ZIMBABWE NATIONAL FINANCIAL INCLUSION JOURNEY 2016-2020









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The Reserve Bank of Zimbabwe (RBZ) wishes to acknowledge and thank all the stakeholders, including development partners that contributed to the Zimbabwe National Financial Inclusion Journey Report (2016-2020).

Purpose of the report

The purpose of this report is to provide an update on the various financial inclusion initiatives and the journey travelled to date from 2016 to 2020. The report incorporates initiatives of the key stakeholders in the financial inclusion agenda. The report provides an assessment of the status of financial access and usage in Zimbabwe including an analy-sis of selected financial inclusion indicators based on data collected by the financial sector regulators as part of other regulatory activities, as well as data from recognised study reports

To provide an update on the various financial inclusion initiatives and the journey travelled to date from 2016 to 2020.

Governor's Foreword

Dr J.P Mangudya

Globally, financial inclusion initiatives have transformed the hopes of billions of low-income groups previously excluded from formal financial services and opened avenues for enormous opportunities to access a broad range of financial products and services.

The global economy, however, faces an unprecedented global macro- economic shock from the COVID-19 pandemic which started in Wuhan, China in December 2019. The pandemic has affected millions of vulnerable consumers and businesses across the world, including in Zimbabwe. Many micro small and medium scale enterprises (MSMEs) and lenders are experiencing COVID-19 related cash flow challenges which are expected to reverse the financial inclusion gains made through various initiatives as countries impose lock-down measures to prevent the uncontrolled spreading of the virus.

Over the past few years, financial inclusion has allowed low income households to absorb disruptive shocks and therefore expand consumption, start and expand businesses, manage risks and invest in durable goods, health, education, food securi-ty and nutrition, among other basic needs which can improve the overall quality of their lives. Consequently, global organisations such as the United Nations, the World Bank Group and the Alliance for Financial Inclusion have incorporated financial inclusion into their programs aimed at minimising global poverty while also addressing specific imbalances including gender inequality.

In order to provide strategic direction, and systematically accel-erate financial inclusion initiatives in Zimbabwe, the Reserve Bank developed, through a consultative process, the National Financial Inclusion Strategy (NFIS) which was officially launched on 11 March 2016 by the Minister of Finance and Economic Development. The launch represented a major milestone in the efforts to establish an inclusive financial system that facilitates the participation of previously unbanked and underserved Zimbabweans in economic activities. Since the launch of NFIS, there has been notable progress in the implementation of financial inclusion initiatives largely propelled by new technologies and communications infrastructure.

Notwithstanding the improving financial inclusion trends locally and globally, significant barriers remain, in respect of some population segments such as women, the youth, rural population, MSMEs and people living with disabilities. Going forward, stakeholder efforts should continue to address the remaining financial inclusion barriers, while seeking to understand better the financial access use cases for the different population segments and ensuring that sustainable benefits are derived from usage of the accessed financial services. The Reserve Bank and other stakeholders have increased their focus on consumer protection and financial literacy as part of efforts to address constraints to financial inclusion.

The prevailing volatile macro-economic conditions have continued to retard the uptake of insurance services and access to capital markets for low income populations notwithstanding the tremendous efforts by the insurance and capital market regulatory authorities. I would like to take this opportunity to thank all stakehold-ers who are supporting the efforts to promote financial inclusion in Zimbabwe.

Deputy Governor's Foreword

Dr J.T Chipika

As we approach the end of the first phase of the Nation al Financial Inclusion Strategy (2016-2020), it is impera-tive to take stock of the progress towards attainment of the strategy's objectives and targets in order to effectively map the second phase of the strategy - 2021 to 2025.

The first phase has come to an end at a time when the world is gripped by an unprecedented health crisis, with a COVID-19 pandemic never experienced before in our lifetimes affecting countless individuals, families and communities. Despite the expected negative impact of the global COVID-19 pandemic on the vulnerable, globally, financial inclusion initiatives have transformed the hopes of billions of low income groups previously excluded from formal financial services and opened avenues for enormous opportunities to access a broad range of financial products and services. Financial inclusion has, therefore, become a key global policy objective with its contributions to wealth creation/gross domestic product (GDP), social welfare, business creation and expansion, particularly small and medium enterprises (SMEs) amply documented.

The benefits of financial inclusion are not only significant for individuals but for economies as well. Empirical evidence shows that financial inclusion is linked to a country's socio-economic development and plays a role in reducing extreme poverty. Appropriate financial services can help improve individual and household welfare and spur small enterprise activity. According to the World Bank's Global Findex Survey, global financial inclusion reached 69 percent in 2017, an increase from 62 percent in 2014 and 51 percent in 2011. In Sub-Saharan Africa, account ownership at a financial institution has risen by four percentage points since 2014, while mobile money account ownership grew by nine percentage points. In order to improve the coordination of financial inclusion programs in the country, and ensure effective implementation, the National Financial Inclusion Strategy (NFIS) was launched in March 2016 underpinned by the following four pillars: Financial Innovation, Financial Literacy, Financial Consumer Protection and Microfinance.

In August 2016, Zimbabwe made financial inclusion commitments under the Alliance for Financial Inclusion (AFI) Maya Declaration. Zimbabwe committed to the follow-ing policy areas; National Financial Inclusion Strategy; Digital Financial Services; Consumer Protection; Financial Literacy; Financial Infrastructure; Data and Measurement; and Micro-insurance. Additional commitments in the area of Women and Youth financial inclusion and sustainable finance were made in 2019. In recognition of the country's efforts towards gender balance and financial inclusion of Women, Zimbabwe was conferred the AFI Gender Inclusion Ambassador status in 2019 at the AFI Global Policy Forum in Kigali, Rwanda.

The National Financial Inclusion Strategy has significantly contributed to the transformation of the financial inclusion landscape in Zimbabwe. A review of the NFIS journey travelled so far, reveals significant progress in various areas including; product diversification, digital financial services, financial literacy and consumer protection, opening of low cost bank accounts and access to financial products and services by various target segments including Micro, Small and Medium Scale Enterprises (MSMEs), Women, Rural Farmers, Small-Scale Farmers, Youth, and People living with Disabilities.

The progress has been driven largely by digital financial services and the recent developments in banking technolo-gy which has transformed banking from the traditional brick and-mortar infrastructure to a system supplemented by other delivery channels such as agency banking. Financial inclusion is a powerful solution in times of the health and economic crisis the world is currently facing. The COVID-19 pandemic has made a compelling case for digital banking.

The Pandemic has demonstrated that people with access to digital gadgets are doing better than those without, hence the need to accelerate the financial inclusion agenda. With greater restrictions in movement being introduced, access to one's finances, at least digitally has become crucial. The experiences of other countries have also been key in shaping the financial inclusion initiatives being implemented by key stakeholders. The Reserve Bank also benefited immensely from its participation and membership of the Alliance for Financial Inclusion (AFI), Africa Rural and Agriculture Credit Association (AFRACA), and the Global Alliance for Sustainable Development. During the first phase of the National Financial Inclusion Strategy, the main focus has been on improving access to financial services. Going forward, greater focus will be on actively promoting the usage of accessed financial services, and on ensuring quality and sustainability of financial services and financial inclusion initiatives. I invite you to learn more about Zimbabwe's financial inclusion journey for the period 2016 to 2020. I would like to take this opportunity to thank all stakeholders including fellow financial sector regulators, development partners and researchers who are supporting us in promoting financial inclusion in the country.

Together, we have set the foundation for financial inclusion in Zimbabwe in support of the bigger inclusive and sustainable growth and development agenda of the country. As the financial inclusion journey continues for the next 5 years, 2021 to 2025, together we will scale greater heights!

God bless you all.

Director's Foreword

The late Mr. N. Mataruka
(Former Director)

Mr. P. T. Madamombe
(Director-Bank Supervision)

Improving access to formal financial services by the underbanked segments of society has remained a key priority of the Reserve Bank of Zimbabwe, and the Bank and other key stakeholders have been upscaling financial inclusion efforts. The collaboration of financial inclusion stakeholders through participation in the National Financial Inclusion Strategy implementation working groups during the first phase of the Strategy has significantly contributed to the transformation of the financial inclusion landscape in Zimbabwe.

The number of low cost or 'no frills' accounts with limited Know Your Customer (KYC) requirements increased from 1.2 million as at 31 December 2016 to 4.97 million as at 31 December 2019. Most financial institutions have established women's desks and SME units as well as building appropriate capacity to serve the women and SMEs, in support of the financial inclusion thrust. The number of women with bank accounts increased from 769,883 to 2,152,185. Access to formal financial services by previously disadvantaged groups such as women, the youth and SMEs has been augmented by the establishment of targeted concessionary funds and setting up of targeted Deposit-Taking Microfinance Institutions such as the Zimbabwe Women's Microfinance Bank and EmpowerBank for the youth.

On the regulatory front, the Banking Amendment Act, 2015 strengthened the financial consumer protection framework through enhanced disclosure requirements for banking institutions as well as accountability to depositors. There were also concerted efforts to improve the financial infrastructure in sync with the financial inclusion thrust. The Credit Registry; Collateral Registry; and the Credit Guarantee Scheme are aimed at enhancing access to credit. Further, the Reserve Bank of Zimbabwe issued the Consumer Protection Framework to promote consumers' confidence in the banking sector.

The Financial Inclusion Strategy implementation was characterized by various challenges including; inadequate support by some stakeholders; unstable macroeconomic environment; high level of informality among small businesses due to perceived high cost of regulation; predominant use of immovable assets for collateral; inadequate capacitation of lending institutions in the area of SME financing; and general low confidence in the banking system and insurance sector due to historical legacy issues.

The COVID–19 pandemic has brought with it additional challenges. Domestic demand is significantly depressed as a result of various preventative measures to stop the spread of the virus. Further, the lockdowns have a profound impact on the lives of vulnerable people. Institutions offering credit are likely to face increasing risk of non-repayment of loans. Many of the borrowers targeted by financial inclusion initiatives, live on a low-income and rely on daily earnings to survive and repay their loans.

The Reserve Bank has issued guidance to help financial institutions and consumers address some of these challenges. These include facility restructuring and enabling lenders to mutually agree on reasonable repayment periods with borrowers. In the face of these multiple challenges, going forward, greater focus will be on promoting wider adoption of digital payments channels and innovative business models as key drivers of financial inclusion.

COVID–19 pandemic brought with it a compelling need to enhance digitisation and ensure digital channels are robust and can handle additional volume of transactions during a crisis. This calls for financial institutions to be more vigilant on the cyber security front. Financial institutions should also ensure that their IT infrastructure can support a sharp increase in usage and take steps to safeguard information security.

These initiatives will be complemented by adequate financial consumer protection and expanding financial education initiatives to enhance trust in formal financial services among the under and unserved segments of the population.

The Reserve Bank expresses sincere appreciation of the support received from all stakeholders as we work towards building a safe and sound inclusive financial system in Zimbabwe.

Executive Summary

The Financial Inclusion Journey Report provides a synopsis of the various financial inclusion initiatives and activities undertaken since the official launch of the Zimbabwe National Financial Inclusion Strategy (NFIS) (2016-2020) by the Minister of Finance and Economic Development on 11 March 2016. The NFIS framework underpins efforts by the Reserve Bank of Zimbabwe, Government of Zimbabwe, private sector and other stakeholders towards the shared vision of financial and economic inclusivity in the country and provides a platform for public-private coordination and cooperation as well as harmonization of policies and programs related to financial inclusion in Zimbabwe.

Since the launch of the NFIS in 2016, significant transformation of the financial inclusion landscape has been witnessed in Zimbabwe. During the first phase of the NFIS, the country has witnessed significant progress in terms of financial innovation and digitalisation, expanded product offerings and diversification, customer centricity, alternative delivery channels, increased financial literacy awareness and outreach programmes, enhanced consumer protection, opening of low cost bank accounts and increased access to financial products and services by various target segments including Women, Micro, Small and Medium Enterprises (MSMEs), Rural and Smallholder Farmers, the Youth, and People with Disabilities.

Notable increases have been recorded in terms of number of loans and value of loans to women, the youth and MSMEs. The nominal value of loans availed to MSMEs, Women and the Youth by banking and deposit-taking microfinance institutions increased from $131.69 million, $277.30 million and $58.41 million as at 31 December 2016 to $2.89 billion, $1.18 billion and $964.86 million as at 30 June 2020, respectively (Refer to Annexure A). The increased access and usage levels of financial services and products, reflected partly by the significant growth in the value and volumes of electronic transactions during the first phase of NFIS were driven by the increased adoption of digital platforms which is in turn, largely driven by the high levels of mobile penetration in Zimbabwe. The number of active mobile money subscriptions increased from 3.3 million in 2016 to 7.67 million in March 2020.

The number of access points and devices also increased for the convenience of the transacting public during the first phase underpinned by the Reserve Bank efforts to promote electronic payments and a cash lite society. The number of standard POS machines and bank cards increased from 16,363 and 2,406,139 as at 31 December 2015 to 122,580 and 5,760,569 as at 30 April 2020 respectively.

During the first phase of NFIS, the Reserve Bank of Zimbabwe established empowerment funds as seed funding to stimulate and complement banks' productive lending to target segments such as Women, the Youth and MSMEs. Significant impact has been noted as reflected by the increase in the number of income generating projects in the manufacturing, small scale mining, horticulture, rural and small holder farming sectors by various target segments. The country has witnessed an increase in the number and scale of projects supported by financial institutions and development partners, the majority of which are run by women, the youth and micro entrepreneurs around the country. The establishment by the Government of Zimbabwe of the Zimbabwe Women's Microfinance Bank and EmpowerBank in 2018 has also enhanced provision of financial services to women and the youth, respectively.

In addition, a number of regulatory reforms covering banking, capital markets, and insurance and pensions sectors were also undertaken in order to enhance access to financial services. Initiatives were also undertaken to promote access to the capital markets by retail investors and Micro, Small and Medium Enterprises (MSMEs). Some of the notable initiatives include the establishment of an SMEs Stock Exchange platform in 2019 and an online trading platform (C-Trade) for shares for retail investors in 2018. The nominal value of transactions on the C-Trade platform increased from $5 million as at 30 September 2019 to $53.25 million as at 30 September 2020 of which the value of transactions by the Youth increased from $1.23 million to $39.94 million during the same period.

Apart from brick and mortar branches, commercial banks have proactively leveraged on alternative delivery channels such as mobile phone banking and agency banking to increase outreach efficiency while keeping transaction costs low.
To assist the transacting public in making informed decisions while fostering trust in the financial system,

various efforts aimed at improving consumer protection and fina ncial literacy were undertaken including the issuance of a comprehensive Consumer Protection Framework in June 2017. The framework was complemented by the issuance of various guidelines and circulars covering a number of key consumer protection issues, as well as various consumer education and outreach programmes undertaken by the Reserve Bank, other regulators and financial service providers. Requirements are also in place for financial service providers to disclose and make available information on fees, charges and commissions on products and services. To safeguard consumer interests the Reserve Bank put in place a mechanism for consumer complaints reporting by banking institutions on the Reserve Bank's Bank Supervision Application system to facilitate ease of tracking and resolution of customer complaints.

The Reserve Bank's financial inclusion efforts have largely been geared towards ensuring an enabling regulatory environment that allows a variety of players – new and existing to viably serve the diverse needs of the unserved and underserved segments which include, micro-entrepreneurs, women, the youth and rural and small holder farmers.

These efforts have borne fruit as more financial service providers increasingly pay attention to the mass market as a vehicle for growth – offering products such as the basic no frills/low cost account, expanding outreach through the bank agents and mobile apps, and offering digital payments. As a result of the various regulatory reforms and initiatives, financial literacy campaigns and ongoing adoption of innovations, the financial landscape in Zimbabwe has developed greater breadth and depth and hence assumed a significant role in economic development providing economic opportunities for previously disadvantaged groups such as Women, MSMEs and the youth.

Despite the successes recorded during the first phase of NFIS, several challenges which include low levels of financial literacy and entrepreneurial skills, lack of resources, lack of acceptable collateral among the target segments and high levels of informality in the MSMEs sector, were noted. Further, the Covid-19 pandemic and the attendant measures to contain its spread have threatened to reverse the financial inclusion gains registered to date.

The successes and challenges learnt during the first phase of NFIS will provide valuable input into phase II of the NFIS. Further, a comprehensive FinScope demand side survey study will be key in order to validate the impact of the financial inclusion efforts to date.

CHAPTER 1
Background

Introduction

1.1 Over the past several decades worldwide, financial inclusion has transformed from simple, small loans, to encompass the basic financial services that provide a healthy financial future for millions across the world. Despite the concerted efforts to reach out to the majority of low-income groups with financial services, an estimated 2 billion adults worldwide still do not have a basic account.

1.2 Globally, 59% of adults without an account cite lack of money as a key reason, which implies that financial services are not affordable or appropriate for low income users. Other barriers to account-opening include distance from a financial service provider, lack of necessary documentation papers, lack of trust in financial service providers, and religion.

1.3 Financial inclusion has transcended from the informal credit and savings, to the rapid expansion of the microfinance sector globally and more recently to access to a wider range of financial services. The term "financial inclusion" has gained importance since the early 2000s, following a realisation that financial exclusion has a direct correlation with poverty. The United Nations defines the goals of financial inclusion as follows:

a) access at a reasonable cost for all house holds to a full range of financial services, including savings or deposit services, payment and transfer services, credit and insurance;

b) sound and safe institutions governed by clear regulation and industry performance standards;

c) financial and institutional sustainability, to ensure continuity and certainty of investment; and

d) competition to ensure choice and affordability for clients.

1.4 The transition to financial inclusion reflects the growing understanding that low-income people want and need more than credit: they require financial services including savings, insurance, asset-leasing, pensions, and more.

Benefits of Financial Inclusion

1.5 Financial inclusion efforts seek to ensure that all households and businesses, regardless of income level, have access to and can effectively use the appropriate financial services they need to improve their lives.

1.6 The benefits of financial inclusion are not only significant for individuals but for economies as well. Empirical evidence shows that financial inclusion is linked to a country's economic and social development and plays a key role in reducing extreme poverty. Appropriate financial services can help improve individual and household welfare and spur small enterprise activity.

Former United Nations Secretary General, Kofi Annan, on 29 December 2003, said: *"The stark reality is that most poor people in the world still lack access to sustainable financial services, whether it is savings, credit or insurance. The great challenge before us is to address the constraints that exclude people from full participation in the financial sector. Together, we can and must build inclusive financial sectors that help people improve their lives"*

1.7 Figure 1.1 below summarizes the importance of financial inclusion.

Figure 1.1: Importance of Financial Inclusion

BENEFITS OF FINANCIAL PRODUCTS TO THE POOR

Savings:
Building savings helps households manage cash flow spikes and smooth consumption, as well as build working capital.

Insurance:
Vulnerability to risk and the lack of instruments to cope with external shocks make it difficult for poor people to escape poverty. Microinsurance can be an important instrument for mitigating risk. Weather-based index insurance helps farmers by giving them the confidence to try riskier cash crops, buy fertilizer, or hire labor, for instance. With index insurance, farmers are less vulnerable in the face of drought or natural disaster.

Credit:
Microcredit helps encourage investments into assets that enable business owners to start or expand small enterprises. In many countries, it's been demonstrated that access to credit can lead to larger and more profitable businesses. For example, with access to credit, farmers can invest in larger quantities or more diverse livestock; the owner of a market stall can purchase more wares to sell; an artisan can acquire more raw materials.

Payments and mobile money:
Having an efficient way of making payments reduces households' transaction costs. Rather than travel long distances, people have the ease of doing business on their mobile phones.

1.8 Research also shows that more inclusive financial systems are directly linked with economic growth and employment. As a result, policymakers increasingly recognize that a financial system that reaches all citizens allows for more effective execution of other social policies and development priorities.

1.9 The financial services sector in Zimbabwe reflects a well-diversified financial ecosystem. Surveys and studies over the years, however, have identified significant levels of exclusion particularly among special groups including MSMEs, women, youth, rural population, people living with disabilities and the small holder agricultural sector.

Baseline Status of Financial Inclusion in Zimbabwe

1.10 The FinScope Consumer Survey (2014) revealed a significant improvement in the proportion of the population accessing formal financial services from 38% in 2011 to 69% in 2014, which was largely attributable to mobile money financial services as shown in the table 1.1

Table 1.1: Status of Financial Inclusion in Zimbabwe

Indicator	2014	2011
Financially excluded	23%	40%
Formallyserved	69%	38%
Reliance on exclusively informal financial products or services	7.8%	
Reliance on exclusively bank products	1%	8%
Reliance on exclusively non-bank products	23%	6%
No. of banked adults	2.17 m	1.45 m
Cell phone banking adults	560,000	40,000
No. of people registered for Mobile Banking	3.15 m	-

Source: FinScope Consumer Survey, 2014

1.11 The level of financial exclusion according to the FinScope survey of 2011 is shown in table 1.2.

Table 1.2: Level of Financial Exclusion in 2011

Financial Service	Level of Financial Exclusion
Banking	70%
Savings and Investment	53%
Insurance & Risk Management	70%
Mobile Money	55%
Borrowing & Credit	58%
Capital Markets	99%

Source: FinScope Consumer Survey, 2014

National Financial Inclusion Strategy

1.12 In order to increase the pace and impact of financial inclusion reforms, the Reserve Bank through a stakeholder consultative process, spearheaded the development of a 5-year National Financial Inclusion Strategy (2016-2020). The strategy was launched on 11 March 2016 by the Minister of Finance and Economic Development.

1.13 The strategy sought to provide strategic direction, guidance and oversight through a coordinated approach to financial inclusion initiatives by acting as a guidepost for public and private sector stakeholders to systematically accelerate financial inclusion in Zimbabwe. The launch of the strategy represents a major milestone in the country's efforts to establish a financial system that benefits all, particularly the unbanked and underserved, and thereby contribute to inclusive and sustainable economic growth and development.

Vision and Strategic Objectives…

1.14 The Vision of ***the National Financial Inclusion Strategy in Zimbabwe*** is to have an inclusive financial system that is responsive to the needs of Zimbabweans.

1.15 The pursuit of financial inclusion in Zimbabwe is consistent with the broader national developmental objectives of the country's Vision 2030 of transforming the economy to an Upper-Middle Income Economy by 2030. The Government through the Transitional Stabilisation Program (TSP) of 2018, highlighted the aspirations of the country's Vision 2030 through five strategic clusters, namely: Governance, Macro-economic Stability and Re-engagement, Inclusive Growth, Infrastructure and Utilities and Social Development.

1.16 The strategic objectives of the National Financial Inclusion Strategy are as follows:

To increase the overall level of access to formal financial services within the country from 69% in 2014 to at least 90% by 2020; and To increase proportion of banked adults from 30% in 2014 to at least 60%.

Pillars Of The NFIS

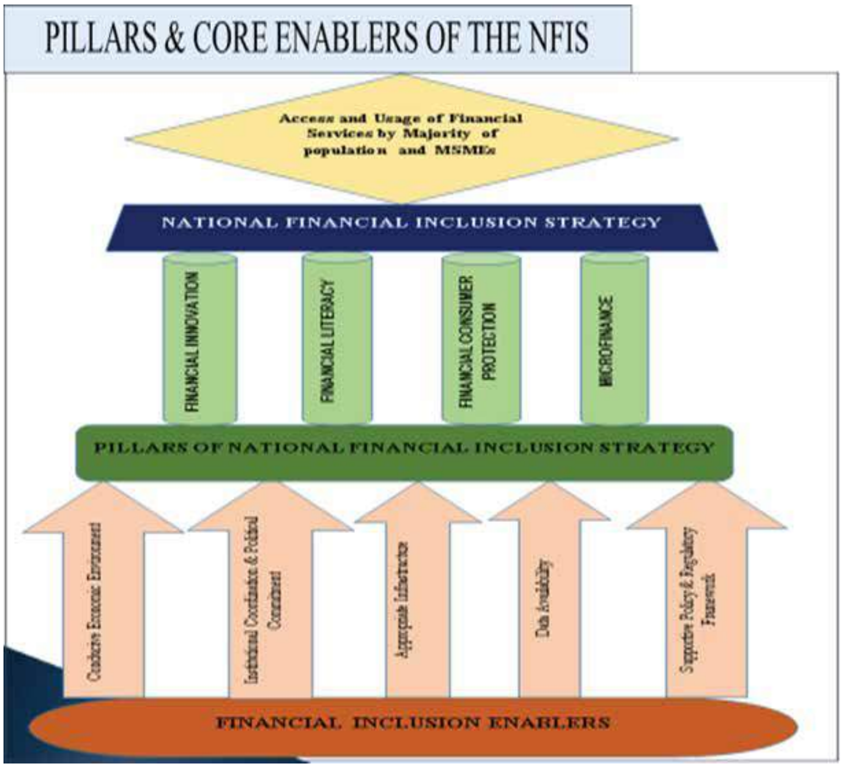
1.17 The NFIS evolves around the following four pillars:

Table 1.3: Pillars of the National Financial Inclusion Strategy

	**Financial Innovation** Financial innovationseeks to improve access to financial services by leveraging on advancements in information technology and developing suitable financial products for varied financial customers.
	**Financial Literacy** Financial literacy interventions under the Strategy seek to address financial literacy deficiencies in the country, through implementation of programs that will enable consumers to acquire knowledge, skills, attitude and behaviour to be aware of financial opportunities, make informed choices in line with their circumstances and take effective action to improve their welfare.
	Consumer protection is key in the implementation of the NFIS. It promotes consumer confidence in the financial system through product pricing transparency, limiting exploitation of consumers by service providers and building and strengthening trust and confidence in the formal financial services sector, particularly among the low-income households.
	**Microfinance** The focus of microfinance is on the provision of financial services to low income households and micro, small and medium enterprises (bottom of the pyramid) which are affected by comparatively higher levels of financial exclusion. The NFIS seeks to implement measures to enhance the performance of the microfinance sector to optimise its contribution towards financial inclusion objectives.

1.18 Figure 1.2 shows the NFIS Pillars & the Core enablers.

Figure 1.2: NFIS Pillars & Core Enablers



Target Groups And Baseline Data

1.19 While the strategy focuses on improving financial inclusion for all Zimbabwean adults, the strategy also recognizes the needs of special interest groups, namely women, youth, MSMEs, rural and small holder agricultural communities, and people with disabilities. This reduces exploitation of low income groups by informal financial service providers while promoting stability of the financial system.

1.20 As part of implementation of the National Financial Inclusion Strategy (2016-2020), a number of initiatives were instituted targeting the identified priority groups. These include loans with preferential interest rates and products targeting women and the youth, women, youth and MSMEs units in banks, training and capacity building programs, low cost accounts and digital financial service products, among other products and services.

1.21 The collaboration between stakeholders in the financial sector under the NFIS has contributed largely to the roll out of new products targeting the unbanked. In addition, the collaboration between the Bank and the private sector has seen various financial inclusion initiatives come to fruition.

1.22 The NFIS sought to address the broad barriers to financial inclusion for special groups through implementation of targeted measures.

Micro, Small and Medium Enterprises (MSMEs)…

1.23 The NFIS recognized that the Zimbabwean economy is largely driven by MSMEs which globally have been identified to be the engines for economic growth and development in developing economies.

Sole Trader producing Satchel bags

1.24 The MSMEs FinScope Survey of 2012 revealed that MSMEs in Zimbabwe employ approximately 5.7 million people and contribute more than 50% of the country's gross domestic product (GDP). The MSME sector plays a critical role in economic development in Zimbabwe through job creation, and poverty reduction.

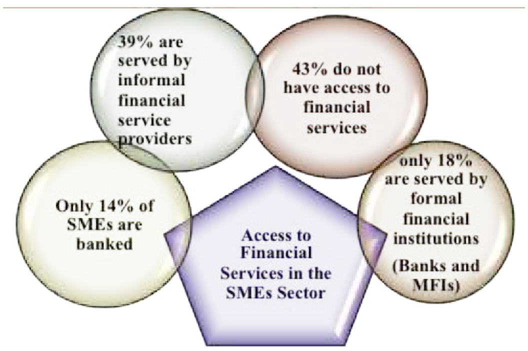
Sole Trader selling vegetables

Informal Furniture Manufacturer

1.25 The majority of MSMEs, however, lack adequate infrastructure and funding to augment business operations, and properly structure and drive their business towards viability. In addition, MSMEs often lack expertise to write bankable business proposals acceptable to financial institutions.

A Woman leads other artisinal miners in search of Gold

1.26 Fig 1.3 below shows the results of the 2012 FinScope MSMEs Survey.



Source : FinScope MSMEs Survey, 2012

Results of the 2012 Finscope

MSMEs Survey

1.27 There is huge scope for financial institutions to support MSMEs and design appropriate products for them.

Women…

1.28 Women are largely excluded from formal financial services notwithstanding that they form the greater part (51.9%) of the population of Zimbabwe of over 14 million Zimbabwe Statistics Office). Further, the FinScope Survey of 2012 revealed that 57% of the small business owners were women.

A Women Owned Beads Making Project in Chitungwiza near Harare

1.29 Government, policymakers, regulators and private sector have realised that high levels of financial inclusion of women cannot be achieved without addressing the social and cultural barriers that prevent women from fully participating and accessing financial products and services.

Smallholder Rural Farmers…

Typical Rural Village Settlement in Zimbabwe

1.30 According to the FinScope Survey of 2014, seventy percent (70%) of the Zimbabwean population reside in rural areas and only 23% of the rural population are formally banked compared to 46% of the urban population.

1.29 FinScope MSME Survey of 2012 noted that rural areas accounted for 66% of the MSMEs in the country and of these rural businesses, 47% are financially excluded, compared to 36% in urban areas, while 40% use informal financial products and services only. It was also noted that financial exclusion is higher in the rural areas due to the following reasons:

i. long distance to the nearest access point;
ii. high cost of accessing financial products and services, bank charges and stringent account opening requirements;
iii. irregular and low incomes;
iv. poor returns and lack of adequate capital; and
v. poor rural infrastructure which does not support growth of micro enterprises.

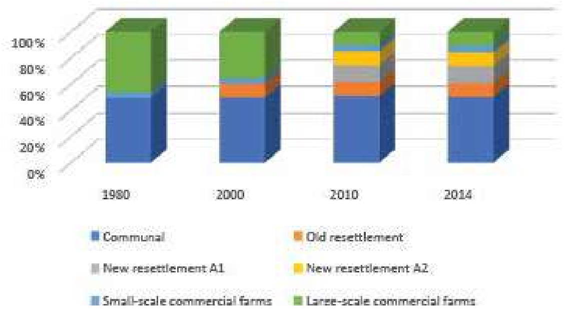
Rural Farmers receiving inputs from a financial institution

1.30 Access to financial services by rural populations can also be impeded when financial institutions fail to properly implement risk based CDD / KYC measures and enforce stringent account opening requirements.

Small-Scale Farmers…

1.31 Zimbabwe's economy is largely agro-based with agriculture contributing about 15-18% of the country's GDP and more than 60% of inputs to the manufacturing sector, 23% to total formal employment, and provides livelihoods to approximately 70 percent of the rural population (54 percent of which are women). Access to financial services particularly by rural farmers, resettled farmers and small-scale commercial farmers who constitute more than half of the farmers as shown in Figure 1.4,

Figure 1.4 : Trends in Farm types Distribution (1980-2014), Zimbabwe.



Source : National Agriculture Policy Framework (2018-30), Ian Scoones et al, 2010, MLARR, 2015

1.32 Access to adequate financial services for all types of agricultural producers and agri-businesses, complemented by other measures, has great potential to positively impact on inclusive economic growth and development.

1.33 It has been noted that the targeted financing schemes for agriculture and rural areas which have been implemented in the country in the past, lacked effective coordination, or lacked clear guidelines for implementation, or failed in the implementation phase hence the impact of such initiatives has been limited.

Young A2 Farmer

1.34 The NFIS launched in 2016 sought to address some of the identified challenges facing small scale farmers particularly rural farmers, such as lack of appropriate and affordable finance,lack of markets and appropriate skills.

The Youth…

1.35 The youth in Zimbabwe are largely excluded from formal financial services largely due to negative stereotypes, as they are considered high risk- takers, are unable to provide collateral acceptable to banks, have limited business and life experience and lack a track record or credit history.

1.36 Access to financial services can assist the youth to become economically active, start their own enterprises, finance education, and engage productively within their communities. These benefits to the youth have a huge positive impact to society at large, as it results in poverty alleviation and economic growth.

1.37 According to the Child and Youth Finance International (CYFI), entrepreneurship in Africa has become a 'necessity' in recent times of high unemployment, especially among the youth. CYFI estimates that young people aged 15-24 years constitute about 37% of the working age population. The youth however account for about 60% of unemployed people on the continent.

1.38 According to the 2019 Labour Force Child Labour Survey (LFCLS) report produced by the Zimbabwe National Statistics Agency (ZIMSTAT), the Youth in Zimbabwe constitute 31.57% of the estimated population of 14.21 million2. The survey revealed that youth unemployment increased from 12.0% in 2014 to 20.8% in 2019 while unemployment among school leavers (15-24 years) also increased from 6.8% to 26.8% during the same period.

1.39 The social and economic exclusion that the youth generation often find themselves in which is exacerbated by the high unemployment levels, often restrict their ability to make any significant impact on their standards of living. Despite these challenges, the Youth possess great potential to make a meaningful contribution to society and are therefore an important target group for financial inclusion to increase their economic and social participation.

CHAPTER 2

IMPLEMENTATION FRAMEWORK OF THE NATIONAL FINANCIAL INCLUSION STRATEGY

FINANCIAL INCLUSION COORDINATION AND COLLABORATION

Overview

2.1 Effective implementation of the National Financial Inclusion Strategy calls for a shared vision and entails an appreciation of the various stakeholders, from both the private and public sectors.

2.2 Since the launch of NFIS in 2016, the Reserve Bank has been working with a number of key stakeholders for the successful implementation of the National Financial Inclusion Strategy. The stakeholders include financial institutions, Government ministries and agencies, regulatory bodies, development partners and NGOs, mobile network operators and business associations/networks, entrepreneurs and communities, research and academic institutions, among others.

2.3 The key features of the NFIS implementation framework are discussed below.

NFIS Thematic Working Groups…

2.4 To spearhead the implementation of the NFIS, the Reserve Bank constituted the following nine (9) thematic working groups with their broad terms of references.

Table 2.1: NFIS Thematic Working Groups

Working Group	Broad Terms of Reference
Women Financing and Development	Promote development of innovative financial products for women and facilitate capacity building programs for women to complement access to financial services.
SMEs Finance & Development	Facilitate minimisation of challenges encountered by SMEs in their efforts to be financially included, promote innovative financial products for SMEs and other capacity building programs.
Rural and Agricultural Finance & Development	Develop and recommend agricultural finance solutions for small holder farmers and the rural community.
Insurance, Pensions and Capital Markets	Facilitate the development and uptake of appropriate insurance, pensions and capital markets products for low income groups and ensure effective capacity building and awareness programmes.
Digital Finance	Promote the development of innovative and affordable digital financial products and services that promote financial inclusion.
Financial Literacy and Consumer Protection	Facilitate the design and implementation of tailored financial literacy strategies for special groups e.g. school children, youth, women, SMEs. Facilitate the design and implementation of a sound framework for financial consumer protection.
Microfinance Advisory Council (operational)	Promote development of innovative products, delivery channels and capacity building in the microfinance sector, and positive contribution of microfinance to financial inclusivity.
Youth	Promote development of innovative financial products for youth and facilitate capacity building programs for youth to complement access to financial services.
Persons with Disabilities (PWDs)	Facilitate the design and implementation of tailored financial literacy strategies and products for PWDs.

2.5 The constituted thematic working groups have held meetings since 2016 to discuss financial inclusion action plans and policy recommendations.

2.6 Deliberations of the thematic working group meetings revealed that many financial institutions have instituted a number of initiatives targeting the identified priority groups in the National Financial Inclusion Strategy such as SMEs, women, small holder farmers and the youth. The initiatives include the development of innovative targeted products and training and capacity building programs.

2.7 The resolutions of the working group meetings have propelled stakeholders' financial inclusion strategies and their implementation. Table 2.2 highlights some of the key issues discussed in the working group meetings.

Table 2.2: NFIS Working Groups - Summary of key issues discussed

Thematic Working Group	Key Issues
Women Finance & Development	**- Banking institutions urged to establish women's desks to better serve women and develop products and services tailor-made for women. - Need for the establishment of the Women Empowerment Fund to increase access to affordable funds by women. - Information centres established by government to be used to facilitate financial and other information sharing and dissemination for women. - The establishment of the collateral registry and credit guarantee schemes to address the challenges of collateral that women are facing in accessing finance.**
SME Finance and Development	**- Banking institutions are establishing SMEs units and redesigning products to suit the needs of SMEs; as well as building capacity to better serve SMEs. - Formalization of SMEs still a challenge due to perceived high cost of regulation. - Working group to streamline challenges of SMEs and seek to facilitate the resolution of the identified key challenges. - Capacitation of SMEDCO is key for the SME sector development.**
Agriculture & Rural Finance	**- Value chain financing model is key for the development and success of rural & small scale agriculture. - Need for adequate financial and technical support to rehabilitated irrigation schemes. - Establishment of a warehouse receipt system will enable access to affordable finance for small holder farmers; while enhancing their risk management particularly reduction in post-harvest losses.**
Digital Financial Services	**- Digital financial services facilitate the development of innovative products & delivery channels and proximity to the consumers. - There is need for adequate consumer protection in view of extensive reach of digital financial services to the bottom of the pyramid.**
Microfinance	**- Microfinance institutions to develop innovative financial products leveraging on technology to increase their outreach at affordable lending rates. - MFIs to explore linkages with banks to extend outreach of banking services through agency banking.**
Insurance, Pensions & Capital Markets	**- Players to design appropriate insurance and capital markets products and services that serve the bottom of the pyramid. - The need to enhance consumer protection and uptake of insurance and capital markets products.**
Youth	**- Need for financial services providers to understand the needs of the youth and design appropriate products.**
Persons with Disabilities (PWDs)	**- Financial service providers urged to develop products and services that speak to the needs of PWDs including provision of requisite infrastructure such as ramps.**

Financial Inclusion Enablers

2.8 The Reserve Bank of Zimbabwe and other NFIS implementing stakeholders recognise that success of the National Financial Inclusion Strategy is partly dependent on the performance of some environmental factors – the core enablers.

2.9 Accordingly, in order to support realization of the Strategy, there is need for specific interventions which influence the economic environment, institutional coordination and political commitment, infrastructure, availability of data, and the policy and regulatory framework.

Conducive Macro-economic Environment…

2.10 The development and implementation of robust macroeconomic policies is critical to ensure the achievement of financial inclusion goals. Globally financial inclusion efforts have promoted development of an inclusive broad-based economy which stimulates sustainable economic development by ensuring that all citizens are empowered to participate in economic activities.

2.11 The Reserve Bank of Zimbabwe embraced financial inclusion (NFIS:2016-2020) to enhance sustainable and inclusive development. It is against this background that financial inclusion remains an important focus area of the Reserve Bank of Zimbabwe and the Government of Zimbabwe. The financial services sector also plays a key role in the achievement of government objectives through promoting financial inclusivity.

2.12 The Government through the Transitional Stabilisation Program (2018-2020), highlighted the aspirations of the country's Vision 2030 through five strategic clusters, namely: **Governance, Macro-economic Stability and Re-engagement, Inclusive Growth, Infrastructure and Utilities and Social Development.**

2.13 The country's vision 2030 aspirations dovetail with the achievement of the 17 Sustainable Development Goals (2030 SDGs) which the Government of Zimbabwe subscribed to. The SDGs serve as a global compass which the financial community of banks, insurers and investors can use to guide their core business towards achieving economic, social and environmental sustainability.

Figure 2.1 : 17 SDGs

"An inclusive economy is key to the achievement of the 17 Sustainable Development Goals (2030 SDGs) in Zimbabwe. Financial inclusion has been identified as a key enabler to the attainment of the SDGs, as 11. of the 17 SDGs (which include 1. No Poverty, 2. Zero Hunger, 3. Good Health And Well Being, 4.Quality Education, 5. Gender Equality, 7.Affordable And Clean Energy, 8.Decent Work And Economic Growth, 10 Reduced Inequality) can be facilitated by financial inclusion."

Dr. J. T. Chipika, Deputy Governor, Reserve Bank of Zimbabwe

2.14 Zimbabwe prioritized the following 10 SDGs:

Table 2.3: Ten SDGs Prioritized by Zimbabwe

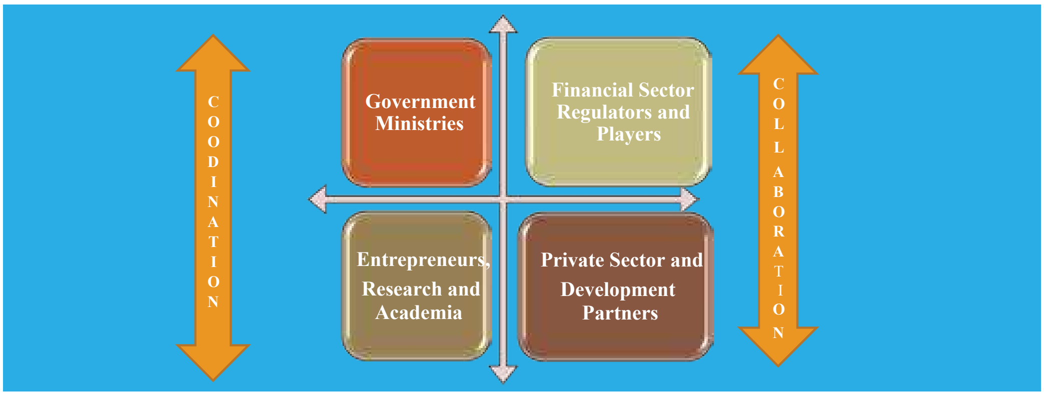
SDG Goal 8 – ***Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.***
SDG Goal 7 –***Ensuring access to affordable, reliable, sustainable and modern energy for all.***
SDG Goal 2 –***Ending hunger, achieve food security and improved nutrition and promote sustainable agriculture***.
SDG Goal 9 –***Building resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation***.
SDG Goal 6 – ***Ensuring availability and sustainable management of water and sanitation for all.***
SDG Goal 13–***Take urgent action to combat climate change and its impact.***
SDG Goal 17–B***uilding effective, accountable and inclusive institutions at all levels and Strengthening the means of implementation and revitalize the global partnership for sustainable development***.
SDG Goal 3 – ***Ensuring healthy lives and promote well-being for all at all ages.***
SDG Goal 4 – ***Ensuring inclusive and equitable quality education and promote lifelong learning opportunities for all.***
SDG Goal 5 –***Achieving gender equality and empowering all women and girls.***

Institutional Coordination and Political Commitment…

2.15 Successful implementation of the National Financial Inclusion Strategy requires involvement and commitment of various stakeholders.

2.16 The Reserve Bank acknowledges the leadership and political commitment by Government and other key stakeholders which characterised the successful implementation of the first phase of NFIS.

Figure 2.2: Key Stakeholders



2.17 The Reserve Bank worked closely with Government Ministries and departments, tertiary institutions, development partners and NGOs, financial sector regulators and other players, private sector players, industry bodies, entrepreneurs and communities and other stakeholders in the implementation of NFIS.

2.18 The efforts of stakeholders is critical in ensuring proper coordination and linkage of the national financial inclusion strategy with other national strategies and policies.

Alliance for Financial Inclusion

Figure 2.3: Alliance for Financial Inclusion Working Groups

2.19 In order to benefit from international best practice in the pursuit of the financial inclusion agenda, the Reserve Bank of Zimbabwe joined the Alliance for Financial Inclusion (AFI) network in 2012.

2.20 AFI which was formed in 2008, is a member based global network of central banks and other policy-making bodies from over 80 developing and emerging market countries. Its main objective is to develop and promote evidence-based policy solutions to improve the lives of poor people through financial inclusion.

2.21 The Reserve Bank of Zimbabwe is also a member of seven (7) AFI working groups, which represent the thematic financial inclusion policy areas that AFI actively promotes. The AFI working groups in which Zimbabwe is a member are shown in figure 2.3.

2.22 The Reserve Bank actively participates in all the AFI working groups and also attends the Global Policy Forums and the African Financial Inclusion Policy Initiative (AfPI).

2.23 AfPI is the primary platform for AFI's African members to support and develop financial inclusion policy and regulatory frameworks in Africa, and to coordinate regional peer learning efforts.

2.24 As a full member of AFI, the Reserve Bank of Zimbabwe has been attending the annual AFI Global Policy Forum (AFI GPF) meetings. The annual AFI GPF is the highlight of the financial inclusion calendar, offering member institutions, international donors and expert knowledge partners a platform to share experiences, knowledge and initiatives in bringing financial services to the world's unbanked people.

Dr. J.T. Chipika, Reserve Bank of Zimbabwe Deputy Governor (Far right, second row) attending the 9th AFI Global Policy Forum (GPF) in Sharm El Sheikh, Egypt held from 13-15 September 2017

2.25 As a recognition for the efforts the country is taking to ensure equitable access to financial services by previously disadvantaged groups such as women, the youth, MSMEs, the Reserve Bank of Zimbabwe was officially recognised as one of the AFI Gender Ambassadors, at the AFI Global Public Forum held in Kigali, Rwanda in 2019. The award was in recognition of the women gender inclusive initiatives undertaken by the Reserve Bank of Zimbabwe since the launch of the NFIS in March 2016.

Dr. J.T. Chipika and Ms. Audrey Hove of the Reserve Bank of Zimbabwe (extreme right) among the recipients of the AFI Gender Ambassadors, at the AFI Global Public Forum held in Kigali, Rwanda 2019

2.26 The Reserve Bank of Zimbabwe is also a member of the **Gender Inclusive Finance Committee (GIFC).** The GIFC provides leadership on advancing and promoting women's financial inclusion in the AFI Network. The Committee members include the Bank of Ghana, Bank of Uganda, Palestine Monetary Authority, Banco Central del Paraguay, Bank Al-Maghrib Morocco and Bangladesh Bank.

Supportive Policy & Regulatory Framework…

2.27 The development and successful implementation of a NFIS should be supported by an enabling policy, legal and regulatory framework. The framework should, inter alia, promote the development of innovative financial products, expansion of outreach of financial services and adequate protection of consumers while maintaining appropriate balance between financial inclusion objectives and financial stability on an ongoing basis.

2.28 In order to increase access to financial services by the targeted segments of the population, the regulatory environment should encourage and facilitate participation of the private sector for product innovation and promotion of healthy competition in the financial sector.

2.29 The **Banking Act [Chapter 24:20]** was amended through the Banking Amendment Act of 2015 in order to provide more elaborate consumer protection provisions and facilitate enhanced market conduct supervision.

2.30 The Reserve Bank subsequently issued the **Financial Consumer Protection Framework in June 2017.** The purpose of the Financial Consumer Protection Framework is to ensure protection of the rights of consumers through, inter alia, effective redress mechanisms, fair and equitable treatment of consumers, and increase transparency in the provision of financial services.

2.31 The Bank is in the process of building capacity and skills for market conduct supervision to facilitate effective market conduct supervision and compliance monitoring.

2.32 The Reserve Bank through the National Payment Systems Department issued a number of guidelines and directives during the period under review to strengthen consumer protection. One such directive prohibited agency exclusivity which has enabled the public and agents networks to be able to share infrastructure and hence promoting financial inclusion even in the remote areas.

2.33 As part of the review of the insurance and pension industry's policy and regulatory framework, IPEC issued the **Micro-insurance Framework in 2017** to facilitate the introduction of innovative micro-insurance products and services. Further to the development of the Micro-insurance Framework, Statutory Instruments 39 and 40 (2018) were issued which provide guidance on the Minimum Capital requirements and levies for micro-insurers.

2.34 The Reserve Bank also continues to ensure that the implementation of Anti-money laundering and Combating the Financing of Terrorism (AML/CFT), Customer Due Diligence (CDD) standards and guidelines and low cost accounts guidelines do not have the effect of inadvertently preventing disadvantaged segments of the population from accessing financial services.

Data Availability…

2.35 Data is critical for policy formulation and investment decisions by government, financial sector players, business and other stakeholders. These stakeholders require access to accurate statistical data on financial inclusion in the country.

2.36 In order to strengthen the measurement and monitoring of financial inclusion initiatives, the Reserve Bank commenced the collection of disaggregated financial inclusion data from banking and microfinance institution in 2016 to facilitate tracking and monitoring of financial inclusion activities.

2.37 The Reserve Bank will continue to leverage on the AFI Network support and experiences in enhancing the monitoring and evaluation framework for the second phase of the NFIS.

Appropriate Infrastructure…

2.38 Adequate infrastructure is a critical enabler of access, proximity and innovation of products and delivery channels. Poor road infrastructure and internet connectivity in some parts of the country have hindered the provision of financial services and products to remote rural households and MSMEs.

2.39 The Reserve Bank has, however, encouraged financial services providers to leverage on information technology and develop cost effective innovative products to reach out to the rural consumers of financial services.

2.40 Appropriate infrastructure reduces the cost of doing business which has a positive bearing on charges and interest rates imposed on consumers. The creation of a robust credit information sharing system and a collateral registry will result in more MSMEs and rural communities accessing financial services at more affordable cost.

Credit Registry

2.41 The Credit Registry system was successfully deployed at the Reserve Bank in January 2017 to enhance the credit referencing environment in Zimbabwe and improve access to credit in line with the National Financial Inclusion Strategy.

2.42 The Credit Registry promotes responsible lending practices, reduction in over indebtedness and credit costs, as credit service providers are now able to better understand their customers using verifiable credit data. The long-term benefits of the registry include reduction in the level of non-performing loans in the financial sector and improved access to credit.

2.43 As at 30 June 2020 the Credit Registry held 1.24 million records, of which 528,087 were active loan accounts from all banking institutions. Individual records represented 97.7% of the active loan records. The Reserve Bank is working on the process of uploading credit data from microfinance institutions before incorporating data from other credit providers such as utility service providers and retail credit stores, among others.

2.44 Total subscribers to the Credit Registry as at 30 June 2020 were 201 up from 199 as at 31 December 2019, comprising 19 banking institutions, 178 MFIs (including SMEDCO), Deposit Protection Corporation, and 3 non-bank institutions.

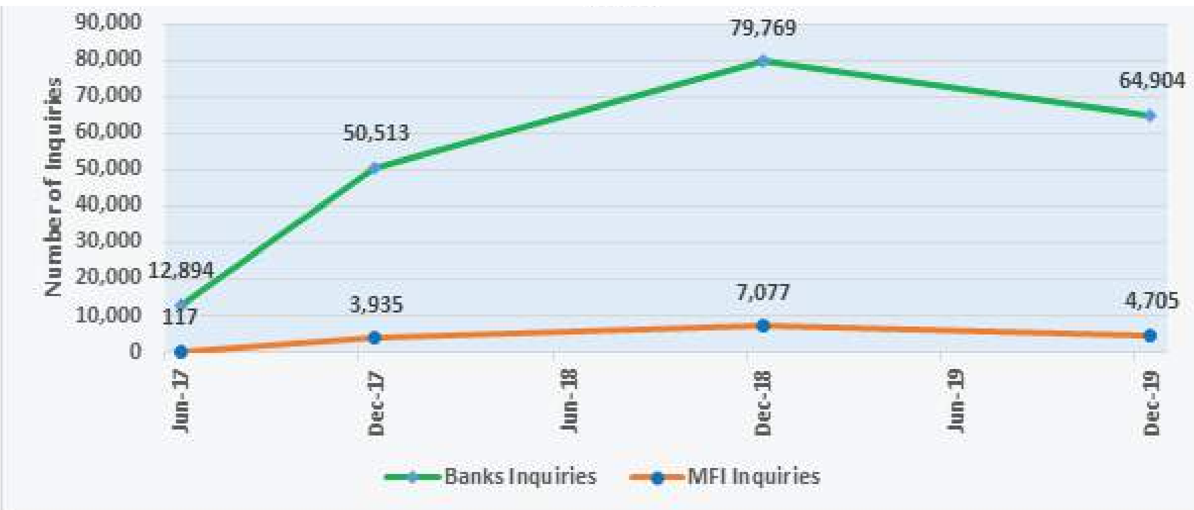
2.45 Credit Registry usage levels by subscribing institutions increased steadily to a cumulative 813,298 reports as at 30 June 2020 as shown in figure 2.4.

Figure 2.4: Cumulative Credit Registry Inquiries: June 2017 – June 2020

Source : Reserve Bank of Zimbabwe

2.46 The banking sector conducted more inquiries in the credit registry when compared to the microfinance institutions which are still making fewer inquiries as shown in figure 2.5.

Figure 2.5 : Credit Registry Inquiries by Banks and MFIs: 2017 – 2020



Source : Reserve Bank of Zimbabwe

Collateral Registry

2.47 The Reserve Bank is in the process of operationalizing the Movable Property Security Interests (MPSI) Act [Chapter 14:35], which was promulgated into law in 2017. The Act provides for the establishment of a web-based Collateral Registry by the Reserve Bank of Zimbabwe to facilitate the registration of notices of security interests in movable assets.

2.48 The Collateral Registry will facilitate borrowers such as MSMEs and individuals to pledge movable assets as collateral for borrowings, while providing lenders with access to information on any prior pledges on movable assets offered as collateral.

2.49 The collateral registry will enable borrowers to pledge movable assets such as vehicles, equipment, tractors, harrows and ploughs, among others as collateral for loans accessed from lending institutions.

2.50 The Reserve Bank is in the process of procuring a Collateral Registry system.

Credit Guarantee Scheme

2.51 As part of the implementation of the National Financial Inclusion Strategy, the Reserve Bank re-established the Credit Guarantee Scheme in 2018 to facilitate productive lending to the small businesses with inadequate collateral to stimulate economic growth and development. The Scheme is currently being provided through the Export Credit Guarantee Company (ECGC).

Reserve Bank Empowerment Funds

2.52 In order to encourage lending by banking institutions to target segments, the Reserve Bank introduced a number of targeted empowerment funds in 2017 as seed funds to support Financial Inclusion. The funds were accessible to the targeted groups through banking and microfinance institutions. Some of the empowerment facilities are shown in table 2.4 below:

Table 2.4: Reserve Bank Empowerment Facilities

	Amount	Disbursing Institutions		
		Banks	Deposit Taking MFIs	Credit Only MFIs
Women Empowerment Fund	$15 million	All qualifying banks	All qualifying DTMFIs	All qualifying credit only MFIs
Business linkage Facility	$10 million	All qualifying banks	All qualifying DTMFIs	All qualifying credit only MFIs
SMEs Facility	$15 million	Homelink Finance		
Microfinance Revolving Facility	$10 million		All qualifying MFIs and Savings and Credit Cooperatives (SACCOs)	
Gold Development Initiative Fund (Gold Support Facility)	$150 million	Fidelity Printers and Refineries		
Youth Empowerment Fund	$10 million	All qualifying banks	All qualifying DTMFIs	All qualifying credit only MFIs
Persons With Disability	$5 million	All qualifying banks	All qualifying DTMFIs	All qualifying credit only MFIs
Tobacco Support Facility	$170 million	Agribank		
Soya Bean Support Facility	$21.51 million	All qualifying banks	-	-
Horticulture Facility	$10 million	Agribank, CBZ		
Export Finance Facility	$70 million	All qualifying banks	All qualifying DTMFIs	
Tourism Support Facility	$15 million	All qualifying banks	All qualifying DTMFIs	

Following the seed funding, financial institutions are now confident to commit their own financial resources to financial inclusion.

CHAPTER 3
FINANCIAL INCLUSION INITIATIVES FOR TARGET GROUPS






3.9 Notable progress has been witnessed in the implementation of financial inclusion initiatives underpinned by new products, technologies and communications infrastructure.

3.10 During the review period, the country noted improvements in financial inclusion trends notwithstanding some persistent barriers in respect of population segments such as women, the youth, rural people, SMEs and people with disabilities. Some of the notable initiatives implemented targeting the marginalised segments are discussed hereunder:

Micro, Small And Medium Enterprises

3.11 Micro, Small and Medium Enterprises (MSMEs) play an important role in the world economy and contribute substantially to income, output and employment. They are critical for wealth creation and poverty reduction and are essential for competitive and efficient markets due to large number of players.

3.12 The Zimbabwean economy is largely driven by MSMEs which have b een identified to be the engine for economic growth and development in developing economies. Informalisation in the sector is however militating against its contribution to the economy. The Ministry of Women Affairs, Community, Small and Medium Enterprises is leading the development of a MSMEs formalisation strategy to address the challenge.

3.13 As earlier highlighted, the MSME FinScope Survey of 2012 noted that MSMEs in Zimbabwe employ approximately 5.7 million people, the majority of whom are women. In addition, it is estimated that the MSME sector is contributing more than 50% of the country's gross domestic product.

3.14 The survey further revealed that only 14% of MSME owners were banked, 18% of MSME business owners were formally served, including both bank and other formal non-bank products/services, and 57% of the MSME business owners in Zimbabwe were women.

3.15 The achievement of SDGs requires a strong MSME performance as MSMEs have a role to play in all the 17 goals. In this regard, Reserve Bank of Zimbabwe and other NFIS stakeholders embarked on a number of initiatives to promote financial inclusion of MSMEs and these are discussed hereafter.

Lending to MSMEs…

3.16 Banking and microfinance institutions have been instrumental in the provision of loans to the MSME sector. Notwithstanding the challenging economic environment, lending to MSMEs has been on an upward trend over the years as a result of the various initiatives being pursued by the various stakeholders.

Income Generating projects run by Pepukai Madzimai Group, Chitungwiza (with a membership of about 1,000)

3.17 The value of loans availed to MSMEs by banking and deposit taking microfinance institutions increased by more than 14 times from \$131.69 million as at 31 December 2016 to \$2.03 billion as at 30 September 2020 while the number of MSMEs with bank accounts also increased by 102.48% from 71,730 to 145,237 over the same period.

3.18 Table 3.1 below indicate some of the financial inclusion indicators for MSMEs and the growth trends over the period 2016- September 2020.

Table 3.1: Financial Inclusion Indicators for MSMEs: 2016-2019

Indicator	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Sept 2020
Value of loans to MSMEs	$131.69m	$146.22m	$169.96m	$462.98m	$2.03 billion
% of loans to MSMEs over total loans	3.57%	3.75%	3.94%	3.92%	3.57%
Number of MSMEs with bank accounts	71,730	76,524	100,644	116,467	142,237

Source : Reserve Bank of Zimbabwe

MSMEs Credit Guarantee Scheme…

3.19 The MSMEs guarantee scheme being provided through the Export Credit Guarantee Company (ECGC) is contributing to enhanced MSME uptake of financial services.

3.20 The table below shows cumulative number and value of guarantees issued.

Table: 3.2: Cumulative MSMEs Guarantees availed by ECGC as at 31 December 2019

Type of Institution	Cumulative Number of Guarantees			Cumulative Nominal Value		
	June 2019	Sept 2019	Dec 2019	June 2019	Sept 2019	Dec 2019
Banks	80	90	95	$8,248,613	$9,268,613	$34,493,433.94
Deposit-Taking Microfinance Institutions	14	15	16	$2,001,000	$2,201,000	$418,500.00
Credit-Only Microfinance Institutions	57	91	93	$1,566,746	$6,096,761	$3,739,438.80
Total	**151**	**196**	204	**$11,816,359**	**$17,566,374**	**$38,651,372,74**

Source : Reserve Bank of Zimbabwe

Incubation and Innovation Hubs…

3.27 Table 3.3 shows some of the innovation hubs that have been established by various stakeholders.

3.21 The Ministry of Women Affairs, Community, SMEs Development, the Ministry Higher and Tertiary Education, and other stakeholders including financial institutions have established innovation hubs to assist MSMEs. These are expected to drive innovation in existing industry and creation of new enterprises.

3.22 The innovation hubs have since been opened at the University of Zimbabwe (UZ), National University of Science and Technology (NUST) (Nust Innovation Hub, formerly Technopark), Midlands State University (MSU) and Chinhoyi University of Technology. The innovation hubs are meant to incubate abstract concepts into fully-fledged products and services that can compete on both the local and international markets.

3.23 In support of the incubation hubs, the Government through the 2020 National Budget set aside $500 million under the National Venture Fund (NVF) to support entrepreneurship and innovation by Micro, Small to Medium Enterprises (MSMEs), with a bias towards women and the youth. As at 31 August 2020 Government through the Ministry of Finance and Economic Development had disbursed at least $42 million to innovation hubs in tertiary institutions. More than 200 business projects from youths and women across the country have been assessed since the beginning of the year.

3.24 The hubs lay the foundation for economic transformation by designing and creating knowledge societies which makes possible a paradigm shift away from natural resources endowments such as land and mineral resources towards the production of complex products. In response to the Covid-19 pandemic, Chinhoyi University and Midlands University Innovation Hubs are already manufacturing face masks while

Harare Institute of Technology has unveiled a locally produced ventilator machine and has capacity to produce 40 ventilator machines per day in addition to producing 1,000 sanitisers per day.

3.25 The University of Zimbabwe and Bindura University of Science Education are also manufacturing face masks and sanitisers. According to the Ministry of Higher and Tertiary Education, Science and Technology Development, the University of Zimbabwe and Bindura University of Science Education have capacities to produce 60,000 face masks and 5,000 litres of sanitiser per day, while Midlands State University can produce 42,000 litres of sanitiser and 10,000 masks a month.

3.26 The Ministry also advised that the National University of Science and Technology (NUST) had started working on producing testing equipment for COVID-19 while Great Zimbabwe University is constructing an industrial park which will manufacture textiles among other activities.

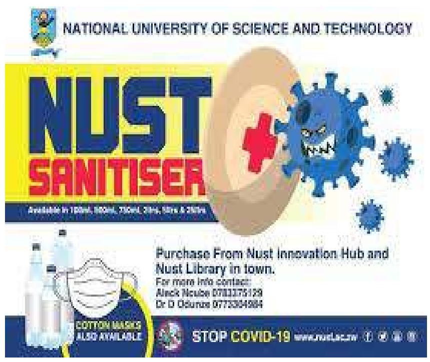
3.27 Table 3.3 shows some of the innovation hubs that have been established by various stakeholders.

Table 3.3: Innovation Hubs Established by Stakeholders.

Hub	Activities
University of Zimbabwe Innovation Hub	  The University of Zimbabwe innovation hub was launched by President E. D Mnangagwa on 5 August 2019. The hub seeks to provide solutions to the Zimbabwean research needs through technical evaluation of ideas for production of goods and services.
Harare Institute of Technology (HIT)	   The HIT Hi-Tech Development Valley was established to manage and exploit the university's Research, Development and Innovation Outputs for commercial value. The Park links the university research, development and innovation outputs with industry and commerce as well as establish partnerships, supporting emerging local companies seeking to develop and export diverse technology-based products, services and intellectual property. HIT Innovation Hub unveiled a locally produced ventilator machine in 2020 and has capacity to produce ventilator machines and sanitisers. In 2019 HIT partnered NetOne to develop a tracking system for ZUPCO buses with NetOne providing its 4G services. HIT also partnered NMB Bank to develop the NFC based Tap Card for use by the commuting public and for making purchases.

<table>
<tr><th>Hub</th><th>Activities</th></tr>
<tr><td>Midlands State University Innovation Hub</td><td>

The MSU innovation hub was officially opened by the President of the Republic of Zimbabwe on 6 June 2018. The University launched its inaugural product, roofing tiles and pavers made out of recycled plastic in October 2018. These have distinct advantages of being lighter, stronger, cheaper and resultantly leading to the creation of a safe and greener world.
</td></tr>
<tr><td>NUST Innovation Hub</td><td>



NUST innovation hub was officially opened on 8 November 2019. The hub seeks to promote research, technology and innovation based on entrepreneurship through incubation and networking.</td></tr>
<tr><td>Stanbic Bank Incubation Hub</td><td>The hub provides support to MSMEs from the conception of ideas through to the financing of the projects, offering an ideal place to work and develop both the entrepreneurs and their ideas.


The hub is equipped to address challenges faced by enterprise businesses such as lack of business and financial management skills; lack of collateral; poor access to markets; and poor corporate governance structures.
Beneficiaries of the program are exposed to carefully structured activities such as coaching and mentoring, consultancy, training, access to markets and provision of funding to ensure sustainable growth and development of the businesses.
The incubator runs under five pillars - ideation, incubation, acceleration, ecosystem and financial inclusion. These pillars are meant to address the challenges that are faced by budding entrepreneurs when starting or scaling up their businesses.</td></tr>
</table>

Hub	Activities
Old Mutual Hub	Old Mutual established an Innovation capability centre which will have two floors of co-working space and which will run incubator/accelerator programs under the brand name, Eight2Five. Eight2Five will focus on driving innovation in existing industry and creating new enterprises. Eight2Five co-working space is located on 4th and 5th Floors of Three Anchor House along Jason Moyo Avenue and will provide shared working spaces for entrepreneurs and youth start-ups. Development programs, mentorship and networking opportunities will be provided to the occupants of the space.  

Micro Insurance Products…

3.3 Most MSMEs are characterized by low levels of capital, few employees, a few key assets and less complexity in their operations. Any interruption in the operations or loss of key assets can have a severe impact on ability to retain and acquire new clients.

3.4 In extreme situations loss of an asset can lead to total company collapse as capital will be low. Insurance cover is one of the best ways of safeguarding business stability.

3.5 The Insurance and Pensions Commission (IPEC) introduced a Micro-insurance Framework in 2017 to provide an enabling environment and incentivise companies that provide insurance for the MSMEs sector.

3.6 At the core of the framework is accessibility and affordability of insurance to low income consumers to reduce their vulnerability and to protect their income streams while at the same time improving social stability and broad-¬based economic development.

3.7 The framework was informed by the National Financial Inclusion Strategy, as a way of enhancing financial inclusion through insurance, targeting the previously excluded population such as small to medium enterprises, peasant farmers, rural small holder farmers, vendors and other low income earners. In that regard, several insurance companies have introduced low minimum rates.

3.8 As at 30 June 2020, IPEC had registered two dedicated micro-insurance companies, Coverlink Micro-Insurance Private Limited and Zing Micro-insurance. The Commission also approved micro-insurance products offered by conventional insurers ranging from funeral, agriculture insurance and legal aid businesses.

3.9 Below are some of the registered insurers, offering micro insurance products & services:

Table 3.4: Registered insurers and micro-insurance products and services.

Registered Insurer	Products and Services
Coverlink Micro-Insurance Private Limited	1 Coverlink is a dedicated micro insurer registered in 2017 as a pilot project for micro insurance companies. 2 The insurer provides the following micro insurance products; legal aid cover, funeral insurance and medical health insurance products and savings products. 3 As at 31 December 2018 Coverlink had 41,756 policies across all its products with annual Gross Premium Written of $3.5 million.
First Mutual Life	- In 2018, FML launched an *e-funeral product*. - The product provides funeral cash cover on death. Cover ranges from $500-$3,000 with affordable monthly premiums from as low as $0.40 to $4.80. - The product can be applied via mobile phone. - As at 31 December 2018 the product had 60,566 policies with gross premium written of $5,827,377.
Nyaradzo Life Assurance 	i.Nyaradzo is a group of companies that provides financial, insurance, risk and event management solutions to over 3 million customers. ii.Nyaradzo Funeral Services launched a micro-insurance product called Sahwira Lite Funeral Cash Plan in August 2017 targeting low income groups. iii.Minimum age entry for principal member is 18 years and maximum is 70 years. iv.Medical tests are not required. v.The policy provides a specified cash benefit on death of a covered member. vi.Monthly premiums range from as low as $20. vii.As at 31 December 2018 the product had 13,963 active policies and gross premium written of $569,678.87.
Econet Life Insurance 	i. Econet life is part of the Cassava Smartec Group and is a registered life assurer and offers a variety of life and funeral products. ii. **Moovah** is a mobile phone-based vehicle insurance product, offering flexible payment terms, convenience, ease of use and efficient claims pay out. iii. **EcoSure Funeral Cover** provides cash benefit of up to $15,000 loaded to an EcoCash wallet. iv. v. EcoSure also offers Personal Accident cover for monthly premiums from as low as ZWL50 per month with pay-outs of up to ZWL500,000. v. Its funeral products have a micro insurance focus. vi. As at 31 December 2018 the Funeral products had 1,351,522 policies with gross premium written of $18,742,613.

3.10 IPEC approved Netone and Zimpost as aggregators which will be used for the distribution of various micro-insurance products. Uptake especially within the informal sector has been very slow resulting in loss of value. Low disposable incomes have also been a challenge leading to low uptake among households and small businesses.

3.11 Informal traders operating from the Glen View Home Industries Complex along Willowvale Road in Harare have been losing their properties to fire every year at the complex largely due to lack of insurance and appropriate working space

What remains of a sofa that was burnt during a fire that razed part of Glen View 8 Informal Complex in Harare in July 2015

Financial Literacy and Capacity Building…

3.12 To enhance awareness on insurance products, IPEC embarked on various consumer education programmes including the following:

i. Roadshows in Mashonaland East, Mashonaland Central, Manicaland and Midlands. Awareness programmes were done in partnerships with insurance companies and pension funds. The programmes were aired live on Radio Zimbabwe, a national broadcaster;

ii. Weekly insurance and pensions consumer education drama that aired on ZTV for the whole year;

iii. The Commission also exhibited at the ZITF and Harare and Midlands Agricultural Shows;

iv. Two editions of the bi-annual Consumer Education newsletter were published and distributed as an insert in the Sunday Mail; and

v. IPEC also introduced a Journalist Mentorship Programme on Insurance and Pensions reporting.

Capital Markets Initiatives…

3.13 The Capital Markets came up with various initiatives to enhance financial inclusion of the MSMEs during the first phase of NFIS.

SMEs Stock Exchange

3.14 The Escrow Group, through FINSEC, a licensed securities exchange player established an SMEs Stock Exchange platform which enables MSMEs to raise debt and equity finance on the stock exchange.

3.15 The platform is a combination of technology and financial engineering models structured to effectively identify and assess MSMEs, package and market their securities (debt, equity and hybrid) to meet their capital requirements.

3.16 FINSEC partnered with The United Nations Capital Development Fund (UNCDF) on the SMEs exchange in Zimbabwe. The partnership is part of UNCDF’s financial and technical assistance window targeting growth of the capital markets by mobilising seed capital for funding and promotion of small stock exchanges.

C-Trade

3.17 FINSEC launched an on-line trading platform, C-TRADE in July 2018. C-TRADE is an end to end technological innovation that manages the full automation of the trading and settlement of securities using every day mobile gadgets and internet connected devices.

3.18 The platform is used for both primary issuance and secondary trading of a wide variety of securities and multiple types of issuers including Government, corporates and the investing public. The motivation behind the launch of C-TRADE was to:

i. Promote capital market access by empowering all segments of society particularly the low-income segments who lack access to affordable financial services;

ii. Promote inclusivity of all eligible investors including the retail and diaspora;

iii. Inculcate a nationwide savings culture for increased productivity; and

iv. Enable the capital market to meaningfully contribute towards the growth of the economy.

3.19 The initiatives have significantly contributed to the increase in participation of MSMEs and low-income households on the capital markets and hence their financial inclusion.

3.20 As at 31 December 2019 a total of 15,032 investors were registered on the trading platform with total value of trades amounting to $4.8 million.

Collective Investment Schemes (CIS)

3.21 CISs are pooled funds that are managed by registered specialized investment professionals (Asset Managers) on behalf of underlying participants. Women often work in groups through various associations for support and sharing of risk. Various associations can pool funds together as a group and engage a registered Investment Manager for professional management of the portfolio.

3.22 The CIS are managed in terms of the Collective Investment Schemes Act Chapter 24:19.

Nationwide Campaign

3.23 SECZ has a department earmarked to promote investor education and awareness on securities market related matters. A nationwide education and awareness campaign is underway to educate various target groups including women.

3.24 SECZ has also produced a simplified investor's handbook that anyone who can read can take advantage of in order to understand stock market operations.

SMEs Operating Workspace…

3.25 One of the greatest challenges being faced by MSMEs is shortage of workspace and this has affected formalisation and hence access to financial services. In this regard, some stakeholders that include local authorities and financial institutions such as SMEDCO and Old Mutual Zimbabwe (Private Sector) have invested in office and factory space for MSMEs.

3.26 Some have also taken cognisant of the fact that most MSMEs do not have the required Know Your Customer (KYC) documents and financial records and accounts required to lease trading spaces or offices and have relaxed their leasing terms and conditions to accommodate the MSMEs.

Old Mutual Eastgate Market SME Centre, Harare

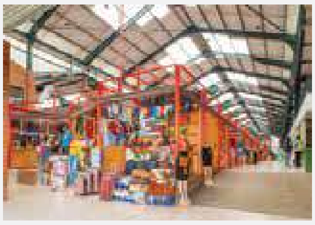
CASE STUDY # 1 OLD MUTUAL EASTGATE SMEs MARKET, HARARE

Year of project commencement	30 September 2016
Year of project completion	01 December 2019
Project Budget	US$21.4 Million

- Through research, it was observed that Small to Medium Entrepreneurs in Harare were not only financially excluded, but their limitations also extended to infrastructure. An entrepreneur's search for a decent trading place in Harare would most certainly confirm the following outcomes: being restricted to the peripheries of the city; squeeze into already overcrowded, poorly configured malls in the CBD; and pavement trading.
- Given the research outcomes above, any meaningful contributions towards arresting the national infrastructure gap affecting SMEs by Old Mutual had to tick the following boxes; Infrastructure that is reasonably priced; conveniently located in areas of the city that can be easily accessed; spacious and properly configured to accommodate different kinds of trade; family friendly and with adequate security presence; Ability to provide a one stop shopping experience for the shopping public; and provision of affordable storage facilities in order to preserve the shelf life of goods (fruit and vegetables).
- Old Mutual recognized that the traditional leasing model would also need to be revised in order to include as many SMEs as possible. Resultantly, Old Mutual delivered a state of the art, **12 000sqm SME market in Harare.**
- In order for the product to be fit for purpose, deliberate resolutions around the following were made:

i. **KYC Requirements:** A national ID and Proof of Residence are the only documents required for one to apply for space;

ii. **Lease Period:** Given the need to accommodate business models with a seasonal nature, leases for Eastgate Market are on a daily basis compared to the traditional monthly basis.

	**Market Stalls** - Designed to accommodate business lines such as clothing, computer and cell phones, electrical accessories, Kitchenware, hardware etc - Total units delivered: 277		**Line Shops** - Accommodate relatively established SMEs; - Total units delivered: 31
	**Food court section** - Designed to accommodate fast food and traditional staple cuisine kitchens - Total units delivered: 6		**Butchery Section** - Designed to accommodate a butchery for provision of fresh meat and meat products to shoppers Total units delivered: 1
	**Fruit and Vegetable Stalls** - Designed to accommodate Fruit and Vegetable traders - Total units delivered: 64 - Additionally, there is a common cold room available for all traders at free of charge		**Light Manufacturing** - The section is designed to accommodate light manufacturers who can produce and sell their wares onsite. Target market includes Upholsterers, Tailors, Wood Joinery, and Electronic Appliances

3.27 The Eastgate Market also has other features of interest to the MSMEs as outlined below.

Table 3.5: Other features of interest at Eastgate Market.

	**Mill Building** i. Overlooking the Eastgate Market Stalls Section is Old Mutual Finance, a microfinance institution which provides micro loans to small scale entrepreneurs and these include but are not limited to those operating at Eastgate Market.
	**Car Park** • The Eastgate Market offers parking bays located on the mezzanine of the building. • The car park is CCTV protected and there is also presence of a patrol guard to look after the vehicles whilst shoppers are enjoying their shopping.
	**Supermarket** - Designed to accommodate a supermarket as the anchor tenant - Attracting traffic into the market from which upcoming SMEs in the market stalls would feed off.
	**Footbridge** • The footbridge is designed to provide easy access for the shopping public into the Market. • It also gives Eastgate Market an opportunity to tap into traffic from Eastgate Mall and vice versa
Solar Power 	The Eastgate Market was designed with full cognisance placed on the electricity challenges that the country is facing. There are 300 solar panels placed on the roof of the building producing a total 99 Kilowatts of clean energy. The energy feeds directly into the grid and has an effect of reducing the quantum of electricity consumed from ZESA and henceforth reduced electricity bill for the market.
Future Strategy	Old Mutual intends to spread the model to other towns and cities in Zimbabwe. Such property investments will also be tailor made to respond to the needs of the entrepreneurs within a particular town or city.

3.28 The centre is one of Old Mutual owned properties. It opened its doors to the public on 18 March 1999 and has space for MSMEs, varied retail mix including two supermarkets, a medical clinic, furniture and hardware shops, clothing outlets, pharmacies, bookshops, banking and microfinance institutions.

3.29 It has a strong catchment area of households and a strong industrial base namely the Southerton and Willowvale industrial areas.

3.30 The household catchment area includes Budiriro, Glenview, Mufakose, Glen Norah, Kambuzuma and Highfield suburbs in Harare. The shopping centre has a cross border bus stop which was established in March 2017 to help drive traffic to the centre.

High Glen Shopping Centre provides convenient shopping and parking space for a wide cathment area in Harare's southern surbubs.

3.31 Partitioning of large shops was done at the High Glen Shopping Centre in collaboration with the Harare Chamber of SME's in 2016. Over the years, the shops have been reserved for small businesses mainly focused on retail of clothing and furniture 30 MSME's are operating from the High Glen shopping Centre with flexible leasing terms which were negotiated with the individual traders.

Establishment of SME Units…

3.32 Following encouragement by the Reserve Bank of Zimbabwe, as at 31 December 2019, 17 banking institutions out of 19 had established MSMEs Units which specialize in products and services that endeavor to meet the needs of MSMEs.

3.33 Financial products being offered to MSMEs through the SMEs Units include savings accounts, SME loans, money market investments, investment and business advisory services, individual savings accounts, and low cost (KYC light) accounts.

3.34 The establishment of the SME Units has resulted in an increase in the number of MSMEs accessing formal financial products over the years as shown earlier in Table 3.1.

Capacity Building by Various Stakeholders…

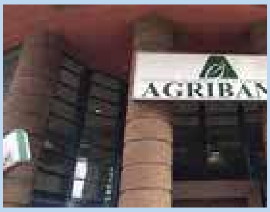
3.35 Financial institutions have, in addition to financial support, been offering financial literacy programs to MSMEs in order to deepen financial inclusion.

3.36 Financial literacy programs coverage includes topics such as understanding financial services and products, entrepreneurship and financial management, record keeping and rights and obligations of borrowers.

3.37 Support to the MSME sector has the potential to promote value addition for the key sectors of the economy through diversification, export earnings and import substitution, which are all critical for increased economic output.

3.38 The table below indicates some of the capacity building efforts by various financial inclusion stakeholders.

Table 3.6: Capacity building efforts by various financial inclusion stakeholders

<table>
<tr><th>Institution</th><th>Initiatives</th></tr>
<tr><td>Agribank
</td><td>i. The bank launched Financial Literacy Trainings which are targeted at women groups, youth groups, tertiary institutions and organizations for people with disabilities, amongst others.
ii. The financial literacy trainings cover areas on, budgeting, financial planning, savings and investments, credit channels, insurance, bank account management and consumer protection programs and financial platforms for transactions. The following table shows the number of people reached since the initiation of the program.
Financial Literacy Training Sessions Undertaken
<table>
<tr><th>Year</th><th>Total Number of People Trained</th></tr>
<tr><td>2017</td><td>312</td></tr>
<tr><td>2018</td><td>1379</td></tr>
<tr><td>2019</td><td>2565</td></tr>
<tr><td>Total</td><td>4256</td></tr>
</table>
iii. Of the trained people, more than 50% were women.
Impact of Financial Literacy Trainings: The Muzarabani and Kadoma Cases</td></tr>
<tr><td>
NMB BANK LIMITED</td><td>- The bank's SME Department partnered with organisations such as PKF Chartered Accounts, ZIMRA, WABAZ, SME Association of Zimbabwe, DHL, Act in Africa, ZIMTRADE to conduct various full-day workshops for existing and target SME customers at no charge to the customers.
- These workshops have been held on a quarterly basis in Chinhoyi, Bulawayo, Kwekwe and Masvingo.</td></tr>
<tr><td>SMEDCO</td><td>- Offers business loans and training in entrepreneurship and financial management to existing or start-up micro, small and medium enterprises.</td></tr>
<tr><td>GETBUCKS
</td><td>- The microfinance bank works closely with SMEs, as well as various entrepreneurs across the country. The institution also exhibits its products at various exhibition shows and SME gatherings in various places across the country including the annual Harare Agricultural Show, the SMEs International Expo, the Zimbabwe International Trade Fair and various Agricultural shows across Zimbabwe. During these gatherings, the Bank's representatives will be coaching the participants on various financial literacy topics. Periodic meetings and farmers' engagements are also being conducted with sugarcane farmers in Chiredzi as well as smallholder farmers based in Middle Sabi.
- During these engagements, local Agronomists from the Government as well as Developmental Partners such as FAO and the private sector will be present to offer technical assistance to farmers.</td></tr>
</table>

CBZ 	- The Bank has regular radio slots on the major radio stations where the institution educates consumers about products and services including customer rights under the Deposit Protection Corporation. - CBZ is also on social media having realized the power of social media in disseminating information. - Exhibited at the SME International Expo in October 2019.
Baobab Financial Services	- The staff is equipped and trained to explain the loan conditions to clients on the field, this approach gives a more personalised message delivery and builds loyalty and relationship on a long-term basis with the institution. Clients and their prospective portfolio managers get to discuss more about how to better manage client's businesses, as well as enlightening the clients on the values and benefits of maintaining a good repayment history.
First Capital Bank	- Micro entrepreneurship workshops were organised in provinces such as Manicaland, Midlands, and Mashonaland West with key issues being on access to finance and business management.
Metbank 	- The institution's financial literacy programs were conducted in conjunction with partners who include the following Non-Governmental Organisations: SNV, Lead, Ecrisat, Care International, Plan International, DAPP, World Vision, Kunzwana, Action Aid and Amalima. - Further, the bank partnered with institutions including: Apostolic Christiaan Council of Zimbabwe, Zimbabwe National Association of Housing Cooperatives, Windmill (Pvt) Ltd, Capital Foods (Pvt) Ltd, Rural District Councils, Schools, and Independent Agents.
MicroLoan	- All prospective clients, before they get a loan, go through a training program that includes topics on financial literacy and business education, as well as consumer protection. - A code of conduct has been developed for employees, which includes a section on ethical collection practices.
NBS	- In June 2018, the Society launched a Financial Literacy programme as a platform to educate customers on the importance of financial inclusion and financial discipline. The society carried out campaigns on social media, held field days and placed informative statements in the press and on electronic platforms. Targeted customers include the informal sector.

Training on SMEs Financing

3.39 In order to capacitate financial services providers in SMEs financing, the Reserve Bank of Zimbabwe, in collaboration with the World Bank, facilitated an SMEs finance training workshop in 2017 under the theme "Re-igniting SMEs Development in Zimbabwe – Learning from Global Experiences".

3.40 The major objective of the Conference was to explore ideas on how to expand SMEs development in Zimbabwe through enhancing access to finance and to facilitate sharing of experiences from various countries around the globe. The training workshop was attended by 356 participants from the financial sector, academia, industry associations, development partners and government ministries.

Access to Markets

3.41 Various stakeholders and some financial institutions have also assisted MSMEs in accessing new markets through facilitating participation at trade fairs and exhibitions.

3.42 Mobility for Africa has developed a transport solution targeted at addressing access to markets for rural women's businesses.

Hamba Tricycle developed by Mobility for Africa as an aliternative solution for rural communities.

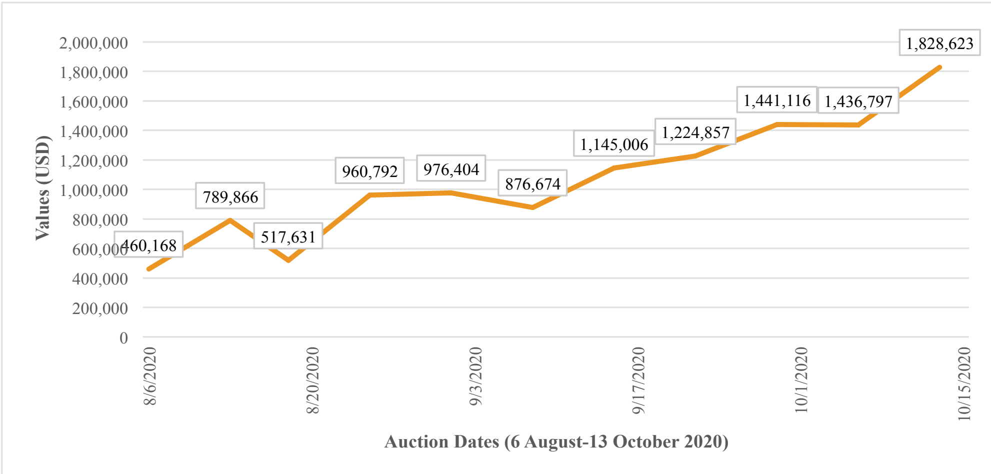
3.43 The transport solution is a three-wheel tricycle popularly known as the Hamba, which is solar battery powered. The tricycle is being used to transport farm produce to markets, in addition to other local mobility needs.

3.44 The innovation has potential to transform social and economic development in rural areas, and positively contribute to the achievement of the Sustainable Development Goals as well as expansion of access to green energy for transport.

SMEs Foreign Currency Auction System

3.45 The Reserve Bank of Zimbabwe introduced the SMEs Foreign Exchange Auction System on 4 August 2020 to promote access to foreign currency by SMEs. The SMEs foreign exchange auction system has ushered in a more predictable foreign exchange market that is conducive for sustainable SMEs development. Figure 3.1 shows the growth in the values of foreign exchange traded on the SMEs Foreign exchange auction system from August to October 2020.

Figure 3.1 : Values of US$ traded on the SMEs Foreign Exchange Auction System (August-October 2020), Zimbabwe



Women Financial Inclusion

3.46 Following the launch of the National Financial Inclusion Strategy (2016-2020), significant strides have been made in promoting gender equality and women's economic empowerment and financial inclusion in Zimbabwe. The Strategy sought to increase financial inclusion levels in the country through interventions targeted at minimizing the barriers to financial inclusion for identified priority segments including women.

3.47 The National Financial Inclusion Strategy has 7 main Strategic Objectives with regards to women's financial inclusion:

i. Provide a platform for widening access to a variety of financial products and services by SMEs and low-income households;

ii. Improve the understanding of the business case for better product design and delivery for women;

iii. Catalyze financial services innovation and expansion through supply side investments;

iv. Ensure success of business models by improved financial education and literacy of women;

v. Alignment of the regulatory environment to ensure success of business models and market take up;

vi. Build knowledge and implementation capacity of key financial inclusion stakeholders; and

vii. Promote sufficient allocation of productive resources which can potentially reduce the overall cost of capital.

3.48 The strategy also dovetails with the United Nations Sustainable Development Goals (SDGs) to which Zimbabwe is a signatory. SDGs include achieving gender equality and empowering all women and girls, poverty reduction, and economic growth of which financial inclusion is a key enabler.

3.49 The particular focus on women stemmed from a recognition that, worldwide, women face a wide spectrum of challenges in accessing financial services and these include but are not limited to, lower levels of education and financial literacy, lower income levels, lack of tangible assets or collateral, legal constraints, time and mobility constraints, socio-cultural constraints, inter-role conflicts involving domestic and professional roles, and a lack of market exposure.

3.50 In Zimbabwe, women constitute 52% of the population, hence any credible economic growth and development strategy should necessarily adequately embrace women.

3.51 To achieve gender equality and women empowerment, access to formal financial services by women is instrumental. The goal is to ensure that women and women-led businesses have access to and are able to use multiple financial services as tools to develop their financial freedom and allow them to contribute to economic growth and development.

Status of women access to financial services

3.52 Women are largely excluded from formal financial services and yet they form the greater part (51.9%) of the Zimbabwean population of over 14 million.

3.53 According to the 2017 Global Findex database:

i. Globally, 72 % of adult men and 65 % of adult women have a bank account, a difference of 7 percent-age points;

ii. In Sub-Saharan Africa, 70 % of women are financially excluded;

iii. The women are more likely to be found in the informal sector, with 26% of women saving informally compared to 22 % of men; and

iv. Only 13 % of women accessing formal financial services compared to 18 % of men.

v. It was further noted that, notwithstanding that women constitute more than half of the world's population, nearly one in three (3) women in the world is excluded from the formal system.

3.54 According to the 2012 FinScope MSME Survey, 57% of the business owners in Zimbabwe were women and only 14% of MSMEs had bank accounts.

3.55 In 2016, the Reserve Bank of Zimbabwe collaborated with New Faces New Voices-Zimbabwe Chapter and GIZ, a German development agency to commission an in-depth gender deep dive analysis using FinScope Survey data of 2011 to 2014.

3.56 The deep dive sought to determine uptake and usage of financial services between women and men, the drivers of uptake and usage, and their respective trends, as well as identify opportunities to improve women access to financial services in Zimbabwe.

3.57 The survey revealed the following:

i. The level of banked adult women remained low at 27% in 2014, although there was a marginal increase from 23% in 2011;

ii. Uptake of credit by women was very low, with more than 77% of women not having access to credit;

iii. 56% of women were not saving at all, while the majority of those that were saving were doing so through informal practices such as savings clubs;

iv. 72% of women adults in Zimbabwe did not use insurance products at all, whether formal or informal; and

v. Generally there is limited awareness of investment products among women compared to men.

3.58 To bridge the gender gap and reduce the high levels of inequality, it is critical for women to have access to the full range of financial products and services, which are essential to facilitate graduation of their income-generating activities from household survival to viable businesses.

3.59 The Reserve Bank of Zimbabwe in collaboration with various stakeholders, including banking institutions, microfinance institutions, development partners, other financial sector regulators, government ministries and departments and private sector players are implementing various measures, policies and support mechanisms to elevate the status of women. Some of the significant milestones achieved to date through the interventions are discussed below.

3.60 The interventions by various stakeholders resulted in the achievement of various milestones as summarised in Figure 3.2:

Figure 3.2 : Key Milestones in Women Financial Inclusion

National Gender Machinery

3.61 This refers to the institutional governmental and parliamentary structure set up to promote women's advancement.

3.62 Domestic efforts include establishment of the Ministry of Women Affairs, Gender SMEs & Community Development; Gender Focal Persons (GFPs); Women's Groups; the National Gender Commission; the National Gender Policy; Parliamentary Committee and other institutions and structures promoting gender equality.

Women Finance and Development Thematic Working Group

3.63 As part of the implementation framework for the National Financial Inclusion Strategy (NFIS), the Women and Finance Development thematic working group was constituted with a core mandate to promote the development of innovative financial products for women and facilitate capacity building programs for women to complement access to financial services. Issues relating to women are also deliberated in other thematic working groups such as Youth, SMEs and Financial Literacy.

Biscuit manufacturing project funded by Homelink Finance

Funding and Empowerment Facilities for Women

3.64 In 2017, the Reserve Bank established various funding facilities as seed funds to enhance access to funding for marginalized groups in the country. The funds were accessible through banking and microfinance institutions at concessional interest rates. One such facility, the $15 million Women Empowerment Fund sought to enhance access to funding for women owned businesses.

3.65 The facilities contributed to the development of various value chains particularly in agriculture, mining, manufacturing, horticulture and resuscitation of irrigation schemes and tourism in various parts of the country. The facilities also supported generation of exports.

3.66 The Ministry of Women Affairs, Community, Small and Medium Enterprises established a Women Development Fund in 2010 as a means of addressing the lack of collateral amongst women and the high interest rates charged by banks. The fund, which is administered by POSB on behalf of the Ministry, offers group financing to women groups. Funds are accessed by groups of at least three members for the purpose of co-guaranteeing each other.

Women's desks and SME units

3.67 Banking institutions established women's desks and SME units to facilitate the development of tailored products and services for women and SMEs. As at 31 December 2019, twelve (12) out of 19 banking institutions had established women's desks and while 17 banking institutions had dedicated SME units.

3.68 The dedicated desks are designing a number of financial products tailored to meet the special and unique financial needs of women such as women's mortgages facilities, women's business loans, women's group savings accounts, women's insurance products and facilitation of women's networking.

3.69 Through these dedicated desks or units, banks are rolling out financial literacy programs, such as workshops, expos, shows, print and electronic media campaigns, aimed at equipping women and other disadvantaged groups with financial knowledge that enables them to better access and utilize financial products and services.

Internal Savings and Loan schemes (ISALs)…

3.70 These community-based initiatives are the most common informal financial practice that people, mostly women, use in Zimbabwe also known as 'Rounds' or 'Mukando' or 'amalima/umkando'. Most banking institutions have since developed products and services tailor-made for women such as group lending, and digital platforms for mukando.

3.71 The name 'mukando' derives itself from the types of transactions that occur in these associations. Members pool their money into a common fund, generally structured around periodic contributions which can be daily, weekly, fortnightly or monthly.

3.72 The schemes are initiated by the communities through own resources for on-lending to both members and non-members in need of financial support. The schemes have proved to be powerful tools for women empowerment and the provision of social protection.

3.73 The intervention has had the effect of improving the livelihoods of the majority of rural women in Zimbabwe and has contributed to both economic and financial inclusion. Some women, due to lack of confidence, prefer savings outside of the formal financial system.

3.74 The schemes are further based on the observation that it is difficult for one to save meaningfully in view of competing demands for money (one cannot save alone), hence the scheme provides a commitment mechanism that ties members to savings patterns, and sometimes to spending patterns as well. This method of saving is a popular alternative to saving at home, where family and relatives may demand access to the money.

3.75 While the schemes first gained popularity among those at the very bottom of the pyramid particularly among rural communities, they have also become popular with the affluent members of society in Zimbabwe.

Kuedza Women Mukando Group, Mrewa, Mashonaland East Pic Courtesy of DAPP Zimbabwe

3.76 The major contributing factors to the popularity of ISALs are convenience when compared to bank procedures and high bank charges on bank accounts maintenance. Membership in these groups is relationship-based and is largely drawn from social groupings such as friends who live in the same community, church mates or workmates. In many cases there are no written or legal contracts among the ISALs members, however, informal and manual bookkeeping may be done by the organizers of the group in order to keep record of contributions and beneficiaries.

3.77 Meetings are held regularly, and every transaction is witnessed by all members during the meetings. Decisions are taken through consensus among members. These characteristics make the system transparent and simple, a requisite for communities with low levels of literacy.

3.78 ISALs are a very flexible mechanism and have some variations depending on the interests of the members. In their simplest form, each member contributes the same amount at each meeting, and one member takes the whole sum. As a result, each member is able to access a larger sum of money during the life of the scheme and use it for whatever purpose she wishes. This occurs for as long as the group exists.

Savings clubs by Development Aid From People to People Zimbabwe under Child Aid project in Rushinga District, Mashonaland Central Province in Zimbabwe

3.79 In some cases, each member commits to the group on how the funds will be utilised for example purchase of a vehicle, property or start a business/project, purchase of household items or pay school fees. In such a case, the group also monitors the member to ensure that she has used the funds as agreed, either by visiting the person's home or through a verbal report.

3.80 Another variation of the scheme is where members periodically contribute an agreed amount for the purchase of a defined product such as groceries. The products are then shared among members after an agreed period which can be bi-annually or annually.

3.81 Members can also engage in an investment scheme where the money is pooled together and loaned out to members with need at an agreed interest rate. At the end of an agreed period, the invested money and the profit earned is distributed among all members. This also provides a convenient avenue for members to borrow with no lengthy legal procedures or collateral required. Personal relationships help in assessing the risk involved in extending credit to any member.

CASE STUDY # 2 ZIMBABWE WOMEN'S MICROFINANCE BANK

3.82 The Government of Zimbabwe, through the Ministry of Women Affairs, Community, Small and Medium Enterprises, established Zimbabwe Women's Microfinance Bank with the objective enhancing financial inclusion of women in the country. The institution commenced operations in June 2018 and is one of the first of its kind in Southern Africa.

3.83 As at 31 December 2019 the institution had agency network through 48 District Offices; 30 - One Money Branches; and 8 ZFU Provincial Offices.

3.84 The microfinance bank's primary clientele are women, although it can also provide services to disadvantaged men and other micro borrowers.

3.85 Establishment of the Zimbabwe Women's Microfinance Bank enhanced the landscape of financial services and products targeted at women. The institution has empowered women by ensuring access to loans at concessionary rates.

3.86 In its first five months of operation, the Women's Bank opened a total of 38,000 accounts (June to November 2018), with account holders spread throughout the country's major provinces

3.87 As at 31 December 2019, a total of 68,266 accounts had been opened and 36,445 loans valued at $12,008,510.00 had been disbursed. As would be expected, the majority of the account holders are women and the loans were issued to women drawn from all sectors of the economy.

Launch of the Zimbabwe Women's Microfinance Bank

3.88 The microfinance bank supports various value chain loans with emphasis being on agriculture. These include crop value chains, livestock value chains, and home industries value chains.

3.89 Since inception, the Government of Zimbabwe has injected capital amounting to ZWL60 million in the Zimbabwe Women's Microfinance Bank to support loan disbursement to the women segment.

ZWMB Product Offering…

3.90 ZWMB's products and services include financing small-scale farmers, meeting the financing requirements of cross border traders, and savings accounts for registered small businesses and group savings accounts.

3.91 These financial products and services are contributing significantly towards enhancing the financial inclusion of women and other MSMEs.

3.92 The institution targets women and integrate one or more non-financial services into their product portfolio, either through direct service provision or in partnership with a non-financial service provider.

3.93 The institution offers a number of financial and non-financial services that can assist in bridging the barriers preventing women from making productive use of financial services such as business management training; financial education and financial literacy.

3.94 Some of the financial products include; Joint Liability Group Loans, Micro-farming Loans/ Micro-enterprise Loans); Small & Medium Enterprises Business Loans; Micro Leasing; Value Chain Financing; and Personal Loans. Some of these products are detailed in the table below.

Table 3.7: Product offering by the Zimbabwe Women Microfinance Bank

Product	Description
Joint Liability Group Loans	a) Group members self-select each other and co-guarantee each other's loan repayment. Access to subsequent loans is dependent on successful repayment by all group members. The bank designs loans which are appropriate to borrower needs in size, purpose, and terms.
SACCOs/Group Savings	a) The institution provides group-based accounts and loans such as burial societies, rotating savings clubs and associations, community associations, cooperatives, churches. b) Women borrow in groups with leadership signing for the loans. Ecocash facilitated a saving culture among women through the Ecocash payment platform where women can participate in micro saving under the Rotating Savings and Credit Associations (ROSCAs) also known as Mukando.
Micro-farming Loans/Micro-enterprising Loans)	a) These are savings and loan accounts targeting women farmers in the rural areas and peri-urban centres. b) The product targets informal business enterprises such as vendors, flea market traders, grinding mill operators, cross border traders who require working capital finance to grow their businesses. Loan repayments are matched to the cash flow generating capacity of the enterprise.
Micro Leasing	a) Enables women entrepreneurs or individuals to acquire movable or immovable business assets needed to run or grow the business. It is a short to long term financing model providing flexible and affordable repayment terms. The asset purchased is used as security.

Product	Description
Agribusiness/Value Chain Finance Loans	a) ZWMB is working in value chain financing providing finance to buy inputs, technical assistance during the production process, market linkages with buyers, and collection of payments for the produce and they are also working with different partners for different products, focus is directed at export produce.
Non-Financial Services 	a) Non-financial services help women to take advantage of economic opportunities and these include business management training, financial education, and capacity-building, mentoring, and advisory services. Business management training includes business networks and linkages which are meant to provide market information through market agents, databases, publications, visits, and other mechanisms, while the business linkages are meant to link entrepreneurs with potential buyers and markets.

INCOME GENERATING PROJECTS FUNDED BY ZWMB

Zimbabwe Women's Microfinance Bank (ZWMB) entered into various value chain financing projects during the 2019 – 2020 Agricultural season. Some of the major projects financed include castor beans, sorghum and poultry.

CASTOR BEANS
The loans were disbursed in various districts of the Provinces of Zimbabwe including. Beneficiaries were mainly who received the loans in the form of farming inputs which are being repaid after delivery of produce to the market.

ZWMB financed 653 communal and small-scale castor beans farmers in Buhera, Chipinge, Mutare, UMP, Goromonzi, Seke, Karoi, Mhangura, Kwekwe, Plumtree and Zvimba with a total hectarage of 254 hectares during the 2019-2020 farming season. The majority of farmers received inputs for 0.25 hectares each.

Financial Literacy training by ZWMB as part of pre-disbursement of Castor beans inputs in Chipinge, Manicaland to 77 clients on 26th of February 2020.

ZWMB FUNDED PROJECTS

Small scale farmers in Chegutu, Mashonaland West with inputs from ZWMB for the 2019-20 season

Healthy Castor Bean crop financed by ZWMB in Chipinge, Manicaland

A total of 73 farmers received inputs from ZWMB for castor bean farming in January 2020 in Muzarabani,

Mrs Magadu (Financed by ZWMB) of Glendale, Mazowe District, Mashonaland Central who harvested 2 tonnes of castor beans in 2020

RED AND WHITE SORGHUM

During the 2019 – 2020 agriculture season 595 farmers were given loans by ZWMB to grow red and white sorghum in Mashonaland East, Mashonaland West, Masvingo and Midlands Provinces with a total of 703 hectares. Yields of up to 3 tonnes per hectare were realised with Delta Beverages as the off taker for the red sorghum whilst GMB/SILO was the off-taker for white sorghum.

A farmer supported by Zimbabwe Women Microfinance Bank stands in a healthy sorghum crop field

Rural farmers receiving sorghum inputs

Alaska Small Scale farmers in Mashonalland West preparing their sorghum crop for delivery

Small Scale farmers in Raffingora, Mashonaland West who were financed by the Zimbabwe Women Bank loading sorghum for delivery to the market

POULTRY PROJECTS FINANCED BY THE ZIMBABWE WOMEN'S MICROFINANCE BANK

ZWMB and Goal Zimbabwe entered a partnership in 2019 to finance Village Savings and Loan Association (VSAL) groups in Chipinge and Buhera.

Chipinge

The poultry project started in June 2019 and a total of 20 groups of women participated in the pilot phase each group had an average of 7 women and bigger groups had up to 13 members. All the groups received 150 chicks, feeds and vaccines for the full cycle. The poultry groups have been selling chicken to the local community, schools and takeaways. The groups are now in their third loan cycle with most rearing 200 chicks per cycle.

ZWMB officer disbursing broiler chicks and feeds to VSALs

Buhera

The groups were identified by Goal Zimbabwe in wards 25 and 26 of Buhera district, Manicaland. The group membership range from 5-15 members per group. The groups were struggling to meet credit demands from its members owing to very limited capital base. The project commenced with 6 groups who received 150 chicks per group

All the groups were able to raise their birds successfully and repaid their loans to the bank and now on the second loan cycle.

Women Financial Inclusion and Gender -Disaggregated Data…

3.95 It has been noted that collection of financial inclusion data is key in facilitating closure of the gender financial inclusion gap through promoting access to and participation of women in the financial system which helps improve women's lives and household welfare and contributes to higher economic growth, reduced inequalities, and greater physical and social well-being.

3.96 Sex-disaggregated data is crucial in prompting financial institutions to better serve the women segment, as it enables them to correctly measure the size of the women segment, appreciate and understand its intricacies in greater detail. Resultantly, this information would offer regulators a better understanding of the effectiveness of policies designed to maximize inclusion as well as help in designing new policies that promote women financial inclusion.

3.97 Lack of supply-side sex-disaggregated data inhibits comparison across banks and regions and impedes detailed understanding about women's actual financial behaviour and product usage.

3.98 In September 2016, the Reserve Bank designed a template with financial inclusion indicators to facilitate collection of disaggregated data from banking institutions on a quarterly basis.

3.99 As part of the efforts to promote financial institutions' focus on women financial inclusion, the Reserve Bank requested banking institutions to submit their targets for lending and other financial products and services targeted at women, including accompanying capacity building activities such as tailored financial literacy or other training programs.

3.100 Through various initiatives by all involved stakeholders, statistics collected from the Zimbabwe banking sector revealed an improvement in access to banking services by women.

3.101 The table below shows the trend in the level of access to banking services by women.

Table 3.8: Trend in the level of access to banking services by women.

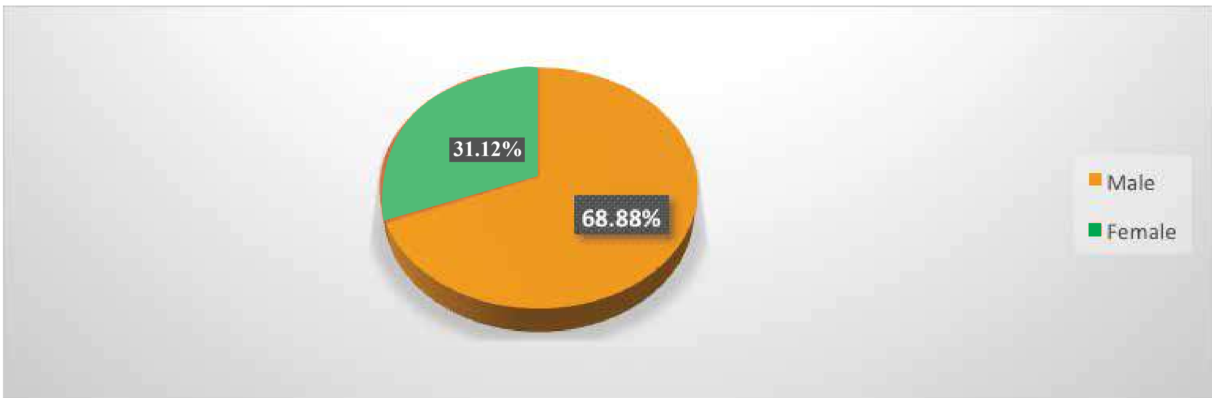
Indicator	Dec 2016	Dec 2017	Dec 2018	Dec 2019	June 2020
Number of Bank Accounts Held by Women	769,883	935,994	1,736,285	2,152,185	2,536,558
Value of Loans to Women	$277.30m	$310.78m	$432.36m	$586.74m	$1.18 billion
Loans to women as a % of total loans	**7.52%**	**7.96%**	**10.57%**	**15.59%**	**3.12%**

Source : Reserve Bank Zimbabwe

Credit Registry – Gender Disaggregated Data as at 30 June 2020

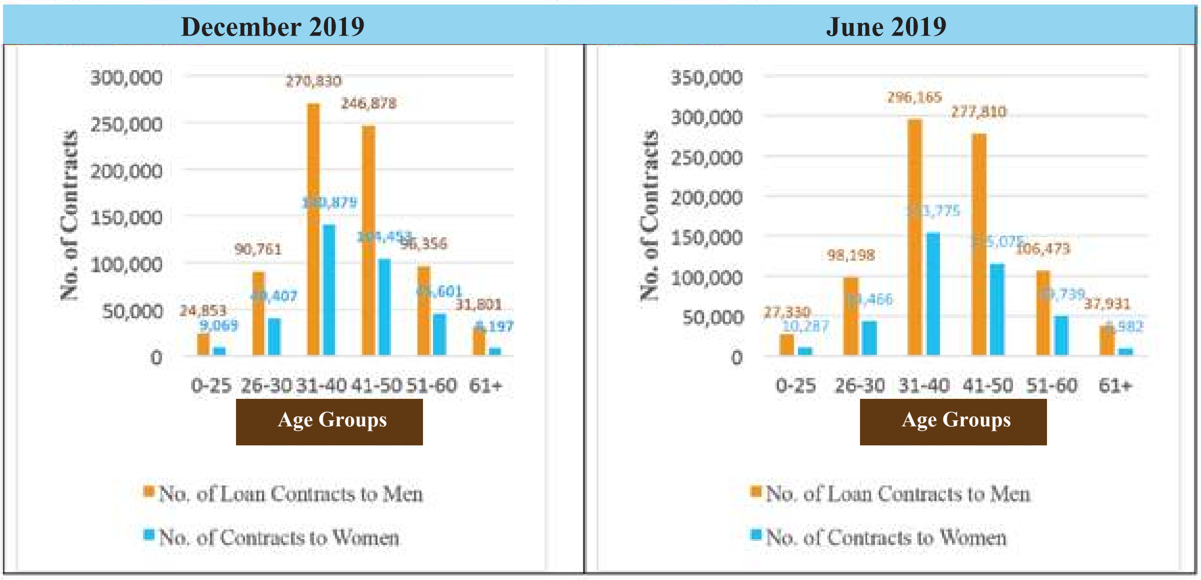
3.102 Female borrowers accounted for 31.12% of number of loans as at 30 June 2020 with male borrowers constituting 68.88% for the same period as shown in figure 3.3.

Figure 3.3: Number of Loan Contracts by Gender (2019 -2020), Zimbabwe



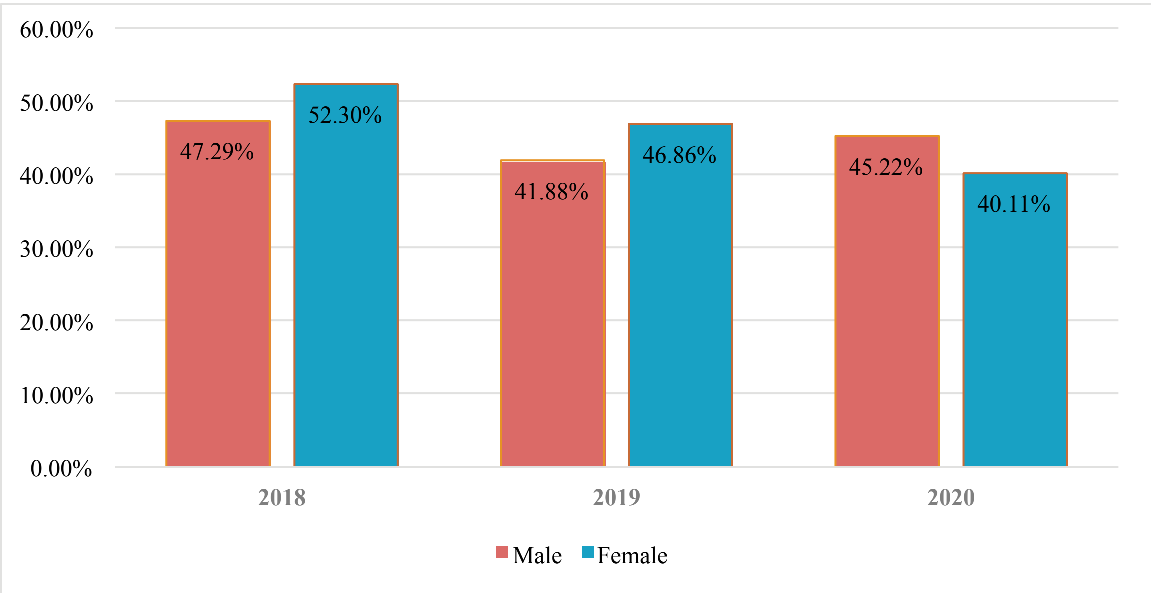
3.103 An upward trend in the number of loans to both men and women for all age groups was recorded between 2019 and 2020. The highest number of loan contracts was noted among middle aged male borrowers (31-50) as reflected in figure 3.4.

Figure 3.4 : Number of Loan Contracts by Gender and Age, Zimbabwe 2019-2020



3.104 Women dominated in terms of new loan contracts from 2018 to 2019 reflecting increased focus on the provision of credit to women by banking institutions. The proportion of new loan borrowings by women however declined in 2020 to 40.11% of total new loans as depicted in Figure 3.5.

Figure 3.5 : Percentage of New Loan Contracts by Gender



Source : Reserve Bank Zimbabwe

Women's organizations and associations

3.105 As part of the wider entrepreneurship network, a variety of organisations are in place with their interest ranging from advocacy to protecting women's rights and promoting the equality, empowerment and inclusion of women. These organizations include the Zimbabwe Women's Resource Centre & Network (ZWRCN); Indigenous Business Women Organisation (IBWO); Musasa Project; Women in Mining; National Federation of Business and Professional Women of Zimbabwe (NFBPWZ); Women in Business and Skills Development in Zimbabwe; Professional Women, Women Executives and Business Women's Forum (PROWEB), Women's Alliance of Business Associations in Zimbabwe (WABAZ), Zimbabwe Women Lawyers Association (ZWLA) and Zimbabwe Women Rural Development Trust (ZWRDT), among others.

Women sponsored by ZWRCN attending the Gender Budget Action Committeein 2016

3.106 These organizations lobby government and other institutions on matters related to women's rights, empowerment, emancipation and inclusion. Some are also implementing partners and agencies for development partners, including UNDP, FAO, UNFPA, UN Women, UNICEF, UNAIDS, WFP and others, for projects and programs related to gender equality and MSME development. Activities by some of the associations are outlined in the table 3.9.

Table 3.9: Women Associations and Organisations in Zimbabwe

Association	Activities
The Zimbabwe National Chamber of Commerce (ZNCC)	The ZNCC through its Women's Desk established the Woman Owned Brand (WOB) Label to foster an increase for demand for goods and services from women owned businesses. The campaign is aimed at serving women entrepreneurs' needs to connect with markets as well as encourage the market to identify itself with products produced by women owned companies and at the same time obtain services from women owned firms. This programme aims to empower women entrepreneurs, support their access to markets and facilitate opportunities for growth and scaling so they can play an active role in the Zimbabwean economy.
Women's Alliance of Business Associations in Zimbabwe (WABAZ)	• WABAZ was launched in November 2011 as an apex organization representing 25 women's business organizations across Zimbabwe. • The organisation acts as a platform for women in business to engage both the Government and the private sector on challenges they face.
Zimbabwe Women's Resource Centre & Network (ZWRCN)	• The Zimbabwe Women's Resource Centre and Network (ZWRCN) is a non- governmental organization established in 1990 to promote women's social and economic justice in Zimbabwe and globally, through the power of information, networking and strategic advocacy. • The organisation believes that all human beings must fully enjoy the rights and freedoms enshrined in the Universal Declaration of Human Rights (UDHR), the Convention on the
	Elimination of all Forms of Discrimination against Women (CEDAW), and the SADC Protocol on Gender and Development, among other gender equality instruments. • The human rights instruments affirm that 'women's rights are human rights' and recognize the inherent rights of every person whether male or female. In this respect, ZWRCN stands for Women's Human Rights.

Association	Activities
Professional Women, Women Executives and Business Women's Forum (PROWEB)	• Proweb was established in 2005 to spearhead economic empowerment of women in Zimbabwe through wealth creation.
Women in Mining (WIM) 	• A membership organisation for women who want to engage in the mining sector.
Zimbabwe Women Lawyers Association 	ZWLA strives to create a just world free from injustice and inequality through defending and dialogue on women and children's rights. Zimbabwe Women Lawyers Association provides legal aid and education to women and communities, lobby and advocate communities, institutions, government and policy makers to be sensitive to women and children's rights as well as raise awareness on matters of its interest. ZWLA champions the rights of women and children by providing free legal aid and working towards creating frameworks that allow for an environment where women and children's rights are enjoyed and protected.

Youth Financial Inclusion

A youth run Free Range Chicken Project in Harare

3.107 In many developing and emerging countries, rapid population growth has resulted in a youth bulge. This presents both an opportunity and a policy dilemma. Economic, social and financial inclusion of the youth population will be key to realizing the benefits of this demographic dividend.

3.108 The Youth in Zimbabwe (aged between 18 to 35 years) constitute 67% of the population, and thus possess great potential to make a meaningful contribution to society. 3.109 According to the 2019 Labour Force and Child Labour Survey, Zimbabwe had 4.49 million youth aged between 15 to 35 years.

A young smallholder sugarcane grower in the Mkwasine Estate, Masvingo Province stands in front of his 11.4-hectare plot.

Table 3.10 shows the Zimbabwean youth employment to population ratio.

Table 3.10: Employment-to-Population Ratio, Zimbabwe 2019 LFCLS

Employed Youth	Youth Population	Youth employment to Population
1,485,365	4,487,458	33.1%

Source: Zimstat 2019 Labour Force and Child Labour Survey

3.110 It is however sad to note that the youth, in Zimbabwe and in developing countries generally, are disproportionately affected by high levels of unemployment largely explained by low levels of financial inclusion.

3.111 Youth are excluded from formal financial services largely due to negative stereotypes, as they are considered high risk- takers, cannot provide collateral, have limited business and life experience and lack a track record or credit history. This is in addition to the other demand-side constraints affecting all consumers of financial services.

3.112 Table above shows that there were 1.5 million employed youth among the 15-35 age group in the country. The employment population ratio (EPR) was 33%. The distribution of employed youths' population aged 15-35 years is shown in the table below. For this age group, own account workers and employees had a large proportion in both rural and urban areas.

Table 3.11: Distribution of Employed Youth Population, Zimbabwe 2019

Employment Status	Urban (%)	Rural (%)	Total (%)
Employers	3.2	2.4	2.8
Own account workers	32.6	30.4	31.6
Paid Employees	63.7	66.6	65.1
Contributing family workers	0.5	0.5	0.5
Total	**100**	**100**	**100**

Source: Zimstat 2019 Labour Force and Child Labour Survey

3.113 Of the 1.5 million employed youth's population aged 15-35 years, 36 % had elementary occupations as shown in the table below:

Table 3.12: Occupation of the employed youth population

Occupation	Percentage
Elementary Occupations (*involve the performance of simple and routine tasks which may require the use of hand-held tools and considerable physical effort*)	35.5
Services and sales workers	18.3
Skilled agriculture, forestry and fishery workers	18.1
Craft and related trades workers	6.9
Professionals	5.6
Technicians and associate	2.0
Clerical support workers	1.4

Source: Zimstat 2019 Labour Force and Child Labour Survey

3.114 Youth financial exclusion exacerbates the challenges of youth poverty, unemployment and underemployment, delinquency, social agitation etc – making the need to focus on solutions all the more urgent.

3.115 Access to financial services could help youth become economically active, start their own enterprises, finance education, and engage productively within their communities. These benefits to the youth also have a huge positive impact to society at large, as it results in poverty alleviation and economic growth.

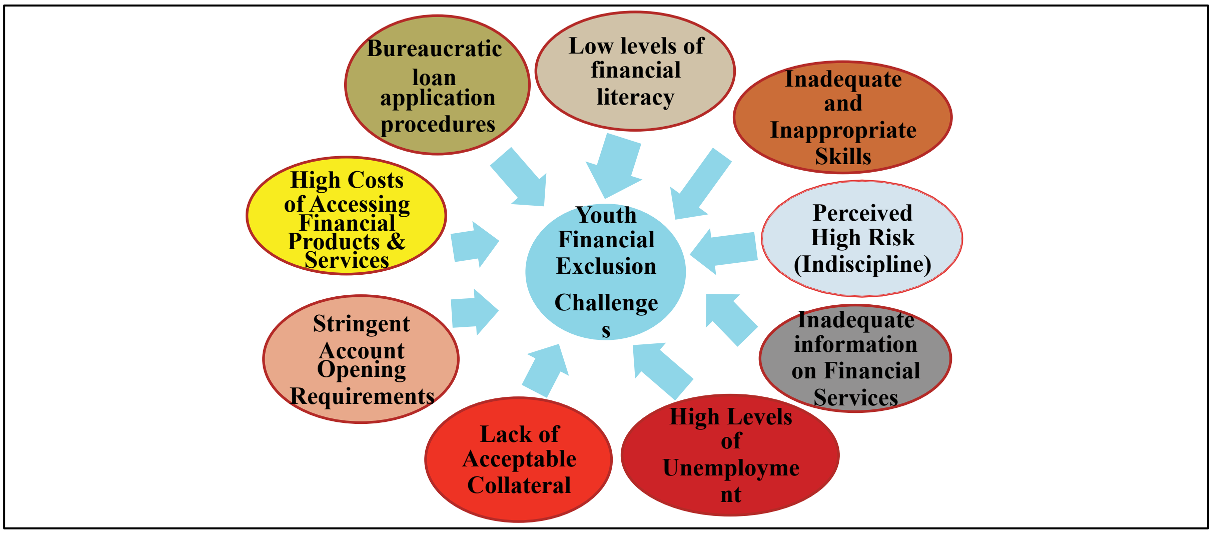
3.116 In this regard, the National Financial Inclusion Strategy recognised youths as one of the special needs groups earmarked for financial inclusion prioritisation so as to increase their economic and social participation.

3.117 The social and economic exclusion that present youth generation often find themselves in restricts their ability to make any significant impact on their standards of living.

3.118 The active engagement of youth in sustainable development efforts is central to achieving sustainable, inclusive and stable societies and to averting threats and challenges to sustainable development, including the impacts of climate change, unemployment, poverty, gender inequality and conflict. Financially included youth are empowered to tackle these challenges.

3.119 Zimbabwe noted several challenges contributing to youth financial exclusion which are summarised in figure 3.6.

Figure 3.6: Challenges contributing to youth financial exclusion



Financial Inclusion Strategies for Youth

3.120 Various stakeholders including financial sector regulators, government ministries and departments, financial institutions, industry associations, private sector players and development partners have been implementing various initiatives aimed at enhancing youth financial inclusion. The initiatives are discussed below.

Youth Thematic Working Group…

3.121 As part of implementation of the NFIS, a Youth Thematic Working Group was constituted to promote the development of innovative financial products for youth and facilitate capacity building programs for youth to complement access to financial services.

CASE STUDY # 3 : EMPOWERBANK LIMITED

3.122 Cognisant of the challenges facing the youth, the Government of Zimbabwe, through the Ministry of Youth, Sport, Arts and Recreation has previously provided youth development programs and funding which however were not effective as desired, largely due to limited financial resources.

3.123 As a result, the Government, through the Ministry of Youth, Sport, Arts and Recreation, in July 2018 established EmpowerBank Limited (commonly known as Youth Bank), a licenced deposit-taking microfinance institution to serve the special needs of the youth.

3.124 The microfinance bank's focus is on providing financial services to the marginalized groups in Zimbabwe, with special focus on the youth and indigenous Zimbabweans.

3.125 The institution's major products include accepting deposits including savings and time deposits, Bureau de Change services, group loans, value chain finance, micro enterprises loans, SMEs loans and salary based and consumer loans. 3.126 The institution's products and uptake as at 31 March 2020 are indicated in the table below.

Table 3.13: EmpowerBank Product Uptake as at 31 March 2020, Zimbabwe

Product Name	Number of beneficiaries	Target Group	Uptake to 31 March 2020
Value Chain Finance	61	Youth, Women, Rural Population, Smallholder Farmers	$481,427.88
Group Loans	3	Youth, Women, Rural Population, Smallholder Farmers	$8,100.00
Micro Enterprises Loan	270	Youth, Women, Rural Population, Smallholder Farmers	$3,357,655.98
SMEs Loans	107	Youth, Women, Rural Population, Smallholder Farmers	$10,198,495.05
SSB and Consumer Loans	1974	Youth, Women, Rural Population, Smallholder Farmers	$5,985,184.52

Source : EmpowerBank

3.127 EmpowerBank has been instrumental in employment creation directly through its staff compliment of eighty people and indirectly through funding of various projects, which have resulted in promoting both entrepreneurship and employment. The institution is supporting projects in the NFIS identified priority segments namely women, youths, SMEs, rural population, smallholder farmers, and people with disabilities.

Table 3.14: Projects Supported by EmpowerBank as at 31 March 2020, Zimbabwe

Project	Number of beneficiaries	Target Group	Nature	Level of Support
Agriculture Hunting and Fishing	26	Youths	Agriculture	$2,580,049.00
Construction	4	Youths	Construction	$458,952.29
Trade & Services Finance	936	SME's	Retail	$4,684,487.66
Finance and Insurance	5	Youths	Financial Services	$3,800,453.00
Manufacturing	5	Youths	Manufacturing	$84,000.00
Mining and Quarrying	1	Youths	Mining	$15,200.00
Transport and Communication	31	Youths	Transport and Communication	$275,800.00

Source : EmpowerBank

3.128 For the quarter ended 31 March 2020, the institution conducted twenty-one (21) financial literacy programs aimed at equipping the general public on financial matters.

3.129 The institution has various types of savings deposit accounts to build a saving culture. Further, the provision of various financial products to the traditionally unbanked rural population will assist them in embracing financial services as part of their day to day lives.

Financial Services and Products for the Youth by Other Stakeholders…

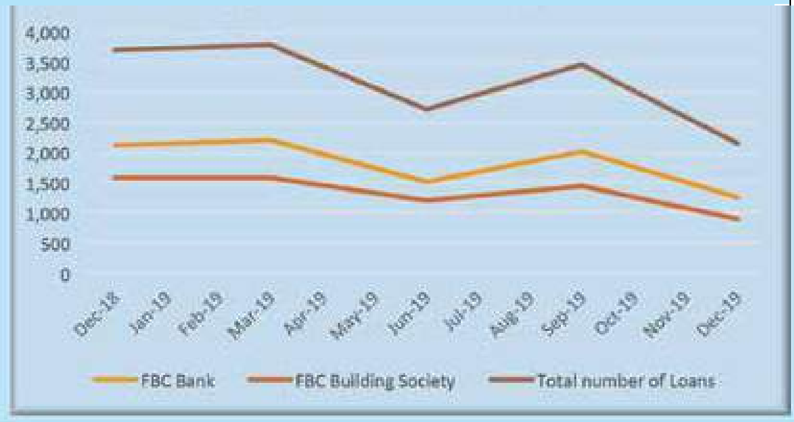
3.130 Various financial institutions have responded to the call by the Youth Thematic Working Group to develop financial products and services tailor made for the youth in general.

3.131 In this regard, a number of banking institutions and microfinance institutions including Agribank, CBZ, Ecobank, POSB, ZB Bank and Microplan among others developed special banking products for school going children and the youth. These products are shown in the table below:

Table 3.15 : Institutions offering products targeting school going children and youth.

Banking Institution	Products
 Agribank	a) The bank established the **Young Leaders Empowerment for Success Program** aimed at equipping young and emerging leaders in the business space. The program includes financial literacy workshops with motivational talks. The youths are drawn from selected youth organizations. The targeted recipients are mainly undergraduates and recent graduates from tertiary institutions. From the pool the institution will then select potential youths to fund through mini-group-lending. b) The institution also provides Financial Literacy Trainings for High School Students. The campaign encompasses a training program targeted at students in high schools. The trainings are confidence building trainings which aim to instill a culture of goal-setting in all the aspects of the students' lives.

Banking Institution	**Products**
CBZ Holdings Limited  CBZ 2018 YEP AWARDS  	a) The bank also offers the following products; Current, Savings, Nostro and Investments Accounts; CashPlus Junior, CashPlus Teen, CashPlus Student, and Loans – accessible to Youth aged from 19 to 35 Years of age. b) In 2016, CBZ partnered Empowered Life Trust, a non-profit making organisation to establish YEP. YEP is a practical and results-based initiative to produce growth-oriented (not survivalist) profitable businesses that are run professionally by youths aged between 18 and 30 from all the country's 10 provinces. c) The institution sponsors the Annual Youth Entrepreneurship Programme to encourage youths aged between 18-35 years to produce growth oriented profitable businesses that are run professionally. d) YEP graduates are required to professionally run profitable businesses within a period of 90 days. The first phase of the programme involves visits to all 10 provinces to deliver public "Introduction to Entrepreneurship" workshops for the youth. e) From the attendants, 10 participants from each of the 10 provinces are selected to go to the next round where selection is based on performance and responsiveness to the given assignments. After further training and assessment, two participants per province are selected to proceed to the final level of the programme. f) The finalists each receive seed capital to use in their small businesses and based on how they perform; the top 10 will be awarded prize money. Terms and conditions relating to the prize money will restrict the usage of the money to business use. g) Through YEP, CBZ has equiped over 4,000 youth with business skills from 016 to 2019.
Microplan  	a) Arranging youth into groups and fund viable projects. b) Offer financial training programs so that they have a better understanding of implementing and running profitable projects. c) Partnering organizations that deal directly with youth i.e. NGOs such as Practical Action. d) Encouraging a culture of banking by opening instant accounts.
CABS  	a) More space secured for the expansion of the youth incubation hub at Batanai Gardens in Harare earmarked for youth in digital media content creation. b) Support for youth initiatives for tertiary students through Boost Enactus and sponsorship of the CHISZ conference, partnering with Global Foundation of Public Speakers to leave footprints in secondary and high schools and sponsoring the prizes won during the competitions.

Banking Institution	Products
FBC Bank & FBC Building Society 	FBC Bank and FBC Building Society have made significan enroads into youth financial inclusion as evidenced by the total number of loan accounts of 2,149 as at 31 December 2019
	

CASE STUDY # 4 GLOBAL FOUNDATION OF PUBLIC SPEAKING (GFPS)

GLOBAL FOUNDATION
OF PUBLIC SPEAKING

The initiatives were targeted at youths specifically self-employed entrepreneurs as well as those in secondary and tertiary level formal education institutions. All the events were public speaking related and were either a debate, quiz or public speaking competition/conference on various aspects of finance. GFPS started participating in NFIS related events in December 2016. The foundation hosted an annual debate and quiz prize giving cocktail at St Johns Emerald High school to reward its top performing debate and quiz students and patrons. Approximately 630 people attended who were either students, staff members, invited guests or parents. In March 2018 GFPS held its first Global Money week event in partnership with CABS which saw 300 students attend the event from 6 schools which ran for two days. This event ran concurrently with the three-day POSB University debate tournament also held as part of Global Money Week where GFPS was engaged to run the adjudication of the debates. The video of the CABS event can be found here: https://www.youtube.com/watch?v=TFPgjpYhMlY&list=PLgG-klS1Unekaz5eGnK08xVlmkvXhB95o. In June, the foundation celebrated the Day of the African Child which also ran for two days in partnership with the RBZ and Fidelity Life Assurance and drew 930 students and patrons from 14 schools. The official event video can be found here https://www.youtube.com/watch?v=mO-IXODLVnM&list=PLgG-klS1UnemciKghyhDWGho_pwwTnWe9. The celebration was broken up into debate and quiz competitions that had a strong financial inclusion component and how its absence particularly affected African children. The last financial inclusion event was held in October 2018 which was a debate and quiz awards ceremony in partnership with Econet which had 110 students from three schools. Speakers from the RBZ, Ecocash, NANGO and other organisations spoke on financially related issues from saving, budgeting to investing. Several students and patrons won prizes that night and the video can be found here: https://www.youtube.com/watch?v=Vn2HrPf0SA4. The year 2019 saw GFPS participating in the Global Money Week celebrations. The official overall summary video and those of some of the events are available on: https://www.youtube.com/watch?v=icwVKAwYlBI . Over 200 young entrepreneurs and students were reached. In June 2019, GFPS celebrated the Day of the African Child in partnership with the RBZ, ZYC, NAYO, YETT and NANGO. It was a quiz competition on financial literacy terms and practices as well as key national policies like the TSP, MPS and NFIS with 24 Junior Parliamentarians from the Harare Metropolitan Province. There were also activities for International Youth Day in August where key public and private sector leaders were invited. Below is the first part of a two part series interview with the Minister of Youth, Sport, Arts and Culture Honourable Kirsty Coventry https://www.youtube.com/watch?v=Yt83UDVmhIg. The following month (September) GFPS partnered with the National Association of Non-Governmental Organisations (NANGO) during the annual NGO expo organized by NANGO with support from UNDP and the EU. Approximately 120 Junior Councillors and Junior Parliamentarians were invited to side event, that was part of the larger three-day expo, which was called the TSP Quiz tournament. Students heard from speakers in the financial services sectors including Fortune Foundation, Institute of Economics and Peace, RBZ and Cassava Smartech before and after several rounds of quiz questions that required them to demonstrate knowledge of the contents of TSP and the NFIS documents. The official video of the whole event with excerpts from the invited guests and speakers is available on : https://www.youtube.com/watch?v=rn9l6ESVoA4

3.132 Lending institutions have also developed appropriate collateral substitutes in order to address access to loan challenges among youth borrowers and these include group lending model and value chain financing.

3.133 Cases studies below shows initiatives by various stakeholders in addressing challenges faced by the

CASE STUDY # 5 EUNIGRACE PRIVATE LIMITED (POULTRY PROJECT)

Eunigrace was registered as a Private Business Corporation in July 2018 and is owned by ***Nyasha Mutorogodo (60%)*** *and her mother Eunice Mutorogodo (40%). The Eunigrace poultry project was started with 250 layers at point of lay stage. They managed to increase production capacity to 800 layers after receiving a loan from* ***Homelink Private Limited*** *and also from personal funds. The business produces 720 eggs daily, which are supplied to various customers in Zvishavane who are in most cases individuals and small shops. Eunigrace has a one-hectare plot where a broiler chicken project is also underway. The broiler chickens are being reared in batches of 200 chickens spaced by 3 weeks. Taking into account the high demand of eggs and chicken the business is exploring expansion of activities in order to make an impact in the society and the country.*




The company seeks growth of at least 25% yearly and to establish strategic relationships with at least 10 supermarkets; and keep a minimum of 20 000 layers and broilers by 2022. The business is selling an average of 400 broilers a month. Nothing goes to waste even the chicken manure has a market; the chicken manure is sold mainly to two types of customers, those who buy it as feed for goats and those who buy as garden manure to enrich the soil. The owners of Eunigrace also have their own vegetable garden fed by the chicken manure and are growing vegetables for their consumption as well as income generation from selling surplus. Challenges that have been faced in the business include high cost of production, limited operating space and lack of adequate finances.

CASE STUDY # 6 CBZ YOUTH ENTREPRENEURSHIP PROGRAMME (YEP)

Y.E.P
YOUTH ENTREPRENEURS PROGRAMME

YEP is a practical and results-based initiative to produce growth-oriented (not survivalist) profitable businesses that are run professionally by youth from all 10 Provinces in Zimbabwe, and in 2017, a rural component was introduced for youths in rural areas to also benefit from the program. YEP is in-line with the Reserve Bank of Zimbabwe`s 2016-2020 National Financial Inclusion Strategy as part of efforts to foster economic and social development by increasing access to financial services for previously marginalised key players such as smallholder farmers, women, youth, micro, small to medium scale enterprises in the formal banking system. The program is a partnership between CBZ Holdings and Empowered Life Trust, and YEP is nurturing a new generation of (growth oriented) business persons. Many young Zimbabweans graduating from universities, colleges and high schools have no option but to become entrepreneurs due to lack of employment in the country. The program seeks to improve Zimbabwe youths including those who are in the rural areas through offering business opportunities which will in turn create employment opportunities. The YEP program has been running successfully for 3 years in a row since it started in 2016. The program is divided into 5 phases, the first phase is preparatory phase where all preparations for rolling out the program for the year are done, and this takes 4 to 5 weeks. At this stage, a call for applications is made and all venue bookings and procurement are also done.

The second phase of the program involves out-reach training visits to all 10 provinces of Zimbabwe to conduct 2-day training on entrepreneurship and financial literacy. At the end of this first training, 10 successful participants are selected to move to the next stage of the program. The selection criterion looks into the level of participation during the training, type and quality of business idea or existing business.

Small Holder Farmers And Rural Communities Support

Small holder maize crop financed by a microfinance institution

3.134 Agriculture has historically been the main stay of Zimbabwe's economy, contributing more than 60% of the country's foreign exchange earnings. The sector provides about 23% of formal employment, and between 14% and 18.5% of Gross Domestic Product.

3.135 Further, agriculture contributes more than 60% of inputs to the manufacturing sector and sustains livelihoods to 80% of the population, majority of which are in the rural areas.

3.136 Agriculture, therefore, plays a strategic role in ensuring food security, generating economic growth, and reducing poverty. 3.137 According to the FinScope Consumer Survey of 2014, only 23% of the rural population, estimated to be 70% of the Zimbabwean population, is formally banked.

3.138 The FinScope MSME Survey of 2012 revealed that rural areas account for 66% of the MSMEs in the country and of these rural businesses, 47%, are financially excluded while 40% use informal financial products and services only.

3.139 Development of the agricultural sector, therefore, has a strong impact on reducing poverty and enhancing food security among rural households.

3.140 In this regard, the National Financial Inclusion Strategy identified smallholder farmers as a priority segment. The Rural and Agriculture Finance and Development Thematic Working Group was constituted to develop and recommend agricultural finance solutions for small holder farmers and the rural community.

3.141 Stakeholders in the Working Group include financial institutions, government ministries, non-governmental organisations and the academia. The major initiatives being implemented by the various stakeholders as part of the NFIS implementation are discussed below.

Reserve Bank Empowerment Facilities

3.142 In order to augment to financial resources channelled to agriculture by the banking sector, the Reserve Bank of Zimbabwe put in place empowerment facilities that have contributed to the development of various value chains in agriculture including horticulture, and resuscitation of irrigation schemes in various parts of the country. The facilities also support generation of exports. The $10 million Horticulture Finance Facility targeted farmers in the production of cut flowers, vegetables and fruits & nuts. Agribank & CBZ are the disbursing banks. A $10 million Business Linkages Facility targeted small holder agriculture production under the value chain financing model.

Support by Banking and Microfinance Institutions Rehabilitation of Irrigation Schemes

3.143 A number of banking and microfinance institutions up scaled their financial support to some irrigation schemes which were rehabilitated by Government. Notable impact has been recorded in Manicaland, Matabeleland, and Mashonaland provinces in respect of banana production, livestock production, and horticulture, respectively.

Reserve Bank of Zimbabwe Officials touringa successful irrigated market gardening project in Bulawayo urban financed by a creditonly microfinance institution

3.144 As part of measures to address the challenge of markets for the farmers, the model is leveraging on the database maintained by the Agricultural Marketing Authority (AMA) of registered off-takers for various crops that can be potentially grown at the rehabilitated irrigation schemes. In addition, the Ministry of Agriculture, Mechanisation & Irrigation Development, Department of Agricultural Extension Services (Agritex) personnel stationed in the districts where there are irrigation schemes provide required technical support.

3.145 Encouraged by the support of the various actors along the value chain, banking and microfinance institutions have identified irrigation schemes, which are considered quick-win projects and have the support of various actors along the value chain. Banking institutions partnering relevant actors along the value chain to provide the required funding and capacitation.

3.146 In addition, development partners such as Zimbabwe Agricultural Development Trust (ZADT) are availing funds earmarked for supporting small-holder agricultural value chain actors while, some banking institutions have partnered with microfinance institutions with better capacity to manage such projects.

3.147 The table 3.17 below shows financial inclusion initiative by various stakeholders in support of small holder farmers.

Table 3.16: Financial Inclusion Initiatives by Financial Institutions and Other stakeholders

Stakeholders	Activities
The Zimbabwe Farmers Union (ZFU)	• Partnered with First Capital Bank to create a revolving fund to assist young farmers in the country's rural areas to grow their agriculture businesses. Beneficiaries of the fund were drawn from the 31,000 young farmers who are active in the ZFU's young farmers clubs around the country.
Nedbank Zimbabwe	• In support of small-scale farmers, the bank has in place agencies located at Tobacco Sales Floor, Premier Tobacco Auction and Northern Tobacco Auction Floors.
BancABC Zimbabwe	• The bank is financing 172 small scale sugar cane farmers in the lowveld. Further, the bank is supporting the tobacco industry through its presence at tobacco auction floors.
CABS	• Banana Schemes- the institution continues to work closely and in partnership with farmers in Manicaland, 534 small holder farmers being beneficiaries in the $2.1 million scheme. • Poultry-a $1.3 million facility extended to local broiler producer and abattoir; 30 smallholder poultry farmer producing 35,000 birds a week also part of the scheme. • Sugarcane Schemes in the Lowveld- support to small scale farmers (20Ha) in sugarcane farming; farmers can now access funding for mechanisation, with $7.5 million accessible to the farmers in the scheme.
CBZ Bank	• The bank partnered with Food and Agricultural Organisation of the United Nations (FAO) Livelihoods Programmes (Rural Finance) and Zimbabwe Agricultural Development Trust (ZADT). In partnership with FAO, CBZ disbursed a total of USD19,600.00 to 19 small holder farmers. The bank also accessed a $5 million loan facility from ZADT which benefited a total of 431 borrowers. • Over 916 beneficiaries received loans amounting to $4,510,600 including those in irrigation schemes.
First Capital Bank 	• Small holder farmers and rural population – offering low cost accounts with simplified due diligence to tobacco farmers on a risk sensitive basis. • Set up account opening site at the major tobacco auction floors during tobacco selling season for the convenience of farmers. • Also operate a value chain financing model benefiting small-holder farmers through group lending to create sustainable value chains for small-holder farmers

Stakeholders	Activities

Getbucks Microfinance Bank

Low Veld – Chiredzi, Hippo Valley and Mkwasine Sugarcane Farmers

- GetBucks Microfinance Bank financed working capital and capital expenditure requirements for smallholder sugarcane farmers in Chiredzi, Hippo Valley and Mkwasine. The institution accessed a concessionary line of credit from the Zimbabwe Agricultural Development Trust (ZADT). Loans disbursed in 2019 to date were split as follows;

Item	Women	Men	Youths	Total
Number of Beneficiaries	13	62	19	94
Amount Disbursed *(ZWL)*	$142,310.00	$510,489	$163,201	$816,000

Middle Sabi Michigan Pea Beans Farmers

- In 2017, the Bank partnered and funded farmers in Middle Sabi – Chipangayi Estate to grow Michigan Pea beans under an offtaker contract with Cairns Foods. The Michigan Pea Beans are used to produce Cashel Valley baked beans. A total of 148.5 hectares were covered. Loan proceeds were used to meet working capital and capital expenditure requirements.
- The first cycle was affected by some challenges which included power cuts which affected irrigation cycles as well as extremely high temperatures that were experienced in the Middle Sabi area. However, the microfinance bank further worked with the farmers during the 2018/19 on sugar beans and Michigan Pea Beans. The harvest significantly improved from the previous season.

Item	Women	Men	Youths	Total
Number of Beneficiaries	8	10	5	23
Amount Disbursed *(ZWL)*	$11,527.50	$201,347	$15,370	$228,244.50

Hilart Investments (Private) Limited t/a Kacholo – Chilli Production in Dewure, Gokwe, Bubi, Ruware, Zaka and Chipendeke irrigation schemes.

- Hilart Investments (Private) Limited is a well-established Zimbabwean company in the business of contracting smallholder farmers to grow various types of chillies for the export market.
- The company's major customer is Nandos International and 90% of the company's sales are linked to this company.
- The Nandos contract is premised on Kacholo's capacity building to smallholder farmers through financial inclusion and rural finance under the Chillies contract farming scheme.
- About 70% of Nandos Global's Bird's Eye Chillies requirements are sourced from Kacholo and the other 30% from South Africa, Malawi & Zambia. Nandos uses the bird's eye chillies for the manufacturing of their renowned Nandos chilli sauce.
- Kacholo supply all the inputs (Seeds, Fertilisers & Chemicals); offer technical support and training to the smallholder farmers under the chillies contract.

Stakeholders	Activities
 	• The company is working with over 1,085 smallholder farmers from Dewure, Gokwe, Bubi, Ruware, Zaka and Chipendeke irrigation schemes. • These irrigation schemes benefited from a ZWL1 million facility that was availed by GetBucks Microfinance Bank through Hilart Investments. The facilities were mainly to cover working capital requirements for the farmers i.e. seed, fertiliser and herbicides. • More than 80% of the employees in the Hilart Investments Chilli Pack Shed are women. **Sabi Bananas (Private) Limited Scheme** • The company acquired two farms (Farm 13 Measuring 249.9347 Hectares & Farm 15 Measuring 137.6545 Hectares) in Middle Sabi, Chipinge (450km from Harare) and Bananas are being grown on both farms. • Sabi Bananas is expanding the banana project to cover the two farms and recently acquired and commissioned a state-of-the-art harvesting cable system and a pack shed. • The cable system enables the company to easily move the bananas from the fields to the pack shed without bruising them to maintain export quality standards. • The company has also diversified its product range to include paw paw fruits on a small scale. • Sabi Bananas is exporting some of the bananas to South Africa using the company's two refrigerated trucks, thereby helping the country generate the much-needed foreign currency. • The project was financedby Get Bucks Microfinance Bank through a ZWL1.9 million facility which was partly financed through the Reserve Bank of Zimbabwe empowerment facilities. • The Reserve Bank availed ZWL0.5 million Asset Financing Facility to Sabi Bananas under the Horticulture facility. Sabi Bananas employs over 80 women from the local community, and this has improved the livelihoods of these families.
Zimbabwe Agricultural Development Trust (ZADT)	ZADT launched the following facilities in April 2018: • Climate Smart Agriculture (CSA) Facility- a credit facility that supports investment in adoption of climate smart agribusiness practices. Two CSA facilities value at $1.6 million were approved and disbursed in 2018 benefiting 5700 smallholder farmers. • Access to Clean Technology (ACT) Facility- a credit facility that promotes funding of clean technology adaption, appropriate energy and efficient resource use. • ZADT Individual Guarantee Facility- the guarantee provides risk sharing facilities to Participating Financial Institutions (PFIs) through a 50% risk cover to clients with value projects but inadequate collateral. Five guarantee placements were approved by ZADT for 2018 valued at $1.4 million securing bank loans valued at $2.8 million benefiting 10,268 linked smallholder farmers.

<table>
<tr><th>Stakeholders</th><th>Activities</th></tr>
<tr><td>Metbank Zimbabwe

</td><td>• In 2015 the bank partnered with Lead Trust, a non-governmental organisation on a ground nut and sugar bean production project. The institution availed product-based loans in form of inputs to 188 small holder farmers. Shatbury (Pvt) Limited was off taker of the produce and proceeds were paid through Metbank Limited to facilitate loan repayments, as well as to avail payments to farmers.
• In 2016, a second and larger cycle of 566 small holder farmers in Gokwe and Mhondoro were financed for the production of maize and cowpeas. There were guaranteed off take agreements with produce being sold to Paper Hole Invetments (Pvt) Limited and Shatbury (Private) Limited. Women and youth constituted more than 70% of the small holder farmers that benefited from this funding. In March 2017, in partnership with SNV as the technical partner, 150 small holder farmers were financed by Metbank in the sugar bean and michigan pea value chains. The farmers were from various irrigation schemes in Manicaland. Off-take agreements were in place with Paper Hole investments (Pvt) Limited and Cairns Foods (Private) Limited. Metbank Limited launched free range chicken (FRC) rearing for production of eggs in Manicaland. Each farmer was assigned a minimum flock of 50 birds which translated to 7450 breeder birds stock in the four producer groups in Gudyanga, Tanganda, Buhera and Chimanimani. The off-taker and technical partner for the project was National Organic Produce (Pvt) Ltd.</td></tr>
<tr><td>Success Microfinance Bank

</td><td>• The institution is offering value chain financing for potatoes, poultry, cattle fattening, goats breeding.
• Other value chain initiatives include Sugar beans (3 irrigation schemes in Masvingo), Nyanga potatoes with Umea and tomatoes with Pick & Pay.</td></tr>
<tr><td>ZIMBABWE WOMEN'S MICROFINANCE BANK LIMITED

</td><td></td></tr>
</table>

Warehouse Receipt System

3.148 A robust Warehouse Receipt System (WRS) has been noted to be critical in addressing challenges in the small holder agriculture value chain in developing countriesr. A sound WRS facilitates access to finance for smallholder farmers, which is key in unlocking their potential to improve their livelihoods, as well as contribute more meaningfully to economic growth.

3.149 The collaborative efforts of the Ministry of Lands, Agriculture, Water and Rural Resettlement, the Reserve Bank of Zimbabwe and other stakeholders culminated in the enactment of the Warehouse Receipt Act [Chapter 18.25] and the Warehouse Receipt General Regulations of 2020 which were gazetted in September 2020. The regulations were developed by the Ministry of Lands, Agriculture, Water and Rural Resettlement under the auspices of Pillar 6 of the National Agriculture Finance Policy Framework, setting the stage for the establishment of the Warehouse Receipt System in Zimbabwe.

3.150 The World Bank is providing technical assistance for the establishment of a robust Warehouse Receipt System which will enable access to affordable finance for small holder farmers, while enhancing their risk management particularly reduction in post-harvest losses. Agri-technology for small holder agriculture

3.151 A number of stakeholders have come up with various interventions in agriculture sector technology towards building sustainable farming methods for small scale farmers.

3.152 ***EcoFarmer,*** which is a product of a partnership between Econet (Zimbabwe's largest mobile network operator) and the Zimbabwe Farmers Union, provides a platform where smallholder farmers have access to insurance, weather index and farming tips which include prices of inputs and market prices for their produce, and a mobile trading platform that links farmers to buyers.

3.153 EcoFarmer allows farmers to save money, make payments for their agricultural and household needs as well as receive payments for their produce. This has lessened reliance on cash and has enabled farmers to manage their farming expenses and pay for their farmers union subscriptions. The Eco Farmer Vaya Tractor platform allows farmers to hire, book and pay for farming equipment on their mobile phones. Farming equipment available for hire on the platform includes, tractors, rippers, sprayers, spreaders, planters and disc ploughs, harrows and combine harvesters.

Smart Agriculture

3.154 iFarm Zimbabwe, a local Agricultural ICT and Logistics company based in Zimbabwe, provides integrated farming solution, connecting the various sectors of Agriculture through use of technology to promote smart agriculture.

3.155 The company offers an Agricultural and Rural Development Software Application which has the ability to provide soil moisture and temperature readings, assist with correct fertilizer applications, weather forecasts, and offer agronomic advice in real time to the farmer. The sensor technology is suitable and affordable for smallholder farmers.

3.156 The Harare Institute of Technology is producing small agriculture technologies assisting small holder farmers. The institution has established a Young Farmers Innovation Lab project which is aimed at strengthening the entrepreneurship capacities of young farmers through ICT based solutions.

3.157 The Young Farmers' Innovation Lab brings together development partners, farmer organisations and financial institutions all seeking to leverage their areas of comparative strength to jointly support young farmers.

3.158 Zimbabwe's climate and weather conditions are one of the country's key competitive advantages in the agriculture sector in the Southern African Region. If tapped into it, Zimbabwe could revert to its status of being the breadbasket of Africa.

Micro Insurance for farmers

3.159 Micro insurance can be defined as the protection of low-income people against specific perils in exchange for regular premium payments proportionate to the likelihood and cost of the risks involved.

3.160 The Insurance and Pensions Commission (IPEC) developed the Micro Insurance Framework which became operational on 1 May 2017.

3.161 Micro insurance is key to smallholder farmers as it ensures the following:
a) Provides affordable agricultural insurance for livestock and crops of the smallholder farmers;
b) Enables smallholder farmers to invest in high risk, high value crops;
c) Provides credit shield insurance to the unbanked segments of the population;
d) Provides economic and social security to low income households through affordable insurance products; and
e) Prevents depletion of savings and assets of the low-income households. Weather Index Insurance- a climate-smart agricultural solution for smallholder farmers

3.162 Natural disasters often affect the agriculture sector, with most farmers, especially smallholder and rural farmers losing crops, livestock and property due to natural disasters. In this regard, IPEC is engaging the World Bank to develop a framework for weather-based index insurance to support agricultural insurance. Micro Insurance for farmers

Rural Women farmers can now access insurance through EcoFarmer

Drought remain a major threat to rural farmers

3.163 The framework will facilitate capacity building of the Zimbabwe insurance industry and enhance financial inclusion of rural and small-scale farmers.

3.164 IPEC and Insurance sector players have been conducting outreach and awareness programmes on the importance of agricultural insurance targeting smallholder communal farmers especially, women and youths in agriculture. In the 2017/18 agricultural season, Old Mutual Zimbabwe Limited expanded its weather index insurance product offering to include cover for excess rainfall as well as other crops that were not initially covered.

Econet, through its Ecofarmer platform has partnered The Zimbabwe Farmers Union (ZFU) through the EcoFarmer 'combo'; a combined service for weather alerts, farming tips and index-based insurance, which allows farmers to insure their crops against the risk of excessive rainfall or drought for US$1 per month. ZFU sources data from international climate information service company and has access to local satellite-based weather data.

Value Chain Financing…

3.165 Value chain financing has been identified under NFIS as one of the agriculture finance models that can be used by financial service providers and other stakeholders to enhance support to the smallholder farmers in the agricultural sector.

3.166 The Reserve Bank and the Ministry of Minister of Lands, Agriculture, Water and Rural Resettlement is collaborating with financial institutions and development partners to structure viable financing models through implementation of projects that can be replicated across the country, under the value chain financing approach.

3.167 The initial focus was on small-scale agriculture and rural financing where beneficiaries were supported in groups / clusters.

3.168 A number of banking institutions, microfinance institutions and other private sector players and off-takers have been supporting various value chains across the country.

A farmer in Mashonaland Central Province, stands in front of a healthy maize crop financed by Quest Finance, a credit only microfinance institution

3.169 Development partners such as the Zimbabwe Agriculture Development Trust (ZADT) availed an $8 million facility to support smallholder agricultural value chain actors. The facility is accessible through banks and microfinance institutions.

3.170 Notable examples in value chain financing model are tabulated below:

Table 3.17: Value Chain Financing Models by Financial Institutions as at 31 December 2019, Zimbabwe

Institution	Crop	Name of Off taker	Total Loan Disbursed as at 31 December 2020
BancABC Zimbabwe	Sugar cane	Tongaat Hulett	$54 million
CABS	Banana	Matanuska	$2.5 million
GetBucks Microfinance Bank	Banana	Matanuska & Sunspun	$1.9 million
Virl Microfinance	Paprika	Extractos Vegetales	$3.2 million

Potential for Citrus Value Chain Financing and Participation of Small Holder Farmers...

3.171 In May 2018, the Reserve Bank of Zimbabwe undertook a study tour to Limpopo Province in South Africa and Beitbridge, Matabeleland South, as part of the program to assess possibilities of upscaling establishment of small scale citrus orchards in Zimbabwe, following the notable growth of the market for citrus fruits globally.

Potential for Citrus Value Chain Financing and Participation of Small Holder Farmers

3.171 In May 2018, the Reserve Bank of Zimbabwe undertook a study tour to Limpopo Province in South Africa and Beitbridge, Matabeleland South, as part of the program to assess possibilities of upscaling establishment of small scale citrus orchards in Zimbabwe, following the notable growth of the market for citrus fruits globally.

3.172 The study revealed the need for potential for partnerships with established citrus companies such as Lona Citrus Group, a South African registered company who are actively involved in citrus production in Limpopo, the Eastern Cape and the Western Cape Provinces of South Africa and have capacity to provide technical and advisory services along the value chain as well as facilitate exports.

3.173 Lona Citrus is one of South Africa's 5 largest exporters, which ships about 4.5 million 15kgs equivalent cartons of citrus per annum, representing about 4.5% of South Africa's citrus exports. Lona Citrus operates internationally, exporting fresh citrus produce to more than 40 countries around the globe including customers in North America, Western and Eastern Europe, Russia, Central Asia, the Middle East and the Far East (including Japan).

Reserve Bank of Zimbabwe officials touring one of the Citrus Farms in Beitbridge, Matabeleland South Province in June 2018

3.174 The company sources its fruit from independent producers, as well as from farms that it either fully or partly owns or manages, in the Western and Eastern Cape, KwaZulu Natal, Mpumalanga, Limpopo and Zimbabwe. In Zimbabwe, production is largely centred in the Beitbridge area where about 1,800 hectares are under production. In addition, the area has a juice extraction plant which, however, is currently running at far below capacity.

3.175 Outside of Beitbridge, Matabeleland South, orchards are generally derelict and neglected. In the north of Zimbabwe, production on the Mazoe Citrus Estates is estimated at 500-600 hectares, as well as a juice extraction facility, which, however, is also operating below capacity. In Mvurwi and Chegutu, there are about 40 hectares and 100 hectares, respectively, of citrus production for export.

3.176 Most existing orchards in previous commercial areas are now old and some derelict, as the majority were planted in 1990 to 2000. There are numerous small orchards, particularly around the northern part of the country, the majority being derelict and a few maintained, principally for local consumption.
3.177 The vast tracks of land suitable for citrus farming presents huge opportunities financial institutions to explore value chain financing targeting small holder citrus farmers and ensure productiong for the local and export market.

FINANCIAL INCLUSION INITIATIVES
Targeting People With Disabilities (PWDs)

Mr. Chamunorwa Nyamukonda's Free-range Indigenous Chicken Business Enterprise in Marlborough in Harare

Members of Our Golden Chance Multipurpose Co-operative for PWDs, Kadoma, Midlands Province receiving mining equipment from Viking-Hardware-Distributors for use at the Cooperative's mining venture.

3.178 The Zimbabwe National Financial Inclusion Strategy identified people with disabilities as one of the targeted beneficiaries of financial inclusion interventions, with the objective of enabling them to enjoy equal and fair access to quality financial products and services.

CASE STUDY # 7 HOMELINK FINANCE SUPPORT TO PERSONS WITH DISABILITIES

Client Name	:	Senwork Timbers (Private) Limited, Bulawayo, Zimbabwe
Sector	:	Manufacturing

Senwork Timbers is a wood furniture manufacturing company that was registered on the 30th of April 1999. The company was initially involved in the selling of computer accessories and stationery before venturing into wood manufacturing. The company acquired machinery from Kondemeniotis & Son (Private) Limited, an old Bulawayo-based company that had closed shop.

Finance utilization

In 2018, the client received a loan from Homelink Finance to acquire state of the art furniture manufacturing equipment from China which include an Automatic Cutting Machine, a Horizontal Band Saw, a Dowelling machine, a Morticer, a CNC Tenon, a Belt Sanding machine, a Sliding table saw, a Band Saw, a CNC Router, a Double sided thickensser, a Flash welding machine and a Universal Cutter Grinder.

Some of the State-of-the-Art equipment and machinery at Senwork Timbers, Bulawayo

The company's order book now includes large corporates in various sectors in Zimbabwe and in the region from countries as Botswana, Namibia, and South Africa. Senwork Timbers produces a wideproduct line which include doors, pallets, railway sleepers, dining room sets, beds, chairs, desks and wardrobes, among others. Senwork Timbers is registered with Zimra as an exporter under ZimBots, SADC and Comesa.Senwork Timbers is planning to expand its operations by opening a branch in Harare and increase its staff complement to 150 as operations expand. Community Impact The client employs over 25 employees on a permanent basis and staff levels increase to over 40 during peak periods. Senwork Timbers also provides job attachments to students from Bulawayo Polytechnic College.

Table 3.18: Financial Inclusion activities targeted at People with Disabilities

Stakeholder	Activities
CABS	• The institution has been involved in training its frontline staff, particularly the tellers, in sign language. Further, the bank partnered with Signs of Hope Trust, an organization that seeks to raise awareness on disability issues and conducted financial literacy training for the deaf. The bank also seeks to have non-visual desktop access software installed on the self – service computers in its banking halls. This will allow visually impaired customers to transact without their privacy being compromised. Additionally, screen magnification software will be installed to assist clients with low vision for example people with albinism. • With respect to its retail banking, all branches have access ramps for the disabled. Further, low counters are available in all Gold Class and Green-zone branches to assist the disabled especially those that are wheelchair bound. In instances where low counters are not available within the branch, the wheelchair bound clients are served from the branch manager's office.
Other financial institutions and other stakeholders	• Most banks, other financial institutions, and other stakeholders have heeded the call emanating from the deliberations of the NFIS implementing working groups, to adjust their premises in order to adequately cater for disabled people. This has resulted in the construction of wheelchair access ramps at many institutions' premises. • Most institutions also provide preferential treatment to people with disabilities and the elderly at their service points.

CASE STUDY # 8 ZIMBABWE FREE RANGE POULTRY PRODUCERS ASSOCIATION (ZFRPPA) SUPPORT TO PERSONS WITH DISABILITIES

Mr Chamunorwa Nyamukonda, is a 61-year-old retired Public Chartered Accountant and is disabled. He runs the Chamunorwa Nyamukonda Free-range Indigenous Chicken Business Enterprise in Marlborough in Harare which he started in 2015. The project has poultry structures in Chiweshe in Mazowe District of Mashonaland Central and Mount Hampden just outside Harare housing incubators. Mr. Chamunorwa is involved in breeding indigenous chickens for meat and eggs.

The chickens are provided with supplementary feeding while the eggs for breeding are hatched artificially using an incubator. The poultry project currently has three dual-purpose free-range chicken breeds which are suitable for both egg and meat production namely: Black Australorp, Boschveldt, and Koekoeks with Light Sussex providing colour and beauty to the enterprise.

The different breeds are being bred and reared separately from which fertilized eggs for hatching as well as eggs for retail are produced. The enterprise was with only 50 chicks which have since grown to about 300 breeding chickens which produces an average of 400 chicks every four days. The business on average has about 2000 rolling stock of chicks at various stages of growth available for sale.

The business has provided employment to the local community and provides sustainable income and produces chicken manure which is sold to the local community. Mr. Chamunorwa has been receiving valuable support from the Zimbabwe Free Range Poultry Producers Association (ZFRPA) which he joined in 2016. ZFRPA, as an apex body has been assisting Mr. Chamunorwa with marketing, training and advisory services on feeds, diseases and vaccinations.

CHAPTER 4

MICROFINANCE-AS A KEY FINANCIAL INCLUSION PILLAR

“Accelarating The Financial Inclusion Journey”

Introduction

4.1 While microfinance in Zimbabwe is still in its nascent stage, the sector has made significant inroads in the provision of a wide array of microfinance products through deposit-taking microfinance institutions, credit-only microfinance institutions, savings and credit cooperative societies (SACCOs), and conventional banking institutions that have downscaled into the microfinance space.

4.2 Globally, microfinance has been identified as a catalyst for economic development and key pillar for financial inclusion. Financial inclusion is a key enabler to the attainment of most of the seventeen Sustainable Development Goals (SDGs).

4.3 Through provision of micro finance products and services, microfinance institutions facilitate the building of sustainable financial systems that effectively and efficiently serve the poor, low income households and their micro enterprises.

Microfinace provides financial support for income generating projects

4.4 By supporting the micro, small and medium enterprises, microfinance empowers vulnerable groups and equips them to be f***inancially independent and to participate in the country's economic activities.*** In the process, microfinance plays an important role in ***supporting the Government's vision of an upper middle-class economy by 2030.***

4.5 Access to finance by the poor and low-income households and their enterprises enable the poor and low-income households to protect and diversify their income streams through various entrepreneurial projects, which in turn reduces their vulnerability to income shocks. Microfinance therefore plays an important role in ***smoothening consumption*** of the poor and low-income households.

Rural Women taking up Tobacco farming

4.6 Microfinance plays an important role in entrepreneurship development and employment creation among the low income and marginalised groups, and therefore ***stimulates economic growth*** and improvement in the standard of living within the local community.

4.7 Women are at the centre of the attainment of most of the SDGs. In this regard, facilitating access to finance by women empowers women to participate confidently in economic activities within the local community. Empowerment of women contributes to gender equality as beneficiaries engage in economic activities that facilitate accumulation of capital and assets.

4.8 Access to Microfinance products and services breaks the cycle of poverty among the existing generation of the low-income households, and places future generations of such communities on a better footing for economic prosperity. They are better equipped to send their children to school, access better health facilities, and improve their standard of living.

4.9 Poverty is associated with poor human development, social exclusion and in extreme cases, social disintegration. Microfinance institutions are socio-economic units at grassroots level meant to uplift the livelihood of the low income. As a double-bottom line tool, microfinance is viewed as an effective structural and human development intervention that aids not only financial inclusion, but social inclusion and human development.

4.10 The 2016-2020 National Financial Inclusion Strategy identified a number of impediments to the development of the Microfinance sector, which included inadequate funding, slow product innovation, skewness of lending towards consumption, inadequate skills and management information systems, credit information asymmetry and high default rates.

4.11 Several initiatives have been done to address these impediments and facilitate development of a sustainable Microfinance sector that can effectively contribute to the national development agenda.

4.12 Some of the initiatives include amendments to the legal framework governing operations of the Microfinance sector, and enhancement of the credit infrastructure to facilitate credit risk management by banks and microfinance institutions.

4.13 Further, FinTech companies and mobile network operators (MNOs) partnered with some of the microfinance institutions to increase the breadth, depth, and scope of Microfinance outreach.

4.14 Over the first phase of the NFIS period, the microfinance sector contributed to the financial inclusion of the NFIS target groups, which include the low income households, micro, small and medium enterprises (MSMEs), women, youth, people living with disabilities, and the rural population, particularly small holder farmers. The Micro-finance Context in Zimbabwe

4.15 Over the past five (5) years, the sector has registered significant growth in terms of the number of microfinance players in the sector, and in terms of the breadth, depth and scope of outreach. The sector has also witnessed an increased number of microfinance providers as banking institutions, insurance companies and capital market operators downscaled to reach out to the low-income and marginalised households and their enterprises.

4.16 The Microfinance sector in Zimbabwe comprises of deposit-taking microfinance institutions and credit-only microfinance institutions, both of which are regulated by the Reserve Bank of Zimbabwe. The savings and credit cooperative societies (SACCOs), which are regulated by the Ministry of Women's Affairs, Community, Small and Medium Enterprises Development, constitute a significant subsector of the Microfinance industry in Zimbabwe. Processes are underway to graduate the large SACCOs to be under the purview of the Reserve Bank in order to protect depositors' funds.

Microfinance Amendment Act, 2019…

4.17 The Microfinance Act [Chapter 24:30] was amended through the promulgation of the Microfinance Amendment Act, No.6 of 2019, to address some of the shortcomings of the Act which militated against the development of a sustainable microfinance sector in Zimbabwe. These shortcomings included the tenure of the operating licences which militated against long term investment into the sector, unclear classes of microfinance business, and inadequate corporate governance structures and requirements for microfinance institutions.

4.18 The Microfinance Amendment Act of 2019 provides for two classes of microfinance business, the credit-only and the deposit-taking microfinance business. Clarity in the classes of microfinance business is expected to facilitate development of more sustainable microfinance institutions.

4.19 Further, the Microfinance Amendment Act of 2019 sought to achieve the following objectives:
a) strengthen the supervision that can be exercised over microfinance institutions;
b) address shortcomings of the previous Microfinance Act by providing for perpetual licences for deposit takings and credit-only Microfinance institutions; and
c) provide for a more comprehensive corporate governance and risk management framework.

4.20 The Microfinance Amendment Act of 2019, also provides for enhanced supervisory powers and adoption of sound prudential regulatory and supervisory standards which are applied only to deposit-taking microfinance institutions and their controlling companies, to facilitate development of a sustainable, safe and sound microfinance sector.

4.21 The provision for perpetual licences for both credit-only and deposit-taking microfinance institutions is expected to facilitate the attraction of long-term investment into the Microfinance sector, which is a key enabler to the growth and development of the sector.

The Zimbabwe Association of Microfinance Institutions (ZAMFI)…

4.22 The Zimbabwe Association of Microfinance Institutions (ZAMFI), a member-based apex organisation for microfinance institutions, was formed in 1999, with the main mandate of advocating for an enabling regulatory and funding environment as well as promote international best practice in Microfinance.

4.23 The Zimbabwe Association of Microfinance Institutions seeks to attain the following objectives:

a) Promote and represent the interests of microfinance institutions with the donors, regulatory authorities, and other microfinance stakeholders;
b) Promote industry networking and information dissemination;
c) Promote international best industry practices and standards.
d) Improve institutional performance through capacity-building initiatives.

4.24 During implementation of Phase 1 of the National Financial Inclusion Strategy, ZAMFI partnered with the Reserve Bank of Zimbabwe to build capacity within the Microfinance sector through workshops and training of the Microfinance practitioners.

Stakeholders in the Microfinance Sector attending a capacity Building Workshop organised by the Reserve Bank of Zimbabwe

4.25 The capacity building workshops facilitated by ZAMFI over the review period include Enterprise risk management, loan monitoring classification and provisioning, financial analysis, and social performance management, among others.

Microfinance Thematic Working Group…

4.26 As part of the implementation of the NFIS, the Microfinance Thematic Working Group comprising Microfinance stakeholders was constituted. The main objective of the Thematic Working Group was to promote development of innovative products, delivery channels and capacity building in the microfinance sector, and facilitate positive contribution of microfinance to financial inclusion.

4.27 The Thematic working group contributed significantly to the review of the legal framework for microfinance institutions which culminated in the promulgation of the Microfinance Amendment Act of 2019, aimed at addressing the shortcomings of the Microfinance Act [Chapter 24:30].

Microfinance CEO's Winter School…

4.28 ZAMFI championed the inaugural Microfinance CEO Winter School in May 2016, which has since become an annual event.

4.29 The Microfinance Winter School seeks to create a forum for captains of the Microfinance industry to share information on developments in the Microfinance industry and map a way forward that promote sustainable development of the sector.

4.30 Since the implementation of Phase 1 of the NFIS in 2016, the industry has held four (4) Microfinance Winter Schools which have attracted over 100 participants from the industry.

Annual Microfinance Excellence Awards…

4.31 The Zimbabwe Association of Microfinance Institutions and the Zimbabwe Microfinance Fund (ZMF) hosted the inaugural Microfinance Excellence Awards in December 2018. The awards sought to promote excellence in the provision of access to finance to the low income households and their micro-enterprises.

Delegates at the 2018 Annual Microfinance Excellence Awards

4.32 Categories for the awards included: fastest outreach growing, most client-focused and socially responsible, most women-friendly, most youth-friendly and most digitized and innovativemicrofinance institution, among others.

Annual Microfinance Conference…

4.33 As part of implementation of the Zimbabwe National Financial Inclusion Strategy, the Reserve Bank of Zimbabwe and the World Bank Group, jointly hosted the inaugural Microfinance Conference in November 2018, which was attended by more than 179 participants.

Delegates at the 2018 Microfinance Conference

4.34 The Annual Microfinance Conference has become an annual event and a platform where the Microfinance executives share international best practice and innovative ideas with renowned regional and international resource persons and microfinance experts.

4.35 ***The 2019 Microfinance Annual Conference running under the theme*** "Laying the Foundation for a Dynamic & Responsive Microfinance Sector in Support of Inclusive & Sustainable Growth & Development in Zimbabwe" ***attracted more than 250 participants including resource persons from the region, in particular, Kenya and Zambia.***

Kenya Microfinance Study Tour…

4.36 Cognisant of the importance of building a strong and sustainable microfinance industry in Zimbabwe, the Reserve Bank, as the primary regulator of the Microfinance sector, organised a study tour to Kenya to facilitate knowledge exchange and information gathering for the development of a National Microfinance Development Strategy

The team to Kenya comprised of Reserve Bank officials, Zimbabwe Association of Microfinance Institutions, and representatives of captains of the microfinance industry.

4.37 Kenya was chosen as the host country in view of the microfinance success stories in Kenya. Kenya is considered to have the most vibrant microfinance sector in Sub-Saharan Africa.

4.38 The study tour included engagements with the Bank of Kenya, which is the primary regulator of microfinance institutions, and champions the financial inclusion strategy, microfinance banks, SACCOs, and industry associations such as the Association of Microfinance Institutions (AMFI) and the Kenya Union of Savings and Credit Cooperatives (KUSCCO). The team also visited a FinTech company Craft Silicon, which is working with microfinance institutions and SACCOs in Kenya, to provide innovative microfinance products and services to the marginalised and low-income households.

Reserve Bank Officials and other Microfinance Stakeholders on a knowledge exchange tour in Kenya in 2019

4.39 The key takeaways from the study tour include the following:

a) Efficiency and effectiveness in delivery of financial services can be enhanced by close and complementary relationship between the regulated entities, the regulators and fintech companies.

b) In the era of fintechs and disruptive technology, a 'test-and-learn approach' to regulation of microfinance institutions encourages innovation while affording regulatory flexibility necessary for the growth and development of the Microfinance sector.

c) Collaboration among the various financial sector regulators and industry associations fosters financial sector stability and facilitates development of a sustainable Microfinance sector.

d) Industry associations play an important role in the development of a robust and vibrant Microfinance sector.

Capacity Building…

4.40 One of the challenges identified by the National Financial Inclusion Strategy was inadequate microfinance and risk management skills, and experience to take the Microfinance sector to the next level.

4.41 Building capacity in the microfinance sector took a three-pronged approach, with the Reserve Bank and ZAMFI conducting training workshops for the Microfinance sector, and the Reserve Bank and development partners such as the World Bank, providing training for the regulators, while Microfinance institutions embarked on financial literacy programs for their clients.

4.42 Over the review period, the Reserve Bank in collaboration with the World Bank and ZAMFI, held a number of workshops with the view to building capacity within the Microfinance industry.

4.43 The training workshops covered the following among others:

a) Value-chain financing;

b) Regulatory framework and issues of compliance;

c) Risk management in microfinance; and

d) Social performance management

4.44 Further, the Reserve Bank partnered with development partners including the World Bank and institutions of higher learning to facilitate capacity-building of the sector through training workshops and diplomas with universities in Zimbabwe. To date a number institutions of higher learning are offering various courses and diplomas in microfinance.

4.45 The Reserve Bank contributed towards designing of the curriculum at some of the institutions of higher learning which the institutions are currently using for microfinance diplomas and other degree programs in microfinance.

4.46 Further, the Reserve Bank cognisant of the gap in microfinance skill among the Microfinance regulators, organised training workshops on Social Performance Management for the Microfinance regulators and supervisors service centres, meetings with grassroots leaders – headmen and chiefs, and exhibitions at the Zimbabwe International Trade Fair and the provincial agricultural shows. .

4.47 Microfinance institutions in turn conducted financial literacy programs for their clients including the marginalised rural populace through roadshows at growth points and rural service centres, meetings with grassroots leaders – headmen and chiefs, and exhibitions at the Zimbabwe International Trade Fair and the provincial agricultural shows.

4.48 In addition to provision of funds to women and women owned MSMEs, microfinance institutions offered advisory services to enhance and develop their business skills. Entrepreneurship Training Workshops and Loan Orientation Seminars were conducted to aspiring businesswomen both in the cities and in the rural areas.

4.49 Nurturing and training women entrepreneurs does not only contribute towards sustainable businesses, but also empowers women and boosts their confidence.

4.50 Some microfinance institutions sponsored women-owned businesses to exhibit at the Zimbabwe International Trade Fair, giving them exposure to a greater marketplace and opportunity to network and learn from others.

4.51 Some of the microfinance clients are producing export-quality products, although sourcing appropriate markets for their wares has been a challenge due to a number of factors, including lack of a coordinated approach to incorporating these micro- manufacturers into the mainstream economy.

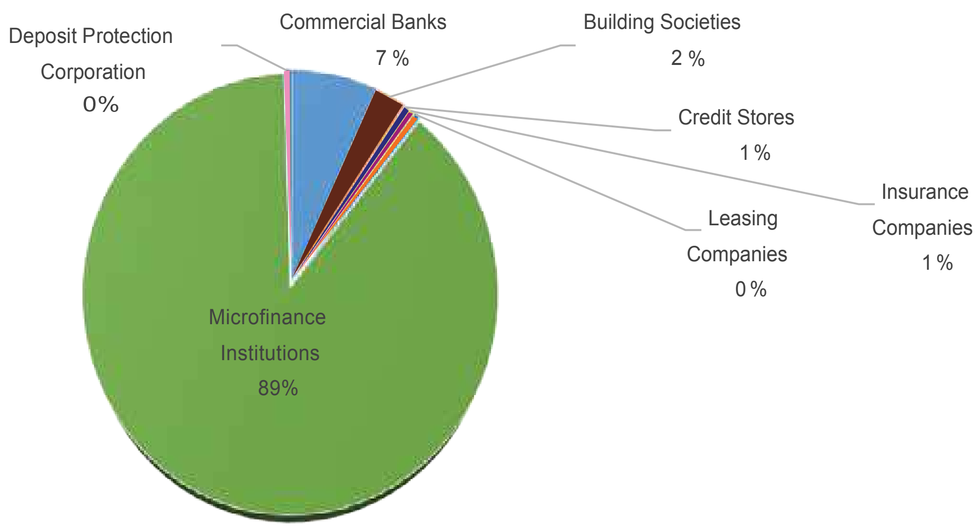
Credit Infrastructure…

4.52 The Reserve Bank championed the development and operationalization of the Credit Registry System to facilitate credit risk management by financial institutions including microfinance institutions. The Reserve Bank continues with its efforts to on-board microfinance institutions so that the sector can provide information on borrowers to the Credit Registry.

4.53 Access to the credit registry has played a significant role in the microfinance sector in terms of dealing with information asymmetry and facilitating the evaluation of the credit-worthiness of microfinance clients.

4.54 As at 30 June 2020, the microfinance sector accounted for 89% of subscribers to the credit registry as indicated in Figure 4.1.

Figure 4.1: Credit Registry



Source: Reserve Bank of Zimbabwe

4.55 The Reserve Bank is in the process of establishing the Collateral Registry to facilitate the use of moveable assets as collateral to secure loans from the microfinance sector. The collateral registry is expected to enhance the financial inclusion of the low income but economically active households.

4.56 Further, the successful establishment of the MSME Credit Guarantee Scheme in 2018, facilitated increased microfinance outreach. More and more micro, small and medium enterprises without adequate or requisite collateral were able to access finance on the back of the MSME guarantee.

4.57 Since 2018, a number of microfinance institutions accessed the MSME guarantee to support micro, small and medium enterprises as indicated in Table 4.1.

Table 4.1: MSME guarantee to support MSMEs as 30 June 2020

Year	Number of MFIs That Accessed the MSMEs Guarantee	Number Funded of projects	Value of Guarantees
2018	5	6	USD2,0242,000
2019	9	118	ZW$4,157,938
2020	4	39	ZW$4,454,123

Source: Export Credit Guarantee Company of Zimbabwe

The Architecture and Performance of the Microfinance Sector

4.58 As at 31 March 2020, the microfinance sector comprised of 212 credit-only microfinance institutions, eight (8) deposit-taking microfinance institutions.

4.59 The trend in the number of operating microfinance institutions since 2016, is indicated in Table 4.2:

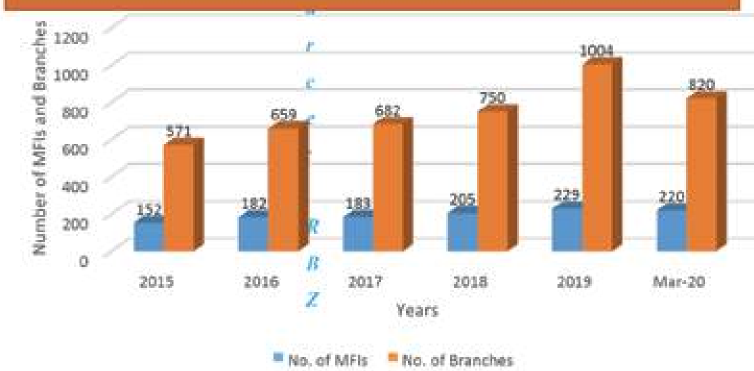
Table 4.2: Number of Microfinance Institutions- Zimbabwe 2016-2020

Type of Institution	December 2016	December 2017	December 2018	December 2019	31 March 2020
Credit-only Microfinance Institutions	181	176	199	222	212
Deposit-taking Microfinance Institutions	4	4	6	8	8
Total	**185**	**180**	**205**	**229**	**220**

Source: Reserve Bank of Zimbabwe

4.60 Since implementation of Phase 1 of the National Financial Inclusion Strategy, the microfinance sector has witnessed a steady growth in the number of microfinance institutions, and the number of branches countrywide as indicated in the Figure 4.2.

Figure 4.2: Trend in Number of MFIs & Branches, Zimbabwe : 2015-March 2020



4.61 The number of registered microfinance institutions increased from 152 in 2015, to 220 as at 31 March 2020, while the number of branches increased from 571 in 2015, to 1004 as at 31 December 2019. However, due to the impact of the covid-19 pandemic and the social distancing protocols, the first quarter of 2020 witnessed a decline in the number of branches to 820.

4.62 In an effort to facilitate access to a wider array of microfinance products to the unbanked and marginalised groups, the number of deposit-taking microfinance institutions increased from three (3) as at 31 December 2015 to eight (8) as at 31 March 2020. 4.63 As at 31 March 2020, the Savings and Credit Cooperatives Societies (SACCOs) subsector had a total of 1,244 registered SACCOs with a total membership of 28,815.

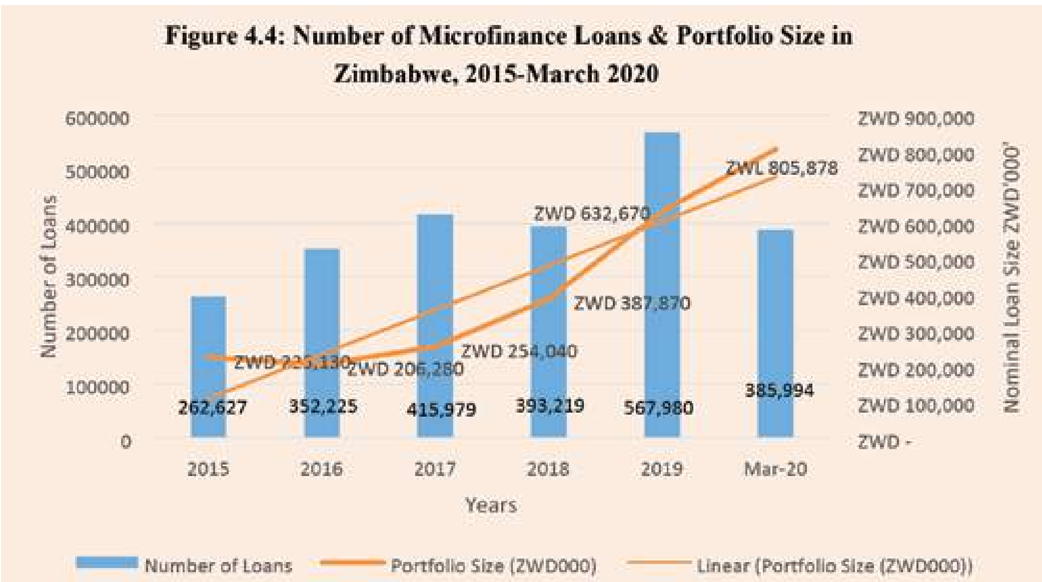
Microfinance Outreach Breadth of Outreach…

4.64 The sector witnessed a 122.49% growth in the number of active clients from 204,242 as at 31 December 2015, to 401,852 as at 31 March 2020 largely driven by innovation and technology-driven delivery methodologies and mobile applications adopted by the sector to facilitate outreach to the target groups.

4.65 Figure 4.3 indicates the trend in total number of active clients that accessed loans through microfinance institutions between 2015 and 2020.

Source: Reserve Bank of Zimbabwe

4.66 The Microfinance sector registered an increase in the number of loans and value of loans to the marginalised groups. The trend in the number of loans accessed by low income households and MSMEs and the value of the loans they accessed is shown in the Figure 4.4.



Source: Reserve Bank of Zimbabwe

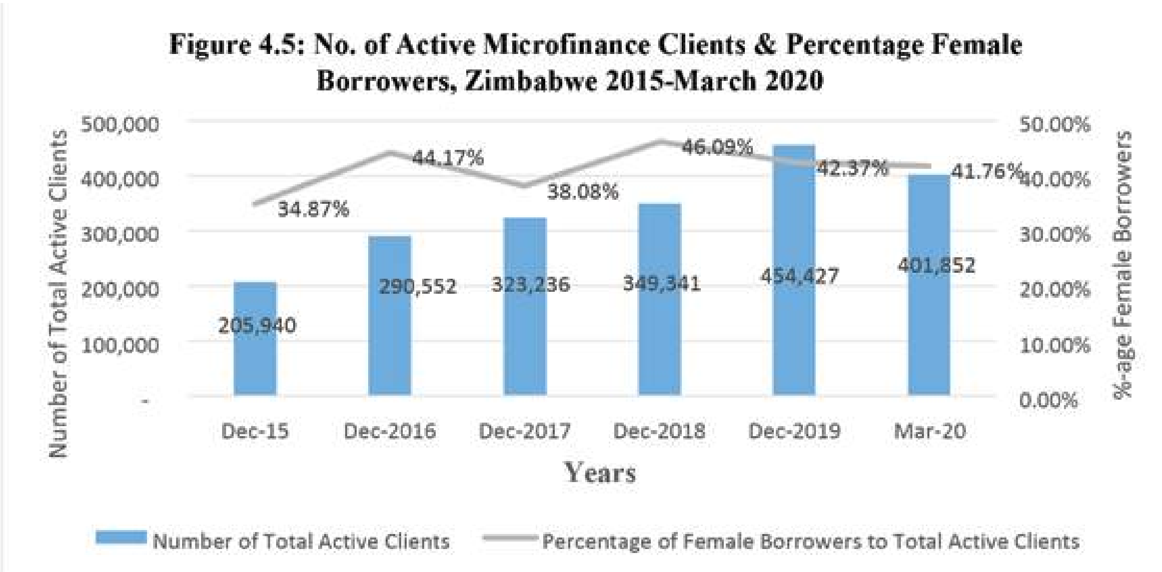
4.67 During the first phase of the NFIS, the sector witnessed a 116.27% increase in the number of loans issued by microfinance institutions, from 262,627 as at 31 December 2015, to 567,980 as at 31 December 2019, before declining to 385,994 as at 31 March 2020, due to the covid-19 pandemic. In tandem with these developments, the value of loans increased in nominal terms by 258% from ZW$225.13 million as at 31 December 2015, to ZW$805.88 million as at 31 March 2020.

Depth of Outreach…

4.68 Depth of outreach measures the profile of clients that are served by microfinance institutions and is usually measured by two indicators; ratio of active female borrowers to total number of active borrowers, and the ratio of the average loan size to nominal GDP per capita.

4.69 The rationale behind using the ratio of active women borrowers to total number of active clients is that women are usually considered to be poorest in a given population, and the most financially excluded due to lack of assets, requisite collateral, and credit history. The fewer the female borrowers, the greater the depth of poverty.

4.70 The number of female borrowers served by the microfinance sector increased by 133.69% from 71,811 as at 31 December 2015 to 167,813 as at 31 March 2020 as shown in Figure 4.5.



Source: Reserve Bank of Zimbabwe

4.71 While the number of active female borrowers has been trending upwards over the review period, the depth of microfinance outreach as measured by the ratio of active female borrowers to total number of borrowers, remained relatively low.

4.72 The nominal value of loans accessed by female borrowers increased by 294.31% from ZW$78.49 million as at 31 December 2015, to ZW$309,50 million as at 31 March 2020. The loans were largely used to finance horticulture, tailoring, peanut butter making, market gardening, and airtime vending among others.

4.73 Microfinance institutions continue to face challenges in increasing women access to finance largely due to funding issues, collateral issues, limited scope of micro finance products, inability to offer micro finance products tailored specifically for women, and competition from other microfinance providers such as banks, MNOs, and insurance companies.

4.74 Going forward, microfinance institutions will need to be more innovative and aggressive in their provision of financial services to the low-income and the marginalised, particularly the women and their enterprises.

DTMFIs and Deposits Mobilisation…

4.75 The Reserve Bank provided a tiered approach to the development of the microfinance sector, which facilitates the graduation of credit-only microfinance institutions into deposit-taking microfinance institutions (DTMFIs), with the view to increasing the scope of microfinance outreach and inculcating a savings culture among the marginalised groups.

4.76 The first deposit-taking microfinance institution in Zimbabwe, African Century, was registered in March 2015, following successful graduation from a credit only microfinance institution. Since then, the DTMFI sub-sector has registered an increase in the number of DTMFIs to six (6) as at 31 March 2020 as shown in table 4.3.

Table 4.3 : Deposit-taking Microfinance Institutions in Zimbabwe as at 31 March 2020

African Century	✓ Licensed as credit-only MFI – Feb 2011 ✓ Graduated to DTMFI – Jan. 2015 ✓ Commenced DTMFI operations- Jan 2016
EmpowerBank	✓ Licensed as DTMFI _May 2018 ✓ Commenced operations _ July 2018
ZWMB	✓ Licensed as DTMFI _ Sept. 2017 ✓ Commenced operations _ May 2018
Success Microfinance Bank	✓ Licensed as Credit-only MFI March 2011 ✓ Graduated to DTMFI _ Nov. 2016 ✓ Commenced operations _ Sept. 2016
GetBucks	✓ Licensed as credit -only MFI-March 2012 ✓ Graduated to DTMFI-July ✓ Commenced DTMFI Operations-Jan 2016
Lion Finance Zimbabwe	✓ Licensed as DTMFI - May 2016 ✓ Commenced DTMFI Operations-Feb 2017 ✓ Placed under Curatorship in July 2019 and lifted on 30 September 2020

4.77 The DTMFIs have made significant progress in inculcating a saving culture among the marginalised groups including individuals and MSMEs as evidenced by the increase in the number of savings accounts and value of deposits held by the institutions for the period under review.

4.78 The nominal value of total deposits held with DTMFIs grew from ZW$4.19 million in 2016, to ZW$68,018 million as at 31 March 2020, while the number of savings accounts increased from 1,411 to 123,281 over the same period, largely driven by the introduction of low cost savings accounts by some of the institutions.

Excepts of projects supported by DTMFIs under NFIS

CASE STUDY # 9 FINANCIAL INCLUSION INITIATIVES BY MICROFINANCE INSTITUTIONS

a) GetBucks Microfinance Bank

i. Smallholder sugarcane farmers in the Low Veld – *Chiredzi, Hippo Valley and Mkwasine*

GetBucks Microfinance Bank financed working capital and capital expenditure requirements for smallholder sugarcane farmers in Chiredzi, Hippo Valley and Mkwasine. The bank accessed a concessionary line of credit from the Zimbabwe Agricultural Development Trust (ZADT). Loans disbursed from January 2019 to date were split as follows;

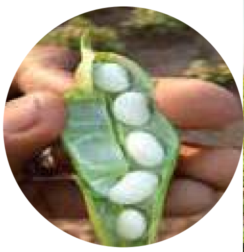
	Women	Men	Youths	Total
# of Beneficiaries	13	62	19	94
Amount Disbursed *(ZWL)*	142,310.00	510,489.00	163,201.00	816,000.00

ii. Irrigation Schemes

(a) Middle Sabi Michigan Pea Beans Farmers

The Bank partnered and funded farmers in Middle Sabi – Chipangayi Estate to grow Sugar beans and Michigan Pea Beans under an off taker contract with Cairns Foods. The Michigan Pea Beans are used for the production of Cashel Valley baked beans. A total of 148.5 hectares were covered. Loan proceeds were used to meet working capital and capital expenditure requirements. The beneficiaries are indicated in the table below.

	Women	Men	Youths	Total
Number of Beneficiaries	8	10	5	23
Amount Disbursed *(ZWL)*	11,527.50	201,347.00	15,370.00	228,244.50



(b) Hilart Investments (Private) Limited t/a Kacholo – *Chilli Production in Dewure, Gokwe, Bubi, Ruware, Zaka and Chipendeke irrigation schemes.*

- Hilart Investments (Private) Limited is a well-established Zimbabwean company in the business of contracting smallholder farmers to grow various types of chillies for the export market i.e. Nandos International *(South Africa)* and other off takers.
- The company's major customer is Nandos International and 90% of the company's sales are linked to this company.
- The Nandos contract is premised on Kacholo's capacity building to smallholder farmers through financial inclusion and rural finance under the Chillies contract farming scheme.
- About 70% of Nandos Global's Bird's Eye Chillies requirements are sourced from Kacholo and the other 30% from South Africa, Malawi & Zambia. Nandos uses the bird's eye chillies for the manufacturing of their renowned Nandos chilli sauce.
- Kacholo supply all the inputs *(Seeds, Fertilisers & Chemicals);* offer Technical Support & Training to the smallholder farmers under the chillies contract.
- The company is working with over 1,085 smallholder farmers from Dewure, Gokwe, Bubi, Ruware, Zaka and Chipendeke irrigation schemes.
- These irrigation schemes benefited from a ZWL1 million facility that was availed by GetBucks Microfinance Bank through Hilart Investments. The facilities were mainly to cover working capital requirements for the farmers i.e. seed, fertiliser and herbicides.
- More than 80% of the employees in the Hilart Investments Chilli Pack Shed are women.





iii. RBZ Empowerment Facilities

- Sabi Bananas (Private) Limited was established in 2017 and operates from Sabi Bananas Farms – Chipangayi Middle Sabi Estate situated in the Chipinge District of Manicaland Province in Zimbabwe.
- The company acquired two farms *(Farm 13 Measuring 249.9347 Hectares & Farm 15 Measuring 137.6545 Hectares)* in Middle Sabi, Chipinge *(450km from Harare)* and Bananas are being grown on both farms.
- Sabi Bananas is expanding the banana project to cover the two farms and acquired and commissioned a state-of-the-art harvesting cable system and a pack shed.
- The cable system enables the company to easily move the bananas from the fields to the pack shed without bruising them to maintain export quality standards.
- The company has also diversified its product range to include paw paw fruits, pecan nuts, mango, and lemon eureka.
- Sabi Bananas is exporting the bulk of the bananas to South Africa using the company's two refrigerated trucks, thereby helping the country generate the much-needed foreign currency.
- The project was financed by GetBucks Microfinance Bank through a ZWL1.9 million facility which was partly financed by the Central Bank. The Reserve Bank of Zimbabwe *(RBZ)* availed ZWL0.5 million Asset Financing Facility to Sabi Bananas under the Horticulture facility.
- Sabi Bananas employs over 80 women from the local community, and this has improved the livelihoods of these families.

Picture Combo: Sabi Bananas, a successful banana export project in Middle Sabi, Manicaland which was supported by GetBucks Microfinance Bank

Excepts of projects supported by DTMFIs under NFIS

CASE STUDY # 9 FINANCIAL INCLUSION INITIATIVES BY MICROFINANCE INSTITUTIONS

a) b) AFRICAN CENTURY LIMITED

African Century has funded numerous projects in both the formal and informal sector with a particular bias
towards the informal sector as they are largely excluded from the larger financial sector.

i. Mr Steiner Maposah -Button Door Project

Mr. Maposah is a carpenter based in Willowvale and is involved in the manufacturing and distribution of button doors. In 2016, African Century offered him working capital to buy timber from Allied Timbers in Nyanga. At time Mr. Maposah could not get funding from other financial institutions because they were not convinced with his project as he was operating in an open space with no proper shelter and he had one employee. The pictures below are the images of Mr. Maposah's workplace before African Century provided him with working capital.

Over the years, Mr. Maposah grew his business by accessing five (5) working capital loans from African Century which have allowed him to improve his workshop area. He managed to buy an industrial wood thicknessor machine, which has led to increased production and a one-ton delivery truck. The number of employees has increased from one (1) to six (6).

ii. Dr. Edwin Chanakira Medical Centre, Harare, Zimbabwe

Dr Chanakira runs a 24-hour medical centre at 64 Pazarangu Avenue in Mbare, Harare. At the medical centre he runs a pharmacy and offers general medical services, X-Ray services and laboratory services. ACL provided him with a mortgage loan to finish the construction of another 24- hour medical centre in Waterfalls, Harare, which had taken more than three years to complete due to fanancial constrains. Below are images of the progress on the contruction of the medical centre in Waterfalls, Harare.

Dr. Chanakira 24-hour Medical Centre under construction-African Century Limited provided the finance to complete the medical centre.

iii. Paulina Runesu- School Project

Mrs. Runesu is a businesswoman who is a teacher by profession. African Century assisted her develop an Early Childhood Learning Centre, Lokren Junior School into a modern school. She had acquired land in Southlea Park, Harare for the school but did not have enough funds to build the school. ACL extended a facility to her for the development of the junior school.

Excepts of projects supported by DTMFIs under NFIS

CASE STUDY # 9 FINANCIAL INCLUSION INITIATIVES BY MICROFINANCE INSTITUTIONS

C) EMPOWERBANK

The Microfinance Bank's main target market are the youth and other marginalised segments such as micro-enterprises and small to medium scale enterprises.

Some of the projects supported by EmpowerBank include the following:

i. Brooke Pharmacy supported with a loan for restocking

Name of Borrower	Date (s) Financed	Location	Employment created	Sector	Impact of Loan
Brooke Pharmacy	• June 2019 • February 2020	Borrowdale Brooke Shopping Centre, Harare	12 including new employment created	Health Sector - Pharmacy	Borrower managed to open a new pharmacy & enabled them to access & supply medicines that were in short supply

ii. Vivid Chemicals – Youth-run SME financed with working capital for detergents production

Name of Borrower	Date (s) Financed	Location	Employment created	Sector	Impact of Loan
Vivid Chemicals	June 2019-August 2020	Tynwald South, Harare	27 including new employment created	Manufacturing (Detergents)	Increased volume & capacity of detergents production

iii. Soya-beans harvest from Mug Farm (Nhimbe) – Soya beans value chain with Zimgold

Name of Borrower	Date (s) Financed	Location	Employment created	Sector	Impact of Loan
Nhimbe Fresh Exports Pvt. Ltd	December 2018	Marondera	65 including new employment created	Agriculture (Soya Beans)	Increased hectarage for soya beans and productivity

iv. Tiptrux - 10HA Tomatoes Plants financed by EmpowerBank.

Name of Borrower	Date (s) Financed	Location	Employment created	Sector	Impact of Loan
Tiptrux	• April 2019 February 2020	Martin Farm, Kadoma	A total of 200 - employment created	Agriculture (Value chain financing- Tomato, Sorghum, Maize, Soya Beans)	Provided irrigation infrastructure (provided drip irrigation for the client), increased hectarage and promoted job creation

v. SkyShine (Private) Limited

Name of Borrower	Date (s) Financed	Location	Employment created	Sector	Impact of Loan
SkyShine PBC	• Financed in August 2019	Zengeza 3 Extension Chitungwiza	Number of beneficiaries 110 - farmers	Manufacturing of organic goods	Impact - increased production of healthy organic food

The Savings And Credit Cooperative Societies Subsector…

4.79 In Zimbabwe, SACCOs were established as a strategy to sustain livelihoods of low income and marginalised households at grassroots level, both in the rural and urban communities. SACCOs, or financial cooperatives evolved as a mechanism to correct market failures, and information asymmetry that facilitated exclusion of the low income and marginalised households.

Rural Women proudly display their produce

4.80 The core or nuclear centre of SACCOs is meeting the needs of the members, and in this regard, the welfare of their members comes first. Through SACCOS, the low income are better placed to generate employment for themselves and their communities, empower

SACCOs play a key role in mobilising small savings

women and improve their livelihoods at household level as well as community level, through better education, food production and health facilities.

4.81 SACCOs facilitate social inclusion and social integration of those members of the community that would otherwise have been excluded from economic activities because of their social standing.

4.82 Cooperatives boost the local economic development at community level and thereby contribute to the attainment of the Sustainable Development Goals in the process.

4.83 As at 30 June 2020, the savings and credit cooperative societies subsector comprised of a total of 1,244 SACCOs with a total membership of 28,815. The distribution of SACCOs by province is shown in table 4.4.

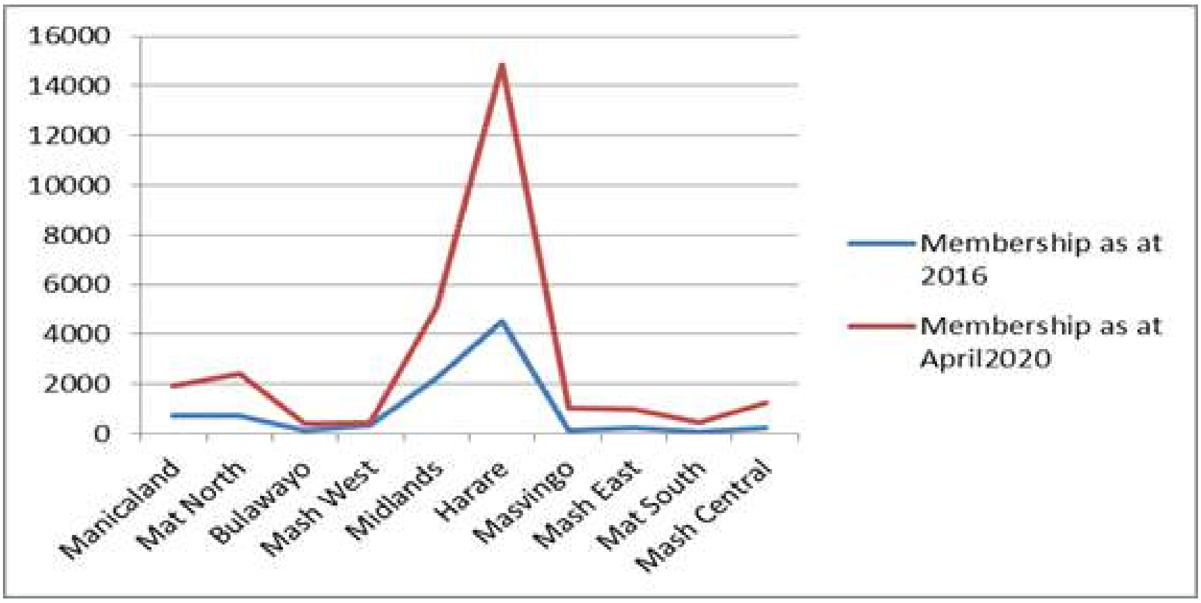
Table 4.4 : Number of SACCOs and SACCOs Members by Province-31 March 2020, Zimbabwe

Province	No. of SACCOs	No. of Members
Manicaland	113	1,918
Mat North	195	2,410
Bulawayo	20	403
Mash West	12	436
Midlands	184	5,123
Harare	212	14,856
Masvingo	361	1,048
Mash East	48	962
Mat South	29	425
Mash Central	47	1, 234
Total	**1,244**	**28,815**

Source: Ministry of Women's Affairs, Community, Small and Medium Enterprises Development

4.84 SACCOs provide a wide array of products and services to their members, including, short-term loans, regular savings, health insurance, motor vehicle insurance, funeral insurance, and investment advisory services.

Figure 4.6 : Distribution of SACCOs Membership 2016: April 2020



Source: Ministry of Women's Affairs, Community, Small and Medium Enterprises Development

4.85 Membership in Harare province has been the highest with 2020 registering more than 14,000 members.

Sustainability and Social Performance Management (SPM)

4.86 Cognisant of the importance of sustainability of microfinance institutions in the financial inclusion agenda and the attainment of the 2030 SDGs, the Reserve Bank initiated a process for the adoption of the Social Performance Management framework by the sector, in line with international best practice.

4.87 It is recognised that only financially sustainable microfinance institutions will be able to provide access to finance to the marginalised groups on a sustainable basis. As double bottom-line institutions, microfinance institutions need to balance their social objectives of reaching out to the marginalised groups, and the financial objectives of remaining viable.

Microfinance New Frontier Balancing Act

4.88 Social Performance Management encapsulates the implementation of management practices that enable an institution to be both financially and socially sustainable - balance between financial performance and social performance.

4.89 Since the launch of the NFIS in 2016, a total of four (4) microfinance institutions, namely, Microplan Financial Services (Pvt) Limited, FMC Financial Services (Pvt) Limited, Thrive Microfinance (Pvt) Limited, and Virl Rural & Social Financial Services (Pvt) Limited, have already adopted the social performance management framework and had social performance assessments conducted by international social performance rating agencies.

One of the Virl Rural & Social Financial Services official has been accredited by Cerise as a trainer on Social Performance, which is a great achievement because accredited SPM trainers are very few in Sub-Saharan Africa.

4.90 Further, the Reserve Bank commenced the training of Microfinance supervisors with the view to facilitating the graduation of the supervisors to the level of certified SPM auditors.

4.91 In order, to reduce costs for the microfinance industry and enable more institutions to incorporate social performance into their business planning, the Reserve Bank will be developing a social performance framework for the sector.

Social Perfomance Management Training at the Reserve Bank of Zimbabwe

Microfinance Active in The Community

4.92 According to the World Bank (2014), only 10% of the micro, small and medium enterprises have access to finance and yet they account for 90% of business in Africa.

4.93 By providing finance to the self-employed, the business start-ups and the micro, small and medium enterprises, microfinance institutions are nurturing the 'missing middle' enterprises that represent the future blue-chip companies in Zimbabwe.

4.94 A number of microfinance institutions in Zimbabwe have been very active in communities, facilitating, not only financial inclusion, but social inclusion as well.

4.95 Summarised hereunder are some of the financial inclusion initiatives undertaken by some microfinance institutions in Zimbabwe.

Old Mutual Finance Private Limited…

4.96 Old Mutual Finance (Private) Limited, a subsidiary of the Old Mutual Zimbabwe Limited, was registered as a credit-only microfinance institution and became operational in May 2017. Old Mutual Finance facilitates access to Banking from CABS, Micro Savings in the form of Old Mutual Unit Trust, access to Weather Index Crop Insurance in partnership with Old Mutual Insurance Company, as well as offering financial education and Advisory Services through On the Money Programme and Loan Orientation Seminars.

4.97 The loan products offered range from Group Working Capital Loans, Individual Working Capital Loans, Business Loans, Order Finance Loans, Educational Loans, Agribusiness Loans and Salary Based Loans.

Old Mutual Finance in Agricultural Finance...

4.98 Old Mutual Finance partnered Lead Trust as a Monitoring and Technical partner and created efficient delivery channels for agricultural loans to farmers in the rural areas.

4.99 The partnership has helped in expanding outreach and the numbers of customer in places such as Mhondoro, Sanyati, Gokwe and Chimanimani.

4.100 Old Mutual Finance has also created access to markets through off-taker arrangements with buyers of the financed crops. A number of farmers in Seke, Domboshava, Darwendale and Beatrice have benefitted from Old Mutual Finance, and agriculture projects funded range from horticulture, poultry, sunflower, sugar beans and maize. In the 2018/2019 agricultural season, Old Mutual Finance disbursed agribusiness loans valued at $1.53 million to 379 groups, which in turn benefited a total of

A healthy vegetable crop by a farmer supported by Old Mutual Finance

Old Mutual Piggybank Campaign

The Old Mutual Piggybank Campaign – #Catch Them Young

4.101 Old Mutual Finance has been working with schools to inculcate a culture of savings among school children. While financial illiteracy is still a challenge in Zimbabwe generally, children in the low income and marginalised households, particularly in rural communities, are usually behind their counterparts from relatively well-off families and communities in terms of financial literacy.

Providing Solar in the Rural Communities

4.102 Old Mutual Finance financed basic solar lighting units through a partnership with Coftex Marketing, a solar distributor. The product has been very popular particularly within the rural communities, as school children have been able to do their assignments using proposer lighting as opposed to candles.

Micro Insurance – Weather Index Insurance (Ruzhowa/Uthango)

4.103 Old Mutual Finance, in partnership with Old Mutual Insurance implemented a Weather Index Insurance (Ruzhowa/Uthango) product to insure smallholder farmers against adverse weather conditions.

4.104 The product which was initially implemented as a pilot project in 2016, has over the years afforded smallholder farmers access to affordable insurance.

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FMC Finance (Pvt) Limited…

4.105 FMC Finance (Pvt) Limited, a credit-only microfinance institution has made significant inroads in terms of providing access to finance to the low-income groups as well as improving their standard of living.

Smal Scale Paw-paw farmers in Chiredzi, Masvingo Province, supported by FMC Finance

Growing of Bananas

4.106 FMC Finance has been assisting Banana farmers in Chiredzi and Hippo Valley with the required inputs. The institution has also facilitated access to markets through off taker arrangements.

Sugar Cane Projects – Bringing Sweetness to the Nation

4.107 FMC Finance has been financing several sugar cane projects in Chiredzi and Hippo Valley particularly for smallholder farmers who have viable projects but lack the requisite collateral and credit history to be able to access funding from conventional banking institutions.

4.108 Some of the smallholder sugarcane farmers have commenced construction of canals in the sugarcane fields to facilitate the much-needed irrigation.

Smal Scale Sugar Cane farmers in Chiredzi, Masvingo Province, supported by FMC Finance

Inclusive Financial Services…

4.109 Inclusive Financial Services (IFS), a credit-only microfinance, commenced operations in 2012, and has been offering a wide range of innovative financial solutions to both rural and urban micro, small and medium enterprises.

Inclusive
financial services

4.110 The wide product range includes SME finance, agribusiness finance, and micro-leasing finance, building finance, youth entrepreneurship finance, and advisory services.

4.111 IFS was birthed out of a vision to serve the marginalised and the MSMEs, the informal sector, smallholder farmers. The success of IFS can be attributed to its focus on the main economic drivers, such as the MSMEs and the smallholder farmers, as well as the low-income households. Over the review period, IFS has directed its resources towards both financial and social inclusion of the marginalised groups, poverty alleviation, and the building of self-sustainable businesses in the country.

4.112 IFS was nominated as the Best Financial Institution supporting MSMEs and best organization in customer service by Zimbabwe National Chamber of Commerce, Zimbabwe National Chamber of SMEs, and Zimbabwe Institute of Management consecutively, since 2013 to 2019.

4.113 Further, IFS was nominated as the **Most Youth Friendly Microfinance Institution** by Zimbabwe Association of Microfinances at the Microfinance Excellence Awards in 2018 and 2019.

Inclusive Financial Services Staff pose with one of their numerous awards in 2019

4.114 Inclusive Financial Services has undertaken the following projects that are streamlined towards financial inclusion:

a) Sugar Bean farming - value chain financing - with groups such as Chipendeke Sugar Bean Farmers in Manicaland, groundnut, sesame seed and beef strategic value chain synergies in conjunction with off takers such as Cairns Foods, JEP/IETC and Bulawayo Abattoirs respectively. IFS ensured that the financed groups are guaranteed of a ready market after their crop with the off taker controlling the quality of the product.

b) Youth Entrepreneurship projects with International Youth Fund Business Development Partners (BDSP) such as Bulawayo Projects Centre and Jekesa Pfungwa to mention but a few with the aim of empowering youth businesses by training them in various aspects of business management before they can access funding.

c) Micro leasing with the aim of helping IFS clients to acquire assets in order to enable their businesses to function efficiently and effectively. Some examples of groups that were assisted include a group of smallholder farmers from Gokwe who were assisted to acquire a tractor for their farming purposes.

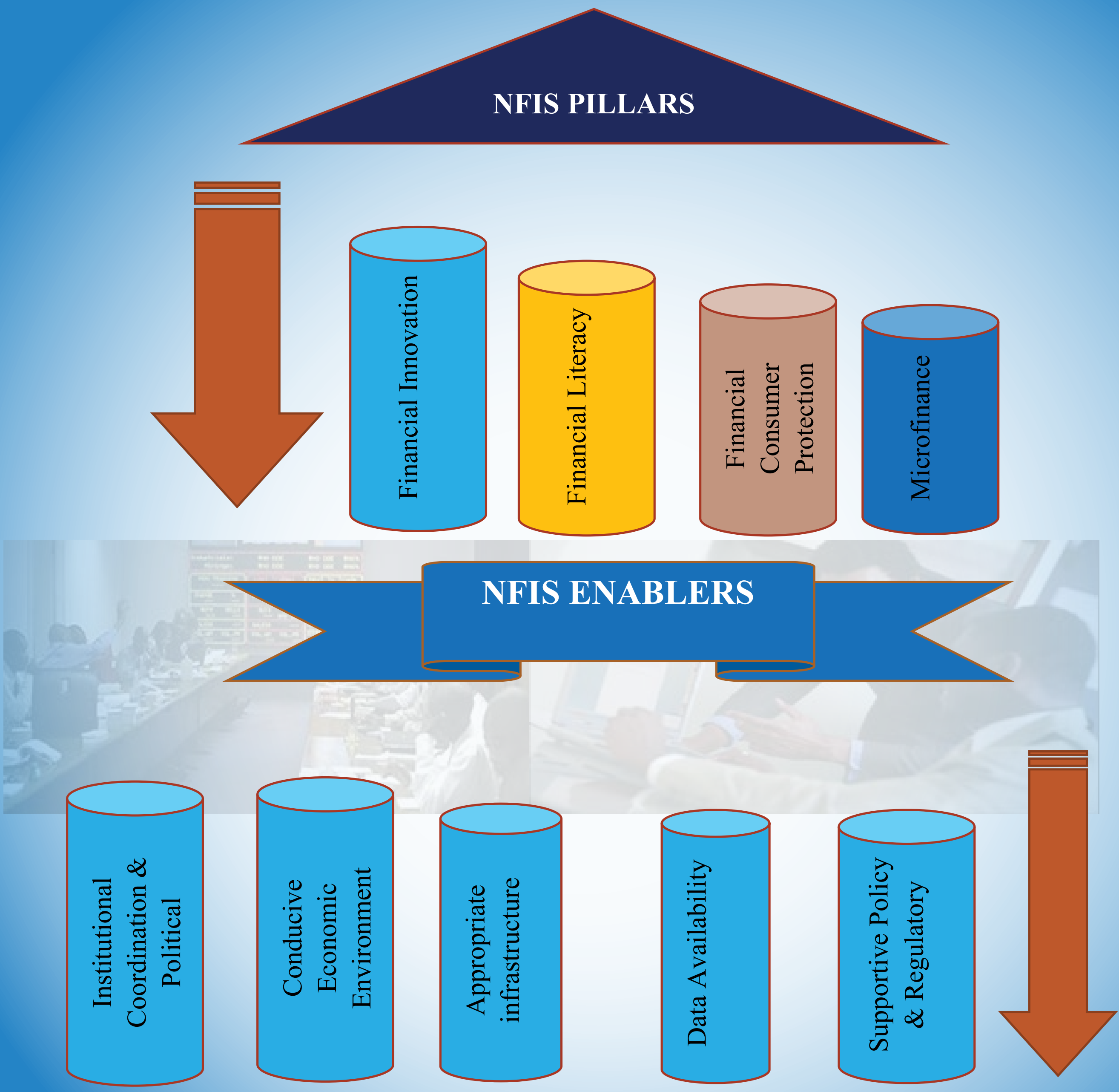
4.115 The Langa Ubone Fishing Cooperative Society, which is comprised of 12 members, from Binga were assisted to acquire and build two fishing boats for their business.

4.116 The cooperative received an average daily income of $500 from their venture and this has assisted them in raising their standard of living.

Inclusive Financial Services Staff pose with one of their numerous awards in 2019

CHAPTER 5
FINANCIAL INCLUSION PILLARS

NFIS PILLARS & ENABLERS



Introduction

5.1 The implementation of the first phase of the National Financial Inclusion Strategy evolved around the four main pillars, namely financial innovation, financial literacy, financial consumer protection and microfinance

5.2 The implementation of the financial inclusion initiatives under each of the pillars required the involvement and commitment of various stakeholders, specific interventions to influence the macro-economic environment, institutional coordination and political will, appropriate infrastructure, data availability and a supportive policy and regulatory framework.

5.3 This chapter chronicles the developments in respect of each of the pillars during the first phase of NFIS.

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PILLAR 1 : FINANCIAL INNOVATION

5.4 The improvement in the overall level of financial inclusion in the country measured through the FinScope Surveys of 2011 and 2014 was largely explained by mobile financial services uptake. Digital Financial Services (DFS) have contributed significantly to the financial inclusion of marginalized groups throughout the world including women.

5.5 Designating Financial Innovation as a pillar of the NFIS is a recognition of the importance of digital financial services in promoting financial inclusion in Zimbabwe. The Digital Financial Services Working group under the NFIS implementation is charged with the mandate of promoting the development of digital financial services and financial innovation for enhancing financial inclusivity.

Key Developments in DFS

5.6 In the past five years, the Reserve Bank encouraged and approved the development of innovative payment services as well as infrastructure with key stakeholders. These included electronic funds transfers (EFT), Quick Response (QR) Code and near field communication (NFC) among others.

5.7 Table 5.1 shows key the participants in the National Payment infrastructure in Zimbabwe:

Table 5.1: Payment Systems Architecture as at 30 June 2020, Zimbabwe

Payment Systems	Number of Platforms	Number of Participating Institutions				
	2020	2016	2017	2018	2019	2020
Real Time Gross Settlement	1	21	23	23	24	24
Central Securities Depository (CSD)	2	18	18	19	19	19
Electronic Funds Transfer (EFT)	1	21	21	21	21	21
Mobile	5	11	12	13	15	15
Cheque Clearing	1	14	14	14	14	14
Local Cards	1	15	19	24	21	23
International Cards	3	16	10	10	10	10

Source: Reserve Bank of Zimbabwe

5.8 Figure 5.1 shows details of authorized payment platforms in Zimbabwe as at 31 August 2020.

Figure 5.1 Authorised Payment Platforms In Zimbabwe-August 2020


RESERVE BANK OF ZIMBABWE

APPROVED PAYMENT SYSTEMS PLATFORMS

PAYMENT PLATFORM	SERVICES OFFERED	WEBSITES
Real Time Gross Settlement System (RTGS)	Local interbank funds transfer mainly large value	https://www.rbz.co.zw/index.php/financial-markets/national-payment-system/functional-units
Central Securities Depository (CSD) for Government Securities and Equities	Holding and transferring of securities through electronic book entry	https://www.rbz.co.zw/index.php/financial-markets/national-payment-system/functional-units
Central Securities Depository (CSD) for Equities	Holding and transferring of securities through electronic book entry	http://www.chengetedzai.co.zw/
Zimswitch	Local Card Switching Facilities and Electronic Funds Transfer	https://zimswitch.co.zw/
MasterCard	International Switching Services	https://www.mastercard.us/en-us.html
Visa	International and Local Switching	https://usa.visa.com/
Union Pay International (UPI)	International Switching	https://www.unionpayintl.com/en/
MyCash	Mobile and Card Based Payment System	http://www.mycash.co.zw/
Paynet	Electronic processing of payment instructions – Electronic Funds Transfer (EFT)	http://www.paysenafrica.com/zimbabwe/
Ecocash	Mobile Financial Services	https://www.ecocash.co.zw/
Getcash	Mobile Financial Services	http://www.getcash.co.zw/
One Money	Mobile Financial Services	http://onemoney.co.zw/
Telecash	Mobile Financial Services	http://telecel.co.zw/telecash
Cheque	Cheque Clearing	https://www.rbz.co.zw/index.php/financial-markets/national-payment-system/functional-units
IceCash	Electronic Payment Solutions	https://www.icecash.co.zw/

Electronic Transactions

5.9 There was a phenomenal increase in the use of electronic means of payments as reflected by the significant increase in transaction volumes and values as depicted in Table 5.1. Use of Automated Teller Machines (ATMs) which are ordinarily used for cash dispensing in Zimbabwe has largely declined over the years compared to other electronic payment platforms such as Real Time Gross System (RTGS), cards, Point of Sale (POS), mobile and internet. RTGS and mobile payments were the most popular forms of electronic payments.

Table 5.2 Transactional Volumes and Values : 2015-2019, Zimbabwe

PAYMENT STREAM	2015	2016	2017	2018	2019
TRANSACTION VALUES (Z$ BILLIONS)					
RTGS	44.869	48.109	61.72	85.35	275.094
CHEQUE	0.144	0.113	0.069	0.047	0.041
POS	1.723	2.898	6.635	8.997	29.011
ATMS	3.854	2.283	0.428	0.171	0.467
MOBILE	4.646	5.816	18.021	44.141	114.865
INTERNET	1.614	2.504	7.022	13.097	43.557
TOTAL	**56.85**	**61.723**	**93.895**	**151.803**	**463.035**
TRANSACTION VOLUMES (BILLIONS)					
RTGS	2.063	2.902	5.903	6.404	9.2
CHEQUE	0.362	0.348	0.32	0.235	0.151
POS	14.543	52.407	214.86	273.69	306.35
ATMs	13.413	12.333	8.098	3.41	2.001
MOBILE	228.203	298.59	754.74	1,670.4	1,938.86
INTERNET	0.56	1.11	4.249	5.857	9.02
TOTAL	**259.144**	**367.69**	**988.17**	**1,960.00**	**2,265.58**

Source: Reserve Bank of Zimbabwe

Access Points

5.10 The number of mobile money agents increased significantly from 38,745 in December 2015 to 59,218 at the end of 2019. The number of mobile money agents declined in the last half of 2020 following the Reserve Bank Directive to suspend mobile money agents from facilitating mobile financial transactions. The directive was necessitated by the need to protect consumers on mobile money platforms which were being abused by merchants engaging in shadow banking activities.

5.11 The number of active mobile subscriptions increased from 3.3 million in 2016 to 7.67 million as at 31 March 2020. The increase is attributed to an increase in the number of registered mobile telephone subscriptions. There were 24,379,810 registered mobile subscriptions as at 31 March 2020 of which 13,724,522 were active.

5.12 There was also a notable increase in the number of Point of Sale devices in Zimbabwe from 16,363 in December 2015 to 121,413 in 2019, driven mainly by the Reserve Bank of Zimbabwe efforts to promote electronic payments and the introduction of mPOS in 2019, targeting MSMEs.

5.13 Financial market participants continued to increase access points for the convenience of the transacting public. In 2018, the Reserve Bank engaged all service providers and merchants through the Retailers Association of Zimbabwe to ensure the deployment of POS machines in remote areas as well as minimize duplication within the city retailers and merchants. This has enabled banks to deploy the machines far and wide in the country.

5.14 POS and mobile payment agents' ratios per 100,000 adult population have also increased significantly during the period under review although more still needs to be done. Table 5.3 depicts the payment systems access points and devices in the market.

Table 5.3 Access Points and Devices : 2015-2019, Zimbabwe

	2015	2016	2017	2018	2019
ATMs	556	569	561	551	542
Standard POS	16,363	32,629	59,939	99,935	121,413
Bank Agents	1,723	4,059	4,865	4,815	4,840
Mobile banking Agents	38,745	40,590	47,838	50,740	59,219
MPOS				21,248	29,991
Debit Cards	2,365,160	3,127,153	4,281,683	4,734,299	5,625,031
Credit Cards	10,854	16,030	17,411	17,204	18,089
Prepaid Cards	30,125	43,288	63,987	88,406	99,278
Total Number of Cards	2,406,139	3,186,471	4,363,081	4,839,909	5,742,398
Active Mobile Banking Subscriptions	4,683,959	3,303,188	4,706,778	6,352,552	7,334,639
Active Internet Banking Subscribers	108,662	168,339	277,674	353,103	415,901
Total Registered Mobile subscribers	8,430,888	8,928,214	10,801,013	13,722,394	15,567,046
Bank Accounts (inc Ecocash save)	3,540,988	3,995,959	4,422,435	4,969,262	7,138,016
Ecocash Save Accounts	1,359,990	1,429,018	1,507,312	1,620,127	1,717,821

Source: Reserve Bank of Zimbabwe

Portable POS Devices

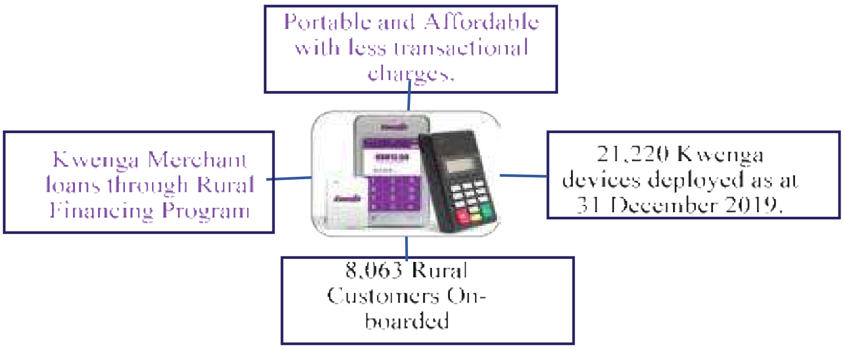
5.15 A number of banking institutions introduced portable POS devices to help informal and small businesses to conduct banking transactions. Steward Bank (Kwenga), NMB (KaGwenya), CABS, FBC Bank (Kwik POS machine), Metbank and CBZ Bank (Kleva POS).

5.16 The portable POS devices most of which were deployed in 2018 are convenient, safe and secure payments solutions targeting SMEs such as hair saloon owners, street traders, Kombis operators, carwash businesses, boutique owners, electricians, plumbers and carpenters.

Financial Technology (Fintech) Development

STEWARD BANK MOBILE POS MACHINE-KWENGA

- The Kwenga is a Steward Bank low cost Point of Sale (POS) device for all businesses regardless of size. The portable POS device was introduced in 2017 targeting the MSMEs sector. The device is mobile and significantly cheaper than conventional POS terminals and allows device sharing of up to 5 users.



5.17 Driven by the need to enhance efficiencies, reduce the cost of doing business and facilitation of inclusion of customers at the bottom of the pyramid, Zimbabwe has embraced Financial Technology (FinTech) in recent years, with a number of telecommunications entities entering the financial services space.

5.18 The FinTech developments and the entry of MNOs significantly transformed the financial services sector in Zimbabwe, and altered the digital finance landscape, as well as the way in which financial services and products are offered in Zimbabwe.

FinTech Regulation in Zimbabwe

5.19 In view of the multi-dimensional nature of FinTech innovations, Zimbabwe in 2019 adopted a collaborative and consultative approach to exploring financial innovation. The Reserve Bank, other financial sector regulators and relevant Government Ministries held the inaugural Fintech meeting on 31 May 2019, culminating in the establishment of a National Fintech Steering Committee (NFC). NFC is supported by an Interagency Fintech Working Group (IFWG). The NFC comprises representatives from various stakeholders as indicated in table 5.4:

Table 5.4 : National Fintech Steering Committee

Ministry of Finance and Economic Development	Ministry of Information Communication Technology and Courier Services
Zimbabwe Revenue Authority	Securities Exchange Commission
Ministry of Industry and Commerce	Ministry of Justice, Legal and Parliamentary Affairs
Office of the President and Cabinet	Reserve Bank of Zimbabwe
Insurance and Pension Commission	Postal and Telecommunications Authority of Zimbabwe

5.20 The IFWG is split into four thematic areas: ***legal and regulation, crypto and digital currencies, innovation, and consumer protection.***

5.21 The purpose of the Steering Committee is to assess the granular aspects of fintech and its implications with a view to provide strategic policy direction on how the country can create an enabling environment that promotes financial technology innovation and entrepreneurship.

5.22 To signify the importance of financial innovation in the implementation of the National Financial Inclusion Strategy, **a working group focusing on Digital Financial Services** was constituted in 2016 to facilitate initiatives that promote the development of innovative, appropriate and affordable digital financial products and services that promote financial inclusion.

5.23 The impact of financial innovation in the delivery of financial services under NFIS 1 is highlighted hereunder.

Fintech Landscape in Zimbabwe

5.24 The Zimbabwe Fintech landscape is depicted in figure 4.2:

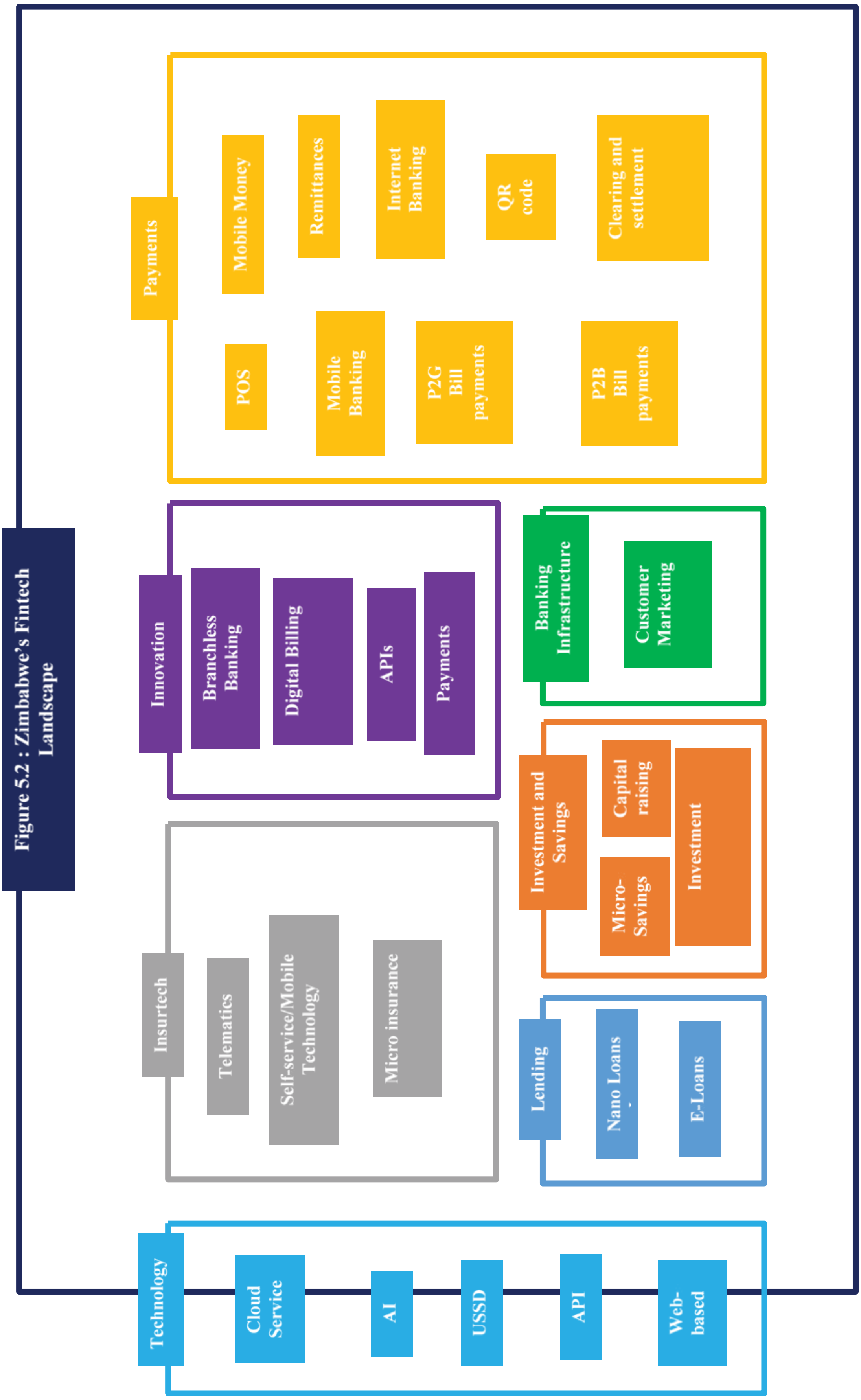


Figure 5.2 : Zimbabwe's Fintech Landscape

E-Commerce Transactions (E-Commerce, Bill Payments, etc.)

5.25 The adoption of FinTech has been driven by the growth of e-commerce and the widening scope and menu of services and transactions that can be conducted on the electronic platforms.

5.26 On average, in Zimbabwe, mobile money accounts for over 80% of total volume of transactions and at least 20% of the total value of transactions.

5.27 Following the launch of the NFIS, some banking institutions have introduced digital account opening in a drive to promote financial inclusion. The growth in customer base is aptly demonstrated by Steward Bank, a bank that prides itself as a tech company with a banking licence. The growth reflects how technology can transform banking.

5.28 Steward Bank has been leveraging on technology to reach out to low income groups and introduced a number of digital banking initiatives including digital account opening service in December 2018. The service enables previously excluded individuals to open local low cost and foreign currency bank accounts instantly on their mobile phones using a USSD code, regardless of time or location.

5.29 Between February 2017 and February 2018, Steward Bank signed up a total of 176 000 customers. As at 31 December 2019, the total number of bank accounts opened by Steward Bank had reached 1.2 million while an additional 636,586 customers had been on-boarded in rural areas since 2017, making the institution one of the largest in the country by customer base.

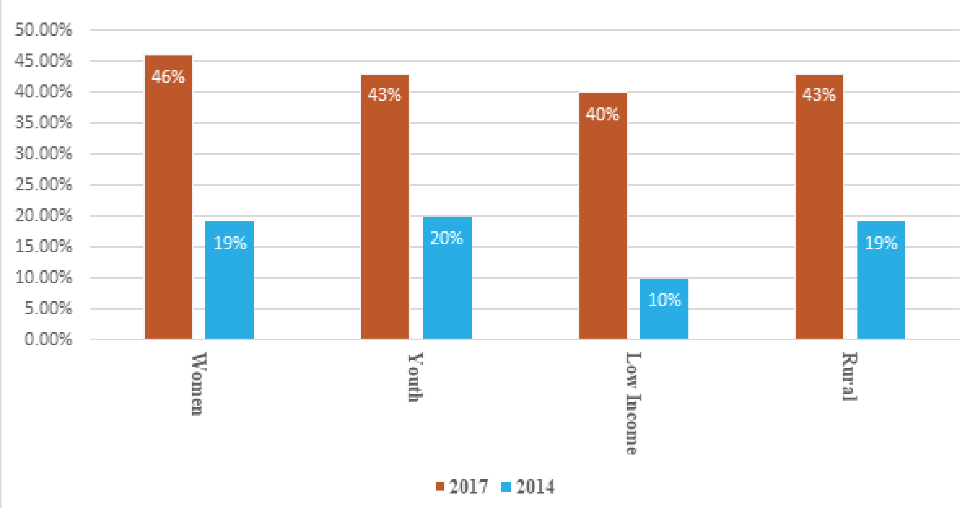
Mobile Financial Services

5.30 The increase in mobile phone access coupled with the financial inclusion drive has been the catalyst for the success story of mobile money in Zimbabwe.

5.31 Results of the Findex Survey, 2018, indicate that 35% of remittances were received through mobile phone versus 30% which were received through bank accounts in 2017.

5.32 The Findex Survey also revealed a significant increase in the percentage of individuals with mobile money accounts from 2014 to 2017 as shown in figure 5.3.

Figure 5.3: Percentage of Individuals with Mobile Money Accounts, Zimbabwe



5.33 Financial institutions in Zimbabwe have leveraged on the high mobile phone penetration rate of 94.2% as at 31 March 2020 by partnering MNOs to offer a range of efficient and safe digital financial services to different market segments, thereby broadening the consumer choices. The total number of active mobile phone subscriptions increased to 13,724,522 as at 31 March 2020 from 12,878,926 recorded in 2016.

E-COMMERCE EXAMPLES

1. Purchasing ZESA Tokens with mobile money
2. Receiving Airtime or Bundles
3. Purchasing event tickets online or with mobile money
4. Streaming YouTube or Netflix content
5. Buying goods online

Figure 5.4: Trend in Active Mobile Money Subscriptions : 2018-2020, Zimbabwe

Source : Portraz

5.35 As at the end of 2019, the mobile financial services market was made up of three providers owned by mobile network operators whilst two were network agnostic. The mobile financial services providers have partnered banks, microfinance institutions and other financial institutions for the provision of financial services.

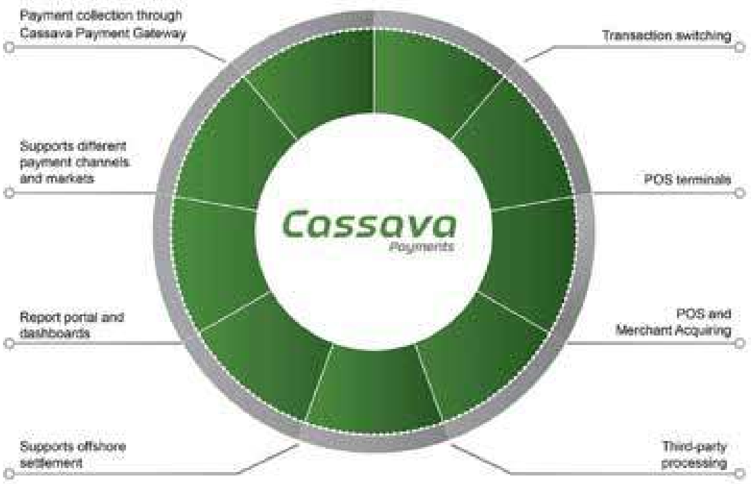
Table 5.5: Summary of Mobile Financial Services Market, Zimbabwe

<table>
<tr><th>PLATFORM</th><th>FUNCTION</th><th>SERVICES</th></tr>
<tr><td>MyCash</td><td>Mobile Payment and Funds Transfer Linked to Bank and Card Account</td><td rowspan="5">• Bank to Wallet
• Wallet to bank
• Card based mobile payments
• Bill payments
• Electronic funds transfer to all Zimswitch enabled institutions
• Airtime purchase
• Cash in, Cash out
• P2P, P2B, B2P, B2G, P2G, B2B, G2P, G2B
• Near Field Communication (NFC) branded Tap and Go
• Online payments using Mastercard,
• MPOS provision
• QR Code
• Bulk payments e.g. salaries and pensions
• Remittance</td></tr>
<tr><td>Ecocash</td><td>Mobile Financial Services/ Mobile Money. Econet Group had 10.6 million mobile money subscribers as at 31 August 2019 up from 6,360,904 in 2016.</td></tr>
<tr><td>Getcash</td><td>Mobile Financial Services/ Mobile Money</td></tr>
<tr><td>One-Money</td><td>Mobile Financial Services/ Mobile Money</td></tr>
<tr><td>Telecash</td><td>Mobile Financial Services/ Mobile Money</td></tr>
</table>

CASE STUDY # 10 : CASSAVA SMARTECH ZIMBABWE LIMITED

Econet Wireless Zimbabwe spurned off its mobile payments business, Ecocash, to become part of a fully-fledged listed financial technology company, Cassava Smartech in 2018. Cassava Smartech was formed when Econet Wireless Zimbabwe split into two parts: Econet Wireless Zimbabwe Limited (the telecommunications business), and Cassava Smartech Zimbabwe Limited (the financial technology business). Under Cassava are smaller subsidiary companies in key sectors of the economy; including trans port, agriculture, education, insurance, health and payments – and Econet has created technology for each of these sectors. Cassava Smartech offers mobile money, digital banking, payment services, social payments and international remittances; insurtech; e-commerce; edutech; healthtech; and agritech technological solutions. Similar to Tencent and Google, Cassava has invested in key strategic sectors. They are in the business of how people pay for services, how people move from one location to another, how people learn, and how people farm in this day and age. They are also in the business of how people connect to the internet.

Cassava Smartech Zimbabwe Limited



Interoperability of Payment Syste

5.36 As part of efforts to promote integration of payment systems for the convenience of the transacting public, the Government of Zimbabwe passed the Banking (Money Transmission, Mobile Banking and Mobile Money Interoperability) Regulations Statutory Instrument 80 of 2020. The SI which was gazetted on 27 March 2020 seeks to promote efficiency of payment services in Zimbabwe.

5.37 Pursuant to the statutory instrument, the Bank designated **Zimswitch Technologies (Private) Limited (Zimswitch)** as a national payment switch, and directed all payment service providers, including mobile payment operators, to be connected thereto by 30 September 2020. The interoperability of payment systems effective 30 September 2020 has facilitated the transacting public to instantly send and receive funds across all Mobile Network Operators (MNOs) and Banks.

Remittances

5.38 Annual remittances from an estimated 3 million Zimbabweans in the diaspora are estimated at US$1 billion accounting for about 9.6% of the Gross Domestic Product. Most of the remittances have been coming into the country through money transfer agencies such as Moneygram, Mukuru, Western Union.

5.39 A number of fintech innovators have identified an opportunity to digitize the remittances in line with the financial inclusion drive. Some fintech companies now provide digital money transfer / bureau de change services which offer efficient, effective, affordable and accessible remittance services.

5.40 As at 31 December 2019 a total of 30 licenced remittances service providers / MTAs (including two Mobile Network Operators) partnering fourteen (14) International Money Transfer Organisations (MTOs) were operational as shown in Table 5.6

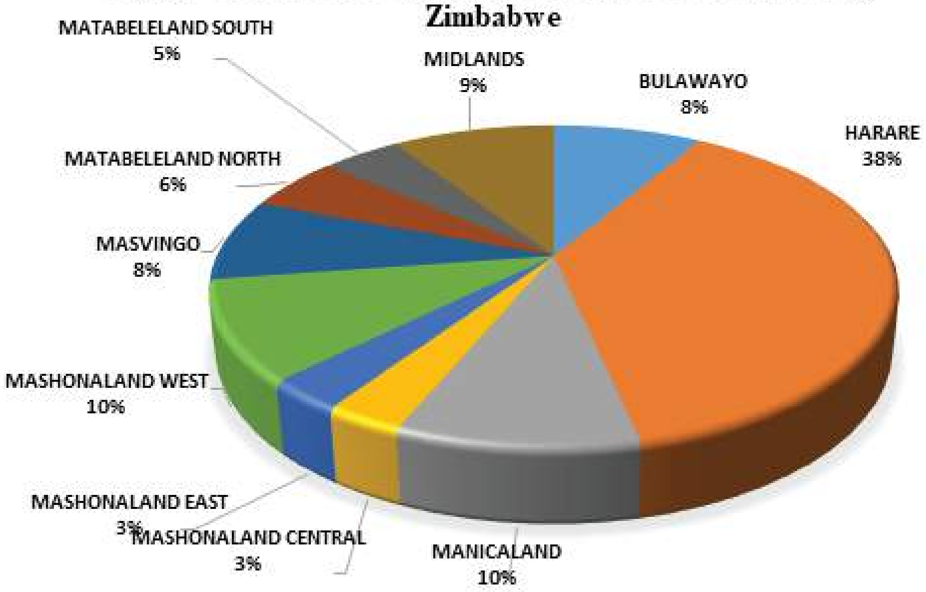
Table 5.6 Bureau de change and banks (and Money Transfer Agencies (MTAs)), Zimbabwe

MTA - Tier 1	MTA - Tier 2	Bureaux de Change
BancABC	Getbucks Financial Services (Pvt) Ltd	Artmount Trading (Pvt) Ltd T/A Zimexpress
People's Own Savings Bank (POSB)	Bonga Travel & Financial Services (Pvt) Ltd	Access Finance (Pvt) Ltd
Econet Wireless (Pvt) Ltd	Metbank Ltd	SuperDeal Enterprises (Pvt) Ltd T/A Lamcent (Pvt) Ltd
Express Financial Services Ltd	Telecel (Pvt) Ltd	Nissi Global (Pvt) Ltd
Ecobank Zimbabwe Ltd	Solten Financial Services (Pvt) Ltd	Kwikforex
Central African Building Society CABS)	Fredex Financial Services (Pvt) Ltd	Elizabeth Florist
Easylink Money Transfer Ltd	CBZ Bank Ltd	Juilisim (Pvt) Ltd
Send Money Home (Pvt) Ltd	Simukai Financial Services Ltd	Afro Price (Pvt) Ltd
Steward Bank (Pvt) Ltd	Champion Forex Services T/A Hand2Hand	Success Microfinance Bank Ltd
FMC Finance	NMB Bank Ltd	Mahenye Investments T/A Acacia Bureau de Change
Zimbabwe Post (Pvt) Ltd	OK Zimbabwe Ltd T/A OK Money Wave	Minipec Bureau de Change (Pvt) Ltd
Agricultural Bank of Zimbabwe T/A Agribank	Kaah Express Financial Services (Pvt) Ltd	
Sahara Forex Bureau	FBC Bank limited	
ZIMSEND (Pvt) Ltd	Stanbic Bank Zimbabwe Limited	
	Meikles Financial Services	
	Quest Financial Services	
	ZB Bank Ltd	
	Direct Connect Financial Services	
	Zympay Zimbabwe Ltd	
	Kumusha Fintech (Pvt) Ltd	

Source : Reserve BZ

5.41 In addition, there were sixty-eight (68) operating bureaux de change companies in Zimbabwe. The MTA branch distribution network is indicated in Fig 5.5

Figure 5.5: Branch Distribution as at 31 December 2019, Zimbabwe



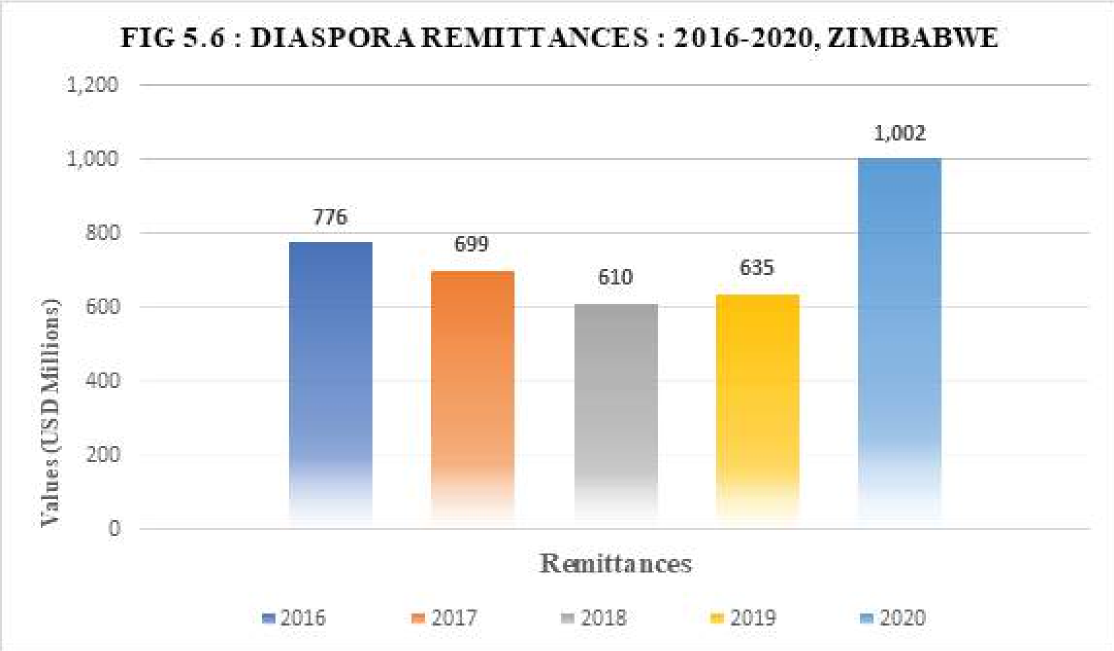
Source : Reserve Bank of Zimbabwe

Impact of Remittances and Bureaux de Change

5.42 The country has received an estimated US$7.9 billion in diaspora (person to person) remittances during the period 2009 to 2019. Figure 5.7 shows the level of diaspora remittances from 2016 to June 2020. The remittances reflect a marginal decline from US776 million in 2016 to US705 million in June 2020. The Bereaux de change branch distribution network is shown in Table 5.8

Table 5.7 Bureaux de Change Branch Distribution as at 31 December 2019, Zimbabwe

PROVINCE	NUMBER OF OPERATING BRANCHES	PERCENTAGE DISTRIBUTION
BULAWAYO	47	8.6%
HARARE	218	40%
MANICALAND	52	10%
MASHONALAND CENTRAL	16	3%
MASHONALAND EAST	17	3%
MASHONALAND WEST	51	9%
MASVINGO	42	8%
MATABELELAND NORTH	26	5%
MATABELELAND SOUTH	24	5%
MIDLANDS	51	9%
Grand Total	**546**	**100%**



5.43 A total of US$34.5 million and US$23 million was purchased and sold respectively by bureaux de change companies in 2019. Non-cash payments of remittances play a key role in enhancing financial inclusion and smoothening household consumption. Mobile platforms and direct remittance deposits into bank accounts and e-wallets increase both remittances accessibility and financial inclusion, especially in rural areas.

5.44 Some MTAs have also introduced stored value cards and partnered with banks to issue debit cards that can be used on point of sale (POS) devices and thus promoting access by previously disadvantaged low-income groups.

SNAPSHOT OF SAVINGS AND DEPOSITS FINTECH PRODUCTS

EcoCashSave

The EcoCash$ave account provides a paperless banking service via mobile phone. The service which was launched in 2013 uses EcoCash customer's phone number as the account number. Customers can save from as little as a dollar at a time and get interest on the deposit balance. To promote savings, there is no transaction fees between the wallet and the saving account. The level of savings contributes to the loan amount one can access.

Ecocash Savings Club

Ecocash also offers a group savings product. This product which was launched in 2015 allows groups to pool resources, save and earn interest. Members elect administrator(s) who approve inward and outward transactions. To ensure transparency, each member receives a SMS notification of any transaction that happens in the club account.

Micro-Savings and Deposits

5.45 MNOs have also expanded their products and services menu to include provision of micro-savings accounts. The micro-savings are designed to harness the float on the wallets of the customers and transform them into interest bearing assets thus reducing the transitory nature of most mobile deposits.

Lending Innovations

Nano-Loans…

5.46 In order to provide the last mile customers with access to formal credit, banking institutions in partnership with fintech firms and MNOs introduced nano loans which make use of customer data.

5.47. The nano-loans are small ticket size loan accounts designed to provide emergency loans to mobile account holders. The fintech firms use psychometric and behavioural data of the applicants for creditworthiness assessment.

CASE STUDY # 11: FINTECH LENDING INNOVATIONS-NANO LOANS ZIMBABWE

Steward Bank KaShagi Nano Loans

- KaShagi is an instant short-term loan launched in 2018. The loan application and disbursement process take place in under 60 seconds by simply dialling ***236#** on the phone. KaShagi loans can be accessed by customers who have an EcoCash wallet or a Steward Bank account. *Through KaShagi, customers have instant access to credit ranging from $20 - $100. KaShagi uses transaction history on EcoCash and Steward Bank accounts to score customers and determine loan eligibility. This data is continuously refined through Machine Learning to optimize lending. KaShagi Loans are affordable and easily accessible credit via Mobile.*
  - ***581,480 Total Number of KaShagi Loans Customers as at 31 December 2019.***
  - ***Over $20 million Value of KaShagi Loans disbursed in 2019***.

Steward Bank EcoCash Loans

- EcoCash Loans are an emergency micro-credit service offered by Steward Bank which are accessed through one's mobile phone using an EcoCash$ave account which has been actively operational for no less than 3 months. The tenure of the EcoCash Loan is 30-days, with no interest charges and no collateral charge. Customers pay a 5% handling fee and are able to borrow amounts ranging from $5 to $300. Borrowers are able to check the amount they qualify for and to repay the loan through their mobile device.

NetOne Katsaona Collateral Free Loans

- NetOne introduced a version of its own nano loan called Katsaona which enables OneMoney customers to access collateral-free loans of up to $50 in just 3 minutes. The product was launched in 2019 in collaboration with the Zimbabwe Women's Microfinance Bank.

Innovations in the Capital Markets

5.48 Against the background of equities market and secondary market for debt securities, which are not well developed, FinTech start-ups identified an opportunity of leveraging on technology to raise capital, particularly for SMEs, which do not have recourse to the Zimbabwe Stock Exchange. The solutions also sought to tap into a pool of funds that would have ordinarily not been invested, while providing retail clients with new asset classes.

C-Trade Trading Platform…

5.49 The 2014 FinScope Survey revealed low capital market access as out of an estimated population of 14 million only about 7,000 were active on the Stock market representing less than 1%. In order to promote the active participation of small retail investors on the capital markets, the Securities and Exchange Commission of Zimbabwe (SECZ) together with Escrow Systems, a technical partner, launched a mobile and on-line trading platform, C Trade on 16 July 2018.

His Excellence President E.D. Mnangagwa greets some of the youths at the launch of the C-Trade Online Trading Platform at the Meikles Hotel in Harare in 2018 (from left Andrew Dewa, Gabriel Manjonjo, Liberty Bote and Ashley Goredema

5.50 Since the launch, interest by retail investors has been growing as reflected by an increase in the number of registered users on the C-Trade platform. The table 5.9 below shows the number of registered users on the C-Trade platform:

Table 5.9 : Number of registered users on the C-Trade Platform

C-Trade Registered Users	**September 2019**	**September 2020**
Total	16,002	14,389
of which men	14,594	10,978
of which Women	1,408	1,966
of which Youth	9,281	9,958
of which Children	1,301	1,482
Other investors (not specified)	-	1,455
Value of Transactions		
Total :	$5,000,052	$53,253,318.53
of which men	$2,462,285	$39,463,110.33
of which women	$2,537,767	$2,151,480.45
of which youths	$1,227,126	$39,942,065.99
of which children	$661,416	$1,958,205.00
Other investors (not specified)	-	$11,459,140.13

Source : Financial Securities Exchange

5.51 SECZ is also working on the implementation of phase two of the automation of the shares trading platform which will see the implementation of full integration between the securities depository system and the C-Trade platform. The full automation of the shares trading platform will further enhance access to online trading of shares by all Zimbabweans irrespective of their location.

Financial Securities Exchange-Alterna tive Trading Platform

5.52 The (Financial Securities Exchange) FINSEC is the second securities exchange in Zimbabwe and operates the country's first Alternative Trading Platform (ATP) which provides a fully resourced securities market for financial instruments that are not listed on the Zimbabwe Stock Exchange or are inadmissible on that exchange or do not wish to be listed on that bourse.

5.53 FINSEC intends to revolutionise the Zimbabwe capital market through innovative automation of the trading and settlement of various classes of securities by integrating technologies such as SMS, USSD and mobile money services.

5.54 The Securities and Exchange Commission is also working on the introduction of new products such as Exchange Traded Funds (ETFs), Real Estate Investment Trust Schemes, Property Funds, Property and Commodity Funds, Private Equity Funds, Venture Capital Funds and MSMEs Stock Exchange. The thrust of these new product innovations is to incorporate small investors thereby promoting financial inclusion.

FINSEC -GEM SME Listing Platform

5.55 To bridge the funding gap of SMEs, Zimbabwe's first Alternative Trading Platform (ATP), Financial Securities Exchange (FINSEC), launched the Growth Enterprises Market (GEM) Portal in December 2019. FINSEC and C-TRADE mobile partnered with the United Nations Capital Development Fund (UNCDF) and Insulation Expo USA (IEXUSA), to launch the Growth Enterprises Market (GEM) Portal as part of revolutionising the capital markets and enhancing access to finance by Micro, Small and Medium Enterprises (MSMEs).

5.56 The Growth Enterprises Market (GEM) Portal is a dedicated online portal which provides a technology platform to facilitate raising of capital by micro, small and medium enterprises (MSMEs) that do not meet the listing requirements of the Zimbabwe Stock Exchange (ZSE). MSMEs can use the GEM portal for raising long term capital for retooling, increase productivity, or to increase their product range and expand their markets.

5.57 The GEM portal is a therefore a simplified yet innovative use of technology for MSMEs to apply for equity or debt financing and access the services of advisors. Finsec is also working with the Zimbabwe Tourism Authority to onboard Tourism Operators on the platform.

Crowdfunding

5.58 Crowdfunding and retail bond issuances have also emerged as some of the new capital raising initiatives driven by technological innovations. Some of the crowdfunding initiatives seek to raise the much-needed capital for small scale farmers and rural farmers. Some of the initiatives are discussed hereunder.

Steward Bank Kanzatu- Nzatu Crowdfunding Platform…

5.59 Kanzatu-nzatu is a Zimbabwean home-grown crowd funding platform that allows one to create campaigns and raise funds for business, charity donations, medical emergencies, funerals, among others.

5.60 The Kanzatu-Nzatu crowdfunding platform was developed by Steward Bank in 2018 and enables anyone from anywhere in the world to contribute

Kanzatu-nzatu Crowdfunding developed by Steward Bank, Zimbabwe

5.61 Following the $10 million donation towards containing a dual outbreak of cholera and typhoid in 2018 in Harare, Zimbabwe, Econet partnered with Higher Life Foundation to raise over $2 million additional funds from corporates, charity organizations and individual well-wishers in Zimbabwe and abroad towards the National Cholera Crisis Fund. The National Cholera Crisis Fund itself was a collaboration between Econet and Higher Life Foundation to contribute to the cholera epidemic which ravaged Zimbabwe in 2018 and 2019.

YouFarm (Crowdfunding)…

5.62 YouFarm is a crowdfunding platform pioneered in 2017 to provide farmers in Zimbabwe with access to collateral free funding by pooling funds from people interested in investing in crops and livestock. The investors and the farmer share the profits when the produce goes to market.

Farmvest (Crowdfunding)…

5.63 Farmvest is an agricultural investment platform founded in January 2018 that enables people to invest in the agro value chain from farming to retail. The platform offers short to medium term investment opportunities ranging from 6 to 18 months. Investors can invest as little as $250 into an agriculture project of their choice and earn returns ranging from 20% -35%.

Retail Bonds…

5.64 In order to promote participation of retail clients in debt markets, while raising funds for SMEs, fintech firms and financial institutions partnered to provide platforms for issuance of retail debt securities such as bonds via mobile phones.

5.65 Untu Capital, a credit only microfinance institution launched U-Gain, Zimbabwe's first mobile based retail bond in December 2017 to finance start-ups and small businesses. Investors were able to purchase U-Gain bonds or notes over a 30-day period using mobile money platforms such as EcoCash and Telecash.

Untu Capital, a licensed credit-only microfinance institution launched U-Gain, the first retail bond in Zimbabwe in 2017

5.66 U-Gain was a game changer in financial innovation as it brought convenience and ease of accessing the Capital Markets through a mobile phone. The U-gain notes were bought for as little as $50 and had tenures of 12 months attracting 9% interest per annum. These notes were subsequently listed on the Finsec Stock Exchange, and hence they were tradable just like shares.

5.67 The bond offer was oversubscribed by 173% and raised US$1.725 million against a target of US$1 million. The funds raised were utilised by Untu to finance various working capital requirements for small and medium enterprises (SMEs), small scale agriculture projects and other productive sectors of the economy.

Investment Management

5.68 FinTech start-ups have also entered the market providing technology enabled solutions along the entire investment management value chain such as advice, market information and investment tools. This innovation has been promoted in the context of the need to improve access to digestible market information and digitizing trading channels to support easy access to the industry.

5.69 Some of the new investment management innovations being explored in Zimbabwe include chatbots, mobile trading platforms, artificial intelligence (AI), robo advisors, block chain technology, big data analytics, open APIs and peer to peer lending.

Chatbot

5.70 Leveraging on the high levels of mobile and internet penetration levels, a local start-up, Zimstocks, launched a mobile app (on Android and IOS), Chatbot in 2016, which provide investor information on Zimbabwean Stock Exchange (ZSE) counters.

5.71 Chatbot is available on Facebook's Messenger platform that gives users access to the latest information on the various counters on the ZSE such as share and company performance, as well as investor related data such as market commentary, summaries on indexes, sector performances, and the latest inflation figures.

Mobile trading platforms

5.72 Mobile trading refers to the use of wireless technology in securities trading. These allow trading of stocks and other products on the go. Finsec's C-Trade is a mobile trading platform that allows investors to access trading platforms from their smartphones through a mobile application rather than being confined to traditional trading methods.

Artificial Intelligence (AI)

5.73 The development and use of intelligent computer systems is the key building block in the FinTechs realm in Zimbabwe. Most digitalized products depend on the system's ability to interact with the customers. Financial technology providers have leveraged on AI technology to offer services as well as provide customer support for the products.

5.74 Some banking institutions such as Steward Bank and FBC Bank have been aggressively exploring artificial intelligence powered programs commonly known as chatbots since 2018.

ARTIFICIAL INTELLIGENCE

Steward Bank's Batsi WhatsApp Chabot

Batsi is a customer service bot powered by Steward Bank that uses artificial intelligence to respond to customer queries in real time. The service was deployed on Facebook and Square Mobile App along with the online banking platform.

CashBot By Mobisoft

Launched in 2019, the CashBot app allows you to save money when transacting on mobile money in Zimbabwe. The algorithms find the optimum amounts you have to send to pay the least charges, initiate and complete all the transactions for you automatically.

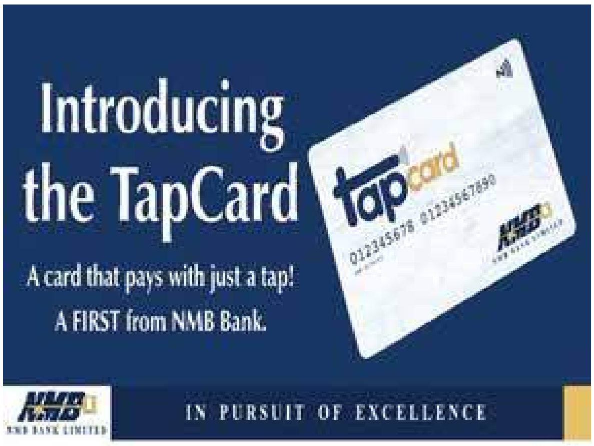
Chido

FBC's Chido bot which was launched in 2018 can answer customer queries across multiple channels instantly, allowing clients interaction on the website or on social media platforms. The bot is available on WhatsApp.

Kulibot

Introduced in 2018, Kulibot is the first bot that allows people to top up electricity and airtime using the same WhatsApp bundle used for whatsApp chat. The process of payment is very simple and straigh forward as users just respond to options provided on the menu.

Near Field Communication (NFC) Technology



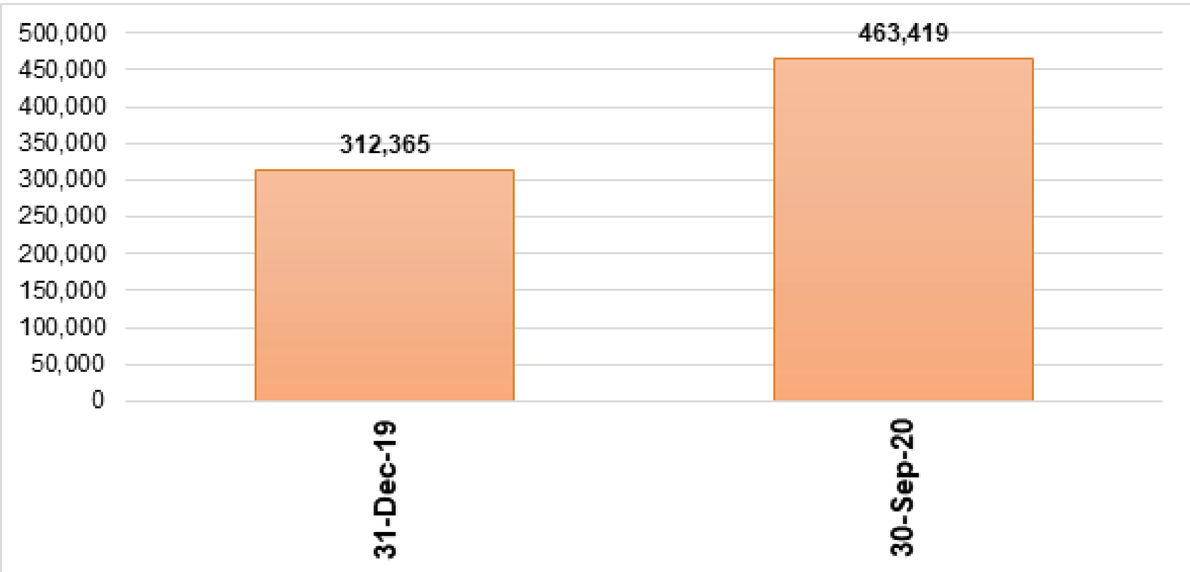
Tapcard…

5.75 A TapCard is a card that uses Near Field Communication (NFC) technology together with NFC enabled devices.

5.76 The Zimbabwe United Passenger Company (ZUPCO), a public transport company, in partnership with two financial institutions, NMB Bank and CBZ Bank introduced the TapCard payment system in 2019. The TapCard electronic payment system was designed and developed by the Harare Institute of Technology (HIT).

5.77 The TapCard allows holders to make payments by tapping the card on an enabled point of sale machine, making transacting much faster. Users can top up the card using EcoCash, ZIMSWITCH Instant Payment Interchange Technology (ZIPIT), or any Zimswitch enabled POS machine. The growth in the number NMB TapCard subscribers is shown in figure 5.8.

Figure 5.7 : Growth in the number of NMB Bank TapCards



Source : NMB Bank

5.78 The TapCard provides the following benefits to the transacting public:

- provide a payment solution for small value transactions ;
- Provide a fast payment solution for merchants in the informal sector; and
- Curb high costs associated with bank and mobile money payments solutions .

Card Features include

- Contactless payments ;
- No KYC required; and
- No monthly charges.

Uses

- ZUPCO Buses
- Commuter omnibus
- Supermarkets
- Tollgates
- Parking

5.79 The TapCard can be used anywhere in the country including remote areas of the country and is widely used in the public transport system to make swift and cashless payments.

The NMB Bank TapCard can be topped up at any of the more than 4 000 NMB merchants across the country, NMB bank branches or via ZIPIT, Ecocash, KaGwenya or any Zimswitch enabled point of sale device. Anyone can get a TapCard with or without an NMB bank account. Unlike the standard swipe card, the TapCard utilises near field communication (NFC), which does not require any network for transactions to be processed, making it possible for use anywhere, especially in remote places.

Ecocash Express Debit Card…

5.80 Launched in 2014, the EcoCash Debit Card is a debit card that offers holders the convenience of payment at till points simply by tapping against the Point of Sale machine, after which payment will be recognised.

5.81 The Debit card is directly linked to one's EcoCash wallet and allows users to swipe at any POS machines and shop online.

Ecocash Ta!...

5.82 It is a sticker that you attach to the back of your smartphone that allows a user to tap (on an enabled Ecocash Ta! POS Machine) and make the payment.

5.83 No PIN is required when paying for purchases. Ecocash Ta! as a tap and go payment service enables customers to buy from vendors and agencies without the need for cash.

Quick Response Code (QR Code)

Ecobank Mobile Banking…

5.84 EcoBank launched its Mobile App, Ecobank Mobile App in 2016, a unified banking app which provides an instant and convenient way of banking via the mobile phone for use in 36 countries including Zimbabwe where EcoBank has a footprint. The Mobile App allows clients to make and receive payments across Africa.

5.86 EcoBank customers in Zimbabwe have full access to the range of services the app provides which include: Airtime Top-Up, Mobile Money Transfer, Funds Transfer, Bill Payments, Forex Rates etc.

EcoCash Scan to Pay…

5.87 This option is available via the EcoCash Data Application. It rides on the Master-Card Masterpass technology and allows EcoCash subscribers to scan Merchant QR codes then enter PIN to complete the Transaction.

5.85 The Ecobank Mobile app comes with Masterpass QR, the one click payment solution from MasterCard. Masterpass QR is an e-payments solution that lets you use your mobile phone to make payments. Ecobank provides a merchant – that is a supermarket or even a street vendor – with a unique Masterpass QR code which is scanned with a phone through the Ecobank Mobile app. The amount to be paid is entered and then the PIN to complete the payment.

Zapper…

5.88 This is an e-payment solution that allows merchants to provide a QR code payment option for funds. A user stores his or her card information on their phone where it's secured via encryption. When they want to pay at a merchant with the Zapper option, they just scan the QR code provided for the bill and the funds are deducted instantly.

PILLAR 1 : FINANCIAL LITERACY

Financial Literacy Training rural Zimbabwe

5.89 Financial literacy, which is one of the pillars of the NFIS, is key in the successful implementation of any financial inclusion strategy.

5.90 Financial literacy training programmes enable consumers of financial products and services to acquire knowledge, skills, attitude and behavior that promote awareness of financial opportunities, thereby facilitating informed choices in line with consumers' circumstances.

The World Bank Consumer Protection and Financial Literacy Review conducted in 2014 identified low financial literacy levels notwithstanding high general literacy levels in Zimbabwe (92%). Financial literacy was therefore identified as one of the key pillars in the National Financial Inclusion Strategy.

Financial Literacy and Consumer Protection Thematic Working Group

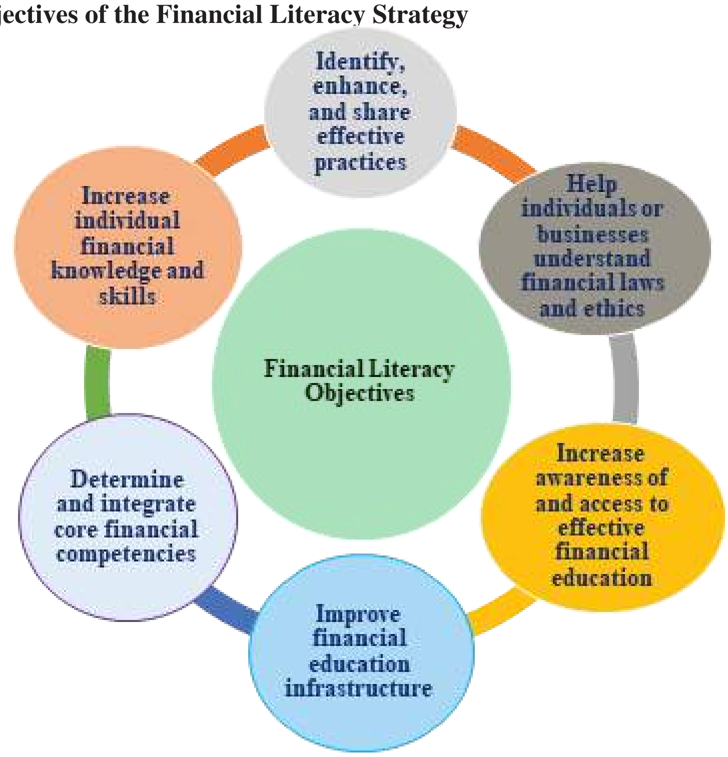
5.91 To enable a coordinated implementation approach to Financial Literacy and Consumer Protection, the **Financial Literacy and Consumer P rotection Thematic Working Group** comprising key stakeholders was constituted in 2016.

5.92 The working group sought to facilitate the design and implementation of tailored financial literacy strategies for special groups; school children, youth, women, and MSMEs. The Working Group also seeks to facilitate the design and implementation of a sound framework for Financial Consumer Protection.

Development of the Financial Literacy Strategy

5.93 The Reserve Bank, in collaboration with other NFIS implementing stakeholders, is developing a Financial Literacy Strategy as part of the operationalisation of the NFIS. Figure 5.9 below depicts the objectives of the Financial Literacy Strategy.

Figure 5.9 : Objectives of the Financial Literacy Strategy



5.94 The document articulates a strategic direction for a multi stakeholder approach to the delivery of financial education programs across various target groups of the population in Zimbabwe.

Financial Literacy Training

5.95 The Reserve Bank of Zimbabwe recognises that financial literacy is a core life skill for participating in modern society. In the monetary policy statement of July 2015, the Reserve Bank urged all banking institutions to implement tailored consumer education programs for their customers as part of efforts to empower consumers of financial services.

5.96 Various NFIS implementing stakeholders have been conducting financial literacy training programs targeting women groups, youth groups, rural farmers, tertiary institutions and people with disabilities, amongst others.

5.97 The financial literacy training programs seek to address financial literacy deficiencies in the country by enabling consumers of financial service products and services to acquire knowledge, skills, attitude and behaviours to become aware of financial opportunities, make informed choices in line with their circumstances and take effective action to improve their welfare. The financial literacy trainings cover areas such as budgeting, financial planning, savings and investments, business management, insurance and consumer protection programs and financial platforms for transactions.

5.98 Payment service providers (PSPs) such as Ecocash, Telecash, One Money, Getcash, Mycash and Zimswitch have also been conducting financial literacy training and awareness campaigns. The Reserve Bank of Zimbabwe, through National Payment Systems Department, also collaborated with the Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ) and other stakeholders to conduct consumer and education awareness programmes during the first phase of the NFIS. The Reserve Bank has been leveraging on such collaborations to reach out to far-flung communities such as Binga.

5.99 The estimated level of outreach at each location of the outreach programme attracted no less than two thousand people. An example is the Binga outreach in 2019 where the attendance was estimated at 2,500 with about 60% of attendees being women. Some of the outreach programmes are indicated in table 5.10 and **Annexure B.**

Table 5.10 : Selected Financial Literacy Training and Awareness Campaigns by Stakeholders in the Payments Space, Zimbabwe: 2016-2019

Date	Event	Place
November 2016	Mai Chisamba TV Show: Bond notes and electronic means of payment education and awareness.	ZTV, Harare
November 2016	ZTV- News hour: Promotion of Plastic Money.	ZTV, Harare
1 December 2016	Zfm – Bond Note and Plastic money promotion.	Nyanga, Manicaland Province
2 December 2016	Bond notes and electronic means of payment education and awareness.	Kwekwe Consultative Workshop, Midlands Province
14 December 2016	Bond notes and electronic means of payment education and awareness.	Mutoko Consultative Workshops, Mashonaland East Province
22- 27 August 2016	Harare Agricultural Show: Climate Resilience, The New Agricultural Frontier. Public Awareness on plastic money.	Harare: Harare Agricultural Show Grounds
6-7 April 2017	Education and awareness on plastic money to tobacco farmers.	Boka, TSF auction Floors, Harare
24- 25 March 2017	Zimbabwe Teachers Association (ZIMTA) Central Provincial Annual General Meeting.	Bindura- Hala Kimberley Hotel, Mashonaland Central Province
21-22 March 2017	Deposit Protection Corporation- *Enhancement of Deposit Protection to users of Mobile Money services)*	Rainbow Towers Hotel, Harare
March 2017	Retailers Association of Zimbabwe (RAZ)- Consumer Council of Zimbabwe (CCZ) Awareness	Gwanda, Matabeleland South Province
15 March 2017	Consumer Council of Zimbabwe World Consumer Rights Day- *Building digital world consumers trust'*	Cresta Lodge, Harare
March 2017	Reserve Bank Bulawayo Office & Retailers Association of Zimbabwe Payment Systems awareness.	Gwanda, Matabeleland South Province
February 2017	Retailers Association of Zimbabwe & RBZ – Payment Systems awareness.	Gokwe, Midlands Province
August 2019	Potraz, CCZ and RBZ-NPS	Binga, Matabeleland North Province

Source : Various

5.100 During the first phase of NFIS, the Reserve Bank of Zimbabwe also participated at a number of workshops and made presentations at various fora such as training workshops, conferences, on the NFIS, financial inclusion initiatives, and opportunities available for various target segments such as the youth, women, persons with disabilities and MSMEs (see Annexure A).

Financial Literacy Training in Schools

5.101 Financial sector regulators recognise that children are growing up in an increasingly complex world where they need to know how to budget and make wise financial choices for everyday living, for example, how to manage risks (to save for a 'rainy day'), avoid taking on unmanageable debt, and providing for old age and health care.

Financial Literacy for kids

Ruzivo-interactive learning targeting primary and secondary schools

Financial Literacy Training targeting School Children

5.103 In December 2019, with the support of the International Labour Organisation (ILO), the Reserve Bank of Zimbabwe collaborated with the Ministry of Primary and Secondary Education and Mustard Seed Consultancy in a pilot Financial Literacy Training program for teachers in Harare.

5.104 The pilot training program was conducted for 72 teachers and Ministry of Education officials from Harare and Goromonzi districts. The ultimate objective is to roll out the training program for all teachers across the country.

Financial Literacy Training program for Teachers held in Harare in 2019

5.105 The Financial Literacy Teacher Training program seeks to strengthen the knowledge and financial capability skills of teachers as a way of equipping the teachers to enable them deliver financial literacy for learners in the school curriculum. Furthermore, the knowledge and financial capability skills acquired by teachers can be easily cascaded to family members and communities.

Global Money Week Celebrations

5.107 The Reserve Bank of Zimbabwe joined other nations globally and local financial institutions to celebrate the Global Money Week in 2018.

5.108 The Global Money Week (GMW) is an international youth Financial Education campaign held annually in the month of March. The campaign seeks to generate interest in finances and economics among children and young people, equip students with the knowledge of money management, entrepreneurship skills, and financial independence whilst stimulating a savings culture at an early age. It is important for children and youth to develop saving habits from an early age in order to cultivate key money-managing skills for later stages of life.

5.106 The Financial Literacy Teacher Training course complements the Ministry of Education's financial literacy curriculum which seeks to mainstream financial literacy at all levels of education in Zimbabwe.

5.109 Commemorating the Global Money Week is consistent with the Reserve Bank of Zimbabwe's financial literacy initiatives under the National Financial Inclusion Strategy where Financial Literacy is a key pillar in addressing financial exclusion and promoting responsible access to and usage of financial services.

5.110 The campaign was initiated by the Child and Youth Finance International (CYFI) in 2012 and from 2020 is now being coordinated by the Organization for Economic Co-operation and Development (OECD) and its International Network on Financial Education (INFE). The GMW initiative has touched the lives of more than 40 million children and young people in more than 175 countries since its launch in 2012. The number of participating countries has also increased from 21 in 2012 to 152 in 2019.


levels of service
all our
GLOBAL
MONEY
WEEK
GLOBAL
MONEY
WEEK

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5.112 Some of the activities undertaken during the Global Money Week include:

i. visits to schools and special needs institutions to disseminate information on savings, credit, and investments;

ii. distributing financial literacy information through the electronic, print and social media platforms;

iii. conducting financial debates and quizzes for secondary school and tertiary students;

iv. inviting schools to visit bank branches and have first-hand experience of banking operations; and

v. sponsoring newspaper content specifically suited to the Global Money Week celebrations.

5.113 Table 5.11 indicates some of the of the 2019 GMW activities undertaken by stakeholders.

Table 5.11 Summary of 2019 GMW activities by Stakeholders

Financial Inclusion Initiatives	Number of Institutions Involved	Estimated outreach
School visits by participating institutions	A total of 5 institutions, including 4 banks and one regulatory body visited various schools countrywide disseminating financial literacy information.	A total of 97 schools were visited reaching out to an estimated 38,198 school children and teachers.
Quiz and Essay Writing Competitions	A total of six (6) institutions, including five (5) banks and one non-bank institution organised quiz and essay competitions targeting the youth.	A total of 64 students from 42 schools participated in various quiz and essay competitions. Thirty-two (32) university students drawn from 16 Universities took part in the national quiz completion run by one of the banking institutions.
Use of social media platforms	A total of nine (9) institutions posted financial literacy articles on social media platforms such as Twitter and Facebook and through live video streaming.	An estimated 13,094 were reached out through social media platforms. A total of 6,419 were reached out through live video streaming.
Invited schools to visit bank branches	Seven (7) banking institutions invited a total of eight (8) schools for a tour of bank branches and operations.	Outreach estimated at 3,070 students from all over the country.
Newspaper Articles	Five (5) institutions sponsored publication of newspaper articles and supplements on financial literacy during the GMW.	Outreach estimated at over 800,000.
Other activities	Three (3) institutions sponsored radio programmes covering discussions on financial literacy. Six (6) institutions organised financial literacy workshops where industry executives and renowned speakers were invited.	A total of 30,140 school children and youth were reached out during the radio programmes.
Total	**22**	**950,259**

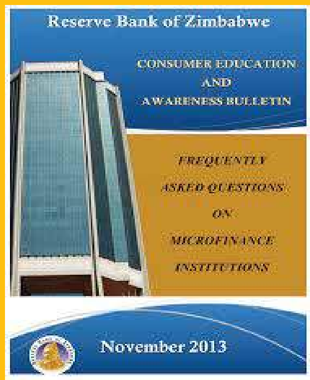
5.114 Table 5.12 indicates some of the of the financial literacy initiatives by other stakeholders.

<table>
<tr><th>Organization</th><th>Financial Literacy Initiatives</th></tr>
<tr><td>

Reserve Bank of Zimbabwe

</td><td>

- As part of Consumer Education and Awareness, the Reserve Bank issued a number of bulletins which are available on the Reserve Bank website. The bulletins cover **frequently asked questions on microfinance institutions**; **main features of a loan agreement**, **over – indebtedness & dispute resolution**, **interest rate computation** and the basic tenets of the ***in-duplum* rule**.



- The Reserve Bank has been hosting schools to discuss, inter-alia; central bank functions and macroeconomic developments.
- The Central Bank also participates at exhibitions including the Zimbabwe International Trade Fair (ZITF) and Agricultural Shows.

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<tr><td>

Insurance & Pensions Commission

</td><td>

- Conducted road shows in partnership with insurance companies and pension administrators some of which were aired live on the radio;
- Introduced a weekly insurance and pensions consumer education drama that is aired on the national television;
- Exhibit at the ZITF and Harare and Midlands Agricultural Shows;
- Publishes bi-annual Consumer Education newsletters that are distributed as an insert in the weekly newspaper (Sunday Mail);
- Conducts lectures on financial literacy in schools;
- Introduced a Journalist Mentorship Programme on insurance and pensions reporting in partnership with ZimSelect;
- Conducted radio and television programmes on insurance and pension issues;
- Use social media platforms such as Facebook and Twitter to educate the public on insurance and pension issues.

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- The bank launched Financial Literacy Trainings which are targeted at women groups, youth groups, tertiary institutions and organizations for people with disabilities, amongst others.
- The financial literacy trainings cover areas on budgeting, financial planning, savings and investments, credit channels, insurance, bank account management and consumer protection programs and financial platforms for transactions. The following table shows the number of people reached since the initiation of the program:

Financial Literacy Training Programmes Undertaken

<table>
<tr><th>Year</th><th>Total Number of People Trained</th></tr>
<tr><td>2017</td><td>312</td></tr>
<tr><td>2018</td><td>1,379</td></tr>
<tr><td>2019</td><td>2,565</td></tr>
<tr><td>**Total**</td><td>**4,256**</td></tr>
</table>

- Of the trained people, more than 50% were women.

Impact of Financial Literacy Trainings: The Muzarabani and Kadoma Cases.

Drummond Zimbabwe (Pvt) Employees

Drummond Zimbabwe is a farming company based in Muzarabani. More than 90% of its employees are women, and more women and youths now have Agriplus accounts. After some trainings in 2017, there were 100 participants on the training who opened accounts and had their cards activated.

Kadoma

The Empowerment Desk in collaboration with an organization called Vision Africa trained 60 participants. 10 participants opened accounts after having been fully informed on the importance of one having a bank account.

</td></tr>
</table>

Organization	Financial Literacy Initiatives
Securities and Exchange Commission of Zimbabwe 	• The Securities and Exchange Commission of Zimbabwe (SECZ) embarked on a capital market awareness campaign aimed at showcasing the benefits of stock market investments and highlighting the various products offered on the stock market. • Some of the awareness initiatives include TV and radio financial literacy programs and road shows aimed at educating the public on capital market products • The institution introduced a weekly educational insert in the national newspapers to promote continuous investor education and raise awareness. 
NMB Bank 	• Partnered with PKF Chartered Accounts, ZIMRA, WABAZ, SMEs Association of Zimbabwe, DHL, Act In Africa, ZIMTRADE to conduct workshops for SMEs. • Workshops have been conducted in Chinhoyi, Bulawayo, Kwekwe and Masvingo focusing on: a) How to grow SME businesses ; b) Basic accounting and bookkeeping; c) Export and export incentives; d) Bank requirements on facility applications; e) New products targeted at SMEs, Youths, the Disabled and Women. • The bank has also participated in various fairs and agricultural shows where they have provided free financial and banking advice to attendants. Some of the fairs attended include: • Harare Agricultural Show; • Masvingo Agricultural Show; • Bindura Agricultural Show; • Zimbabwe International Trade Fair; • Zimbabwe Private Schools Expo; • NASH Heads Conference; • Mine-Entra.
Steward Bank 	• The bank provides financial literacy and business management skills training for MSMEs, taking them from being unbanked to being banked and running businesses well. • Steward Bank conducted entrepreneurship training workshops in rural areas as part of the Strive Masiyiwa USD$100 million Rural Entrepreneurship Finance programme. • The bank also participates in the following fairs: • Harare Agricultural Show; • Masvingo Agricultural Show; • Bindura Agricultural Show; • Zimbabwe International Trade Fair; • NASH Heads Conference; • Mine-Entra

Organization	Financial Literacy Initiatives
	
Post Office Savings Bank (POSB) 	✓ Taking advantage of the customer centered initiatives such as the Customer service week to engage clients and teach them on the importance of being banked, savings and other banking related issues; ✓ Global Money Week activities for school and university children ✓ Branch activations in schools and during school events • Massive countrywide roadshows aiming at educating potential clients on the Bank's services
ZB Bank 	• The bank provides financial literacy training for SMEs, as well as various entrepreneurs across the country. • The institution also exhibit at various fares and exhibition shows across the country including the annual Harare Agricultural Show, the SMEs International Expo, the Zimbabwe International Trade Fair and various provincial Agricultural shows across Zimbabwe.
SMEDCO SMEDCO Small & Medium Enterprises Development Corporation Promoting SME growth & sustainability	• Offers business loans and training in entrepreneurship and financial management to existing or start-up micro, small and medium enterprises. 
GETBUCKS 	• The microfinance bank exhibits its products and services at various exhibition shows and SME gatherings in various places across the country including the annual Harare Agricultural Show, the SMEs International Expo and the Zimbabwe International Trade Fair. • During these gatherings, the Bank's representatives will coach the participants on various financial literacy topics. • Periodic meetings and farmers' engagements are also conducted with sugarcane farmers in Chiredzi as well as smallholder farmers based in Middle Sabi. During these engagements, local Agronomists from the Government as well as Developmental Partners such as FAO and the private sector will be present to offer technical assistance to farmers.

Organization	**Financial Literacy Initiatives**
CBZ	• The Bank has regular radio slots on the major radio stations where the institution educates consumers about products and services including customer rights under the Deposit Protection Corporation. • CBZ is also on social media having realized the power of social media in disseminating information. Exhibited at the SME International Expo in October 2019.
First Capital Bank	• Micro entrepreneurship workshops were organised in provinces such as Manicaland, Midlands, and Mashonaland West with key issues being on access to finance and business management.
MetBank 	• The institution's financial literacy programs were conducted in conjunction with partners who include the following Non-Governmental Organisations: SNV, Lead, Ecrisat, Care International, Plan International, DAPP, World Vision, Kunzwana, Action Aid and Amalima. • Further, the bank partnered with institutions including: Apostolic Christiaan Council of Zimbabwe, Zimbabwe National Association of Housing Cooperatives, Windmill (Pvt) Ltd, Capital Foods (Pvt) Ltd, Rural District Councils, Schools, and Independent Agents.
NBS 	• In June 2018, the Society launched a Financial Literacy programme as a platform to educate customers on the importance of financial inclusion and financial discipline. • The society carried out campaigns on social media, held field days and placed informative statements in the press and on electronic platforms. Targeted customers include the informal sector.
 	✓ The Authority commemorates the following key annual events on the ITU and UPU calendars: - • The Annual Girls in ICT Day on 16 May. In 2017 the day was celebrated in Figtree, Matabeleland South Province while in 2018 the day was celebrated in Gokomere, Masvingo Province. Celebrations in Figtree attracted over 1,000 young girls from rural schools within the province. The objective of the commemorations were to encourage young women and girls to consider careers in the ICT sector from an early age. • The World Telecommunications and Information Society Dayon 17 May. In 2017, the day was celebrated in Plumtree, Matabeleland South Province while in 2018 the day was celebrated in Murehwa, Mashonaland East. • *The* Annual World Post Day which is celebrated various parts of the country where the national winners of the International Letter Writing Competition are honoured. World Post Day is observed to create awareness about the role and importance of postal services in the lives of people, and how it contributes to the global development. • The Authority also exhibits at the following annual exhibitions which are used as platforms to educate the public and stakeholders about the mandate and services of Potraz and telecommunications in general:- - The Zimbabwe International Trade Fair ; - The Midlands Agricultural Show; - The Harare Agricultural Show; and - The Manicaland Agricultural Show.

EmpowerBank	 EmpowerBank whose target market are the youth established a Financial Literacy Team to conduct financial literacy programs aimed at equipping the youth and children with financial information. As at 31 March 2020, the Financial literacy Team had conducted twenty one (21) financial literacy programs targeting the youth and school children.

Community Information Centers

5.115 The Ministry of Information, Communication Technology, Postal and Courier Services, with the support of Universal Postal Union (UPU) and other developmental agencies such as UNICEF and UNDP, is establishing conventional Community Information Centres (CICs) and Containerised Village Information Centres (CVICs) throughout the country.

Establishment of Rushinga Community Information Centre in 2019 marked Rushinga's Digital Transformation

5.116 The overall aim of establishing Community Information Centres is to achieve equity of access to information, thereby bridge the digital divide between urban and rural communities. CICs can avail information relevant for agricultural production, processing, marketing, transport and food storage, education, healthcare, disease control as well as environmental management.

5.117 As at 31 August 2020, the Government of Zimbabwe had established a total of 146 Community Information Centres and 24 CVICs throughout the country. A total of 114 CICs were operational with 14 of them offering free training in the use of computers and other ICT related services to local communities. Table 5.13 and 5.14 shows the distribution of CICs and CVICs.

Table 5.13: Distribution of CICs as at 31 August 2020

No	Province	Operational	Not Operational	Total
1	Matabeleland North	7	4	11
2	Matabeleland South	8	4	12
3	Midlands	14	1	15
4	Masvingo	12	1	13
5	Mashonaland Central	10	1	11
6	Mashonaland West	15	3	18
7	Mashonaland East	9	3	12
8	Manicaland	18	4	22
9	Harare	15	6	21
10	Bulawayo	6	5	11
	Totals	**114**	**32**	**146**

Source : Potraz

Table 5.14 Distribution of CVICs as at 31 August 2020

	Name of CVIC Site	Province	Location
1	POTRAZ Head Office	Harare	POTRAZ HQ
2	Manoti Growth Point	Midlands	Manoti Business Centre
3	Tongogara Business Centre	Midlands	Tongogara Business Centre
4	Mnene Mission	Midlands	Mnene Mission
5	Bikita Post Office	Masvingo	Government Complex
6	Maranda Growth Point	Masvingo	Maranda Growth Point
7	Chiredzi Buffalo Range	Masvingo	Chiredzi Buffalo Range
8	Rutenga Business Centre	Masvingo	Rutenga Business Centre
9	Buhera Command Centre	Manicaland	Buhera Command Centre - Open Space
10	Dorowa Post Office	Manicaland	Dorowa Post Office
11	Nyanyadzi Post Office	Manicaland	Nyanyadzi Post Office
12	St Therese Mission	Manicaland	St Therese Mission School Premises
13	Karanda Mission Hospital	Mashonaland Central	Karanda Mission Hospital
14	Madziwa Business Centre	Mashonaland Central	Madziwa Business Centre
15	Nyachuru Business Centre	Mashonaland Central	Nyachuru Business Centre
16	St Alberts Mission	Mashonaland Central	St Alberts Mission
17	Majuru Growth Point	Mashonaland East	Majuru Growth Point – Terminus
18	Nyadire Teachers' College	Mashonaland East	Nyadire Teachers' College
19	Chirundu Post Office	Mashonaland West	Chirundu Post Office
20	Raffingora Township	Mashonaland West	Raffingora Township
21	Selous Post Office	Mashonaland West	Selous Post Office
22	Binga Post Office	Matabeleland North	Binga Post Office
23	Nkayi Post Office	Matabeleland North	Nkayi Post Office
24	Brunapeg Business Centre	Matabeleland South	Brunapeg Business Centre

Source : Potraz

5.118 The CICs and CVICs enable communities to use ICTs to promote their businesses, advance their education, improve their livelihoods and reduce the digital divide between the rural and urban areas. As at 31 July 2020, a total of 11 821 people had been trained in ICT at the CICs countrywide.

Murombedzi Community Information Centre, Mashonaland West Province Murombedzi Community Information Centre is a one stop ICT shop which offers internet, photocopying, printing, scanning, faxing, laminating and gaming services.

5.119 The government's target is to have a Community Information Centre in every rural district of the country in line with the Government Education thrust 5.0. This is expected to go a long way in facilitating access to formal financial services in marginalised areas through provision of relevant information.

5.120 NFIS implementation stakeholders are set to leverage on the community information centres to disseminate information and promote and facilitate financial inclusion initiatives.

5.121 In addition to providing information to communities, the information centres can also be used as agents of banking institutions, thereby facilitating access to financial services.

PILLAR 1 :CONSUMER PROTECTION

5.122 Consumer protection is one of the NFIS pillars as it promotes consumer confidence in the financial system through product pricing transparency, limiting exploitation of consumers by service providers and building & strengthening trust and confidence in formal financial services, particularly among the low-income households.

5.123 The ***Consumer Protection Act*** which was issued in 2019 provides the overarching consumer protection legal provisions in Zimbabwe. The Act governs the cross cutting consumer protection issues in respect of the operations of all players in the economy.

5.124 ***The Banking Act [Chapter 24:20]*** was amended through the Banking Amendment Act of 2015 to incorporate more elaborate consumer protection provisions. In particular, section 28F of the Banking Act requires every banking institution to establish procedures for dealing with complaints made by customers and members of the public concerning their relations with the banking institution.

5.125 The Reserve Bank of Zimbabwe issued the ***Consumer Protection Framework*** in June 2017 which sets out the minimum regulatory standards for consumer protection in the banking sector.

5.126 The Framework outlines the regulatory expectations for all banking and non-bank financial institutions that are regulated by the Reserve Bank of Zimbabwe and their agents to follow when dealing with customers.

5.127 Every banking institution is required to designate an employee in each of the branches or premises where it conducts business, responsible for receiving and dealing with complaints from the institution's customers and members of the public.

5.128 In an effort to support electronic means of payments, ***Circular No. 8/2017*** was issued which highlighted the need for financial institutions and payment systems providers to enhance their security mechanisms to reduce the number of fraud cases among the transacting public.

5.129 The Reserve Bank has ensured and continue to enforce the following on the regulated financial service providers;

i. Consumer complaints policy and handling procedure manuals should be in place, approved and reviewed on a regular basis;

ii. Adequate education and awareness programmes and activities are implemented in a coordinated and agreed manner;

iii. Clear terms and conditions are availed in advance to consumers in a manner that allows an opportunity for fair decision to be made before consumption of financial services;

iv. Financial institutions need to deliver services based on knowledge, skills and trust; and

v. Transparency of information management process.

Market Conduct Supervision

5.130 In order to operationalize the Consumer Protection Framework issued in June 2017 and enforce Consumer Protection practices in the banking sector, the Reserve Bank of Zimbabwe is developing a Market Conduct Supervision Framework to guide the market.

5.131 The Consumer Protection Framework provides guidance on how financial service providers conduct their businesses in ways that do not prejudice customers in an abusive way. Some of the financial abuses highlighted in the Consumer Protection Framework include, exorbitant fees and charges, sale of inappropriate products and services, reckless lending and illegal debt-collection practices.

5.132 The Market Conduct Supervision Framework is expected to provide guidance on the principles, concepts and core processes that Bank Supervisors may use to supervise the market conduct of financial services providers.

5.133 Market Conduct Supervision has been endorsed by Alliance for Financial Inclusion (AFI), the world's leading organization on financial inclusion policy and regulation to which the Reserve Bank of Zimbabwe is a member.

Complaints Handling

5.134 The Reserve Bank of Zimbabwe has put in place a sector-wide complaint tracking mechanism. All banking and microfinance institutions are required to electronically log complaints they receive from clients into a Complaints Return on the Consumer Protection Module in the Bank Supervision Application System (BSA).

5.135 Bank Supervision Application System is an online system accessible by regulated banking and microfinance institutions. The system is used by the Reserve Bank, banking and microfinance institutions to analyse the complaints and is capable of producing reports which assist in decision and policy making.

5.136 The Reserve Bank has put in place a sector-wide complaint tracking mechanism. All banking and microfinance institutions are now required to electronically log complaints they receive from clients into a Complaints Return on the Consumer Protection Module in the Bank Supervision Application System (BSA).

In 2019, a total of 485 complaints were reported and logged by banking institutions while a total of 496 complaints were reported and logged by microfinance institutions. The complaints largely related to failed transactions (36.22%), delayed transfers (12.84%), ZIPIT transfer challenges (11.89%) and digital channels (7.57%).

Source : Reserve Bank of Zzimbabwe

CHAPTER 6

CHALLENGES EXPERIENCED IN IMPLEMENTING NFIS 1

Introduction

6.1 The Reserve Bank of Zimbabwe embraced financial inclusion as a policy priority and key driver of economic growth. To achieve the financial inclusion objectives, targeted segments were identified to facilitate targeted interventions to enable the segments to access useful and affordable financial products and services, delivered in a responsible and sustainable way, and that meet their needs and therefore improve their livelihoods.

6.2 A number of successes have been recorded during the implementation of the first phase of the NFIS such as increase in access to financial services, increasing number of women accessing financial services, and expansion of digital financial services. Some challenges have, however, been experienced in the implementation of the NFIS.

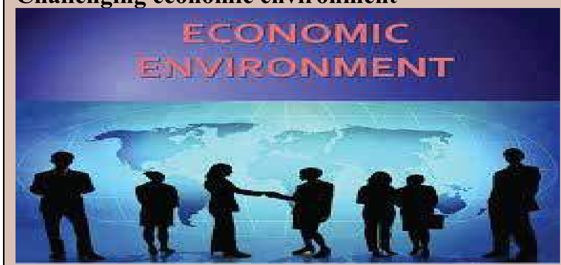
6.3 The chapter discusses some of the challenges faced in the implementation of the first phase of NFIS:

Table 6.1 major challenges faced during NFIS 1, 2016-2020, Zimbabwe

Lack of acceptable collateral by the majority of low income groups 	Access to affordable finance has been hampered by lack of acceptable collateral by the majority of target groups. In the absence of collateral substitutes and the pending operationalisation of the Movable Collateral Securities regulations, low income groups continued to face challenges in accessing capital from banks and other financial institutions, which usually require acceptable collateral in the form of fixed property with title deeds. Lack of acceptable collateral was also reflected in the low uptake of empowerment facilities availed by the Reserve Bank through banking institutions.
Low levels of financial literacy among the target segments 	The level of financial literacy among most of the target groups such as rural farmers remains low. Majority of the low income groups are unaware of most banking products and services offered by financial institutions and also lack financial capability to ensure financial access leads to improved livelihoods.
Lack of business skills 	Lack of appropriate business skills has hampered the impact of accessed financial products on the livelihoods of financial inclusion beneficiaries. Extensive capacity building interventions by the various implementing stakeholders are key in addressing the challenge.
Lack of historical credit data on some low income borrowing segments 	Lack of credit data and reliable financial records which heightened information asymmetry, discouraged some banking institutions from extending financial services to some previously disadvantaged groups such as rural farmers, rural women and persons with disabilities. As a result, banking institutions deemed the targeted segments as high risk with the majority of them being informal without financial records and acceptable collateral security.

Table 6.1 major challenges faced during NFIS 1, 2016-2020, Zimbabwe

High levels of informality in the MSMEs Sector 	The majority of MSMEs, rural farmers and other economic activities are largely informal which deter financial service providers from extending financial services to the target groups. Majority of MSMEs and rural farmers are not keen on formalising their businesses due to the high costs and cumbersome processes involved.
Poor Infrastructure 	Inadequate infrastructure such as poor connectivity or limited availability of either fixed or mobile telephone communications in some remote areas in the country, shortage of power and water, poor road and communication infrastructure had an adverse impact on outreach initiatives by financial service providers during phase 1 of NFIS.
Centralisation of the financial Inclusion activities 	A number of financial inclusion activities meant to operationalize the NFIS such as financial literacy programmes and capacity building programmes were largely concentrated in major urban areas leaving out the marginalised segments in rural areas and other remote areas where financial exclusion is higher.
High costs of delivering financial services 	Increased access to financial services by the majority of low income groups was hampered by the high costs of financial services such as high interest rates and bank charges including mobile transaction charges. Financial services providers also faced challenges in respect of the costs of providing services to low income groups such as rising fuel, electricity and staff costs. Cash shortages in the economy have also contributed to higher operating costs for small businesses and has also rendered the agency banking model ineffective.
Lack of resources  	This was another challenge that affected execution of the NFIS in providing training and financial education in the very remote areas of the country where it is needed most. Lack of resources or budget hampered implementation of awareness workshops in the rural areas and rural schools. Lack of adequate funding for capacity building and financial literacy programmes further curtailed efforts by microfinance institutions and other financial service providers to increase outreach and contribute meaningfully to the financial inclusion agenda and economic development of the country in the first phase of NFIS.

Weak Legal Framework to support some innovations such as Value Chain Financing 	The absence of a robust legal framework to support innovative products such as value-chain financing, contract farming and warehouse receipt financing further dampened the advancement of financial services to MSMEs, smallholder and rural farmers operating within the agricultural production value chains. As a result there were incidences of side-marketing by tobacco, cotton and cattle and chicken breeders, resulting in failure to meet loan obligations and collapse of many contract farming schemes involving small holder and rural farmers. Incidences of side-marketing resulted in most financial institutions taking a cautious approach towards value-chain financing model, resulting in smallholder and rural farmers failing to access adequate funding.
Challenging economic environment 	The challenging economic environment has not provided an impetus for rolling out effective financial inclusion initiatives during the first phase of NFIS. The shortage of foreign currency, coupled with cash shortages, shortages of raw materials, energy and water rising inflation further compounded the challenging operating environment for MSMEs and small holder farmers, which are key target segments for NFIS. The current economic challenges have reduced the appetite for borrowing by most MSMEs amid fears of possible default, while the lending institutions have also adopted a cautious approach.
M&E Framework-Data collection challenges 	A number of financial service providers are yet to enhance their ICT systems to facilitate collection of gender disaggregated financial inclusion data. During the first phase of NFIS, some banking institutions were not able to provide key information in respect of youth, persons with disabilities and women while some financial sector regulators were yet to collect comprehensive financial inclusion data. Availability of comprehensive data which is adequately disaggregated is key for an effective monitoring and evaluation framework.

CHAPTER 7

CONCLUSION AND RECOMMENDATIONS

7.1 Notwithstanding the successes registered during the first phase of NFIS and key lessons learnt including the importance of a robust monitoring and evaluation framework, the need for sufficiently disaggregated data, the need for adequate political buy-in from the start, and the need for an effective stakeholder coordination framework involving all relevant stakeholders, a number of challenges were faced during the implementation of the first phase of the NFIS as highlighted in Chapter 5.

7.2 Empirical evidence has shown that access to financial services by low income groups is critical as it makes it easier to invest in health, education, and business. Digital technologies such as use of mobile phones offer powerful ways to boost financial access based on the key features of digital financial services such as affordability, ease of use, scalability, and convenience.

Preliminary Recommendations for NFIS II

7.3 According to the observation by AFI (The National Financial Inclusion Strategies: Current State of Practice, June 2018), Zimbabwe's NFIS discusses women's financial inclusion in detail and outlines a series of measures to increase its level but does not include specific quantitative targets. In this regard, there is need to clearly articulate the specific quantitative targets for women financial inclusion as well as for the other target groups.

7.4 There is also need to come up with a detailed budget to support financial inclusion initiatives such as financial literacy and consumer awareness campaigns in the second phase of the NFIS. Burundi's NFIS for instance includes a detailed budget broken down by objectives and sub-objectives.

7.5 In formulating NFIS II, there is a need for the Reserve Bank and other financial sector regulators to conduct an "assessment of peer countries for international benchmarking purposes" within AFI member states and also tap into global best practices. Nigeria's national financial inclusion strategy, for instance was borne out a peer assessment which included visiting countries such as Malaysia, Mexico, Brazil, South Africa, India, Indonesia, the Philippines, Kenya, Ghana, Pakistan and Uganda. A Palestinian team also visited Tanzania to learn from its experience in formulating the NFIS, while policymakers from the Banco Central de Reserva de El Salvador visited Colombia, Mexico and Peru for peer learning to get insights into developing an NFIS for El Salvador.

7.6 A number of AFI member countries have found that experience of early entrants are a rich source of insights and lessons for the latecomers and learning from their experience enables the newcomers to carry out the formulation task more effectively and efficiently.

7.8 There is also need to constitute a high level national financial inclusion oversight / steering committee as an overarching policymaking body for the national financial inclusion agenda. The committee will be responsible for providing overall strategic direction and oversight of the financial inclusion agenda. Specifically, the committee will:

a) Set the strategy for financial inclusion for Zimbabwe;
b) Review and approve the Action Plan to achieve financial inclusion goals;
c) Review the progress of the implementation of financial inclusion;
d) Clarify policy issues and approve proposals from the Thematic Working Groups and Secretariat; and

e) Review any other issues related to the implementation of financial inclusion initiatives as needed, with a view to advising the Government on the best way forward

7.9 The committee may include relevant government ministries, heads of regulatory authorities and industry associations. A regional example is Tanzania which established a national committee comprised of key ministries, and also established a National Secretariat at the Central Bank to support the higher-level coordination bodies.

7.10 Despite remarkable improvements, deficiencies in national-level financial inclusion data continue to present serious problems for the formulation of evidence-based policies and strategies. In this regard, there is need for more intensive capacity building to ensure that those engaged in strategy formulation make optimal use of financial inclusion data and macro level data on such variables as overall economic growth, poverty indices, incidence and distribution of poverty and unemployment across various socio-economic and income groups and geographical areas or regions. Such usage can significantly improve the quality of national strategies at entry and also during implementation.

7.11 There is need to expedite the enactment of an appropriate legal framework to support the value chain financing model which is binding and gives stability to financing institutions.

7.12 To achieve the NFIS's objectives, all stakeholders should emphasise advancing and taking active participation in the financial education of all the targeted segments of the economy. Financial literacy is key in raising awareness of financial services among economic agents particularly the marginalised groups; ensuring responsible access to and usage of financial services; and in promoting adequate protection of consumers of financial services.

7.13 Financial literacy workshops and consumer education campaigns should be spread right to the grass roots in the marginalised areas. It is critical to bring the previously disadvantaged groups on board during the awareness campaigns and in the implementation of all financial inclusion programmes.

7.14 The Reserve Bank should continue fostering macroeconomic stability and growth, through the pursuit of policies that support sound and stable macroeconomic performance, and private sector investment.

7.15 RBZ should also consider providing support towards capacity building of borrowers, as this is proving to be costly for banks. Capacity building is part of poverty alleviation as lending alone without financial literacy can lead to impoverishment.

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Annexures

A. CONSOLIDATED FINANCIAL INCLUSION INDICATORS, ZIMBABWE: 2016-2019

Indicator	Dec 2016	Dec 2017	Dec 2018	Dec 2019
Value of loans to MSMEs	$131.69m	$146.22m	$169.96m	$462.98m
MSMEs loans as % of total loans	3.57%	3.75%	3.94%	3.92%
No. of MSMEs with bank accounts	71,730	76,524	100,644	116,467
No. of Bank Accounts held by Women	769,883	935,994	1,736,285	2,152,185
Value of Loans to Women	$277.30m	$310.78m	$432.36m	$586.74m
Loans to women as a % of total loans	7.52%	7.96%	10.57%	15.59%
Number of Loans to Youth	38,400	61,529	69,421	189,658
Value of Loans to Youth	$58.41m	$138.93m	$104.43m	$188.71m
loans to the youth as a % of total loans	1.58%	3.56%	2.55%	6.09%
Total number of Bank Accounts	1.49m	3.07m	6.73m	7.62m
Number of Low-Cost Accounts	1.20m	3.02m	4.67m	4.97m
ELECTRONIC ACCESS POINTS AND DEVICES				
Electronic Access Points	2016	2017	2018	2019
ATMs	569	561	551	542
Standard POS	32,629	59,939	99,935	121,413
Bank Agents	4,059	4,865	4,815	4,840
Mobile banking Agents	40,590	47,838	50,740	59,219
MPOS			21,248	29,991
Electronic Access Devices				
Debit Cards	3,127,153	4,281,683	4,734,299	5,625,031
Credit Cards	16,030	17,411	17,204	18,089
Prepaid Cards	43,288	63,987	88,406	99,278
Total Number of Cards	3,186,471	4,363,081	4,839,909	5,742,398
Active Mobile Money Subscriptions	3,303,188	4,706,778	6,352,552	7,334,639
Active Internet Banking Subscribers	168,339	277,674	353,103	415,901
Total Registered Mobile subscriptions	8,928,214	10,801,013	13,722,394	15,567,046
Bank Accounts (inc Ecocash save)	3,995,959	4,422,435	4,969,262	7,138,016

B• **Number of Registered Users on the FinSec C-Trade Platform : September 2019-September 2020**

C-Trade Registered Users	September 2019	September 2020
Total	16,002	14,389
of which men	14,594	10,978
of which Women	1,408	1,966
of which Youth	9,281	9,958
of which Children	1,301	1,482
Other investors (not specified)	-	1,455
Value of Transactions		
Total :	$5,000,052	$53,253,318.53
of which men	$2,462,285	$39,463,110.33
of which women	$2,537,767	$2,151,480.45
of which youths	$1,227,126	$39,942,065.99
of which children	$661,416	$1,958,205.00
Other investors (not specified)	-	$11,459,140.13

B• FINANCIAL INCLUSION OUTREACH AS AT 31 AUGUST 2020

	Organiser	Nature of Event	Venue	Presenter	Date	Number of Participants
2020						
i.	• Reserve Bank of Zimbabwe/ • Eswatini Centre for Financial Inclusion	Knowledge Exchange Program for Eswatini on Women Financial Inclusion and Economic Empowerment	Harare	Mrs. Mukura	24-28 February 2020	50
ii.	• Small & Medium Enterprises Development Cooperation	SMEs Strategic Planning Workshop	Harare	Mr. Manyumwa	17 March 2020	50
2019						
iii.	• Reserve Bank of Zimbabwe • FinMark Trust • Insurance & Pensions Commission • Securities Exchange of Zimbabwe	Financial Inclusion Forum	Wild Geese, Harare	Dr. Chipika	19-20 February 2019	300
iv.	• POSB Global Money Week	Interuniversity Debate	Holiday Inn, Harare	Mr. Charumbira	30 March 2019	60
v.	• Apostolic Faith Ministries	Presentation to Ladies Fellowship	Harare	Dr. Chipika	6 April 2019	400
vi.	• Ministry of Women & SMEs	Women in Business Breakfast Meeting	Bulawayo	Mrs. Mukura	23 April 2019	300
vii.	• Zimbabwe Association of Microfinance Institutions	Microfinance Winter School	Kariba	Dr. Chipika	May 2019	100
viii.	• Food and Agriculture Organisation	Rural Finance Learning Event	Celebration Centre, Harare	Ms. Hove	6 June 2019	200
ix.	• Global Foundation for Public Speaking (GFPS)	Day of the African Child (Kwanzaa Public Speaking Event)	Westgate Shopping Mall, Harare	Mr. Charumbira	20-21 June 2019	80
x.	• Megafest Holdings	2019 Megafest Women's Awards	Harare	Dr. Chipika	26 July 2019	50
xi.	• Reserve Bank of Zimbabwe • FinMark Trust	Financial Inclusion M & E Data Training	Zimbali Events, Harare	Mrs. Mukura	1-2 August 2019	300
xii.	• Global Foundation of Public Speaking	International Youth Day	RBZ Sports Club	Ms. Hove	7 August 2019	100
xiii.	• ZAOGA Church	Today's Woman Conference	Glamis Stadium, Harare	Dr. Chipika	19-21 October 2019	15000
xiv.	• Ministry of Primary & Secondary Education • Reserve Bank of Zimbabwe	Financial Literacy Training for Teachers	Holiday Inn Harare	Mustard Seed Advisory	25-27 November 2019	70
-	i. Ministry of Agriculture i. Ministry of Industry and Commerce	Agricultural Shows and Trade Fairs	Harare, Bulawayo, Masvingo, Mutare, Kwekwe	Various	Various	5000

2018					
- Women and Youth in Tourism	Financial Inclusion Presentation	Harare	Mr. Mataruka	1 February 2018	200
- Katswe Zimbabwe Resource and Child Network	Financial Inclusion Presentation	Harare	Mrs. Saungweme	16 February 2018	200
- Woman Excel	Financial Inclusion and Women Empowerment	Harare	Dr. Chipika	March 2018	1000
- CBZ Bank	Young Entrepreneurs Program Awards	Harare	Ms. Hove	8 March 2018	130
- Pepukai Madzimai Cooperative	Financial Inclusion Presentation	Harare	Dr. Chipika	13 March 2018	300
- Reserve Bank of Zimbabwe	Global Money Week Celebrations	RBZ Auditorium	RBZ various presenters	15-16 March 2018	300
- Homelink	Women's Workshop	Gwanda	Dr. Chipika	19 March 2018	120
- Women's University in Africa	Public Lecture	Harare	Dr. Chipika	26 March 2018	350
- Women Farmers - Agriculture Trust	Financial Inclusion	Harare	Ms. Hove	27 March 2018	30
i. CBZ Bank	SMEs EXPO	Harare	Mr. Madamombe	1 April 2018	400
ii. Market Linkages Association	Financial Inclusion Presentation	Harare	Mr. Chiviri	4 April 2018	50
iii. Woman Excel	Women Financial Inclusion and Empowerment	Harare	Dr. Chipika	10 May 2018	1000
iv. Oxley Consulting	Policy Dialogue Forum on the Informal Sector	Harare	Dr. Chipika	3 May 2018	200
v. Women Alliance for Business Association in Zimbabwe	WABAZ Roundtable	Mutare	Mrs. Mukura	4 May 2018	100
vi. Reserve Bank of Zimbabwe vii. Zimbabwe Association of Microfinance Institutions	Microfinance CEO Winter School	Nyanga	Mrs. Mushosho	17-19 May 2018	100
viii. Red Lipstick	Financial Inclusion: Opportunities for Women	Harare International Conference Centre	Mrs Mukura	30 May 2018	400
ix. Global Foundation of Public Speaking	The inaugural Day of the African Child: Kwanzaa Celebrations	Westgate Shopping Complex, Harare	Ms. Hove	16 June 2018	300
x. Ministry of Industry and Commerce	Potato Value Chain	Cresta Hotel, Harare	Ms. Hove	20 June 2018	70

-	i.	Ecobank	SME Club	Emerald Hill, Harare	Dr. Chipika	19 June 2018	60
-	i.	FBC Bank	SMEs Financial Literacy Training	Crowne Plaza Hotel Harare	Mr. Charumbira	22 June 2018	120
-	i.	New Faces New Voices	Women Financial Inclusion Presentation	Harare	Ms. Hove	29 June 2018	30
-	v.	Reserve Bank of Zimbabwe and World Bank	Agricultural Value Chain Finance Training Workshop	Wild Geese, Harare	Mr. Mataruka	15-17 October 2018	168
-	v. i.	Reserve Bank of Zimbabwe World Bank	Microfinance Conference	Wild Geese, Harare	Dr. Chipika	1-2 November 2018	179
-	i.	Red Rock Business Hub	The Red Lipstick Revolution First Anniversary Celebrations	Long Cheng Plaza, Harare	Dr. Chipika	5 December 2018	50
-	i.	Zimbabwe Christian Ministers Association	Financial Inclusion Opportunités	Harare	Mrs. Mukura	5 December 2018	100
-	x.	Ministry of Foreign Affairs & International Trade	Ministry of Foreign Affairs & International Trade Strategy Review Workshop	ZIPAM, Darwendale	Dr. Chipika	7 December 2018	100
2017							
-	i.	Microcred Microfinance Institution	Launch of new Product	Harare	Dr. Dhliwayo	15 January 2017	30
-	i.	Ministry of Women, Gender and Community Development	International Women's day	Harare	Dr. Dhliwayo	8 March 2017	2000
-	i.	Women's Leadership Awards Ceremony	Financial Inclusion Presentation	Harare	Dr. Dhliwayo	6 March 2017	100
-	v.	POSB	Launch of POSB Women's Desk	Harare	Dr. Dhliwayo	8 March 2017	80
-	v.	Federation of Young Farmers Clubs Zimbabwe Trust	Financial Inclusion Presentation	ZESA Training Centre, Harare	Mr. Charumbira	24 March 2017	35
-	i.	Woman Excel	Financial Inclusion Presentation	Harare	Dr. Dhliwayo	28 March 2017	1000
-	i.	CBZ Bank	SME EXPO	Harare	Ms. Hove	30 March 2017	500
-	i.	Food & Agriculture Organisation	Rural Finance Learning Event	Celebration Centre, Harare	Mr. Madamombe	May 2017	100
-	x.	SMEs Funding Facilities Launch	Financial Inclusion Presentation	Harare	Dr. Chipika	8 May 2017	150
-	x.	Women's Leadership Awards Ceremony	Financial Inclusion Presentation	Harare	Dr. Chipika	3 June 2017	80
-	i.	Women Alliance of Business Association in Zimbabwe	Funding Forum: Financial Inclusion Presentation	Harare	Dr. Chipika	12 June 2017	200

-	i.	PROWEB	Business Women Forum	Mt. Pleasant, Harare	Dr. Chipika	30 June 2017	80
-	i. i.	Reserve Bank of Zimbabwe World Bank	Re-igniting SME Development in Zimbabwe – Learning from Global Experiences	Wild Geese, Harare	Dr. Chipika	5-7 July 2017	150
-	v.	PROWEB	Presentation to UN Women	Harare	Dr. Chipika	19 July 2017	50
-	v.	Reserve Bank of Zimbabwe	Promoting financial Inclusion for MSMEs and Cooperative Development	Harare	Dr. Chipika	1 August 2017	150
-	i. i.	Zimbabwe Gender Commission Zimbabwe National Chamber of Commerce	Financial Inclusion Presentation	Harare	Dr. Chipika	29 August 2017	100
-	i.	Zimbabwe Cross Border Association	Financial Inclusion Presentation	Harare	Dr. Chipika	11 August 2017	500
-	x.	Miracle Missions/Signs of Hope Trust	Persons With Disabilities Networking Meeting	Harare	Mrs. Mukura	18 August 2017	30
-	x.	Reserve Bank of Zimbabwe	Credit Registry and Collateral Registry Outreach Programme (6 Workshops with an average attendance of 80)	Various	Mr. Chiviri / Ms. Hove / Mrs. Chiromo/Mr. Charumbira	September 2017 – February 2018	500
-	i.	Women Alliance of Business Association in Zimbabwe	Workshop on Women Financial Inclusion	Mutare	Mrs. Mukura	1 September 2017	80
-	i.	Women Alliance of Business Association in Zimbabwe	Workshop on Women Financial Inclusion	Harare	Ms. Hove	8 September 2017	50
-	i.	Women Alliance of Business Association in Zimbabwe	Workshop on Women Financial Inclusion	Bulawayo	Ms. Hove	10 September 2017	40
-	i.	FEMCOM Zimbabwe Chapter	Financial Inclusion Presentation for Women	Harare	Mrs. Mukura	20 September 2017	150
-	v.	Zimbabwe Women's Bureau Dialogue	Financial Inclusion Presentation	Hillside, Harare	Mrs. Mukura	21 September 2017	60
-	v.	Women In Enterprise Conference and Awards (WECA)	Financial Inclusion Presentation	Harare	Dr. Chipika	22 September 2017	150
-	i.	Homelink	Women Entrepreneurial Development	Harare	Mrs. Chiromo	29 September 2017	70
-	i.	Reserve Bank of Zimbabwe	Child and Youth Finance Workshop	Meikles Hotel, Harare	Mr. Madamombe	19-20 October 2017	120
-	i.	New Faces New Voices	Financial Inclusion Presentation	Harare	Dr. Chipika	14 November 2017	15
-	x.	Tamar Restoration	Financial Inclusion Presentation	Harare	Ms. Hove	11 November 2017	30
-	x.	Women in Mining	Financial Inclusion Presentation	Harare	Ms. Hove	16 November 2017	200
-	i.	Standard Chartered Bank	Heels in the Boardroom	Harare	Dr. Chipika	22 November 2017	80

-	i.	National Aids Council	Financial Inclusion Presentation	Harare	Mrs. Saungweme	1 December 2017	20
-	i.	Global Foundation of Public Speaking	Schools Quiz and Competition Night	St Johns Emerald Hill High School, Harare	Dr. Chipika	1 December 2017	200
-	i. v.	United Nations Confederation of Zimbabwe Industries	Women Financial Inclusion	Harare	Dr. Chipika	1 December 2017	100
-	v.	Zimbabwe Farmers Union	Inclusive Policy Dialogue	Holiday Inn, Harare	Mrs. Mukura	12 December 2017	100
2016							
-	i.	United Nations	Women Breakfast Dialogue	Harare	Dr. Dhliwayo	10 January 2016	90
-	i.	Ministry of Youth	Market Linkages Association	Harare	Dr. Dhliwayo	22 April 2016	700
-	i.	Steward Bank	SME Account Launch	Harare	Mr. Madamombe	4 May 2016	100
-	x.	ZB Bank	Khonapho Pauri Product Launch	Harare	Mr. Madamombe	13 May 2016	150
-	x.	Ecocash	Ecocash Savings Club Forum	Harare	Mr. Mataruka	26 May 2016	50
-	i.	Zimbabwe Association of Microfinance Institutions	Microfinance Winter School	Harare	Mrs. Mushosho	1 June 2016	80
-	i.	Reserve Bank of Zimbabwe	SME Banking and Microfinance Summit	Harare	Mr. Mataruka	27 June 2016	150
-	i.	Africa Exchange	Business Breakfast	Harare	Mr. Madamombe	7 July 2016	50
-	v.	Reserve Bank of Zimbabwe	Microfinance Workshop, Microfinance – a Catalyst for Financial Inclusion	RBZ Auditorium	Mr. Madamombe	18 July 2016	124
-	v.	United Methodist Church	Financial Inclusion Presentation to Church Leadership	Harare	Mr. Mataruka	1 August 2016	30
1.	▪	Zimbabwe Farmers Union	Annual Congress	Chinhoyi	Mrs. Mukura	8 September 2016	200
2.	▪	Ministry of Public Service and Social Welfare	Benefits of Financial Inclusion to Pensioners	HICC	Ms. Hove	16 September 2016	100
3.	▪	Reserve Bank of Zimbabwe	Microfinance Advisory Council	RBZ Auditorium	Ms. Hove	11 October 2016	80
4.	▪	Ministry of Industry and Commerce	SME International EXPO	Harare	Dr. K. Mlambo	26 October 2016	200
5.	▪	Steward Bank	Launching of Agent Banking	Harare	Mr. Mataruka	18 November 2016	50
6.	▪	Harare SACCOs	SACCOs Multi Stakeholder Conference	MTB, Harare	Mr. Mataruka	26 November 2016	75
7.	▪	Reserve Bank of Zimbabwe	MSMEs Stakeholder Workshop	Harare	Mrs. Chiromo	29 November 2016	50
8.	▪	Zimbabwe Association of Microfinance Institutions	ZAMFI Summer School	Harare	Dr. C. Dhliwayo	1 December 2016	50
TOTAL DIRECT OUTREACH							**37,746**
ESTIMATED INDIRECT OUTREACH							**3.5 Million**

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