



Bank Of Zambia

***PROGRESS REPORT ON THE IMPLEMENTATION OF
THE FINANCIAL SECTOR DEVELOPMENT PLAN
(FSDP)***

FOR THE PERIOD JULY 2004 TO FEBRUARY 2006

MARCH 2006

LIST OF ACRONYMS AND ABBREVIATIONS

BAZ	-	BANKERS ASSOCIATION OF ZAMBIA
BoZ	-	BANK OF ZAMBIA
BIS	-	BANK FOR INTERNATIONAL SETTLEMENTS
BSA	-	BUILDING SOCIETIES ACT
CRB	-	CREDIT REFERENCE BUREAU
DBZ	-	DEVELOPMENT BANK OF ZAMBIA
DDACC	-	DIRECT DEBIT AND CREDIT CLEARING
DFI	-	DEVELOPMENT FINANCE INSTITUTION
DPS	-	DEPOSIT PROTECTION SCHEME
FMWG	-	FINANCIAL MARKETS WORKING GROUP
FSDP	-	FINANCIAL SECTOR DEVELOPMENT PLAN
GRZ	-	GOVERNMENT OF THE REPUBLIC OF ZAMBIA
HFI	-	HOUSING FINANCE INSTITUTIONS
IMF	-	INTERNATIONAL MONETARY FUND
IVL	-	ITEM VALUE LIMITS
LuSE	-	LUSAKA STOCK EXCHANGE
MFI	-	MICROFINANCE INSTITUTIONS
NBFI	-	NON BANK FINANCIAL INSTITUTIONS
NSCB	-	NATIONAL SAVINGS AND CREDIT BANK
PIA	-	PENSIONS AND INSURANCE AUTHORITY
SADC	-	SOUTHERN AFRICAN DEVELOPMENT COMMUNITY
SEC	-	SECURITIES AND EXCHANGE COMMISSION
TA	-	TECHNICAL ASSISTANCE
VAT	-	VALUE ADDED TAX
ZNBS	-	ZAMBIA NATIONAL BUILDING SOCIETY

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1.0 INTRODUCTION

In recognition of the strategic importance of the development of the financial sector, Government devised and formulated policy mechanisms for addressing the identified obstacles within the framework of the Poverty Reduction Strategy Paper (PRSP) whose implementation started in 2002. In line with the PRSP framework the International Monetary Fund (IMF) and World Bank undertook a comprehensive assessment of the Zambian financial sector through the Financial Sector Assessment Programme (FSAP) in 2002. Following the FSAP, Government initiated a project in 2003, to formulate a five-year Financial Sector Development Plan (FSDP) to address the observed weaknesses and further strengthen the Zambian financial sector. To this end, a comprehensive consultative process spearheaded by a National Technical Committee was embarked upon. This culminated into a National Forum held in May 2004. In June 2004, Cabinet approved the Financial Sector Development Plan (FSDP) for Zambia covering the period 2004 – 2009.

The FSDP is both a vision statement and a comprehensive strategy by the Government to address the current weaknesses in the Zambian financial system. It is aimed at guiding efforts to realise the vision of a financial system that is **‘stable, sound and market-based and that would support efficient resource mobilisation necessary for economic diversification and sustainable growth.’**

2.0 APPROACH TO IMPLEMENTATION

The FSDP implementation has been phased into two. The **first phase** involves developing policy priorities from the specific recommendations under each key financial sub sector. Key priority areas identified and constituting the immediate agenda over the 12 to 18 months period beginning 4th Quarter of 2004 include the following:

(a) Establishment of an institutional framework for the implementation of the FSDP;

(b) Harmonisation of the financial sector legislation which will in the immediate term involve:

- i. Reviewing the Banking and Financial Services Act (BFSA);
- ii. Drafting repeal and/or transitional legislation with regard to the three priority non-bank financial institutions, namely, the Development Bank of Zambia (DBZ), Zambia National Building Society (ZNBS) and National Savings and Credit Bank (NSCB);
- iii. Incorporating DBZ, ZNBS and NSCB under the Companies Act;
- iv. Drafting new legislation relating to the three critical areas of, Rural Finance, Housing Finance and Development Finance; and
- v. Reviewing and harmonising the laws governing financial institutions, to avoid inconsistencies with the Banking and Financial Services Act (BFSA).

(c) Resolution of weaknesses in the insolvent state-owned financial institutions;

(d) Production of market knowledge on the supply and demand of financial services in Zambia; and,

(e) Development of an implementation plan for all other recommendations in the FSDP that includes the prioritisation, sequencing and cost estimations for implementing the recommendations. This will form the basis for the implementation of the remaining priority activities under the FSDP.

The **second phase** is envisaged to deal with longer-term issues including the following:

- i. Bringing National Pensions Scheme Authority (NAPSA) under some independent supervisory authority and implementing the investment allocation guidelines for contractual savings providers;
- ii. Strengthening the autonomy and enhancing the capacities of the regulatory authorities, namely, the Bank of Zambia (BoZ), Pensions and Insurance Authority (PIA) and Securities and Exchange Commission (SEC);
- iii. Capacity building for key stakeholders; and
- iv. Developing appropriate HIV/AIDS and gender policies at places of work.

3.0 ESTABLISHMENT OF INSTITUTIONAL FRAMEWORK FOR THE FSDP IMPLEMENTATION

In order to effectively and efficiently coordinate the implementation of the FSDP, an implementation structure was developed in May 2005 and comprises the FSDP Steering Committee (FSDPSC), the FSDP Implementation Committee (FSDPIC), the FSDP Secretariat and the FSDP Working Groups. The organisational structure of the FSDP is illustrated in **Appendix A**.

3.1 FSDP Steering Committee

The FSDP Steering Committee (FSDPSC) oversees and provides overall direction and advice on the implementation of the FSDP over the 5-year term. The FSDPSC is domiciled at the MoFNP and comprises key stakeholders who individually and collectively have an integrated view of issues and direction of the financial sector. The FSDPSC is chaired by the Secretary to the Treasury at the Ministry of Finance and National Planning. Details of the members of this Committee are provided in **Appendix B**.

3.2 FSDP Implementation Committee

The FSDP Steering Committee is supported by a FSDP Implementation Committee (FSDPIC) which is domiciled at the BoZ. The FSDPIC is responsible for reviewing the sequencing of activities for implementing the FSDP and monitoring performance targets in line with the Implementation Matrix, attached hereto as **Appendix G**. To ensure effective implementation of the FSDP, the BoZ is both the chair of the FSDPIC and FSDP Secretariat.

3.3 FSDP Working Groups

The FSDPIC is supported by twelve (12) FSDP Working Groups composed of subject experts focusing on the technical aspects of implementing the recommendations of the FSDP.

The following are the 12 Working Groups under the FSDP implementation structure:

- Accounting and Auditing;
- Banking;
- Contractual Savings;
- Financial Markets;
- Human Resource;
- Legal and Regulatory Infrastructure;
- Macro-economic Issues;
- Non-Bank Financial Institutions;
- Payment systems;
- Taxation;
- Financial Access and
- Corporate Governance

Details of the FSDP Implementation Committee and the FSDP Working Groups are provided in **Appendices C, D and E**.

3.4 FSDP Secretariat

The implementation process is coordinated by the FSDP Secretariat which is domiciled at the BoZ.

3.5 Funding and Technical Assistance

3.5.1 Support from Cooperating Partners

Donor support by way of Technical Assistance (TA) and monetary support has been received from a number of cooperating partners including the International Monetary Fund (IMF), the World Bank, the Swedish International Development Agency (SIDA), the United Kingdom's (UK's) Department for International Development (DFID), the United States (U.S) Treasury and FIRST Initiative of UK.

Following the approval of the FSDP in June 2004, the SIDA and the DFID agreed to provide funding and TA amounting to £1.0 million for implementation and monitoring of the FSDP. On 29 December 2004, the DFID and SIDA signed agreements with the Ministry of Finance and National Planning (MoFNP) to operationalise the funding of a programme of support to the FSDP.

The programme of support from DFID amounts to £500,000 of which £400,000 is direct funding to FinMark Trust of South Africa for the production of market knowledge with £100,000 for TA towards institutional and regulatory reforms. Under the agreement, SIDA will provide TA facility amounting to £500,000 for developing an implementation plan including the prioritisation, sequencing and cost estimations of the FSDP areas, and implementation of urgent reforms. During the first quarter of 2005, £194,497.22 (approximately US\$333,444.64) was released to BoZ for FSDP activities. The proposed utilisation of these funds is for activities indicated in the summary work plan attached as **Appendix F**.

During 2005, First Initiative provided technical assistance for:

- (i) The establishment of a credit reference bureau in Zambia;
- (ii) The Zambia Institute of Bankers project on strengthening banking and finance in Zambia;
- (iii) Capacity Building at the Pensions and Insurance Authority (PIA); and;
- (iv) Securities and Exchange Commission (SEC) Strategy and Implementation Plan.

3.5.2 Support from the Bank of Zambia

Following representations made by the FSDP Secretariat and FSDP Implementation Committee to the BoZ Executive, the BoZ Board meeting of 26 May 2005 approved to allocate K221.0 million towards FSDP sitting and travel allowances, to be paid to external members of the FSDP Working Groups, FSDPIC and FSDPSC for meetings held since March 2005 when the working groups were constituted.

3.5.3 Expenditure Framework For The FSDP Account

The expenditure framework applied for utilising funds under the FSDP account is in line with the BoZ guidelines. As a statutory body, Zambia National Tender Board regulations are applicable for authorisation limits.

Payments to be made against the FSDP funds largely fall into two major categories namely:

- (i) procurement of goods and services for the implementation of the FSDP, and,
- (ii) recurrent expenditure for the administration of the FSDP Secretariat.

3.5.3.1 Procurement of Goods and Services

In discharging its broad responsibilities of mobilising financial resources for the implementation of the FSDP, the FSDPSC is responsible for approving the annual budgets and work programmes drafted by the FSDPIC. Once the budget and work programmes have been approved, the FSDPIC then carries out the actual implementation of the FSDP.

The BoZ procurement procedures apply in line with the authorisation limits issued by the Zambia National Tender Board (ZNTB) with authorisation thresholds indicated in the table below.

Table 1: Procurement Thresholds

	<u>Amounts (K'000)</u>	<u>Authorising Officer (Committee)</u>	<u>Committee</u>	<u>Type of Tender</u>
<u>1</u>	<u>Up to 500</u>	<u>FSDP - Coordinator</u>	<u>FSDP</u>	<u>Informal</u>
<u>2</u>	<u>500 to 5,000</u>	<u>Chairperson - FSDP Secretariat</u>	<u>Secretariat</u>	<u>Informal</u>
<u>3</u>	<u>5,000 – 15,000</u>	<u>Chairperson FSDPIC (DGO)</u>	<u>FSDPIC</u>	<u>Informal</u>
<u>4</u>	<u>15,000 – 200,000</u>	<u>BoZ Contracts & Tender Committee</u>	<u>N/A</u>	<u>Informal</u>
<u>5</u>	<u>200,000 – 3,500,000</u>	<u>BoZ Contracts & Tender Committee</u>	<u>N/A</u>	<u>Formal</u>
<u>6</u>	<u>Above 3,500,000</u>	<u>Central Tender Committee (ZNTB)</u>	<u>N/A</u>	<u>Formal</u>

3.5.3.2 Other Recurrent Expenditure

For all other FSDP related recurrent expenditures not subject to the tender process such as telephone bills, travel, workshops and seminars and other imprest-based expenditures which ordinarily fall under the direct control of BoZ Directors, the Chairperson of the FSDP Secretariat countersigned by a second BoZ Director on the FSDPIC can approve expenditures up to K5 million. The existing procurement thresholds under the FSDP are therefore structured to allow for dual signatories The Deputy Governor – Operations, who is also the Chairperson of the FSDPIC approves recurrent expenditure above the K5 million limit in line with tender authorisation limits.

3.5.3.3 Disbursement and Expenditures on the FSDP To-date

In April 2005, Sida disbursed £194,477.22 which was approximately US\$362,680.91. These funds were to be applied towards the setting up of the FSDP Secretariat, drafting of the Payment Systems Bill, the review of the National Savings and Credit Act, the Development Bank of Zambia Act and the Building Societies Act, the development of an FSDP Phase II Implementation Plan and also for a Housing Finance Study.

Out of the total amount of US\$362,680.91 disbursed by Sida, only US\$15,370.86 has so far been utilised, leaving a balance of approximately US\$347,310.07. This is because expenses relating to two major activities that have been undertaken during the course of 2005 namely, the review of legislation and the resolution of the problems of state-owned financial institutions were borne under the International Monetary Fund Technical Assistance funding program.

3.5.3.4 FSDP Implementation Budget For 2006

To achieve the recommendations set out in the FSDP Implementation Matrix, a number of activities have been outlined in the FSDP Working Groups Activity Plans and Cost Estimates for funding and technical support. These form Appendices 1-12 of the separate FSDP 2006 Implementation Budget and were endorsed by the FSDP Implementation Committee in November 2005. The FSDP Implementation Budget for 2006 is estimated at K7,588,726,000, out of which K4,615,890,000 will be jointly funded from the Department for International Development (DFID) and the Swedish International Agency (Sida) funds committed to the program whilst K1,280,800,000 will be the Bank of Zambia contribution in form of expenses for the secretariat staff and support. This leaves a deficit of K1,666,051,000 which the Government has been requested to meet in the 2006 National Budget.

4.0 PROGRESS ON THE ACTIVITIES OF THE FSDP WORKING GROUPS

4.1 Working Group Inception Meetings

The inception meetings of the FSDP Working Groups were held on Thursday, 10 March 2005 to elect Chairpersons, agree on the broad terms of references, meeting schedules, reporting modalities and formats.

Arising from the inception meetings, Chairpersons and Vice Chairpersons were elected to the various Working Groups with the Secretaries' function assumed by BoZ staff. The list of Working Group Chairpersons is provided in **Appendix D** with the full list of the working group members indicated in **Appendix E**.

4.2 Progress To-date

A summary of progress under each of the FSDP working group activities is highlighted in the tables below.

FSDP PROGRESS REPORT AS AT FEBRUARY 2006

ISSUE	REQUIRED ACTION	STATUS
1.0 ACCOUNTING AND AUDITING WORKING GROUP		
1.1. Lack of uniformity in the accounting standards used in the preparation of financial statements;	Harmonising IAS/IFRS standards with Zambia Institute of Chartered Accountants (ZICA) Standards, Accountants Act and Companies Act	<p>In 2004, ZICA adopted the International Accounting Standards and International Financial Reporting Standards (IAS/IFRS). The application of these standards by organisations was with effect from 1 January 2005.</p> <p>On 10 January 2006, BoZ issued guidelines on the IFRS to all banks and non-bank financial institutions.</p>
2.0 BANKING WORKING GROUP		
2.1 Prevention of Money Laundering	Issuance of Anti Money-Laundering Guidelines	The anti-money laundering directives were issued in August 2004 and circulated to banks and non-bank financial institutions supervised by the BoZ.
2.2 High Cost of Banking Services	To find ways and means of providing banking services at affordable costs to the general public.	Effective January 2005, industry wide bank charges are being published in the public media, bi annually. This is in order to enhance consumer awareness.
2.3 Absence of Deposit Protection Scheme	Establish a Deposit Protection Scheme for all eligible banks and deposit taking financial institutions.	A draft Deposit Protection Scheme Bill has been developed for banks and non-bank financial institutions. As part of the consultative process the document was circulated to the IMF, the World Bank and the United States Treasury for review in the first quarter of 2006.
2.4 Financial Stability	Introduce Risk Management Systems and implement Basle II Accord	<p>Work on assessing activities for the practical requirements for implementing Basle II in Zambia began in 2005 and is expected to run in phases between 2006 and 2008. BoZ sent out questionnaires to all banks in order to establish the status quo of Basle II in these institutions. A BoZ report highlighting levels of preparedness and the challenges was prepared and arising from this, a sensitisation programme has been earmarked for the first half of 2006 to cover staff from BoZ and registered commercial banks.</p> <p>A draft document on Corporate Governance regulations for banks and non-bank financial institutions has been prepared and circulated to the World Bank, IMF and U.S Treasury Department for comment. These guidelines are expected to enhance financial system stability.</p>

ISSUE	REQUIRED ACTION	STATUS
		A Risk Management Survey, covering all banks and non-bank financial institutions supervised by the BoZ, was conducted in the last quarter of 2005. Reports from the survey have revealed gaps in the risk management systems of both categories of institutions. Consequently, BoZ has begun work on the development of risk management guidelines which will form the basis for banks and non bank financial institutions risk framework.
3.0 CONTRACTUAL SAVINGS WORKING GROUP		
3.1 Lack of harmony in the various pieces of legislation related to pensions and insurance.	Review the regulation and harmonise the various pieces of legislation that govern the pensions and insurance industry in Zambia;	On 23 December, 2005, the President assented to the Pension Scheme Regulation (Amendment) Bill, 2005 and the Insurance (Amendment) Bill, 2005. The Insurance Act became effective on 23/12/2005 when the Act was assented to while the Pension Scheme Regulation Act shall be effected when the Minister of Finance and National Planning signs the Statutory Instrument. PIA has developed regulations (currently in draft form) to facilitate the implementation of the two Acts and these will be submitted to the Minister of Finance & National Planning to effect the implementation of the Pension Scheme Regulation (Amendment) Bill, 2005 and the Insurance (Amendment) Bill, 2005 as soon as the Statutory Instrument has been signed.
3.2 Capacity Building at Pensions and Insurance Authority (PIA)	Provide capacity building at the Pensions and Insurance Authority (PIA).	A consultant from FIRST Initiative was seconded to PIA in the third quarter of 2005 to evaluate the regulatory capacity of PIA. Initial work by the consultant has since been completed and the PIA Capacity Building Programme Consultants Report was submitted to FIRST Initiative in January 2006 and to PIA in February 2006
4.0 FINANCIAL MARKETS WORKING GROUP		
4.1 Capital and Money Market Development	Introduce Longer Term Government Bonds on the government securities market.	The Government approved the issuance of 3, 5, 7, 10 and 15 year GRZ bonds in the market in 2005. BoZ begun issuing the 3 and 5 year bonds in August 2005 and is monitoring the performance of these bonds before considering to issue the 7 year and the other longer term bonds.
4.2 Capital Market Development and funding of Securities and Exchange Commission (SEC)	Develop Strategy and Implementation Plan for SEC	In 2005, FIRST Initiative subcontracted International Securities Consultancy (ISC) to assess the securities and capital market industry and its sustainability in Zambia under Phase 1 of capacity building for the Securities and Exchange Commission (SEC).

ISSUE	REQUIRED ACTION	STATUS
		An analysis of the capital market was undertaken with specific reference to trading activities, volume of shares traded, turnover, foreign portfolio investment, GRZ bond activity on the Lusaka Stock Exchange (LuSE), and pension fund investment portfolio, LuSE trading in equities, clearing settlement and depository. Findings of this assessment which included a weak regulatory framework for the SEC were presented to stakeholders in February 2006. The ISC consultants have undertaken to develop a draft Securities Act by the second quarter of 2006.
5.0 HUMAN RESOURCES WORKING GROUP		
5.1 Effects of HIV/AIDS pandemic on the national efforts in capacity building.	Develop work place HIV/AIDS Policies.	The Human Resources Working Group collected copies of HIV/AIDS policies from banks and other financial institutions. The aim of this exercise is to facilitate the preparation of sector-wide HIV/AIDS policy at places of work in financial institutions.
5.2 Lack of a unified approach in the financial sector to staff recruitment, training and development and retention activities.	Strengthen Human Resources Management and harmonisation of labour laws	As a mechanism for strengthening human resources management, Chief Executive Officers (CEOs) of financial institutions have been formally advised to comply with the requirement for all Human Resources Managers to be members of the Zambia Institute of Human Resources Management (ZIHRM) to ensure financial institutions employ only suitably qualified personnel who are required to follow a code of ethics.
6.0 LEGAL AND REGULATORY INFRASTRUCTURE WORKING GROUP		
6.1 Fragmented laws relating to the financial sector.	Harmonisation of financial sector legislation.	On 29 March 2005, Cabinet approved the proposals to amend the Building Societies Act (BSA), the Development Bank of Zambia Act (DBZA), and the National Savings and Credit Act (NSCA) in order to harmonise them with the Banking and Financial Services Act (BFSa). The Amendment Bills were passed by Parliament in August 2005 and came into force in October 2005. BoZ has drafted guidelines to facilitate the implementation of the amendments for effective supervision of these institutions.
7.0 MACROECONOMIC ISSUES WORKING GROUP		
7.1 Delays in commercial bank remittances of revenue collections to Government revenue accounts at BoZ.	Devise a system that promptly moves government revenue from the banking system into the revenue accounts at BoZ.	The Working Group is exploring ways of avoiding delays in pulling government revenue out of the commercial banks into the BoZ with the aim of suggesting acceptable lead times for remittances.

ISSUE	REQUIRED ACTION	STATUS
8.0 NON-BANK FINANCIAL INSTITUTIONS WORKING GROUP		
8.1 Low capitalisation in State-Owned Non-Bank Financial Institutions.	Restructure or close undercapitalised NBFIs.	<p>DBZ was restructured in 2002 by operation of the DBZ (Amendment) Act No.11 of 2001, which came into effect in November 2002 in order to reposition the institution in the financial market to perform the development finance functions for which it was originally established. The Act further provided for a shareholding structure of 40 % Government equity and 60% private equity. As at end January 2006, Government shareholding was 71.9 % with private investments comprising of the Development Bank of South Africa (6.8%), EXIM Bank of India (21.3%) and other private shareholders with the remainder.</p> <p>NSCB have developed an Institutional Development Plan (IDP) which provides a long term strategy for the provision of rural banking in Zambia. This is one of the components under the Rural Finance Programme (RFP) supported by the Government.</p> <p>The financial condition and performance of these institutions is monitored regularly against qualitative and quantitative performance targets set in the NSCB's IDP and the DBZ's five-year Strategic Plan.</p> <p>ZNBS submitted a Corporate Strategic Plan in 2005 which was reviewed by BoZ. BoZ has since recommended appropriate options to the Ministry of Finance and National Planning for consideration.</p>
8.2 Poor credit culture.	Facilitate the establishment of a Credit Reference Bureau (CRB) as a private sector initiative driven by the Bankers Association of Zambia (BAZ).	<p>BoZ developed the Credit Data (Privacy) Code and the Credit Reference Services (Licensing) guidelines for credit reference bureaus (CRBs) under Section 130 of the Banking and Financial Services Act (BFSA) to facilitate the licensing and establishment of a CRB while the substantive law which requires to go through Parliament is being developed.</p> <p>The two guidelines came into force on 30 January 2006 after being published in the Government Gazette.</p>
8.3 Absence of Government policy on microfinance and rural banking.	Develop institutional framework for the provision of linkage banking through appropriate regulations and guidelines.	The Microfinance Regulations came into force on 30 January 2006 after being published in the Government Gazette.

ISSUE	REQUIRED ACTION	STATUS
		<p>The outline of the draft policy on microfinance and rural banking has been prepared by the NBFIs Working Group and it is envisaged that the draft document will be ready within 2006. Some of the features of the outline include the following:</p> <ul style="list-style-type: none"> ◆ Rural finance markets and characteristics; ◆ Benchmarking and performance standards; ◆ Product development and technological innovations; ◆ Linkages and financial cooperation; and, ◆ Stakeholder roles.
9.0 PAYMENT SYSTEMS WORKING GROUP		
9.1 Absence of law governing payments systems.	Enactment of the Payment Systems Act	The Payment Systems Bill layman's draft has been submitted to the Ministry of Justice for legislative drafting. The Legislative draft is expected to be submitted to Parliament during the 2006 Budget Session.
	Developing and Sharing of Small Values Payment Infrastructure	<p>Six commercial banks namely Barclays Bank, Indo-Zambia Bank, Investrust Bank, Stanbic Bank, Standard Chartered Bank and Zambia National Commercial Bank are now providing Automated Teller Machines (ATM) and Point of Sale (POS) Terminals on an individual basis. Barclays Bank and Standard Chartered Bank share their VISA card ATM infrastructure.</p> <p>Discussions are underway with VISA to set up the Visa National Net Settlement at Bank of Zambia. The infrastructure will enable local transactions to be settled in the local currency in the already existing RTGS infrastructure when accepted by BOZ.</p> <p>Further, the E-switch was rolled out on 12 October 2005 with Indo-Zambia, Finance Bank, First Alliance Bank and Investrust Bank subscribing as members. It is still on pilot testing before the final launch to the public.</p>

ISSUE	REQUIRED ACTION	STATUS
10. TAXATION WORKING GROUP		
10.1 Narrow tax base.	Undertake a study on how the tax base should be broadened.	The Taxation Working Group has offered to provide input to the Finscope study, which is aimed at obtaining market knowledge of the Zambian financial market, by providing suggestions for areas to be reviewed in the current taxation regime as it affects various financial sector players.
11. FINANCIAL ACCESS WORKING GROUP		
11.1 Limited market knowledge and research information about financial services in Zambia.	Undertake market research survey on the demand and supply of financial services in Zambia.	<p>The FinScope Market Survey on the demand and supply of financial services in Zambia commenced on 10 November 2005 covering all the 72 districts of Zambia. The survey field work has been concluded and all the 9 provinces have been covered.</p> <p>Currently, inputting and cleaning of data is underway in Mauritius, where the consultants FinMark Trust have a processing centre with the capacity to handle the amount of data collected in the survey. The process is expected to be completed by the end of February 2006 and the findings of the market survey are expected to be launched in May 2006.</p>
11.3 Lack of monitoring structure and mechanism of Finmark Trust.	Prepare a Memorandum of Understanding (MOU) between BoZ and FinMark for the monitoring of the Finscope study.	In January 2006, an MoU was signed between Bank of Zambia and FinMark Trust. This was in order to facilitate a smooth working relationship between the two parties. This was necessary as FinMark Trust is being contracted separately by DFID who are funding the survey.
12. CORPORATE GOVERNANCE WORKING GROUP		
12.1 Scope of corporate governance principles enshrined in laws relating to the financial sector is limited	<p>(a) Develop code of corporate governance for all the financial market licensees and participants.</p> <p>(b) Facilitate adoption of good corporate governance principles by institutions investing in companies that observe good corporate best practices.</p> <p>(c) Strengthen legislation to facilitate enforcement of good corporate principles.</p>	A draft document on Corporate Governance Guidelines developed by the Banking Working Group for banks and other deposit-taking financial institutions has been prepared and will be reviewed by FSDP Corporate Governance Working Group during the first quarter of 2006.

5.0 OUTLOOK

During 2006, the FSDP programme will also focus on:

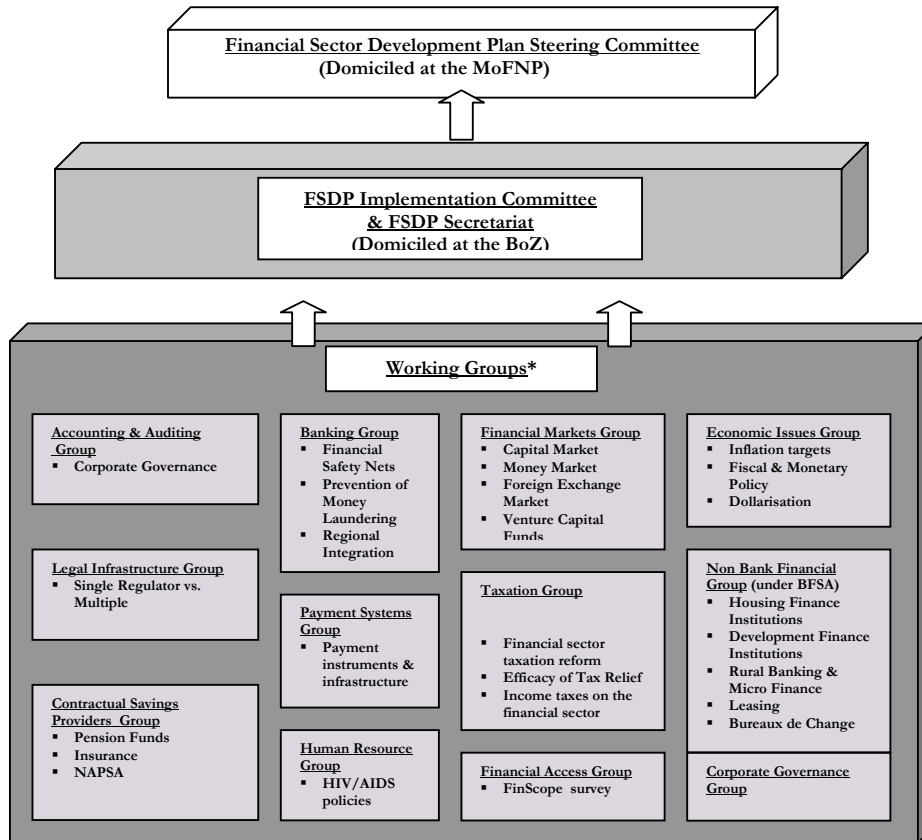
- Maintenance of a stable macro-economic environment;
- Monitoring the progress on working group activities as contained in the activity reports submitted for the 2006 budget;
- Establishment of CRB;
- Completion of the DPS;
- Finalisation of proposed amendments to the BFSA;
- Finalisation of amendments to the BoZ Act;
- Approval of the Payments Systems Bill;
- Modernisation of the Building Societies Act;
- Incorporation of state-owned financial institutions under the Companies Act;
- Approval of MFI Regulations;
- Finalisation of the FinScope market survey; and,
- Considering putting NAPSA under an independent regulator.

The FSDP Secretariat will continue to prepare progress reports on a quarterly basis which will be made available to the public through the BoZ website, www.boz.zm

APPENDICES

APPENDIX A

ORGANISATIONAL STRUCTURE OF THE FSDP



* Bullet points are examples of some of the activities undertaken by the Working Groups

APPENDIX B

Members of the FSDP Steering Committee (FSDPSC)

	ORGANISATION	SECTOR REPRESENTED	POSITION AND NAME OF MEMBER
1.	Ministry of Finance and National Planning (MoFNP)	Government/ Chair	Secretary to the Treasury (Dr S. Musokotwane)
2.	Bank of Zambia	Central Bank/Vice-Chair	Deputy Governor-Operations (Dr Denny H Kalyalya)
3.	Ministry of Commerce Trade & Industry	Government/ Commerce	Director - Planning (Mr Fredson Kango Yamba)
4.	Bankers Association of Zambia (BAZ)	Banking Sector	BAZ Chairman (Mr Anthony Grant)
5.	Pensions and Insurance Authority (PIA)	Insurance and Pension Sector	Registrar (Mr C Mapipo)
6.	Securities and Exchange Commission (SEC)	Financial Markets	Secretary and CEO (Mr C Sichembe)
7.	Zambia Revenue Authority (ZRA)	Taxation	Commissioner General (Mr B Msiska)
8.	The Business Forum	Private sector business associations	Coordinator (Dr. S.K Mwenechanya)
9.	The Business Forum	Private sector business associations	Zambia Association of Manufacturers (ZAM) Chairman, (Mr Diego Casilli)
10.	Law Association of Zambia (LAZ)	Legal and Regulatory sector	LAZ President (Mr William Mweemba)
11.	Zambia Institute of Chartered Accountants	Accounting and Audit sector	Secretary and CEO (Mr Vickson Ncube)
12.	Association of Microfinance Institutions in Zambia (AMIZ)	Rural and Microfinance sector	Executive Secretary. (Mr Webby Mate)

APPENDIX C

Members of the FSDP Implementation Committee (FSDPIC)

NAME	ORGANISATION
1. Dr D H Kalyalya	Bank of Zambia Deputy Governor – Operations/ Chairperson
2. Ms. Ellah Alice Mzyeche Chembe	Zambia National Farmers Union
3. Mr. Muyangwa Muyangwa	Zambia Revenue Authority
4. Mrs. Nana Munsanda Mudenda	Ministry of Justice
5. Mr. Muyoya Chibiya	Pensions and Insurance Authority
6. Mr. Muyunda Ililonga	Zambia Consumer Association
7. Mr. Michael Liweleya	Securities and Exchange Commission
8. Mr Eugene Chandi	Zambia Institute of Directors
9. Mrs Edna M Mudenda	Director – Non-Bank Financial Institutions (BoZ)/ FSDP Secretariat
10. Mr. Lazarus Kamanga	Assistant Director – Financial Markets (BoZ)
11. Dr Richard Chembe	Director – Economics (BoZ)
12. Mr Morris Mulomba	Director – Banking, Currency & Payment Systems (BoZ)
13. Mr Chisha Mwanakatwe	Director – Bank Supervision (BoZ)
14. Mr Chishimba Yumbe	Director – Finance (BoZ)
15. Dr Tukiya K Mabula	Bank Secretary (BoZ)

APPENDIX D

FSDP Working Groups and Respective Chairpersons

WORKING GROUP	CHAIRPERSON
Accounting and Auditing	Mr Joel Mzumara (Finance Director - Commercial Leasing Zambia Limited)
Banking	Mr Kaitano Chungu (President – Zambia Institute of Bankers & Financial Institutions)
Contractual Savings	Mr Musonda Cheta (Director- Corporate Planning and Development, NAPSA)
Financial Markets	Mr Charles Mate (Managing Director – Zambia Stockbrokers Limited)
Human Resources	Mr Masautso Nyanthando (President – Zambia Institute of Human Resources)
Legal/Regulatory	Mr William Mweemba (Chairperson - Law Association of Zambia)
Macro-economics	Mr Noel Nkhoma (Economics Association of Zambia)
Non-Bank Financial Institutions	Mr Sinkamba Musune (Zambia Leasing Association)
Payments System	Mr Don Maila (Managing Director - Celpay)
Taxation	Mr Mwelwa Mwale (Senior Inspector –Pensions, PIA)
Financial Access	Dr Richard Chembe (Director – Economics, Bank of Zambia)
Corporate Governance	Mr Mumba Kapumpa (Institute of Directors & Law Association of Zambia member)

APPENDIX E

List of FSDP Working Group Members

No.	Composition	Nominee	Alternate
Accounting and Auditing Working Group			
1	Zambia Institute of Chartered Accountants (ZICA)	Mr Jason Kazilimani	Mr Victor Nyasulu (ZESCO Treasury Manager)
2	Institute of Directors	Mr Joel Mzumara (FD Commercial Leasing)	Mrs Victoria Silutongwe (Admin. Officer - IoD)/ Mr Vincent Kamuti
3	The Copperbelt University	Prof John Lungu (Prof. of Economics)	Mr Mwansa Katongo (Lecturer - CBU)
4	BoZ (Bank Supervision Department)	Mr Moses Chatulika	Mr Chalwe Lumbwe
5	BoZ (Finance Department)	Mr C Yumbe	Mr Evans Mukonka/ Mr P Muyinda
6	BoZ (Internal Audit)	Mrs A Hamuwele	
7	BoZ (Internal Audit)	Mr Godfrey Kayembe (Secretary of WG)	
8	BoZ (NBFI Department)	Mr Hamish Chipungu	Mr Joseph Munyoro
9	MoFNP	Mr L Zulu (Controller I/Audit)	Deputy Controller
10	Bankers Association of Zambia (BAZ)	Mr H Mafuta (Investrust Bank)	
Banking Sector Working Group			
1	Bankers Association of Zambia (BAZ)	Mr H Chipuka	
2	BoZ (Bank Supervision Department)	Mr C Mwanakatwe	Mr Ephraim Musilekwa
3	BoZ (Bank Supervision Department)	Mrs Sylvia M Kalimukwa (Secretary of WG)	Mrs Beatrice Kalale
4	Zambia Institute of Bankers	Mr Kaitano Chungu	
5	Zambia Consumer Association (ZACA)	Mr Kasote Singogo	Mr Rogers Mbao
6	MoFNP	Mr Joel Ukwimi (Accountant General's office)	Ms Carol Chiyowa (Accountant General's office)
7	Zambia National Farmers Union	Mrs Ellah Chembe (Economist - ZNFU)	
8	Finance Bank Zambia Limited	Mr John Machayi (Finance Bank)	
9	Indo Zambia Bank Limited	Mr S P Agarwal (MD - Indo Bank)	Mr S Khambete
10.	BoZ (Risk Management Unit)	Dr Austin Mwape	
11	Zambia Competition Commission (ZCC)	Mr Thulasoni Kaira (Director - Mergers and Acquisitions)	Mr Chilufya Sampa (Economist)
Contractual Savings Working Group			
1	PIA	Mr Martin Libinga (D/Registrar - Pensions)	Mr Nicholas Mbuya (Snr Inspector - Insurance)
2	Insurers Association of Zambia	Mr SP Williams (CEO African Life)	Mr C Kampamba (GM - L& P - Professional Insurance)
3	National Pension Scheme Authority	Mr Charles Mpundu (Director - Investments)	Mr Musonda Cheta (Director - Corp. Planning and Devt)
4	Pension Fund Managers	Mr Muna Hantuba	Mr William Mweemba
5	Insurance Brokers Association of Zambia	Mr Geoffrey Sakulanda (Hon. Secretary - Reliable Ins. Brokers)	Mr S S Akapelwa (Vice President - IBAZ)
6	BoZ (Non-Bank Financial Institutions Supervision Department)	Ms Melina M Malipilo (Secretary of WG)	
7	(BoZ (Non-Bank Financial Institution Supervision Department)	Ms Penelope Nyirongo	Mr Zifa Mpande

No.	Composition	Nominee	Alternate
Financial Markets Working Group			
1	BoZ (Financial Markets Department)	Mr Lazarous Kamanga	Mr Jonathan Chipili
2	BoZ (Financial Markets Department)	Chola Milambo (Secretary of WG)	
3	Securities and Exchange Commission	Mr Joseph Chikolwa (General Manager)	Mr Brian Tembo
4	Financial Markets (Dealers) Association of Zambia	Mr Miles Sampa (Chairperson – FMAZ)	Mr Ignatius Chicha
5	Zambia Venture Capital Fund	Mr Basil Nundwe (Partner ZVCF)	
6	Pension Fund Managers	Mr Charles Mpundu (Director – Investments)	Mr Charles Mate (Stockbrokers Ltd)
7	MoFNP	Mr SS Banda (Chief Economist)	P/Economist – Internal Debt
8	Stock Brokers (Z) Ltd	Mr Charles Mate	Mr Zoran Zuze
Human Resources Working Group			
1	Zambia Institute of Human Resource Management	Mr Nyathando (President - ZIHRM)	Dr Muyenga Atanga (ZIHRM)
2	BAZ	Mr A Kalikiti (Investrust Bank)	
3	Zambia Union of Financial Institutions and Allied Workers	Mr Cephas Mukuka (ZUFIAW President)/ Mrs Maureen Mwanagweshi (WCF)	Mr Bwembya Mulopa (ZUFIAW Asst Gen Secretary)
4	Zambia Institute of Bankers	Mr Pinalo Chifwanakeni (Director - ZIoB)	Ms Elizabeth Sondashi (Education & Training - ZIoB)
5	Zambia Insurance Business College Trust	Dr Mabel Mandela (Snr Lecturer - Business Studies)	Mrs Moderate Momba (Head - Business Studies)
6	Pension Fund Managers Association	Mr James A D Lungu	Mr Yorum Chulu
7	UNZA – Public Administration Dept	Mr B Musondela (Lecturer - P/Administration)	Mrs JKM Kapembwa (Deputy Registrar, Council)
8	BoZ (Human Resources Department)	Chris Mweetwa (Secretary of WG)	Ms Febby Mulambia
9	BoZ (Human Resources Department)	Mr H Kaputa	Mr Chris Mweetwa
No.	Composition	Nominee	Alternate
Legal and Regulatory Infrastructure Working Group			
1	BoZ (Bank Secretariat)	Dr T Mabula	
2	BoZ (Bank Secretariat)	Lynda Mataka (Secretary of WG)	Mr Geoffrey Mulenga
3	Ministry of Justice	Ms Petronella Ngulube (Snr Parliamentary Counsel)	
4	PIA	Ms Charity Tresha (Legal Counsel)	Mr Mwelwa Mwale (Snr Inspector – Pensions)
5	SEC	Ms Namwandi Hamanyanga (Legal Counsel)	
6	A.D. Theotis & Associates	Ms Margret Chalwe	
7	Association of Bureaux de Change in Zambia	Mrs Dorothy Mulwila	
8	Lewis Nathan Advocates	Mr Lewis Moshosho (Partner – Lewis Nathan Advocates)	
9	MoFNP	Mrs Mwansombile (Treasury Counsel)	
10	Law Association of Zambia (LAZ)	Mr William Mweemba (Chairman – LAZ)	
Macro Economic Issues Working Group			
1	MoFNP	Mr J Mubanga (A/Director PEMD)	Mrs Pamela Bwalya
2	BoZ (Economics Department)	Dr Richard Chembe	Dr Mulenga E Pamu
3	BoZ (Economics Department)	Mr Kasela G Mukanda (Secretary of WG)	
4	Economic Association of Zambia	Mr Noel Nkhoma	Mr Isaac Ngoma
5	University of Zambia – Economics Dept	Prof. V Seshamani (Prof. of Economics)	Mr Chrispin Mpuka (Lecturer – Ec.)
6	Central Statistics Office	Mr Peter Mukuka	Mr Besa Muwele
7	Business Forum	Mr Elias N Mpondela (Director – Business & Enterprise Devt)	Mr Joseph S Salasini (Director – Corporate Governance)

No.	Composition	Nominee	Alternate
Non-Bank Financial Institutions Working Group			
1	BoZ (Non-Bank Financial Institution Supervision Department)	Mrs E Mudenda & Mr Visscher Bbuku	Mr Simacheche Dinde
2	BoZ (Non-Bank Financial Institutions)	Mr Sylvester Kabwe (Secretary of WG)	
3	Association of Bureaux de Change in Zambia (ABDCZ)	Mr Steady Sinkala	
4	ABDCZ	Mr Eddie Ndota	Mrs Prisca Muntanga
5	ABDCZ	Mr Cuthbert Sinyangwe	Mrs Petronella Thomas
6	Building Societies Association	Dr Elizabeth CL Nkumbula (Association Secretary/ PABS)	Mrs Noriana Muneku (Association Committee/ ZNBS)
7	Development Bank of Zambia	Mrs Rose Phiri (Director – Finance)	Mr Mafuken Tembo (Manager – Internal Control and Audit)
8	Leasing Association of Zambia	Mr Musune Sikambala	
9	National Savings and Credit Bank	Mr Morris Siwali (Business Devt Manager)	Mr Milton Lukasha (Asst Operations Manager)
10	AMIZ	Ms Mary Nandazi (Micro Bankers Trust – CEO)	Ms Grace Nkhuwa (Prog. Coordinator – Microbankers Trust)
11	Economic Association of Zambia	Mr Muna Hantuba	
12	MoFNP	Mrs R Zyambo (Chief Economist Govt Investments)	Dr Kamusaki (IDM)
Payment Systems Working Group			
1	BoZ (Banking Currency and Payment Systems Department)	Mr E Luneta	
2	BoZ (Banking Currency and Payment Systems Department)	Mrs Victoria Chirwa (Secretary of WG)	Ms Linda Mwinga
3	Zambia Electronic Clearing House	Mr Chrisptopher Mwanza (Manager)	Mrs Mika Chundu (Superintendent)
4	Lusaka Stock Exchange	Mr Francis Kakinga	
5	Celpay Zambia Limited	Mr Don Maila (MD Celpay Z Limited)	
6	BAZ	Mr Prince Chitimbwe (Barclays Bank)	
7	Money transmission services/ Western Union/ ZAMPOST	Mr Jasper Phiri (Manager – Money Transfer)	Mr Mchpherson M Chanda (Manager – Fin. Services)
8	Zamtel	Mrs B P Shula (Finance Director)	
9	Zamnet	Mrs Cecelia Zimba (Finance Manager)	
10	Celtel Zambia Limited	Nominee to be advised	
11	Next Technologies	Nominee to be advised	
12	ZRA	Nominee to be advised	
Taxation Working Group			
1	MoFNP	Mr E Ngulube (Director – Budget)	Mr D Chisenda (Chief Revenue Analyst)
2	Zambia Revenue Authority	Mr Lishomwa Muuka (Board Secretary and Legal Counsel)	Mr Maimbo Nyanga (Senior Economist)
3	ZICA	Mr Fred Banda (Finance Director – National Airports)	Mr Ezekiel Sekele (Group Chief Accountant – Z/Breweries)
4	BAZ	Mr D Kapadia (Cavmont Capital Bank)	
5	PIA	Mr Nicholas Mbuya (Snr Inspector – Insurance)	Mr Mwelwa Mwale (Snr Inspector – Pensions)
6	Association of Micro finance Institutions in Zambia (AMIZ)	Ms Teresa Bayombong (Pulse Holdings CEO)	Ms Ana Klincic (Tech. Mger – Pulse Holdings)
7	BoZ (Finance Department)	Mr B Dubeka	Mr Eric Masumbu
8	BoZ (Finance Department)	Jennifer Phiri (Secretary of WG)	
9	SEC	Mr Mayford Chikoya (Commission Accountant)	
10	Insurers Association of Zambia	Mr R Sichilimba (CEO Zimre Zambia)	Mr O Nkatwe (Ass Acc Zimre)
11	Association of Leasing Companies	Mr James Kapesa (Stanbic Bank)	

No.	Composition	Nominee	Alternate
Financial Access Working Group			
1	BoZ (Economics Dept.)	Dr Richard Chembe	
2	BoZ (Economics Dept.)	Mr Mulenga JJ Musepa (Secretary of W G)	
3	FinMark Trust (South Africa)	Ms Anne-Marie Chidzero	
4	FinMark Trust (South Africa)	Mr Bob Currin	
5	Cavmont Capital Insurance/ Insurance Association of Zambia	Mr Charles Chimamu	
6	Stockbrokers Zambia Limited	Mr Charles Mate	
7	Ministry of Justice	Ms Nana Mudenda	
8	Christian Enterprise Trust of Zambia (CETZAM)	Mrs Irene Mutalima	
9	FinMark Trust/ International Capital Corporation (ICC)	Ms Juliet Munro	
10	Finance Bank & Bankers Association of Zambia (BAZ)	Mr John Machayi	
11	Ministry of Finance and National Planning	Ms Rachel G Zyambo	
12	University of Zambia	Academic Representative to be nominated.	
No.	Composition	Nominee	Alternate
Corporate Governance Working Group			
1	Institute of Directors of Zambia	Mr Satish K. Gulati	Mr John Machayi (Finance Bank)
2	Bank of Zambia	Mr Mathew Chisunka	
3	Bankers Association of Zambia	Ms Doris Tembwe (Stanbic Bank)	
4	Pensions and Insurance Authority	Mr. Raphael Chanda	
5	Lusaka Stock Exchange	Ms Celine Nair	
6	Zambia Leasing Association	Mr Max Honde	
7	Zambia Business Forum	Mr. Glen Kasumpa	
8	Zambia Institute of Chartered Accountants	Mr Timothy Mushibwe	
9	Securities and Exchange Commission	Mr. Michael Liweleya	
10	Law Association of Zambia/ IoD	Mr Mumba Kapumpa	

APPENDIX F

FSDP WORK PLAN AND SUMMARY FOR PHASE 1 OF THE FSDP

PHASE ONE ACTIVITIES	IMPLEMENTING AGENCY	STATUS TODATE	ISSUES OUTSTANDING
<p>1 (A) ESTABLISHMENT OF AN INSTITUTIONAL FRAMEWORK FOR THE IMPLEMENTATION OF THE FSDP;</p> <p>(B) SETTING UP THE FSDP SECRETARIAT</p>	BoZ / FSDP Secretariat	<p>The implementation structure has been established and comprises the FSDP Steering Committee, the FSDP Implementation Committee, the FSDP Secretariat and 12 Working Groups.</p> <p>BoZ has seconded two officers to the FSDP Secretariat as a first step. Discussions are also underway with the donors and other stakeholders for additional support regarding the establishment of a full time Secretariat.</p>	<p>(a) Completed</p> <p>(b) FSDP Secretariat structure will be presented to FSDP Implementation and Steering Committees for approval and funding consideration during the first half of 2006.</p>
<p>2 HARMONISATION OF THE FINANCIAL SECTOR LEGISLATION WHICH WILL IN THE IMMEDIATE TERM INVOLVE:</p> <ul style="list-style-type: none"> - Reviewing the BFSAs; - Drafting repeal and/or transitional legislation with regard to the three priority non-bank financial institutions, namely, the DBZ, ZNBS and NSCB; - Incorporating DBZ, ZNBS and NSCB under the Companies Act; - Drafting new legislation relating to the three critical areas of, Rural Finance, Housing Finance and Development Finance; - Reviewing and harmonising the laws governing financial institutions, to avoid inconsistencies with the BFSAs. 	Legal And Regulatory Working Group	<p>In March 2005, Cabinet approved proposals to amend the Building Societies Act, the Development Bank of Zambia Act and the National Savings and Credit Act and the Banking and Financial Services Act in order to harmonise the laws and enable BoZ to effectively supervise these institutions.</p> <p>The Amendment Bills were passed by Parliament in August 2005 and came into force in October 2005.</p> <p>BoZ has drafted guidelines to facilitate the implementation of the amendments for effective supervision of these institutions.</p>	<p>Modernisation of the Building Societies Act and finalisation of amendments to the Banking and Financial Services Act is earmarked for 2006.</p>

<p>3 RESOLUTION OF WEAKNESSES IN THE STATE OWNED NON BANK FINANCIAL INSTITUTIONS</p>	<p>Legal and Regulatory/ NBFIs Working Group</p>	<p>MoUs were signed with on 11 November 2004 with BoZ and MoFNP for monitoring and supervising some of these institutions in line with the agreed targets in their business plans.</p> <p>In addition, BoZ has implemented restructuring measures for resolving problems of state-owned financial institutions. These measures included restructuring of financial institutions based on their strategic business plans to ensure that institutions focus on their core businesses.</p>	<p>Incorporation of state owned financial institutions.</p>
<p>4 PRODUCTION OF MARKET KNOWLEDGE ON THE SUPPLY AND DEMAND OF FINANCIAL SERVICES IN ZAMBIA</p>	<p>BoZ/ FSDP Secretariat</p>	<p>The FinScope Market Survey on the demand and supply of financial services in Zambia commenced on 10 November 2005 covering all the 72 districts of Zambia. The survey field work has been concluded and all the 9 provinces have been covered.</p> <p>Inputting and cleaning of data is taking place in Mauritius, where the consultants FinMark Trust have a processing centre with the capacity to handle the amount of data collected in the survey. The process is expected to be completed by the end of February 2006 and the findings of the market survey are expected to be launched in May 2006.</p>	<p>Finalisation of the FinScope Study on the Demand and Supply of financial services access in Zambia is targeted for mid 2006.</p>
<p>5 DEVELOPMENT OF AN IMPLEMENTATION PLAN FOR ALL OTHER RECOMMENDATIONS IN THE FSDP THAT INCLUDES PRIORITISATION, SEQUENCING AND COST ESTIMATIONS FOR IMPLEMENTING THE RECOMMENDATIONS.</p>	<p>BoZ / FSDP Secretariat</p>	<p>Working Group based cost estimates have been worked out for all activities to be undertaken in 2006. This is with the exception of the recently constituted Corporate Governance Working which is currently developing its work programme.</p>	<p>Prioritising and sequencing of activities for the implementation of the FSDP (up to 2009) is yet to be undertaken.</p>

NOTES:

BoZ	-	Bank of Zambia
BSA	-	Building Societies Act
DBZ	-	Development Bank of Zambia
GRZ	-	Government of the Republic of Zambia
MOFNP	-	Ministry of Finance and National Planning
MOU	-	Memorandum of Understanding
NBFIs	-	Non-Bank Financial Institutions
NSCB	-	National Savings and Credit bank
ZNBS	-	Zambia National Building Society

APPENDIX G

FSDP IMPLEMENTATION MATRIX