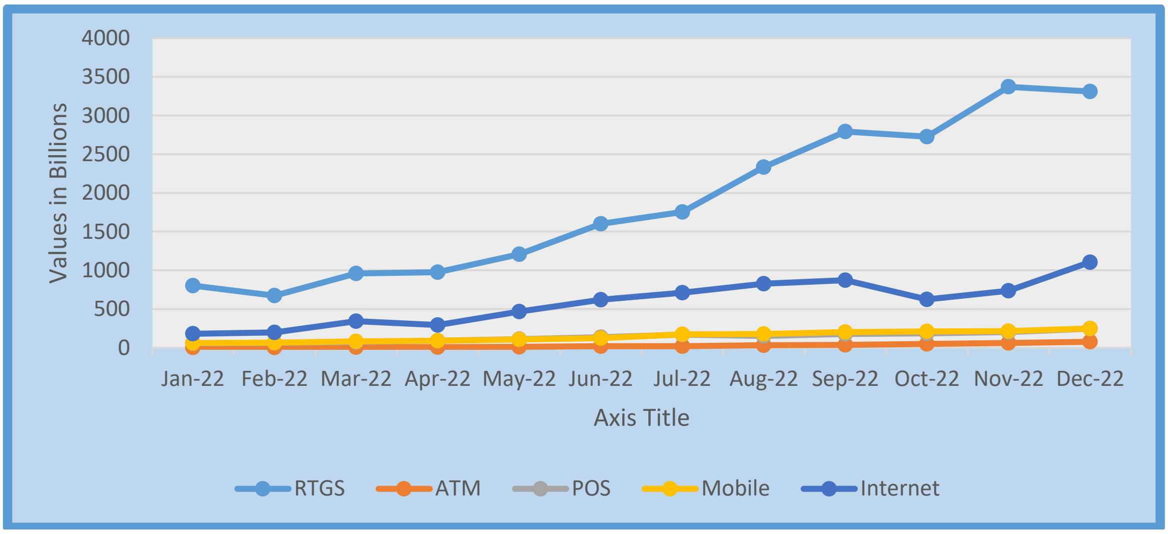
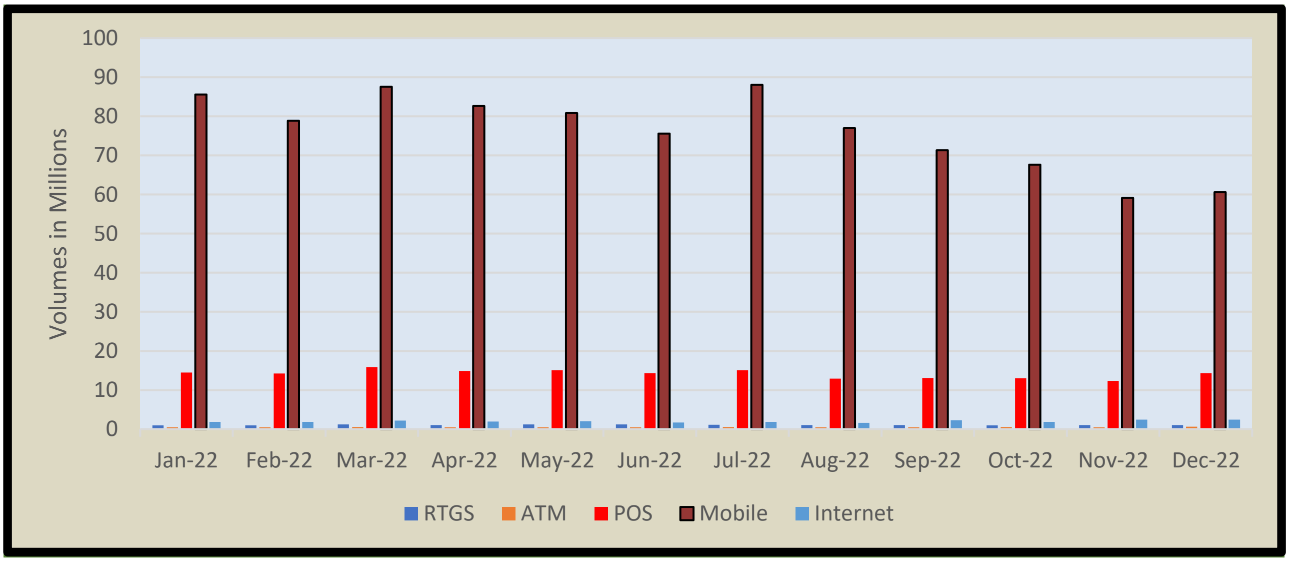


Figure 7: National Payment Systems Transactional Volumes for Period Ended 31 December 2022



3.68 The Real Time Gross Settlement (RTGS) system accounted for 67.7% and mobile platforms 81.2% as the highest proportion in terms of value and volume respectively.

DFS Education and Awareness under NFIS II

3.69 Digital Financial Services, largely underpinned by payment systems have become pivotal in driving the financial inclusion agenda as it connects the national key groups of youth, women, SMEs and the elderly among others.

3.70 In this regard, the objectives of the NFIS II cannot be achieved without providing digital payment systems education to the local population whose academic literacy levels ranks among the best in world but still trailing in terms of financial literacy.

3.71 Digital literacy refers to the ability to read and navigate autonomously, the digital content, and the competence and knowledge to access and use digital products and services such as mobile money and online payments;

3.72 A digital payment system, sometimes called an electronic payment, is the transfer of value from one payment account or wallet to another using a digital device such as a mobile phone, POS (Point of Sales) or computer, a digital channel communication such as mobile wireless data or SWIFT (Society for the Worldwide Interbank Financial Telecommunication.

Road Shows and Community Engagements

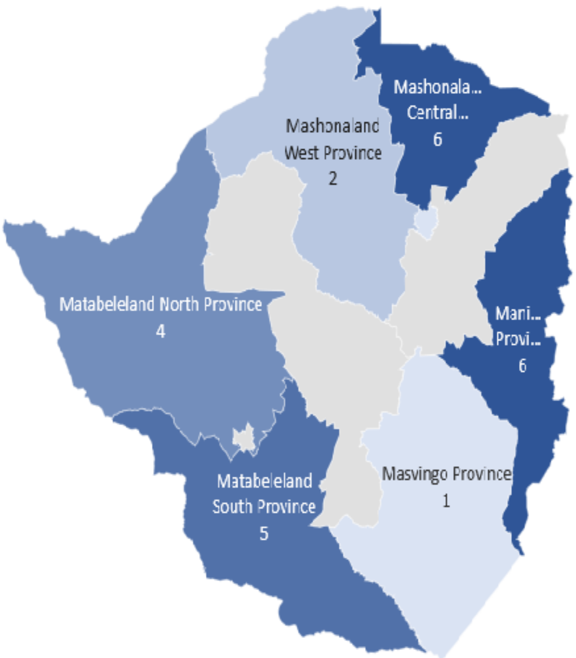
3.73 Pursuant to the NFS II objectives, the Reserve Bank intensified its efforts to ensure implementation of road shows on education and awareness initiatives under 'The Fair Digital Financial Services' theme during the year.

3.74 The main activities were conducted in collaboration with other key stakeholders including the Postal & Telecommunications Regulatory Authority of Zimbabwe (POTRAZ), Consumer Council of Zimbabwe (CCZ) and Zimbabwe Broadcasting Corporation (ZBC) were done through roadshows and consumer community engagements

3.75 The Bank remains committed to continuous public education and awareness on the use of interoperable digital payment systems in its endeavour to promote financial inclusion and a cash-lite society. The map shown below indicates areas visited.

Figure 8: Areas visited during Road Shows and Community Engagements in 2022

Province	No of Areas visited
Harare	1
Mashonaland Central	6
Matabeleland North	4
Manicaland	6
Matabeleland South	5
Mashonaland West	2
Masvingo	1



3.76 Key issue of discussions were safety issues, query resolution, service provider obligations, role of regulators, consumer rights and obligations among others. Road show sample pictures are shown in Table 1 below;

Table 4: Sample Visuals of Visits Made.

Province Visited	**Brief Description**
Midlands, Gunde Growth Point 	• DFS literacy presentation was well received even by the elderly. An old lady was able to outline all the details pertaining to the safe use of the Personal Identification Number (PIN). • #leaving no one and no place behind!

	• The estimated attendance was 250 and the participants included school pupils, and young women who are in the business of selling goods at the Growth point.
Harare, Huruyadzo St Marys Chitungwiza 	• The outreach in Chitungwiza was attended by approximately 600 people, including those in business as well as individual consumers of financial services. • The financial literacy outreach covered the importance and benefits of digital platforms as well as the various types of digital platforms that can facilitate interoperability and convenience to the banking public, particularly the marginalised communities.

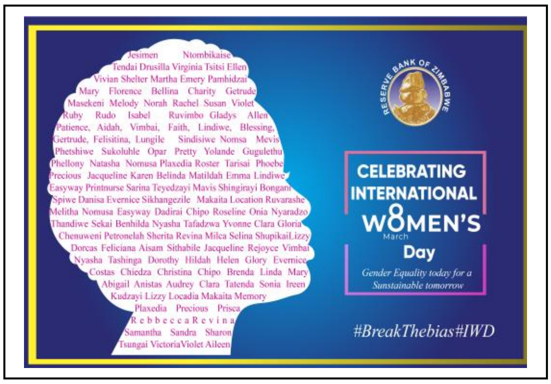
3.77 As at 31 December 2022, forty (40) outreach meetings, workshops, trainings, roadshows and media activities had been conducted.

3.78 The Reserve Bank has scheduled more community engagement education campaigns for 2023 informed by the lessons learnt from the 2022 activities.

Capacity Building

3.79 The Bank participated in a virtual capacity-building workshop conducted by IMF – AFRITAC on Financial Inclusion and Fintech which was running from 28 March -1 April 2022. The course introduced financial inclusion as an integral dimension of financial sector development. The course covered financial inclusion indicators, the macroeconomic impact of financial inclusion, and the respective financial inclusion policy strategies. Further, the course covered strategies to facilitate increased access to finance for micro, small and medium enterprises, financial literacy program and development of fintech as a tool to promote financial inclusion.

International Women's Day



3.80 As part of the financial literacy programs for the Reserve Bank employees, the Bank joined the rest of the world in celebrating the International Women's Day under the theme "***Gender Equality Today for a Sustainable Tomorrow***"

3.81 The Bank celebrated women in their diverse role as career women, entrepreneurs, mothers, sisters and game changers. The Deputy Governor, Dr. J.T. Chipika, stressed the importance of "***breaking the bias***" against women and facilitate equal opportunities in terms of career and job opportunities as well as career development.

Mr, C. Chiketa, Director, Human Resources

3.82 During the celebration, the Bank had lined up presenters including a personal testimony by the Director of Finance at the Bank, Ms. Tsitsi Hungwe, on her struggles to break the bias and rise to the top in her career.

Ms. T. Hungwe, Director Finance, RBZ

3.83 The women were also provided with a grooming and deportment presentation which in turn

International Women Day Celebrations – RBZ Sports Club

4. FINANCIAL INCLUSION INITIATIVES: COLLABORATION WITH STAKEHOLDERS

International Women's Day Business Breakfast & Expo – WEDO - Masvingo

4.1 The Bank was invited to the International Women's Day Business Breakfast & Expo in Masvingo, which was hosted by Women Entrepreneurship Day Organisation (WEDO). The Deputy Governor, Dr. J.T. Chipika was the main guest speaker at the event. She highlighted the importance of "***breaking the barriers and bias***" against women to allow women equal opportunities in all sectors of the economy. She highlighted women in Zimbabwe that have broken the barriers and excelled in previously male-dominated industries including: banking, insurance, agriculture, aviation, medicine, entrepreneurship, and defence forces.

Delegates at the Breakfast Meeting in Masvingo

4.2 The Bank is facilitating breaking of the bias against women through access to financial services to enable the women entrepreneurs to excel in their respective enterprises.

WEDO CEO, Angeline Mikiri & Deputy Governor Dr. J. T. Chipika

Delegates at Breakfast Meeting – Masvingo

4.3 In this regard, the Bank has facilitated the establishment of a robust credit infrastructure including the credit reference system, the MSME Credit Guarantee Scheme which is running under the Export Credit

Guarantee Company of Zimbabwe (ECGC), and the collateral registry which was to be launched by the end of the forth quarter of 2022.

4.4 EmpowerBank Chief Executive Officer, Mr. Membere highlighted how the microfinance banks was facilitating women to access the much needed financial services to grow their micro and small enterprises.

EmpowerBank CEO, Mr. S. Mhembere, Handing over Prizes

World Youth Skills-Up Day

4.5 In 2014, the United Nations General Assembly declared 15 July as World Youth Skills Day (WYSD), to celebrate the strategic importance of equipping young people with skills for employment, decent work and entrepreneurship. Since then, World Youth Skills Day events have provided a unique opportunity for dialogue between young people, education and training institutions, firms, employers' and workers' organizations, policy makers and development partners. Participants have highlighted the ever-increasing significance of skills as the world is embarking on a transition towards a sustainable model of development.

4.6 Participants highlighted the ever-increasing significance of skills as the world is embarking on a transition towards a sustainable model of development.

4.7 In this regard, the Global Foundation of Public Speaking in partnership with the Ministry of Primary and Secondary Education Bulawayo Metropolitan Province organised a ***"SKILL UP Conference***" that was held on 15 of July 2022 at the Large City Hall in Bulawayo as part of the World Youth Skills Day 2022 celebrations

Permanent Secretary, Ministry of Youth, Sport, Arts & Recreation, Dr. T. Chitepo, & Mrs. R.S. Mushosho, Deputy Director, RBZ

4.8 The Reserve Bank was invited to present on financial inclusion for the young people. The Bank advised that through the National Financial Inclusion Strategy, efforts were underway to facilitate the establishment of an ecosystem that supports the financial resilience and financial health of the young people in Zimbabwe, in collaboration with other financial service providers.

4.9 A total of nine hundred secondary school students who are studying commercials as well as their patrons, parents and other invited guests attended the conference.

4.10 The conference organised several presentations from financial institutions, corporate companies and institutions in development and topics covered during the conference include:

a) How to brand oneself for opportunities;

b) Key soft skills required to ne a top professional'

c) What the Ministry of Primary & Secondary Education is doing to equip Zimbabwean students for the Professional World;

d) The Power of influence of an eloquent young scholar in competing for opportunities.

African Development Bank- ZADT & African Guarantee Fund Training & Mentorship Program

4.11 The Bank was invited to give the keynote address on the launch of the African Development Bank- ZADT & African Guarantee Training and Mentorship Program for young farmers held on 4 March 2022.

4.12 The meeting was attended by a number of ambassadors, representative from various government ministries,

Deputy Governor Dr. J.T. Chipika & participants to the ZADT/AG Training & Mentorship Program representatives from development institutions, partnering financial institutions and the young farmers who were beneficiaries of the program.

4.13 Deputy Governor, Dr. J.T. Chipika, in her key note address, highlighted that a nation's pillar of success, is its younger generation and the achievements of that generation. Further, she indicated that the future of every nation lies in the development of its young people, and unlocking their full potential.

Deputy Governor, Dr. J.T. Chipika

4.14 Given that the youth in Zimbabwe account for more than 67% of the total population, the ZADT – Africa Guarantee mentorship program was expected to provide the right guidance, right skills and adequate resources to enable the young people to contribute meaningfully to economic development and nation building.

4.15 Young people are considered high risk by financial institutions and are disproportionately affected by high levels of unemployment, and exclusion from the productivity and income generating activities that impact on their lives and their future.

4.16 The Deputy Governor highlighted the financial inclusion initiatives that the Bank and Government had put in place to facilitate financial inclusion of young people including establishment of EmpowerBank – a youth focused bank and Zimbabwe Women's Microfinance Bank, Youth Empowerment facilities which were initially contributed by the Bank as seed fund, and a robust credit infrastructure.

Financial Inclusion Index and the Survey Report of Micro, Small and Medium Enterprises in Zimbabwe" held on 17 May 2022

4.17 The Bank was invited to participate at the launch of the SIVIO Institute "Financial Inclusion Index and the Survey Report of Micro, Small and Medium Enterprises in Zimbabwe" held on 17 May 2022.

4.18 SIVIO Institute is an independent research Think Tank undertaking work in Zimbabwe and across the African continent. SIVIO works on public policy analysis and advocacy, enhancing the civic space, financial inclusion, entrepreneurship, community development, and philanthropy thereby contributing toward a more inclusive society.

4.19 In 2021, SIVIO carried out a survey on small enterprises in Zimbabwe with the view of generating evidence to inform financial inclusion efforts by the Government of Zimbabwe in line with the National Financial Inclusion Strategy (2016 to 2020). The Survey report covered the state of financial inclusion of micro, small and medium enterprises and the SIVIO Institute Financial Inclusion Index. In addition, the Bank participated on the panel discussion on regional and international best practice on financial inclusion.

Postal and Telecommunication Regulatory Authority of Zimbabwe (POTRAZ)

4.20 The Bank partnered with the Post and Telecommunication Regulatory Authority of Zimbabwe (POTRAZ), the Consumer Council of Zimbabwe (CCZ) and the Consumer Protection Commission to conduct consumer education campaigns in a number of provinces within the country.

4.21 The provinces covered include Masvingo, Mashonaland West, Mashonaland Central, Midlands, Matabeleland North, Manicaland, and Harare, mainly Chitungwiza.

4.22 The theme for the year 2022 was "***Fair Digital Financial Services***". The main thrust of the joint campaigns was to encourage the use of digital financial services as well as create awareness on consumers rights, responsibilities, available redress channels and the various roles of the respective regulators in the digital financial services space.

5. COLLABORATION WITH ALLIANCE FOR FINANCIAL INCLUSION (AFI)

5.1 The Reserve Bank of Zimbabwe is a fully-paid up member of the Alliance for Financial Inclusion (AFI) and is a very active member in all the AFI Working groups.

5.2 Alliance for Financial Inclusion is a global member-owned network which seeks to empower policymakers with knowledge and capacity to increase access and usage of financial services by the marginalised groups through formulation, implementation and global advocacy of sustainable and inclusive policies.

5.3 The Bank participated in several activities and initiatives as summarised hereunder.

AFI ACTIVITY	COMMENTS
AFI Working Group Meetings 	Alliance for Financial Inclusion (AFI) has a total of seven (7) Working groups namely: a) Financial Inclusion Strategy (FIS) Peer Learning Group (FISPLG); b) Consumer Empowerment and Market Conduct Working Group (CEMCWG); c) Financial Inclusion Data Working Group (FIDWG); d) Digital Financial Services Working Group (DFSWG); e) SME Finance Working Group (SMEWG); f) Global Standards Proportionality Working Group (GSPWG); and g) Inclusive Green Finance Working Group (IGFWG) These working groups serve as the primary mechanisms for generating and hosting knowledge within the AFI network, as well as provide a platform for knowledge exchange and peer learning on financial inclusion issues. The working groups provide a platform that allows policymakers to share, deliberate and deepen their knowledge on financial inclusion issues as well as contribute to development, implementation, and dissemination of best practice on financial inclusion through the knowledge products and peer reviews. During 2022, the Bank participated in the AFI Working Group meetings held in Central American region – El Salvador, Costa Rica, and Ecuador.

African Financial Inclusion Policy Initiatives (AfPI) Meetings –

Mrs. R.S. Mushosho(RBZ) & Ms. F. Tamba (BOZ)

Mrs. N. Massawe (BOT), Mrs. R.S. Mushosho (RBZ) & Ms. F. Tamba, BOZ)

The Reserve Bank participated in the 10th Annual Meetings of the African Financial Inclusion Policy Initiative (AfPI) held in Arusha, Tanzania from 21-23 June 2022. The meeting was co-hosted by Bank of Tanzania, and attracted policy leaders from more than 30 countries within the African continent. The meetings facilitate cross-pollination of ideas on practical policy implementation in advancing the financial inclusion agenda.

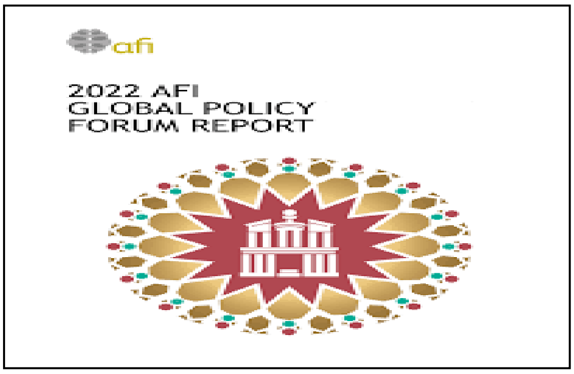
The meetings also provide a platform for member countries to showcase progress in the implementation of their financial inclusion initiatives. The meeting also deliberated on the role of digitization of financial services in facilitating stability, growth and sustainability.

AFI Global Policy Forum (GPF)

The Bank participated at the Alliance for Global Policy (GPF) Forum held at the Dead Sea in Jordan during 5-8 September 2022. The GPF brought together 53 Leaders from AFI member institutions and 581 policymakers, donors, knowledge and private sector partners, and other institutions from 102 countries, under the theme of "***Moving forward together: Towards a resilient, inclusive and sustainable future***".

The 2022 GPF in Jordan highlighted the importance of proven financial inclusion policy solutions beyond the Covid-19 pandemic.

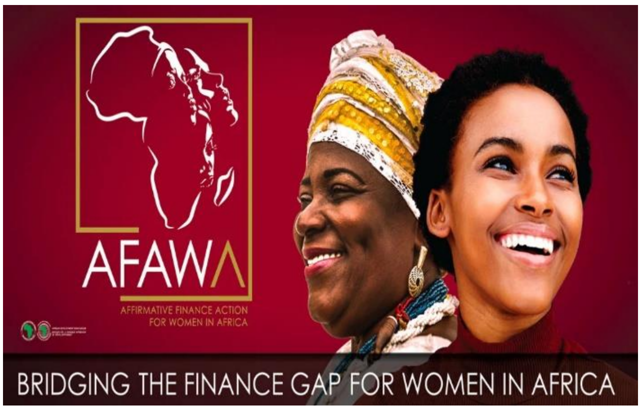
AFI Gender Inclusive Finance Committee (GIF) Breakfast Meeting on *Women's Leadership and Institutional Diversit*



The Bank participated in the Breakfast Meeting on ***Women's Leadership and Institutional Diversity*** during the Global Policy Forum in Dead Sea, Jordan which was attended by over 30 leaders from across the AFI network. The leaders deliberated on the current practice, challenges, and progress in creating an enabling environment for greater female representation in leadership roles and increased institutional diversity in their respective jurisdictions. The major recommendations from the discussions included:

- Developing policies that promote gender equality in the workplace especially in recruitment and promotions.
- Increasing access and usage of sex-disaggregated data on diversity and inclusion in order to make informed decisions;
- Developing and promoting training and mentoring opportunities for the development of leadership pipeline and capacity building; and
- Encouraging gender equality and diversity in events as well as greater female participation and gender balance panels, meetings and others.

AFI – African Development Bank Affirmative Finance Action for Women in Africa (AFAWA) Project Case Study on Women Financial Inclusion



The Bank participated in a case study - part of a series of seven case studies developed by AFI in partnership with the African Development Bank Affirmative Finance Action for Women in Africa (AFAWA) Project.

This case study is part of a series of seven case studies developed to look at the various ways AFI member institutions in Africa are increasing women's financial inclusion and closing the women's SME (WSME) credit gap through financial policy and regulation. The Bank has implemented a number of initiatives including establishment of women and MSME desks in banking halls, establishment of Zimbabwe Women's Bank, establishment of a robust credit infrastructure comprising of Credit Reference System, the MSME Credit Guarantee Scheme and the Collateral Registry.

6. FINANCIAL INCLUSION INITIATIVES BY SECURITIES & EXCHANGE COMMISSION OF ZIMBABWE (SECZ)

6.1 The following financial inclusion activities were conducted by the Securities and Exchange Commission in 2022.

Campaign	Details/Comments
Global Money Week	SECZ participated in the 10th edition of GMW from 21-27 March 2022 under the theme **"Build your Future, be smart about money."** Participation was through online activities and some face-to-face interactions. The Commission in partnership with the Insurance and Pensions Commission (IPEC), Reserve Bank of Zimbabwe (RBZ), Zimbabwe Stock Exchange (ZSE) and Escrow Group (C-Trade) participated in seminars to educate students about the financial markets in Zimbabwe and the different roles that they play. Students were also educated on the need for investing in capital markets, the role of Investor Protection Fund, how to trade using C-Trade and ZSE- Direct, the importance of insurance and pensions, and the role of the Zimbabwe Stock Exchange.  

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Capital Markets High Schools Quiz

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SECZ was the anchor sponsor of the inaugural capital markets quiz which ran from 16 September 2022 to the final held on 4 November 2022. The goal of the Quiz competition was to highlight and recognise the important role played by Capital Markets in economic development and preservation and growth of household savings and investments. The tournament structure consisted of a 20-school single-elimination bracketed academic tournament with qualifying rounds and a national final championship contest.




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Marondera University of Agriculture Science and Technology (MUAST) Public Lecture

MUAST
MARONDERA UNIVERSITY OF AGRICULTURAL SCIENCES AND TECHNOLOGY
Sustainable Innovation

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SECZ participated in the public lecture at MUAST and made presentations to university students and lecturers. Presentations focussed on the role of SECZ, reasons why one should invest in the capital markets, the capital market structure and its participants, and role of SECZ in fighting money laundering.


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Financial Literacy Week – Mother Patrick Convent Primary School

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SECZ in partnership with ZSE participated in the Financial Literacy week hosted by Mother Patrick Convent Primary School in Waterfalls from 21 – 24 June 2022.

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Law Society of Zimbabwe (LSZ) Summer School

SECZ participated in the LSZ Winter School held in Victoria falls from 13-16 July 2022. The summer school was themed **"Stretching beyond present thinking"**. SECZ was one of the sponsors and in return was allocated exhibition space where lawyers were attended to and educated about SECZ and its regulated entities where SECZ displayed and advised the participants in the capital markets

7. FINANCIAL INCLUSION INITIATIVES BY FINANCIAL INSTITUTIONS

Women Finance Development	
Stanbic Bank	The bank facilitates opening of accounts by women involved in cross-border business. The features of the accounts included: ✓ Specific Pricing ✓ Specific Dormancy period ✓ Digital Account onboarding (preferably USSD) ✓ Instant USD cards Also facilitated the following for Women in Cross-border business: • Opening of "Mukando" aka Stokvel trust account • VISA card management (Pin reset, etc) • Virtual card
	ZB Bank Limited The bank has supported women financial inclusion through development of financial products tailor made for women and these include: • Informal trader accounts • Business loans - Lease Hire facilities • Overdraft facilities • Micro finance loans • National Launch of the International Women's Day • Business Women Training •Audacious Women Breakfast Meeting 
	Virl Microfinance Asset Loans for Women In 2022 VIRL disbursed a total of 4 133 loans comprising of 1,606 solar asset loans and 2,527 business loans for the MSMEs. As at 31 December 2022, the total value of the disbursed loans was $6,216,995. VIRL has gender policy which ensures that women are not left behind in the financial inclusion programming and in the past year, the women who received loans from VIRL account for 69.7% of the institution's total clients. These are targeted at rural areas which saw both individuals and SMEs improve their standards of living and profitability of their micro and small businesses.

	
GetBucks Microfinance Bank	**Getbucks Microfinance Bank** In November 2022, the bank attended the annual Association of Women's Club (AWC) Annual Women's Show which was held in Dema, Seke. The AWC is an association of women that provides a platform for women to showcase their home economic skills acquired through training programs conducted by the association. It was attended by over 1,000 women and the bank got an opportunity to interact and educate the groups of women present. The bank presented on the following: ○ Accounts and the importance of having an account. ○ The Savings culture and savings accounts. ○ Consumer, group and SME loans. ○ Investing ○ Bureau de change 
MicroPlan Financial Services (Pvt) Limite	To address the challenges of financial exclusion for women, MicroPlan is; • Working with cross boarder traders' associations to avail working capital funding to their members • Availing working capital loans making use of the solidarity group lending model. • Collaborating with the dedicated women desk within the Group which carters for the unique needs to women
Ecobank The Pan African Bank	• Launched Ellevate Banking Package for Women • Partnership with CARE and UN Women to support women groups in Buhera • MSU Incubation Programme • Launch of the Digi Account – Simple to open digital

Agriculture and Rural Finance Development	
POSB People's Own Savings Bank	• Opened GMB depots and Tobacco auction floors accounts. • Visited Tongaat and Mafunde farmers in Chiredzi for account opening • Facilitate loans for the agricultural sector
FBC Bank Limited (Registered Commercial Bank) You Matter Most	• FBCH introduced low cost Farmer Accounts for tobacco growers through partnerships with tobacco merchants. • FBCH fully integrated the Tobacco Sales Floor (TSF) Payment Gateway with the core banking system which allows real-time payments through TSF pay with tobacco farmers getting served through a highly effective and efficient payment system • The institution spearheaded the development of the GMB Payment Gateway currently on phase one (1) of the integration between GMB system (Efis) and the core banking system to facilitate real time and efficient processing of transactions for grain farmers. The next phase will be implemented in 2023 in time for the grain marketing season
zb Financial Holdings	• The Bank is assisting small holder sugar cane farmers in the Lowveld • ZB Group, through their microfinance subsidiary, QUPA, offers friendly interest rates and flexible terms for QUPA agri loans.
CBZ	**CBZ BANK LIMITED** **CBZ Agro-yield Trustworthy Farmer Promotion** • Farmers who serviced 100% of their 2021-22 summer crop existing loans qualified to be in a draw to win a holiday for 2 to Vic-Falls for 2 nights & 3 days. • All other farmers who paid up 100% of their loan balance also qualified to be pre-enrolled for the 2022-23 summer crop farming season. • The offer was limited to farmers who paid up 100% of their existing loans within the duration of the promotion.  • The promotion ran from 27 July to 30 September 2022 

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- In a bid to bring convenience, ease of doing business and reduce the challenges faced by farmers in the payment of their farm produce deliveries and accessing of inputs, GMB in partnership with CBZ Bank introduced an instant GMB Farmer card designed to receive farmers' proceeds after sale of their farm produce.

- To access the card, farmers will easily signup for an account at any GMB depot after delivery of their farm produce. The card is instantaneously active, with the payments deposited onto it so the farmer can use it to transact. Due to the card's dual currency capability, which enables clients to withdraw both USD and ZWL using the same card, farmers can receive part of their payment in USD and the other in ZWL; as a result, the card will come in handy for farmers

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<td>Stanbic Bank</td>
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- Financing/ Lending products for the farmers
- USD Savings & Fixed deposit accounts
- Develop CVPs for other specific farming segments e.g., Cotton Farmers

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<td>VIRL Financial Services
(Registered Microfinancier)

VIRL Financial Services
(Registered Microfinancier)</td>
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Virl Microfinance Working Capital Loans

- Disbursed working capital loans to smallholder farmers.
- Dzumbunu and Monera smallholder farmer investments into the Marirangwe United Bush Dairy (MUBD) Cooperative. 60 Smallholder farmers accessed loans through ZADT to purchase dairy cows which entitled them to own shares in the Cooperative

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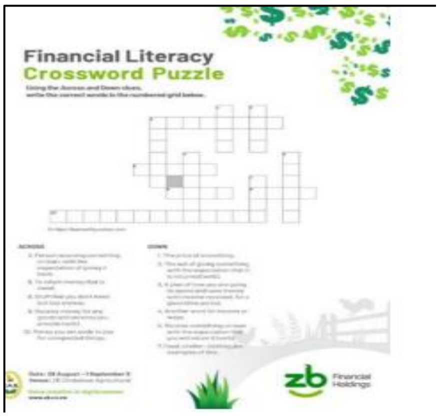
	VIRL conducted monitoring and mentoring of women MSMEs in order to track the progress of women led enterprises. Field officers are able to identify the needs of beneficiaries for specific support such as hardware, working capital etc. In 2022 VIRL team monitored 1950 women and mentored 156 women entrepreneurs in Hopley. 
SOLTEN FINANCIAL SERVICES	Disbursed 300 new loans to smallholder sugarcane farmers in Chiredzi who are excluded in mainstream banking due to lack of the requisite conventional collateral required by conventional providers of financial services.
MicroPlan Financial Services (Pvt) Limited	• MicroPlan is conscious of the need to ensure that the rural population has access to financial services and to this end, is expanding its well-crafted Agency model to all major growth points to provide service to the rural clients. This is in addition to the existing rural branches which are making use of the group lending model to provide loans since the bulk of the rural clients do not have viable collateral. • MicroPlan has designed models to reach out to this segment; agricultural value chain financing supported by reputable off-takers, group loan schemes for farmers and fishing cooperatives, lease financing for farm implements and irrigation equipment and micro insurance to cover crops and livestock.
CABS A Member of the OLDMUTUAL Group	• Opened low KYC accounts for cotton farmers in Gokwe and Beitbridge. • Opened low KYC accounts for tobacco farmers spread around the country and also processed payments from the auction floors to farmers. • CABS managed to pay out USD grants to disadvantaged rural farmers on behalf of NGOs like CAMFED and Ophid
AFC COMMERCIAL BANK Integrity. Diligence. Innovation	• total of 144 farmers were assisted in Chiredzi with a combined total of 2034ha. Total loans advanced amounted to USD2.2 million and ZWL120 million during the year under review. • A total of 55 small-scale dairy farmers with 120 milking cows were assisted in Manicaland, Chipinge district. Total loans disbursed amounted to USD240,000.00. In Manicaland, Mutasa district council a total of 60 small scale dairy farmers with 60 in-calf heifers were assisted with total loans amounting to USD109,000.00. In Matebeleland North, Binga district a total of 30 small scale farmers were assisted in breeding Boer goats. • A total of 700 small scale farmers were assisted with the funding of bird's eye chillies under 1 300 hectares in Manicaland, Checheche

AFC COMMERCIAL BANK Integrity. Diligence. Innovation	district. Total funding availed amounted to USD142,000.00. In Nyanga district, a total of 15 small scale women potato farmers were assisted with funding for 15 hectares amounting to USD120,000.00. In Chipinge district a total of 18 small scale coffee farmers were assisted with funding for 18 hectares of coffee plantations.
MSME Finance Development	
zb	• ZB Bank has continued to partner with Kukura Business Accelerator ("KBA") on an SME growth acceleration program called the Zimbabwe National Gazelles Program. • Under the program 50 SME clients are selected every year over a 3 year period. They are provided with networking, training and mentorship facilities. The Bank provided funding to those requiring it. The program draws participants from all the ten provinces and some of the selected SMEs managed to obtain export markets through the linkages provided by the program. 
POSB People's Own Savings Bank	• Accounts opening at growth points and business centres • Sales blitz at informal traders' operating sites
FBC Bank Limited (Registered Commercial Bank) You Matter Most	• The bank established a stand alone Business Banking Division mandated to serve the small, medium and micro enterprises sector (SMEs) with the ultimate goal of promoting economic growth and development, GDP growth, employment creation, improved access to financial products and services as well as promotion of sustainability development among others
MicroPlan Financial Services (Pvt) Limited	• The FinScope survey results bring to the fore the significance of the SMEs to the economy and MicroPlan has since instituted various initiatives to tap into this sector through provision of financial products such as lease financing, value chain financing, order financing and invoice discounting. MicroPlan entered into strategic vendor partnerships for the supply of farming inputs to small holder farmers, financed players in the sugarcane value chain as well as Kapenta fishermen in Binga. • MicroPlan is making use of the credit guarantee scheme (offered by ECGC) to ensure that clients with inadequate collateral but running viable projects can access developmental loans to stimulate economic growth.

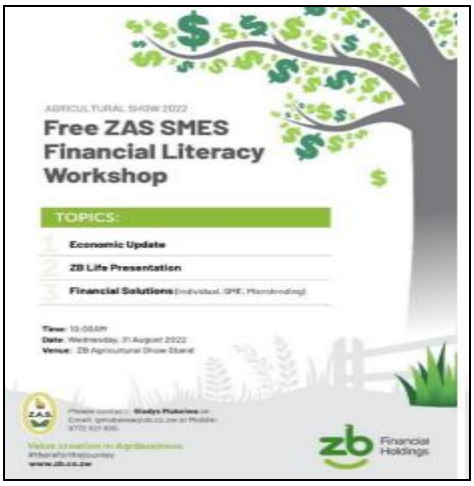
MicroPlan Financial Services (Pvt) Limited	 Kapenta business in Binga
AFC COMMERCIAL BANK Integrity. Diligence. Innovation	• Small loans ranging from USD5,000 to USD10,000 for SMEs who are dominating the grocery markets in growth points were availed. The grocery owners were also taught how to do simple financial analysis for profit calculations and cost tracking. Total beneficiaries were thirty (30) and total loans amounting to USD240, 000 and ZW$8.7 million were availed. A number of small tuckshops and shops were also provided with Point of Sale machines for ease of transacting.
Youth Finance Development	
ZADT	• Opportunities for Youth Employment - 45 Beneficiaries were trained and 6 managed to access finance through ZADT Co-Investments.
GetBucks Microfinance Bank	**Getbucks Microfinance Bank** • In July 2022 the bank embarked on Checheche youth training and account opening blitz which saw the microfinance bank visiting the Checheche area in Chipinge to recruit agents to open accounts in their area. The motto of the campaign was '*banking the unbanked*'. The microfinance bank noted that the Checheche area had a lot of activity and has great potential. 

SOLTEN FINANCIAL SERVICES	• Launched a new product "Kasoft Loan" targeting the marginalised youth in Zimbabwe. The product was widely accepted by the youth and as at 31 December 2022 more than 2,000 youths were served with this product.
zb	• Products aimed at the youths include ***Junior and Senior Stash accounts*** whose statistics were as follows as at 31 December 2022. The stash accounts opened were 38,676 with a value of $234 254 824
MicroPlan Financial Services (Pvt) Limited	• MicroPlan has increased its social media presence and is developing applications to allow clients to access its services without visiting physical branches and this speaks to the techno-savvy youths.
Financial Literacy and Consumer Education	
Ecobank The Pan African Bank	• Partnered with CARE and UN Women to support women groups in Buhera • Participated in the MSU Incubation Programme Launch of the Digi Account – Simple to open digital accounts for the young people
	• SME indaba exhibition – opening account for MFIs and SMEs • Roadshows nationwide promoting KYC lite account Smartcash jointly with CBZ Remit 
FBC Bank Limited (Registered Commercial Bank) You Matter Most	The bank engaged in customer awareness/ customer education drives which educate growers on electronic transacting platforms thus reducing the demand for physical cash which was an effective campaign as ZWL cash withdrawal activity reduced significantly during the year. The FBC group embarked on radio campaigns that ran on Radio Zimbabwe and Star FM.

GetBucks Microfinance Bank	**Getbucks Microfinance Bank** • Visited at least two remote areas every month in the rural areas as part of marketing and took time to talk to the locals who included the elderly, about the brand, the bank and how they could access financial services. 
VIRL Financial Services (Registered Microfinancier)	**Virl Microfinance Group Lending Training** • The group lending methodology has enabled VIRL to provide inclusive finance to the previously financial excluded due to the group lending methodology which helps to overcome the traditional lending models which had a lot of requirements prior to accessing loans. VIRL Financial services conducted monthly community trainings in various areas of operation on group lending in all its 5 branches across the country
Yambukai Finance Member of LOLC Holdin	**Yambukai Finance** • Undertook financial literacy training in Gokwe, Zhombe, Shurugwi and Silobela rural targeting women and MSMEs to use the formal banking system for their transactions and embrace digital financial services. Loans worth more than US$60,000 were disbursed to women and MSMEs during the training.
AFC Commercial Bank Integrity. Diligence. Innovation	**AFC Commercial Bank** • A number of micro, small and medium enterprises groups were trained in financial literacy. These included groups from Binga, Chipinge, Nyanga, Checheche, and Chiredzi. This training covered record keeping, basic project proposal writing and the culture of savings.
CABS A Member of the OLDMUTUAL Group	**CABS** • Financial literacy training was carried out targeting school children in different schools. • The training was carried out at Arundel , Falcon College, St Thomas, Dominican Convent, Petra and Centenary Primary school in Matabeleland. • In total 403 school children received financial literacy training. • The training was done with simple illustrations that children could understand and these included common animals and this was meant to equip children with financial knowledge. • On the Money training was also carried out to about fifty upcoming entrepreneurs in Bulawayo over ZITF



ZB Bank conducted workshops for SMEs on financial literacy including financial solutions for their business and how to write a winning business proposals.



Microfinance

Wisrod Finance - Micro insurance

Funeral Policy

- Expanded outreach efforts to rural areas with an affordable Funeral Cash Plan which is offered in partnership with Nhaka life. The institution educated clients on the importance of life assurance and by the end of the year Wisrod had sold about 989 policies.

Medical Insurance

- Wisrod in partnership with CIMAS launched the Wisrod Medical Financial Assistance in 2022. Through this product, Wisrod clients are able to access healthcare services without the need to borrow funds or

	use savings in the case of a medical emergency, while simultaneously contributing to the overall well-being of underserved and marginalized communities
MicroPlan Financial Services (Pvt) Limited	• MicroPlan participated at the ZITF, National Tree Planting and the Zimbabwe Agricultural Show (ZAS). The Group educated the participants to the Agricultural show about the following issues during the exhibitions: o key financial skills such as budgeting, saving and sustainable borrowing. o overview of products and services offered by MicrPlan o offering KYC light products and training participants on to use these financial products.  • MicroPlan has been using digital channels for educating clients. In 2022, MicroPlan ran the following financial literacy campaigns: • Global money week. • Schools career guidance programs • Meet the small holder farmer programs • Farmer presentation at the tobacco auction floors

8. MICROFINANCE

9.1 Microfinance, in line with its role as a pillar of the National Financial Inclusion Strategy II, continued to be a source of finance for the marginalised groups including women, the youth, MSMEs, rural communities and smallholder farmers, through provision of access to financial products and services that have been tailored to the beneficiaries' needs.

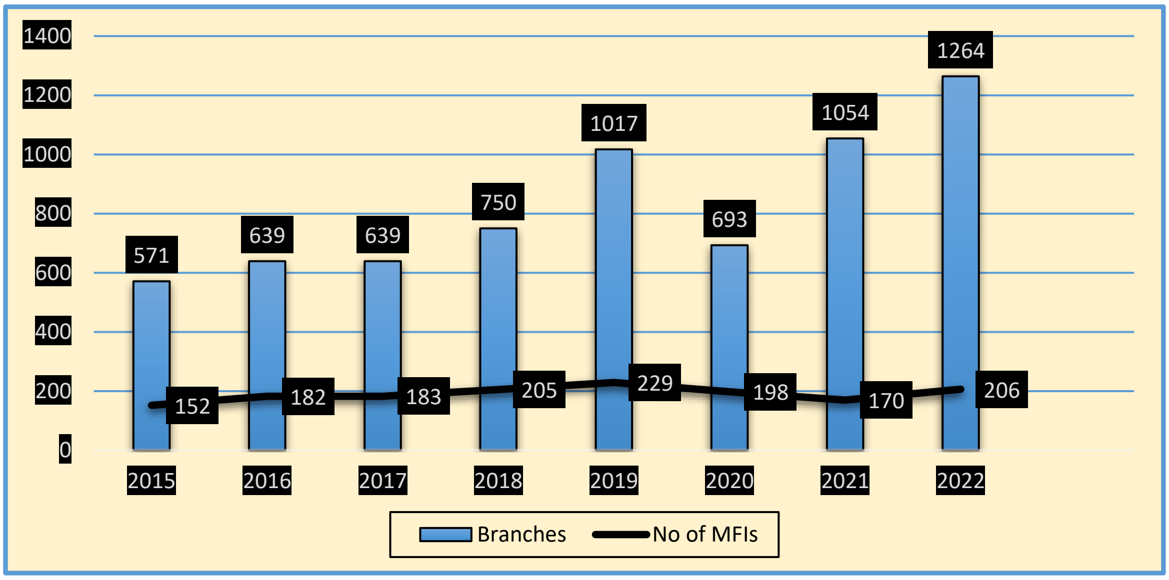
Microfinance Outreach

9.2 The microfinance sector in Zimbabwe continues to grow in terms of the number of players and access points and branches. The sector had 206 registered microfinance institutions as at 31 December 2022, up from 106 in December 2021, comprising of 198 credit only microfinance institutions and eight (8) deposit-taking microfinance institutions.

9.3 The microfinance branch network increased over the review period from 1,054 in 2021 to 1,264 at 2022 as the relaxation of Covid-19 pandemic lockdown protocols witnessed an increase in micro, small and medium enterprises with entrepreneurs ready to do business again.

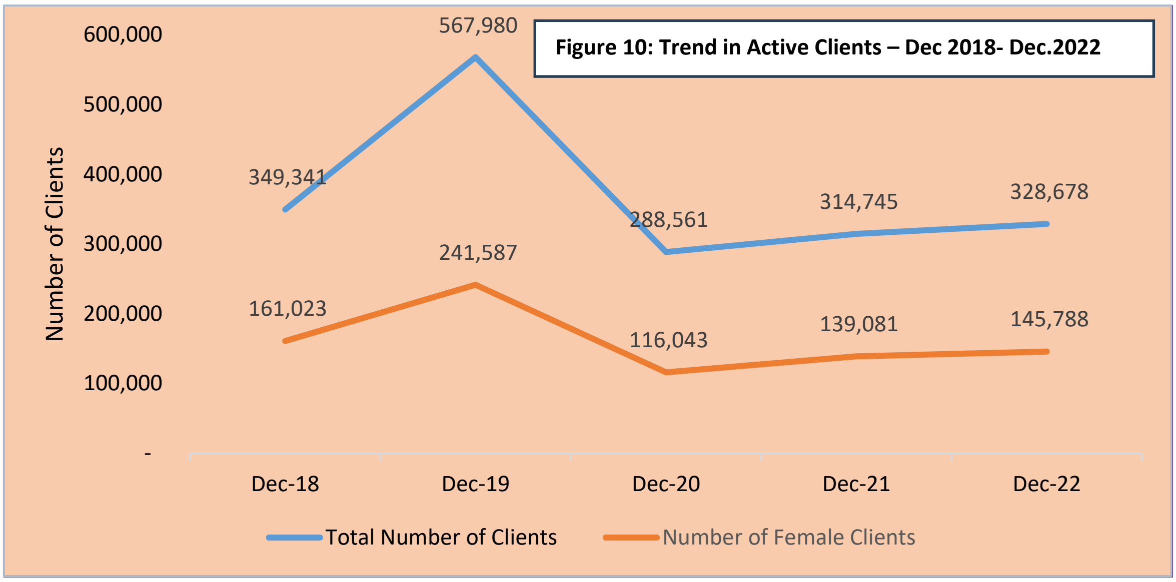
9.4 The number of microfinance institutions and microfinance branch network is shown in the graph below.

Figure 9: Trend in Number of MFIs and Branches 2015 -2022



9.5 The microfinance institutions continued to support financial inclusion of the unbanked and marginalised communities, including women by providing them with access to financial services and enable them to engage in productive activities for economic development and poverty alleviation.

9.6 The trend in the number of active clients and women accessing microfinance loans is indicated in the graph below.



9.7 The number of active loan clients increased by 4.43% over the review period, from 314, 745 as at 31 December 2021, to 328,678 as at 31 December 2022, while the number of women clients served increased by 4.82% to 145 788 over the same period. The increase was largely due to the expansion in branch network and/or access points and increased adoption of digital financial services delivery channels.

Performance of the Microfinance Industry

9.8 The microfinance sector continued to support financial inclusion of the unbanked and marginalised communities, and micro, small and medium enterprises through provision of credit and savings products. The sector witnessed positive growth over the review period, notably in the loan portfolio, aggregate equity and net profit, largely due to the general economic recovery on the backdrop of macroeconomic stabilization measures implemented by the government and the Reserve Bank.

9.9 The key performance indicators of the microfinance industry from Dec 2019 – Dec 2022 is shown in Table 6.

Table 6: Microfinance Key Performance Indicators 2019-2022

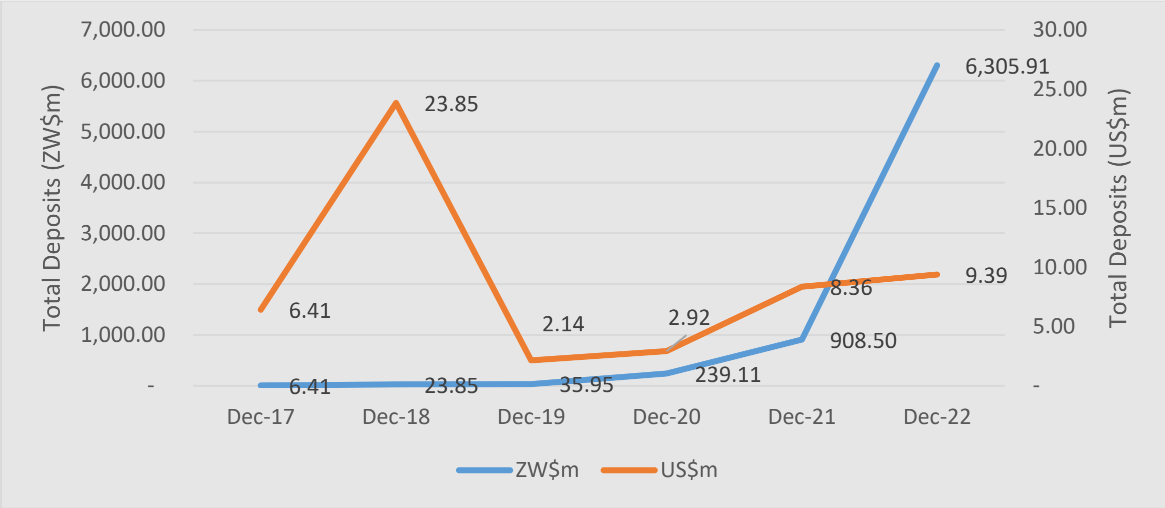
Indicator	Dec-2019	Dec-2020	Dec-2021	Dec-2022
Total Loans ($bn)	0.63	2.09	736	46,01
Total Assets ($bn)	1.04	421	1203	8213
Total Equity ($bn)	0.39	1.76	5.01	35.91
Net Profit ($bn)	0.04	0..44	1.72	12.10
Average Operational Self- Sufficiency (OSS)	140.69%	111.86%	210.09%	167.51%
Total Deposits (DTMFIs) ($bn)	0.036	0.24	0.91	63.31
Portfolio at Risk (PaR>30 days)	10.96%	7.76%	9.85%	10.95%
ROA	10.69%	19.45%	25.82%	19.39%
ROE	19.44%	35.11%	41.35%	24.79%
Number of Active Loan Clients	454,428	303,323	314,745	328,678
Number of Female Borrowers	240,654	122,901	139,081	145,788
Number of Outstanding Loans	567,980	294,760	321,730	306,366
Value of Loans to Women ($bn)	0.250	0.679	2.63	28.70
Number of Branches	1,017	693	1,054	1,264

9.10 The value of total loans extended to marginalized communities and MSMEs by microfinance institutions increased by 525.14% to $46.01 billion as at 31 December 2022, up from $7.36 billion the previous year. Microfinance institutions increased their lending to women clients and women owned MSMEs as represented by the increase in proportion of loans to women which accounted for 62.38% of total industry loans of $46.01 billion, up from 35.73% in the previous year.

Deposit Mobilization

9.11 In line with the mandate to provide a wider array of financial services as well as encouraging a culture of savings among the marginalized communities and MSMEs, DTMFIs subsector registered a 693.41% increase in deposits, from $908.50 million as at 31 December 2021, to $6.31 billion as at 31 December 2022. The trend of total deposits since 2017 is shown in the graph below.

Figure 11: Trend of Total Deposits, Dec 2017 – Dec 2022



Outlook

1. As the implementation of the National Financial Inclusion Strategy II gathers momentum, microfinance is expected to play a pivotal role towards the upscaling of usage of financial services and products by marginalised segments of the community to facilitate improved livelihoods.
2. Microfinance institutions are expected to continue adopting innovative ways of providing access to financial services to their clients, through increased financial literacy outreach programs, entrepreneurship development, and enhanced consumer protection frameworks.

9. FINANCIAL INCLUSION INDICATORS

8.1 In line with the broad aspirations under NFIS II to ensure increased access and usage of a wider array of financial services across the financial services sector, the Financial Inclusion Bulletin will report on indicators across the financial sector, i.e. banking, insurance and capital markets.

8.2 The access indicators reflect the depth of financial inclusion as indicated by the increase in access and usage indicators as at 31 December 2022.

8.3 The table 1 below highlights the financial Inclusion indicators from the banking sector.

Table 6: Financial Inclusion Indicators.

Indicator	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sept-22	Dec 22
Number of Loans to MSMEs	24,129	24,681	35,224	35,224	22,657	37,590	13,461	24987
Nominal Value of loans to MSMEs (ZW$ Million)	3,967.00	5,511.15	7,164.95	10,280.92	13,928.18	34,021.15	39,909.51	49,714.31
Inflation-adjusted - Value of loans to MSMEs (ZW$ Million)	1,164.88	2,667.03	4,727.78	6,395.99	8,064.96	11,668.66	10,491.46	14,461.92
Average loans to MSMEs as % of total bank loans	3.79	3.85	3.89	3.9	4.63	5.54	4.33	4.15
Number of Loans to Women	514,492	486,672	523,550	173,810	178,897	189,861	188,815	177,671
Nominal Value of Loans to Women (ZW$ Million)	5,039	6,716.62	11,905.96	14,666.06	16,296.10	42,972.89	43,861.11	49,854.41
Inflation-adjusted Value of Loans to Women (ZW$ Million)	1,479.67	3,250.40	7,856.13	9,124.09	9,436.07	14,738.95	11,530.26	14,502.68
Average loans to women as a % of total bank loans	4.82	4.69	6.47	5.57	5.42	7.00	4.76	4.16
Number of Loans to Youth	68,452	72,924	77,446	75,188	77,864	85,562	66,432	65,098
Nominal Value of Loans to Youth (ZW$ Million)	2,719	3,825.46	5,488.16	6,249.97	8,132.97	12,717.06	18,633.57	37,629.77
Inflation-adjusted Value of Loans to Youth (ZW$ Million)	798.41	1,851.27	3,621.35	3,888.25	4,709.31	4,361.73	4,898.41	10,946.52

8.4 Real values of loans availed by banking and deposit-taking microfinance institutions to Women increased from ZW$11,530.26 million to ZW$14,502.68 million indicating a 25.8 % increase.

8.5 The MSMEs sector continued to access financial services from the financial services sector as indicated by 37.81% increase in loans from ZW$10,491.6 million as at 30 September 2022 to ZW$14,461.92 as at 31 December 2022.

8.6 Loans to the youth increased by 123.47% from ZW$4,898.41 million as at 30 September 2022 to ZW$10,946.52 million as at 31 December 2022.

8.7 However, the proportion of loans to women and MSMEs declined during the review period from 4.33% of total banking sector loans as at 30 September 2022, to 4.16% as at 31 December 2022.

8.8 The proportion of loans to youth registered a marginal increase over the review period from 2.02% of total banking sector loans as at 30 September 2022 to 3.14% for December 2023.

8.9 The number of active bank accounts declined from 8.31 million to 7.36 million over the same period. However, the number of low cost accounts increased from 3.69 million as at 30 September 2022 to 4.35 million as at 31 December 2022 indicating a 17.1% increase.

Insurance and Pensions

8.10 Funeral Assurance sector recorded nominal Gross Premium of ZW$5.44 billion for the year ended 31 December 2022, an increase of 307.35% from ZW$1.33 billion reported for the year ended 31 December 2021.

8.11 New funeral assurances business premium increased by 396.95% from ZW$29.07 million in 2021 to ZW$144.48 million in 2022. This indicates an increase in the uptake of funeral assurance policies by the insured public.

8.12 There were 981 registered occupational pension funds as at 31 December 2022 compared to 985 funds as at 31 December 2021. The marginal decrease was due to transfer of self-administered funds to participating employers of already existing umbrella funds as well as dissolution of funds.

8.13 The industry’s total membership in pension industry, including beneficiaries, increased by 1.03% to 953,886 from 944,161 reported as at 31 December 2021. The increase was largely attributable to new entrants from newly registered funds and existing pension funds.

8.14 The business written by short-term reinsurers increased by 455% from ZW$11 billion for the twelve months ended 31 December 2021 to ZW$60 billion during the period under review. In terms of foreign-currency denominated business, the reinsurers reported a 50% increase in GPW from US$81.33 million reported during the twelve months ended December 2021 to US$122.10 million during the comparative period in 2022

8.15 The total business written by the micro-insurers increased by 365% from ZW$0.60 billion reported during year 2021 to ZW$2.78 billion reported as at 31 December 2022.

The Capital Markets

8.16 The capital markets continued to play a critical role in the financial inclusion agenda by providing a platform for the trading of securities such as shares in companies, debentures, government stock, corporate bonds and municipal bonds as well as enable issuers of the securities to raise capital.

8.17 The capital market remained stable for the year ended 31 December 2022 with an all-time high market capitalisation of ZW$ 3.72 trillion recorded on 27 April 2022.

8.18 Capital markets continue to be a haven for investors with excess liquidity as witnessed by increased participation in the market and increased range of products including Exchange Traded Funds (ETFs) and Real Estate Investment Trusts (REITS).

8.19 Fifteen (15) new securities market intermediaries were licensed during the year ended 31 December 2022, with the majority being Securities Investment/Asset Management firms.

8.20 The Securities Exchange for both the equities and ETFs markets on the ZSE amounted to ZW$135.87 billion. FINSEC recorded a total of ZW$ 290.43 million worth of trades. VFEX recorded US$12.30 million from 1,396 trades that went through the foreign currency denominated exchange during the year ended 31 December 2022.

8.21 The Zimbabwe Stock Exchange (ZSE) closed the year 2022 with a market capitalisation of ZW$2.04 trillion up 55.24% up from ZW$1.32 trillion reported on 31 December 2021.

Financial Securities Exchange (FINSEC) had a Market Capitalisation of ZW$10.79 billion up 30%, from ZW$ 8.30 billion recorded on 31 December 2021.

8.22 The Victoria Falls Stock Exchange (VFEX) had a Market Capitalisation of US$565.99 million as at 31 December 2022 up 117.91% from US$259.74 million reported on 31 December 2021.

THE FINANCIAL INCLUSION JOURNEY CONTINUES!!!

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