ZAMBANKER

Bank of Zambia

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Head Office
Bank of Zambia,
Bank Square, Cairo Road
P. O. Box 30080
Lusaka, 10101, Zambia
Tel: + 260 211 399300
E-mail:info@boz.zm
Website: www.boz.zm

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Mission:
To achieve and maintain price and financial system stability to foster sustainable economic development.

Policy Rate Rise Unavoidable

By Zambanker Reporter

Bank of Zambia Governor, Dr Denny Kalyalya has said raising the Policy Rate in view of a rise in inflation was inevitable. Speaking at Twangale Park during a Stakeholder's Breakfast meeting, Dr Kalyalya said raising the Policy Rate by 50 basis points to 10.25% was intended to counter inflationary pressures and support macroeconomic stability for sustained and higher economic growth.

Over the next eight quarters, inflation is projected to rise above the upper bound of the 6-8% target range as some of the risks to inflation outlined in previous MPC Statements have begun to materialise. If not addressed, inflation is expected to remain above the target range over the reference period. Lower maize output, continued elevated fiscal deficits, high debt service payments, and the decline in gross international reserves are among the key upside risks to inflation. These risks have also contributed to heightened adverse market sentiments and are exerting pressure on the exchange rate.

Annual overall inflation declined to an average of 7.7% in the first quarter of 2019 from 8.0% in the fourth quarter of 2018 mainly on account of improved supply of some food items and a reduction in domestic fuel pump prices. At the end of the first quarter, inflation slowed down to 7.5% from 7.9% in December 2018. However, in April 2019, inflation edged up slightly to 7.7%, mostly due to high prices of maize grain and its products and the pass-through from the depreciation of the Kwacha against the US dollar.

'In the medium to long-term, growth prospects remain positive. However, to actualise these prospects, there is need for urgent implementation of other corrective policy measures that set the fiscal deficits, debt levels and debt service payments on a sustainable path. Addressing rising domestic arrears will also reduce non-performing loans and strengthen the ability of financial institutions to provide credit to the private sector,' he explained.

The Kwacha depreciated against all its major trading partner currencies mainly on the back of continued net demand for foreign exchange (FX) by the public, as well as wholesale and retail trade, and manufacturing sectors. Of significance is that most of the foreign exchange demand from the Ministry of Energy (MoE) for oil procurement remained unfulfilled in the month of May 2019.

Bank of Zambia Governor Dr Denny Kalyalya (second from right) addressing the Monetary Policy Committee press briefing. He is flanked by Deputy Governor-Operations Dr Bwalya Ng'andu, Director Financial Markets Dr Jonathan Chipili and Director Bank Supervision Ms Gladys Mposha

The net supply of foreign exchange decreased from US$98.2 million in April 2019 to US$80 million in May 2019, with the mining and construction sectors remaining the major suppliers.

The Kwacha was also weighed down by negative market sentiments arising from Moody's downgrade of Zambia's credit rating to Caa2 from Caa1 and the changed outlook to negative from stable. Moody's cited intensifying external vulnerability and liquidity risks as some of the reasons for the downgrade. Meanwhile, the Governor said liquidity conditions were tight during the first quarter of 2019, with the Bank of Zambia conducting open market operations to keep the interbank rate close to the Policy Rate. Accordingly, the average interbank rate remained well within the Policy Rate Corridor, although it rose slightly to 9.90% from 9.79% in the previous quarter.

As regards demand for Government securities at auctions, the Governor said demand remained weak during the first quarter of 2019. The subscription rate for Government bonds fell to 29% from 33% previously. However, the subscription rate for Treasury bills rose to 91% from 88%. Overall, the funds raised through auctions were lower than maturities. As a result, the total outstanding stock of Government securities marginally decreased by 0.2% to K58.2 billion at end-March 2019. Government securities held by non-residents increased by 8.1% to K8.7 billion, representing 14.9% of the total stock. The rise in these holdings was mainly attributed to relatively high yield rates. As at end-March 2019, non-resident holdings of Government securities were entirely in Government bonds.

The weighted average Treasury bills yield

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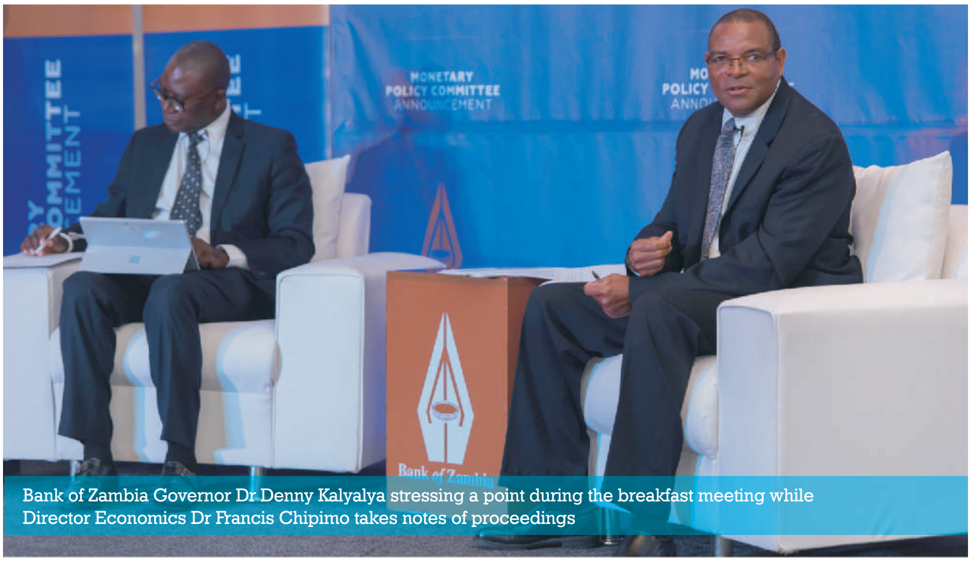

Bank of Zambia Governor Dr Denny Kalyalya stressing a point during the breakfast meeting while Director Economics Dr Francis Chipimo takes notes of proceedings

News in Brief

Govt Securities in Roadshows

The Bank of Zambia in conjunction with the Ministry of Finance has launched Roadshows for Government Securities to encourage more local investors to participate in the debt instruments as an alternative asset for their savings and investment. This is part of the Bank's contribution towards the Vision of the National Strategy on Financial Education for Zambia for citizens to have the knowledge, understanding, skills and confidence to make prudent financial decisions for themselves, their families and their communities. The roadshows are also aimed at widening the investor base in Government Bonds and Treasury Bills to ensure full subscription in raising finances from the domestic market.

The participation of more local investors in debt instruments is part of the Government's goal to operationalise the 2017-2019 Medium-term Development Strategy (MTDS). The MTDS is aimed at achieving the desired composition of the debt portfolio and ensure Government's financing needs and payment obligations are met at the lowest possible cost.

A broadened and deeper domestic capital market characterised by a range of instruments, expanded base of actors as well as liquidity, can increase gains from financial integration and help Government in raising enough resources required for development.

National Strategy on Financial Education – Phase II

The Ministry of Finance, with support from the World Bank, is formulating the National Strategy on Financial Education Phase II (NSFE-II) for the period 2019 to 2024. The World Bank facilitated the drafting of the NSFE-II, conducted capacity building activities on the development, management and implementation of the NSFE-II Monitoring and Evaluation Framework and system. They also conducted a Stakeholder Consultative workshop on 3rd May 2019, which was attended by the Bankers Association of Zambia.

The NSFE-II builds on the NSFE-I (2012 – 2017) and will continue to focus on financial education for children, youth, and adults. The Ministry of Finance has indicated that the NSFE-II will be launched by the end of June 2019.

Scaling up non-cash/mobile/digital payment systems

The Bank of Zambia, in conjunction with financial service providers has constituted a working group that is developing a strategy document for scaling up Digital Financial Services (DFS) and other electronic payment methods.

This action is intended to increase public awareness and ultimately increase usage of Digital Financial Services by the public. This will also create business opportunities for the financial service providers to expand their reach and service provision to segments of the population that may be under served.

Payments Association of Zambia

The Payment Association of Zambia has been formed and registered, in accordance with the provisions of the Societies Act. This followed wide consultations with different stakeholders such as the Ministry of Finance, the Zambia Electronic Clearing House, Bankers Association of Zambia (BAZ) and the various payment systems operators.

The Association will be a joint industry platform from which members will be able to collaborate in dealing with payment systems issues of mutual interest and is expected to work in close collaboration with BAZ on cross cutting issues.

8th Annual Global Inclusion Awards Ceremony

The 8th annual Global Inclusion Awards Ceremony was held on 19 June 2019 as part of the 5th Child & Youth Finance International Global Summit on 19-20 June at the Maslow Hotel in Johannesburg, South Africa. The Global Inclusion Awards 2019, a Child and Youth Finance International (CYFI) initiative, recognise and honor those who achieve greatness in furthering the Economic Citizenship of children and youth at the national, regional and international level. The Awardees demonstrate innovation in financial, social and livelihoods education, financial inclusion, and entrepreneurial support for children and youth.

Deputy Governor-Administration Dr Tukiya Kankasa-Mabula received the finalist award on behalf of the country at the CYFI Global Awards in Johannesburg

Zambia was nominated as a finalist for CFYI 2019 Global Money Week Excellence Award, together with four other countries, namely, Bhutan, Colombia, Egypt and Hungary. This award recognises Governmental authorities leading and coordinating country activities for the Global Money Week, which is adapted as the Financial Literacy Week in Zambia. The 2019 award was won by Egypt.

However, from 2013 to 2018, Zambia's participation as a leading country in the CYFI Africa movement has been recognised.

Representatives of stakeholder institutions, including the Bank of Zambia, and Bankers Association of Zambia represented the country at the summit.

World Savings Day and the Financial Literacy Awards

World Savings Day and the Financial Literacy Awards are scheduled for 31st October 2019. Preparations for these events have already commenced.

Project to automate the submission of payment systems returns

The Bank of Zambia in conjunction with the United Nations Capital Development Fund (UNCDF), is working on automating the submission of financial service providers returns to the Bank's Banking, Currency and Payment Systems Department. This is expected to enhance provision of data for policy formulation and decision making for both the Bank of Zambia and financial service providers. To this end, a vendor has been engaged to develop the system, which is expected to be rolled out by end of the third quarter of 2019.

Update on the Primary Dealership System

The launch of the Primary Dealership System which was targeted for March 2019 has been postponed to a later date to be advised. In the meantime, the Bank of Zambia will proceed with the implementation of the Electronic Trading platform to be provided by Bloomberg.

Reserves portfolio gets golden expansion

By Zambanker Reporter

In recognition of the need to replenish the reserves, the Bank of Zambia has embarked on various initiatives that include expanding the asset universe and the reintroduction of gold into the Bank of Zambia (BoZ) reserves portfolio, Deputy Governor-Operations Dr Bwalya Ng'andu has said.

Speaking during the second quarter Monetary Policy Committee Announcement and Media Briefing in Lusaka on May 22, Dr Ng'andu said that under the current legal framework, gold is a permissible asset in the reserves portfolio.

According to the Bank of Zambia Act, eligible assets in the reserves portfolio include money market instruments and bonds issued by sovereigns, supranational and government guaranteed agencies, as well as investments in gold.

He recalled that Zambia held gold as part of its reserves between 1965 and 1995, but that it was converted into cash due to low returns and liquidity needs.

The Deputy Governor stated that significant progress towards the purchase of the gold, estimated to be around 94 percent bullion, has since been made. The initial gold will be sourced and bought from an identified local miner and will be a means to diversify the Bank of Zambia investment portfolio from having all reserves in currencies. It will be bought using local currency and sold in foreign currency as and when need arises.

"We are working on a framework through which we will procure locally mined gold. Modalities of how much gold we will buy, the frequency of the purchase as well as the price will be determined at the conclusion of the agreement between the Central Bank and the supplier," he said.

He said gold compares favourably to other reserve assets with high-quality and liquidity to help central banks preserve capital, diversify reserve portfolios, and mitigate risks in the medium to long-term.

In the event of a crisis, gold could be pledged as collateral or sold to raise liquidity in a foreign reserve currency. It is therefore a type of emergency available when currencies come under pressure and usually used as a safe haven investment.

Dr Ng'andu said that this development has been necessitated by declining levels of international reserves, which has been one of the challenges that Zambia has faced in recent years.

He cited heightened external debt levels and subsequent huge debt service payments as some of the key factors that have contributed to the downward trend in reserves.

Foreign exchange reserves are a critical national resource that supports several objectives, including providing market confidence that a nation is able to meet its external obligations; support monetary and foreign exchange rate policies; ensure maintenance of the value of the national currency and limiting external vulnerability to external shocks.

Persistently low levels of reserves therefore pose a challenge to maintaining macroeconomic stability.

Although it is difficult to have a pre-determined optimal level of reserves for all countries as each country has its own peculiarities, institutions such the International Monetary Fund have recommended three (3) months of import cover as a measure of reserve adequacy. Other regional groupings have their own prescribed standard. For instance, SADC has set six (6) months of import cover as part of convergence criteria.

Members of the press following Monetary Policy Committee announcement deliberations during a press briefing at the Central Bank

Stop fake news, disinformation

...Kalyalya appeals to journalists to model good social media behaviour

By Zambanker Reporter

Bank of Zambia Governor, Dr Denny Kalyalya has said the fight against fake news and disinformation in the era of social media and online platforms has to be a coordinated effort involving all relevant actors. Speaking during the question and answer session of the second quarter Monetary Policy announcement and press briefing, Dr Kalyalya said false news being shared on some social media platforms about economic

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Dr Denny Kalyalya stressing a point during the Monetary Policy Committee announcement

NDF approves BoZ submissions

By Zambanker Reporter

The National Dialogue Forum approved the Bank's submissions as relates to the provisions in the Constitution of Zambia relating to the Bank and agreed that the Constitution be amended as follows:

- Article 213 by the deletion of the entire clause (2) and the substitution therefor of the following:
  "The primary function of the Bank of Zambia is to formulate and implement monetary policy."
- Article 214 (1) by the deletion of paragraph (b) and the substitution therefor of the following:
  "a person who has specialised training and proven experience relevant to the functions of the central bank as prescribed."

Article 213(2) which is proposed to be deleted provides that (2) the functions of the Bank of Zambia are to issue the currency of the Republic, determine monetary policy and regulate banking and financial services, banks, financial and non-banking institutions, as prescribed.

Article 214(1) (b) also being proposed for deletion provides for the qualifications of the Bank Governor by providing that a person qualifies for appointment as Governor if the person has specialized training and experience in economics, finance, accounting, banking, law or other field relevant to banking, as prescribed.

The Bank of Zambia was represented at the National Dialogue Forum by Mrs Helen Banda, Assistant Director Legal Services and Mr Mulenga Musepa, Assistant Director External Capital Flows.

The proposed changes are aimed at fine-tuning the current provisions in line with international best practices.

The National Dialogue Forum was established by the National Dialogue (Constitution, Electoral Process, Public Order and Political Parties) Act No.1 of 2019, (NDF Act), to implement and enhance the Siavonga Resolutions for proposals to alter the Constitution. The proposals were based on submissions from the stakeholders specified in the Schedule to the said Act (which stakeholders included the Bank of Zambia through submission by letter under the hand of the Governor dated 18th November 2016) and also to reform the law on the electoral process, public order and regulation of political parties.

Mrs Helen Banda, Assistant Director Legal Services

Mr Mulenga Musepa, Assistant Director External Capital Flows

Some of the delegates that attended the NDF proceedings


Director Musiwa after receiving the ZIHRM life member Award

Director Musiwa is ZIHRM life member

By Zambanker Reporter

Board Member Ms. Namucana Catherine Musiwa has been conferred with an honourary fellow and life membership to the Zambia Institute of Human of Management (ZIHRM). This is in recognition of her contribution to the growth of ZIHRM and enhancement of its visibility.

She was elected as the first female President of the Institute in 2009 and served until 2011. Among the firsts that she has scored are the following; introduction of an Annual Regional Summit that attracts both local HR Practitioners and those from the region; introduction of a quarterly professional HR journal; growing the membership of the Institute threefold; introduction of professional networking events for HR professionals and collaboration with other professionals from various disciplines.

The award was conferred on her on 30th May, 2019 by the ZIHRM President Mooka Silumbu at the 7th ZIHRM Regional Summit in Livingstone.

Membership stood at 1,275 when she became president and has increased to 5,732 as at 31st December, 2018. Membership is now over 6,000.

Stop fake news, disinformation

...Kalyalya appeals to journalists to model good social media behaviour

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matters has created a predicament for journalism, with implications for the media itself, the economy, and society as a whole.

He added that the discipline of verifying facts is what will separate professional news writing from the rest.

"We appeal to you, colleagues in the media, to help fight these vices by enhancing news literacy through teaching the public on how to evaluate news sources as well as how to not accept at face value everything they see on social media. Further, we appeal to you to verify information with relevant authorities before publishing it. On our part, the Bank of Zambia is open and ready to provide information to the media," he said.

He said fake news and disinformation are polarising debates, creating or deepening tensions in society and undermining systems, and could impair freedom of opinion and expression adding that the growing trend of fake news and disinformation has potential to erode trust in the economy, institutions, individuals and the country as a whole by hampering the ability of citizens and investors to take informed decisions.

Commenting on how fake news and disinformation specifically affect the economy, the Governor said investors world over are increasingly using various social media platforms as their main sources of news, to make decisions and this makes them vulnerable to inaccurate or deliberately falsified information which informs their opinions and decision-making.

"Given the way financial markets operate, with investors basing their decisions on whether to trade or not on information, it is vital that information available is trustworthy, reliable and true so that they make the correct information otherwise fake news and misinformation leads to reputational damage and a fall in the country's investment inflows," he said.

And speaking about the advantages of social media, Dr Kalyalya said social media is an important tool to spread information to people everywhere.

He added that social media also exposes people to different points of view, new ideas, and puts power in their hands to research those opinions and discuss them openly with others.

Deputy Governor-Administration Dr Tukiya Kankasa-Mabula speaking at the workshop on the baseline survey on Sex Disaggregated Financial Inclusion Data

'Innovate Gender Focused Products'

By Zambanker Reporter

The Bank of Zambia (BoZ) has challenged the financial sector to innovate gender focused digital financial products that will bridge the gap between men and women. Speaking at the dissemination workshop on the baseline survey on sex-disaggregated Financial Inclusion Data, BoZ Deputy Governor-Administration, Dr Tukiya Kankasa-Mabula noted that most financial institutions had limited or no gender focused products differentiation.

She explained that there is a large gender gap in account ownership between men and women suggesting that women inherently face more challenges in accessing formal financial products and services.

The main purpose of collecting sex-disaggregated data is to determine the levels of access, usage and quality of financial services; identify barriers to women financial inclusion; and assist with modifying the existing policies, strategies and regulatory measures that have been earmarked for increasing women's financial inclusion in the medium to long term in Zambia.

'The survey results not only give us the situation analysis regarding the availability of supply-side sex-disaggregated data, but also provides a synopsis of the magnitude of the financial inclusion gender gap, which we must all work hard to bridge,' she said.

Dr Kankasa-Mabula urged financial institutions to place greater emphasis on segment performance to support individual women and women entrepreneurs who should be assessed as a profitable business proposition, not as part of corporate social responsibility.

The Bank of Zambia partnered with Alliance for Financial Inclusion (AFI), FSD Zambia and the Rural Finance Expansion Programme (RUFEP) to map the current state of sex-disaggregated data in the financial sector. A baseline survey was conducted in 2018, covering 64 financial institutions regulated by the Bank of Zambia. The objective of the survey was to develop a sex-disaggregated supply-side financial inclusion data framework. The findings of this survey were shared at the dissemination workshop.

The following are some of the key findings of the baseline survey:

The financial sector is among the sectors that employ a high percentage of women – they make up 45% of those employed in the sector. This is consistent with the 2014 Labour Force Survey which shows that 46.6% of employed persons in the financial and insurance sector are women. Junior staff in the financial sector are nearly equally distributed between men and women. About two in five middle managers are women. However, they are not so well represented in the upper echelons of decision-making. Women make up 28% of board membership and a third of senior management with limited participation beyond marketing – the Chief Marketing Officer position is female-dominated.

The Zambian financial system is not wired for sex-disaggregated data. Of the 64 institutions surveyed, only 25 institutions (mostly banks and micro-finance institutions) have information systems that can generate reports based on the sex of account holders, such as the number of women-owned and male-owned accounts, and the number of male and female borrowers. Of these, only 10 institutions have gender focal point persons. And the majority of the gender focal-point persons are based in the human resources department – implying that they mostly deal with internal human resources issues.

A few financial institutions – mostly banks and microfinance institutions - offer gender-focused products and services but gaps remain. These products and services are mostly tailored for individual women and women smallholder businesses. However, there remains a clear gender gap between men and women with regard to accessing and using financial products and services in Zambia. As this report highlights, women continued to lag behind men in accessing and using financial products and services. The number of men savings accounts holders (averaging a share of 53% in the last 5 years) was significantly higher than that of women (which averaged 31%) – a gap of 22 percentage-points. Current accounts are male-dominated, taking up a share of 60% of the total number of current account holders, while women's current account holders make up 29% - as gap of 31 percentage-points.

The savings accounts gender gap has increased, but women are relatively better savers. The number of savings account holders per 1,000 adults increased from 131 per 1,000 adults at the end of 2014 to 158 per 1,000 adults at the end of August 2018. The increase in the number of savings accounts has been higher for men than for women, thereby increasing the gender gap further. But the average savings balances for women were generally higher than the balances for men. In 2018, women's average savings was K3, 206 compared to K2, 638 for men. This is despite men having higher monthly earnings than women. The gender gap in current account balances is narrowing. The number of individual current accounts per 1,000 adults increased from 107 in 2014 to 146 in 2018. This growth was mainly due to the doubling of women current account holders from 25 per 1, 000 adults in 2014 to 52 per 1, and 000 adults in 2018. On the other hand, men current account holders declined from 76 per 1,000 adults in 2014 to 72 per 1,000 adults in 2018.

The number of borrowers was dominated by men and the gap is widening. The number of men's loan account holders per 1,000 adults was 27 at the end of 2014 compared to 12 for women, which is 45% of the number of men borrowers. In 2014, the number of men's loan account increased to 369 per 1,000 adults compared to 102 per 1,000 adults for women, which is 28% of men borrowers.

When it comes to paying back of loans, women had better repayment behaviour than men. The percentage of non-performing loans, estimated as total value of non-performing loans against the total value of all individual loans, for women averaged 4.3% compared to 4.9% for men. Further, women-owned small business accounts exhibited the lowest percentage of non-performing loans which hovered between 1-3% during this period. This is, on average, 17 percentage-points lower than that of men. The results are similar for the combined non-performing loans for small and large businesses as well as for the combined individual and business accounts. This shows that that women and women-owned businesses are more prudent borrowers than men and men-owned businesses.

Men's current account balances are generally higher than that of women. While the average current account balances for men doubled from K1,936 in 2014 to K4,046 in 2018, the women's balances only increased by 12% from K2,329 in 2014 to K2,601 in 2018.

This could be partly attributed to the low labour market participation by women as most individual current accounts are salary-related.

In the last five years, progress has been made to close the financial inclusion gap, especially through digital financial services. The number of e-money accounts holders doubled from 4.3 million at the end of 2014 to 9.2 million by August 2018, which is about three and half times higher than the 2.7 million deposit accounts holders, thanks in part to increased penetration of mobile phone technology.

Chief Executive Officer, Financial Sector Deeping Zambia Ms Betty Wilkinson speaking during workshop discussions

The value of active e-money accounts has risen nearly ten-fold from K45.8 million in 2014 to K441.6 million by August 2018.

Despite the steady increase of active e-money accounts over the last five years, a large number remains inactive. Of the 9.2 million e-money accounts in 2018, only 1.5 million or 16% were active.

As a result, the average value of active e-money account transactions remains quite small, averaging K207 in 2018 – albeit an increase from K39 in 2014. This suggests some inherent bottlenecks in the use of mobile payment systems.

The number of digital wallets, or e-wallets, has been on the increase. It rose steadily from 86,066 in 2014 to 1.3 million accounts in 2018. As is the case with e-money accounts, the value of e-wallets has increased about ten-fold in the last five years, from K42.7 million in 2014 to K405.6 million in 2018. Mobile credit borrowers, a mere 353 in 2014, increased to 3.7 million in 2018. Borrowing of mobile credit is largely dominated by men (averaging 84%).

However, the gap between men and women has been reducing – from 89% male dominance in 2014 to 80% in 2018. And, as is the case with e-money accounts, only 16% of the e-wallet accounts were active in 2018.

Over-the-counter transactions have been on the increase in the last five years. They increased from 6 million transactions at the end of 2014 to 21.5 million at the end of December 2017.

By August 2018, 16.6 million transactions were recorded. While there are more male OTC transactions than female OTC transactions, this gap was narrowed significantly in 2018, for the data that could be disaggregated by sex. The value of OTC transactions increased from K1.6 billion in 2014 to K5.5 billion in 2017 and K3.9 billion by August 2018.

The number of registered agents increased from about 10,000 in 2014 to just under 38,000 by the end of August 2018.

Further, the percentage share of active agents increased from 39% in 2014 to 60% in 2018. The percentage of active agents is much higher than the active e-money and e-wallet individual account holders.

Members of the panel at the dissemination workshop on the baseline survey on Sex Disaggregated Financial Inclusion Data

Mr Derrick Chola of the Human Resources Department receiving a Labour Day Award Certificate

Union applauds Management

By Zambanker Reporter

Zambia Union of Financial Institutions and Allied Workers (ZUFIAW) Ndola Branch Chairperson Mr Charles Mukuka has applauded BoZ Management for their consistence in sponsoring workers to participate in the national commemoration of the Labour day as well as in organising an in-house event where workers are awarded for exceptional performance. Speaking during the Labour Day award-giving celebrations in Lusaka recently, Mr Mukuka reminded employees that such commemorations provide an opportunity for self-examination against previous year's set goals and what was achieved.

Mr Mukuka also thanked employees who took part in the Labour Day march past on 1st May, 2019 for representing the Bank. He added that this is a day when workers remind their employers that the struggle to introduce positive reforms for the working class is still very much alive and vibrant.

This year's celebrations were held under the theme ***'Enhancing Productivity and alleviating Poverty through the Decent Work Agenda.'***

The ZUFIAW Chief said that in line with this year's theme, it is a known fact that employers want enhanced productivity that bring sustainable profits and drives national development while employees want to live in a society where they enjoy, feel and see development taking place. Mr Mukuka said enhanced productivity was fundamental for economic well-being, therefore it was important for the Bank, as an institution, to address any economic and human factors that may hinder its attainment.

Mr Mukuka called on Management to assess themselves whether they had invested in labour to enhance skills and whether they had adequately done away with unproductive processes that inhibit productivity. He thanked Management for the health programme that was introduced and added that mobilisation of wellness champions and first aid boxes within work stations was one way of dealing with staff stress and health.

He appealed to Management to urgently work on sports and recreation facilities at the two club houses at Head-Office and Regional Office. 'Sports and recreation is an ingredient for motivating people to enhance productivity,' he said. The ZUFIAW Ndola Branch Chief said the process of reviewing policy documents and processes that guide management style should also be heightened so that the Bank could quickly adopt new and modern effective management processes that enhance productivity.

Mr Mukuka also urged Management to expedite the process of converting contract employees to permanent employment as this was one way of motivating employees to perform better. He further appealed to employees to work hard and produce good results to ensure what they signed for in the performance contracts were achieved.

On the Union-Management relationship, Mr Mukuka said, notwithstanding the non-conclusion of the 2018-2020 Collective Agreement during the past year, the Union collaborated with Management through their monthly meetings, quarterly meetings with the Deputy Governor as well as other impromptu meetings to sort out shortcomings and concerns. All this was done to improve and strengthen the Union-Management relationship.

Meanwhile, Deputy Governor – Administration Dr Tukiya Kankasa-Mabula said the Bank recognises that its employees are a critical resource to its success and therefore, as part of its strategic initiative number 5, is desirous to put in place a Remuneration Strategy that recognises the employees contribution to the achievement of its goals and objectives, thereby enhancing productivity. The BoZ Deputy Chief further said the Bank's policies, remuneration practices and the social protection system ensures that its employees work under decent environments and are protected.

'The Bank continues to seek ways and means of improving the way it operates as it strives to make the working environment for its employees more conducive. To help this process, the Bank has recently completed a staff Engagement survey and is now in the process of developing initiatives to address issues arising from the said survey,' she added.

Dr Kankasa-Mabula further said the automation of the performance management system was identified as a key activity under the strategic initiative of embedding a high performance management culture. The automation of the performance management using Oracle is in line with the Bank's aspirations to work smarter, enhance operational efficiency and adopt and embrace global best practice in every area of operation.

'The Bank has continued promoting a decent work environment agenda in line with this year's theme which is enhancing Productivity and Alleviating Poverty through the Decent Work Agenda. Gender equality is central to decent work. An integrated approach to gender equality and decent work forms part of the conceptual framework to address the imbalances between men and women in a work place. Equality of opportunity and equality of treatment are two complementary aspects of equality in employment and occupation,' she said.

The goals under the 2030 Agenda for Sustainable Development are meant to address the requirements for all humanity to be able to live decent lives, free from poverty, hunger and inequality, with all men and women, girls and boys able to develop their full potential. They commit everyone to be responsible global citizens, caring for the less fortunate, as well as for the planets' ecosystem and climate action on which all life depends. This cannot be over emphasised as it affects everyone. The Bank has already taken steps to address a number of goals under the 2030 Agenda for Sustainable Development by including in its Strategic Plan the elements of Green Policy and Financial Inclusion.

Giving an update on the process of conversion of staff on fixed term contracts to permanent and pensionable contracts, Dr Kankasa-Mabula said the Bank embarked on this exercise in 2017 starting with consultations with the relevant key stakeholders that is: focus groups with employees currently on fixed term contracts and the Ministry of Labour and Social Security for guidance on policy matters that may affect the review. The Deputy Governor said she was aware that there was anxiety among staff that may be affected by this policy review which will result in converting them from fixed term contracts to permanent and pensionable conditions of service. She advised that a lot of work had been done on this matter adding that the consultant was working on the finalisation of the process of establishing a pension scheme for this category of employees as required by law before conversion can take place.

'We remain resolute and hopeful that this process will be concluded as soon as possible and trust that all that remains to be done, will be done to ensure a flawless implementation that will lead to decent work for all,' she stated.

The Government recently published the new Employment Code Act of 2019 to regulate the employment of persons. The Employment Code Act repeals and replaces the current Employment Act, the Minimum Wages and Conditions of Employment Act, the Employment of Young Persons and Children Act and the Employment (Special Provisions) Act. The Bank is committed to ensuring compliance and promoting the decent work agenda. In this regard, it will continue to review the Bank's Policies to align with the new legislative requirements.

The BoZ Deputy Chief thanked the Union leadership both at national and branch level who had continued working with Management as partners. She said the tranquility in industrial and labour relations has enabled the Bank to maintain its focus on its mission. She further hoped that the 2018 – 2020 Collective Agreement negotiations which were currently in court would be amicably settled.

Responding to the issue on improving the status of the club houses, the Deputy Governor reported that a Steering Committee for the Lusaka Club House had been appointed. She hoped that the committee would speed up the process.

The Bank recognised and awarded employees who exhibited exceptional attributes during the previous year under three categories and these were:

Ms Mankolo Beyani of Bank Supervision Department receiving a Labour Day Award Certificate

- Most vigilant and alert;
- Most disciplined; and
- Most dependable.

The Bank also awarded employees who have served the Bank for fifteen years and thirty years of unbroken service.

The awards were given as follows:

MOST ALERT AND VIGILANT
Brian Mozeka
Nason Kapako
Rodgers Litho

MOST DISCIPLINED
Andrew Phiri
Luka Mhango
Sylvia Siwale

MOST DEPENDABLE
Chanda Punabantu
Derrick Chola
Jimmy Couvaras

LONG SERVICE – 15 YEARS
Audrey Mwila
Berington Kalimukwa
Bertha Chisola Muchengwa
Bornwell Shabwalala
Chanda Punabantu
Chibeka Banda
Clement Mweemba
Dennis Kababa
Dr Maybin Masando
Dr Musonda Simwayi
Eliya Palata
Francis Ilunga
Gift Haziyu
Jane Kayesa
Judith Mandumbwa
Kapaso Mumbi
Kanguya Mayondi
Mankolo Beyani
Matakala Mabuku
Melina Malipilo
Mirriam Kamuhuza
Mirriam Lupindula
Mutumba Mulope
Musapenda Phiri
Nayoto Moola
Nelly Cheelo
Nickson Solochi
Noah Tembo
Patrick Tenthani Banda

LONG SERVICE – 30 YEARS
Chingeni Ndhlovu
Cyprian Mumba
Doris Chituta
Florence Pandala
Fwila Chipalo
Harriet Chishimba
Jacob Lungu
Kachamba Muyoba
Marshall Mwansompelo
Mirriam Zimba
Paul Muyinda
Robert Banda
Stephen mwale
Steven Kalanda

Mr Dr Maybin Masando, Security Division, receiving a Labour Day Award Certificate

'We're Committed to Stakeholder Engagement'

Dr Denny Kalyalya making a post MPC presentation during the stakeholder's breakfast meeting at Twangale Park in Lusaka

By Zambanker Reporter

The Bank of Zambia is determined to continue and increase engagement with its stakeholders in order to understand perceptions and expectations, draw lessons, inform decisions and build strong relationships, Bank Governor Dr Denny Kalyalya has declared.

Speaking at a Post Monetary Policy Announcement breakfast meeting at Twangale Park in Lusaka recently, Dr Kalyalya reiterated that unity amongst stakeholders is essential for socio economic development to take place. The meeting drew stakeholders from various backgrounds including financial institutions, professional bodies, policy and research institutions as well as the academia among others.

Acting Assistant Director-Communications Ms Besnat Mwanza briefing Governor at the Post MPC breakfast meeting

"Arguably, institutional intervention can, but only do so much. At the end of the day, it boils down to concerted efforts from all stakeholders.

The question is what can we, as academia, corporates, professionals and individuals collectively do to resolve the current socio economic challenges?" he asked.

Meanwhile, various stakeholders have thanked the Bank of Zambia for the initiative to engage with them and have further urged the Central Bank to increase the frequency and duration of the meetings to enable them learn from the deliberations. Below are a few of the sentiments:

Prof Pinalo Chifwanakeni of the University of Lusaka *said 'many thanks for the invitation to attend the Post MPC Stakeholder Breakfast Meeting. The meeting was professionally and well organised. My personal observations of the meeting were as follows; the pre-presentation of the video was excellently done; the live presentation by the BOZ Governor was highly practical, timely and insightful.*

His presentation brought out cardinal points that were relevant and objective without bias and it was very delightful to see that the staff of BoZ were hands on and highly knowledgeable on the topic of discussion. They were able to provide feedback promptly and accurately on all issues that were raised by the audience.

For future presentations, I would recommend the following: that these meetings are held quarterly in order for them to be proactive. This will further enhance stakeholder engagement; that this initiative is spread out to all provinces and if possible, can we have a translation of the presentations in the Seven major languages and circulated to the public via the print, audio and visual media. I look forward to more interactions of this nature.'

Stephen Z. Chundama- Research Specialist-ZDA said *'the organisation of the event was very good and the participation was representative.*

The meeting resolved my prior concerns on the adverse implications of the Monetary Policy Rate (MPR) hike and increased my appreciation of the considerations that the Monetary Policy Committee (MPC) makes when changing the MPR. More time could be planned for such meetings to exhaust deliberations and questions from participants. I look forward to more engagements with your Bank.'

D. Chungu Mwila-Dean, School of Business Studies at Zambia Open University *said 'First and foremost, let me take this opportunity to, once more, thank the Bank of Zambia on behalf of the Vice Chancellor, for* *having extended an invitation to the Zambian Open University to the Stakeholder Breakfast Meeting held at Twangale Park on 28th May 2019.*

We found it to be very useful to the teaching and research programmes of the Zambian Open University, especially in the areas of business and economic studies. The monetary policy statement issued by the Central Bank on 21st May, 2019, which was the lead topic of discussion at the meeting was not only useful, but also provided insights into the current general performance of the Zambian economy. In this regard, we would like to thank the Bank Governor, Dr. Denny Kalyalya, for the clear and objective manner in which he presented the issues and allowed for free discussion by the stakeholders present.

As regards future meetings, we would like to suggest the Bank should include stakeholders from a broader spectrum of society, including policy makers and technocrats from Government, such as from the Ministry of Finance and National Planning, who would be there to comment and provide more information on matters of a policy nature. That being the case, ample time should be allocated for general discussion of not less than an hour. We look forward to hearing and working with you in the near future.'

***Cecilia Zimba-ZICA Vice President** said: 'firstly, I would like to take the opportunity to thank the BoZ Governor for extending an invitation to ZiCA and commend him and the Management and staff for organising the Stakeholder Breakfast.*

I found the event very useful and informative as the Governor in his presentation made clear a lot of salient features. The question and answer session also accorded the participants a rare opportunity to ask questions and seek clarity.

For future meetings my suggestion would be that perhaps before the event but after the MPC statement is issued, you invite Stakeholders to submit written enquiries or questions or comments they may have which could be addressed. This will accord the BoZ ample time to respond and even if there is time restriction at the event, it may be possible to respond to as many questions as possible. A mechanism of recording the suggestions made for improvement in the performance of national economy can also be in place and followed up through the relevant organs.'

***Lombe Muchindu of Standard Chartered and a member of the Economics Association of Zambia** member said 'The Post MPC Stakeholder Breakfast Meeting was a very good initiative and it was also very well organised. Deliberations were well received as it gave stakeholders a much clearer picture of the driving factors behind the Central Banks monetary policy decision.*

This also helps stakeholders contextualise risks facing our economy and current efforts underway to deal with these risk. Such future meetings should be welcomed as they will allow stakeholders to better support policy implementation which ultimately will result into national consolidation and support for recovery and growth efforts.'

University of Lusaka Professor Pinalo Chifwanakeni speaking during the stakeholder's meeting as Manager Strategic Communications Mr Nkatya Kabwe looks on

Policy Rate Rise Unavoidable

From Page 5

rate rose to 22.6% from 21.4% while that for Government bonds increased to 24.9% from 20.1%. The increase in yield rates was largely attributed to relatively tight liquidity conditions and negative market sentiments associated with Zambia's sovereign credit rating downgrade in February 2019.

Commercial banks' lending rates increased largely on account of the rise in the cost of funds and higher yield rates on Government securities. Commercial banks' nominal average lending rates edged up to 24.6% in March from 23.6% in December 2018. Excluding outliers, the average lending rate rose to 22.8% from 21.8% in December 2018. The savings rate for 180-day deposits for amounts exceeding K20, 000 rose to 9.8% from 9.1%. Similarly, the range of interest rates on Kwacha deposits widened slightly to 2.0% - 22.5% from 3.0% - 22.1% in the previous quarter.

He added that total domestic credit growth picked up to 2.9% in the first quarter of 2019 from the 1.3% recorded in the fourth quarter. The increase in domestic credit was driven mainly by lending to private enterprises. Credit to private enterprises grew by 5.0% against a contraction of 4.6% in the previous quarter. Growth in credit to Government, however, slowed down further to 1.1% from 3.3%. Foreign currency denominated loans grew by 11.0% against a contraction of 2.4% in the previous quarter. This was on the back of increased lending to the transport, mining, agriculture and electricity sectors.

'On the other hand, Kwacha loans grew by 2.0%, albeit lower than the 4.7% growth in the previous quarter. The increase in Kwacha denominated loans was mainly on account of higher lending to households, wholesale and retail trade, as well as electricity sectors. Money supply, however, contracted by 3.9% in the first quarter of 2019 against a growth of 0.9% in the previous quarter. The contraction in money supply was driven by the decline in gross international reserves and a drawdown in commercial banks' offshore accounts. However, on an annual basis, money supply growth picked up to 17.6% in the first quarter from 16.4% in the preceding quarter,' he said.

He added that the 2018 fiscal deficit, on cash basis, at 7.6% of GDP, was above the target of 6.1%, largely reflecting higher than programmed spending on capital projects and debt service on external and domestic loans. However, it was slightly lower than the 2017 outturn of 7.8% of GDP. Urgent and effective implementation of fiscal adjustment measures, therefore, remains critical to put fiscal deficits, debt levels and debt service payments on a sustainable path.

On the global front, the Governor said in the first quarter of 2019, global economic activity was generally stronger than expected, on account of favourable performance in some advanced economies. However, in April 2019 the IMF revised downwards global economic growth forecast for the year to 3.3% from 3.6%.

The downgrade in growth forecasts was mainly due to continued uncertainties associated with the trade war between the US and its key trading partners as well as delays in concluding Brexit. These developments are expected to continue to weigh on copper prices and consequently export earnings for Zambia.

Deputy Governor-Operations Dr Bwalya Ng'andu addressing the press briefing

National Financial Switch to transform Economy

By Zambanker Reporter

The full implementation of the National Financial Switch will be a major milestone that will fundamentally transform the way business is conducted in Zambia with great benefits accruing to the economy as a whole, Deputy Governor-Operations Dr Bwalya Ng'andu who is also Board Chairperson of the Zambia Electronic Clearing House Limited (ZECHL) has said.

Speaking at the formal announcement of the going live of the National Financial Switch (NFS) in Lusaka recently, Dr Ng'andu said that the switch actually went live on the 23rd September 2018 on a trial basis when the switching of automated teller machine (ATM) transactions were migrated from the Visa platform to the local platform-the National Financial Switch. 14 out of the 18 Commercial Banks in Zambia have since connected to the Switch.

"As result of this development, all domestic ATM transactions by the various commercial banks are now being switched/carried on the National Financial Switch Platform with effect from September last year. Prior to this migration all domestic card transactions were switched outside the country and treated as international transactions and were accordingly priced as such. The trial period for the implementation of the ATM phase of this project has been a success. This means that debit or credit card holders can now transact on any of the 14 banks' ATMs countrywide and their transactions will be switched locally through our National Financial Switch," he said.

He explained that the National Financial Switch project, itself has been implemented as a two-phase project. Phase one involves switching ATM and Point of Sale (POS) transactions from the VISA platform to the Switch and phase two will involve switching mobile payments transactions. While the switching of ATM transactions has gone live as already mentioned, the go-live date for the point of sale transactions is scheduled for the third quarter of 2019, which will effectively complete the implementation of phase one.

Phase two of the project, on the other hand, involves the implementation of mobile payments switching which will facilitate for interoperability among all mobile payment operators in the country. The implementation of this phase is already underway and it is expected to be completed by the end of the year. With its completion, customers will be able to send money or make payments using their phone or other mobile devices such as tablets to any other recipient regardless of which mobile network they subscribe to.

Further, since the switch will interconnect with banks, non-bank financial institutions and other payment system service providers, customers will be able to transact: from a mobile money wallet to any other mobile money wallet; and from a mobile money wallet to a bank account and vice versa

"The National Financial Switch is the first ever local nationwide shared platform, which will facilitate for interoperability of digital payments throughout the Country. As we pursue a digital economy, the NFS will reduce the dependency on cash and its associated risks.

And by providing stakeholders with shared infrastructure, it will also reduce acquisition and ownership costs for the service providers which should ultimately benefit customers through reduced fees and charges for the services that they get," he said.

When fully implemented, the NFS will bring about a wide range of benefits which will include among others; reduced fees and charges to customers because of the removal of international switching fees; convenient, easy access and usage of electronic payment systems (ATM, POS, Mobile) through multiple access points countrywide; increased innovation by creating a common payments loop for ATM, POS, Internet Banking, Mobile Banking, Agency Banking and other customer driven e-commerce products and services that might be introduced into market; reduced dependency on cash as people will have greater access to digital financial services. It will also increase the security of transactions as they will predominantly take place in an electronic environment as opposed to paper based payment instruments.

Further, it will provide for near real time confirmation/validation of payment information and delivery of value to the customer. This will reduce delays in customers receiving funds or money or reduce time and costs for processing customer transactions; allow for faster circulation of funds in the economy due to the reduced delays in customers receiving funds; increase volumes of transactions which can be processed on one single platform which will be expected to result in lower costs thereby making payment transactions more affordable; and increase financial inclusion through greater access and usage of financial services.

The ZECHL is a company owned by the Bank of Zambia and Commercial Banks but operates as an independent entity. It was established with the objective of providing interbank clearing and payment services in the country. The establishment of the National Financial switch started in 2014, as a project under the auspices of the ZECHL.

Mr Jason Mitchel of the Banker Magazine

Branch closures not failures...

By Zambanker Reporter

Bank of Zambia Governor, Dr Denny Kalyalya has clarified that changes in the banking landscape which, in some cases, has resulted in the closure of some commercial bank branches is a reflection of an upward growth in the use of digital banking services by customers.

Some members of staff following the MPC Announcement and Media Brief

This notwithstanding, Dr Kalyalya notes, commercial banks have continued adding branches both to drive growth and to accentuate their commitment to local communities.

Speaking during the 2019 second quarter Monetary Policy Committee Announcement and Media Briefing in response to a question by Mr Jason Mitchel, of the Banker Magazine who wanted to know why there had been commercial bank branch closures in the recent past, Dr Kalyalya explained that there was no doubt that the new digital technologies were changing the banking industry landscape because banks were spending more on areas like technology and cybersecurity.

He said this was so because banks that were embracing innovation and adopting new technologies have had unprecedented opportunities to change and improve how they provide financial services including offering the ability to: collaborate with financial technology partners to develop digital products; provide customers with seamless real-time, multichannel digital interactions; simplify and optimise business processes through standardisation, optimisation, and adoption of cloud solutions; build an open and agile platform that makes it easy to meet regulatory requirements.

"As expected, millennials rank highest in terms of being quick to embrace digital banking. Older generations' access to digital banking services with nearly the same frequency and loyalty as Millennials is also increasing. Across all age groups, looking up account balances and making transfers remain the primary reasons for logging in," he explained.

However, he indicated that physical branches have continued to maintain a very important role in the organic growth of the banks including as a branding tool and helping customers to sit with a banker when setting up an account and/or giving customers a place to go for any problems.

The Governor noted that going digital sometimes had negative effects including layoffs and staff reductions but that there was a growing demand for data scientists with banking experience, giving the industry an opportunity to develop a new workforce model by educating existing staff and recruiting new talent.

And giving a response to a question on how financial institutions would balance the risk with the need to expand their digital services, Dr Kalyalya explained that the key to achieving a safe network involved an increased investment in cybersecurity and customer awareness on the dos and don'ts of digital banking.

"While there is room for the need to strengthen cyber-security, I am glad to say that our banks have individual initiatives at enterprise cybersecurity. Further, there is continuous collaboration between the Central Bank and commercial banks through a forum facilitated by the Bankers Association of Zambia to enhance cybersecurity. Like other financial institutions worldwide, their enormous stores of cash and consumer data have made financial institutions a top target for hackers, and the threat of financial losses, regulatory consequences, and reputational damage has spurred them to innovate and accelerate the field of cybersecurity," he said.

Dr Kalyalya said it has also become very important to ensure that all measures of cybersecurity are in place for customers to protect their data and privacy because private data in the wrong hands could do great harm even if the cards were cancelled and fraud is immediately taken care of as personal data is sensitive and could reveal a lot of information that could be used against individuals.

Mr Nobert Mumba

Strengthen MSMEs strategies, frameworks-AFI

By Zambanker Reporter

The Alliance for Financial Inclusion (AFI) has called upon policy makers globally to urgently strengthen existing national strategies and frameworks for support to Micro, Small and Medium Enterprises (MSMEs) by developing a support architecture that takes into account the growth stages of MSME's to avoid the one size fits all approach that has challenges in responding to MSME demands.

Speaking at the joint 14th Financial Inclusion Strategy Peer Learning Group (FISPLG) Meeting and 12th Small Medium Enterprises (SME) Finance Working Group (SMEFWG) meeting in Livingstone recently, AFI Deputy Executive Director, Mr Norbert Mumba said financial systems need to specifically take into account, Seed and Start-ups, Early Growth enterprises, Enterprises at growth and expansion stage and Large enterprises to help industries grow and ween them off support early.

He added that this may require a re-look at developmental and financial infra-structure; financing and guarantee scheme; avenues to seek information and redress; debt resolution and management; and outreach awareness and programmes.

"As we begin the implementation of the AFI Phase III Strategy in 2019, and as directed by the membership council during the AGM in 2018 in Sochi, Russia, the AFI network's focus is now on three main strategic objectives: (a) Issuing Policy Guidance or Models, (b) In-country Implementation Support, and (c) Global Voice," he said.

Mr Mumba stated that there was also need to build into the various strategies policy that are responsive to and mitigate the impact of climate change as witnessed in the region recently. He explained that the catastrophic climatic consequences witnessed in sub-Sahara Africa recently were stalk reminder that unless our financial inclusion policies build in protection or resilience everybody stands to lose the gains they had made.

The FISPLG looks at the overarching perspective of financial inclusion through the national financial inclusion strategies or NFIS and cascade it into the development of implementation at programs level. Last year, the group produced an updated version of the "National Financial Inclusion Strategies: Current State of Practice" knowledge product which provides a comprehensive scoping of the NFIS approaches of its members. This knowledge product is one of a kind and is widely referenced by the financial inclusion community when it comes to implementing NFIS. This is also demonstrated by its NFIS capacity building programs where implementation of the NFIS make up most of the content of the group's Joint Learning Programmes and Peer Advisory Services.

The SME Finance Working Group, promotes the discussion and the implementation of smart policy frames that facilitate access to finance for Micro, Small and Medium Enterprises (MSMEs) to bridge the financing gap, particularly for microenterprises that pose higher risk. The working group emphasis the works on members' common definition for MSMEs, SME education, gender and credit infrastructure which include credit guarantee in mitigating the financial risk. End of last year, it produced knowledge products on agricultural finance interventions in the Kingdom of Eswatini and Ghana.

AFI reaches out to its members through a diverse range of services – in-country implementation, capacity building events,

Dr Denny Kalyalya

working group, global and regional policy forums and via the AFI Data Portal. The quality and success of these initiatives rests equally on two pillars – quality content and quality delivery.

Meanwhile, Bank of Zambia Governor, Dr Denny Kalyalya has commended AFI for its commitment to supporting financial inclusion efforts around the world, mostly in developing countries, and for creating a global platform for knowledge exchange and peer learning on financial inclusion matters. He said AFI had been instrumental in facilitating the development of financial inclusion policies and initiatives through its member-owned network and the global representation, as reflected by the multinational presence in this forum, and has enabled extensive global consultation and sharing of country experiences.

He said the Bank of Zambia has benefitted immensely from its membership to AFI through: upscaling the technical competencies of its staff through working group membership; training and capacity building programmes on financial inclusion matters; and access to AFI knowledge products and financial grants to support financial inclusion initiatives.

The Governor added that many countries have, in the recent past, stepped up efforts to enhance access to financial services for the underbanked and un-banked segments of their population, through financial inclusion initiatives.

"To support the efforts of AFI, the task remains for us member countries to come up with appropriate, viable and implementable financial inclusion policies that will address the challenges in our respective countries and regions. You will agree with me that it is one thing to come up with policies, but another to implement these policies and achieve the intended goals. In the case of financial inclusion policies, the ultimate objective is financial empowerment and improvement of the lives of people. This also entails reducing the inequality gaps between the poor and the rich, the urban and the rural, as well as between men and women," he said.

He elaborated that there was need to come up with practical and timely interventions in the form of formulating appropriate policies and ensuring their effective implementation cannot be overemphasized because without appropriate policy interventions that facilitate access to financial services to the disadvantaged, the vulnerable segments of represented societies would remain trapped in the vicious cycle of poverty, making it harder for them to fully participate in the economy.

"You will agree with me that access to financial services would facilitate increased participation in the formal economy and poverty reduction. Without access to financial services, it is difficult for people to meet their basic social and economic needs.


Selected panelist speaking during AFI working groups


Members of AFI working groups following presentations in Livingstone

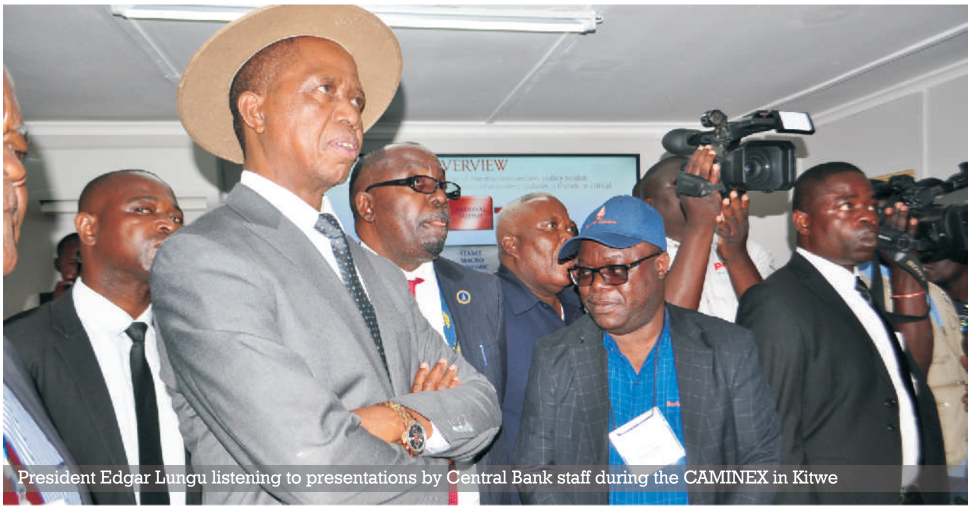
Access to financial services is an enabler for achieving the goal of inclusive societies where citizens partake in the socio-economic development of their countries. We therefore wish to urge us all that as we develop our policies, we should take all the necessary steps to ensure that there is a clear link between such financial inclusion policies and how they address the challenges facing the identified segments of the population, especially those at the bottom of the pyramid," he said.

The Governor also said development of the SME sector is a critical prerequisite for broad based economic growth and development. He said this stems from their potential to create many productive jobs. The fact that the SME sector accounts for a significant portion of any economy makes it an obvious target for enhancing financial inclusion. He added that research has shown that SMEs are disproportionately affected by market failures, barriers and inefficiencies in both the business and policy environment.

The Governor noted that productivity of SMEs is affected by access or lack of it to strategic resources, such as, skills, knowledge networks and finance. An effective SME strategy should, therefore, result in the formulation of policies that take into account the challenges of the SMEs from both the demand and supply sides, changes in regulations, markets and technologies that occur within and across borders.

The Bank of Zambia joined AFI as a principle member in 2010. Since then, it has been an active and most engaged member, represented in all six AFI Working Groups, namely Consumer Protection & Market Conduct (CEMC), Digital Financial Services (DFS), Financial Inclusion Data (FID), Financial Inclusion Strategy (FIS), Global Standards Proportionality (GSP) and SME Finance (SMEF). In addition, the Bank plays a significant role in giving advice and guidance to the AFI Management Unit through its Deputy Governor - Dr Tukiya Kankasa-Mabula, who sits as the Chair of the AFI's Gender and Women's Financial Inclusion Committee (GWFIC).

Trust BoZ for Credible Information-ECL


President Edgar Lungu listening to presentations by Central Bank staff during the CAMINEX in Kitwe


Members of the public at the BoZ stand at the CAMINEX in Kitwe


School groups also visited the stand

By Zambanker Reporter

President Edgar Lungu has guided journalists to rely on the Bank of Zambia among other Government agencies for timely and correct information about economic developments and trends, both current and prospective for correct reporting.

Speaking after touring the Central Bank stand during the Copperbelt Mining, Agriculture and Commercial Show (CAMINEX) in Kitwe, where BoZ staff explained the operations of the Bank in relation to the theme, President Lungu said it is very important that journalists report correctly to avoid misleading the public on economic and other important matters.

The President said the presentation by BoZ technocrats and what was being reported in some sectors of society through the media was at variance hence the need for media personnel to depend on authorities for accurate information in their reporting. He was accompanied to the stand by the press among others.

And Director Regional Office, Mr Visscher Bbuku thanked the President for visiting the Bank of Zambia pavilion and commended the CAMINEX organising committee for putting up a wonderful display at the just ended show which was held at the Kitwe Show grounds from 4th to 6th June 2019.

Mr Bbuku also commended the team led by Assistant Director Operations, Mr Steven Musuku for the job well done.

During this year's CAMINEX, the organising Committee put up digital displays, moving away from using mounted display charts and using 75 inch Television sets to display exhibition material in high definition thereby standardising with what the Agriculture Show in Lusaka and the International Trade Fair in Ndola have adopted.

The re-branded Networking Expo CAMINEX which was themed, "Innovative Partnerships for Empowerment & Growth" attracted a total of 120 exhibitors in the Industrial, Mining and Service Sectors, 43 foreign companies from seven (7) different countries and in addition over 150 exhibitors in the Agriculture and Livestock Industry who had put up excellent exhibitions.

Meanwhile, Assistant Director Operations, Mr Steven Musuku thanked his team from Procurement and Maintenance section for working tirelessly to make the exhibition a success, he further thanked all the exhibitors both from Lusaka and Ndola for their well thought out presentations and diligence to duty.

Among the exhibitors who participated at this year's CAMINEX included Mr Jonathan Misapa, Ms Harriet Kausa, Ms Kabinda Kawesha, Mr John Simutenda, Mr Joseph Kawaya, Ms Daisy Olatunji, Mr Taonga Chisamanga and Mr Oscar Chirwa to mention a few.

Ng'andu Bemoans Cryptocurrency Ignorance

By Zambanker Reporter

Deputy Governor-Operations Dr Bwalya Ng'andu has decried that the current widespread ignorance relating to cryptocurrency as a concept, to how it works and to the role of block chain technology, which underlies it, is a big issue.

Speaking at the opening ceremony of the Conference of Western Attorney General Africa Alliance Partnership (CWAG AAP) workshop on Virtual Currency Investigations recently, the Deputy Governor stated that ignorance surrounding cryptocurrency is unfortunately not a special preserve of the general public because it also finds its place even among those charged with the responsibility of regulating the financial landscape or fighting crime which may have its origins in the use or misuse of virtual currencies.

He indicated that some regulators around the globe have sounded warnings against cryptocurrency and have accordingly taken steps to dissuade their use through regulation, while others have likened them to Ponzi schemes. He added that central banks in particular have difficulties with them because they challenge their control over the key functions of monetary and exchange rate policy.

Dr Ng'andu noted that cryptocurrency is providing an opportunity for fraudsters to lure people into investing in what are essentially Ponzi or pyramid schemes on the pretext that their money will be invested in digital or cryptocurrency backed assets which will generate high returns in a very short period of time.

He added that the Bank of Zambia has, for instance observed a rapid rise in scams that are being perpetrated by fraudsters in the name of cryptocurrencies. He said that in a number of such frauds that the Bank of Zambia has dealt with in partnership with the Zambia Police, the Drug and Enforcement Commission and the Financial Intelligent Center, investors were promised returns on their investment in some cases calculated on the basis of 1.5% per day or a promise to triple their investment within one month.

'The unfortunate thing is that these schemes have been rapidly subscribed to; the catch being that their money will be invested in cryptocurrencies.

Since the dynamics of these currencies are largely unknown, these investors are easily lured by what Economist Joseph Stiglitz calls “techno mysticism” and for this reason investors feel no obligation to enquire into the underlying economic activity that would generate such returns and therefore give them the comfort that they have made a prudent investment decision,' he said.

Dr Ng'andu said technology is now introducing new products and services in the market at such a furious pace that regulations and laws, sometimes lag behind and regulators have to play catch up game with the law breaker.

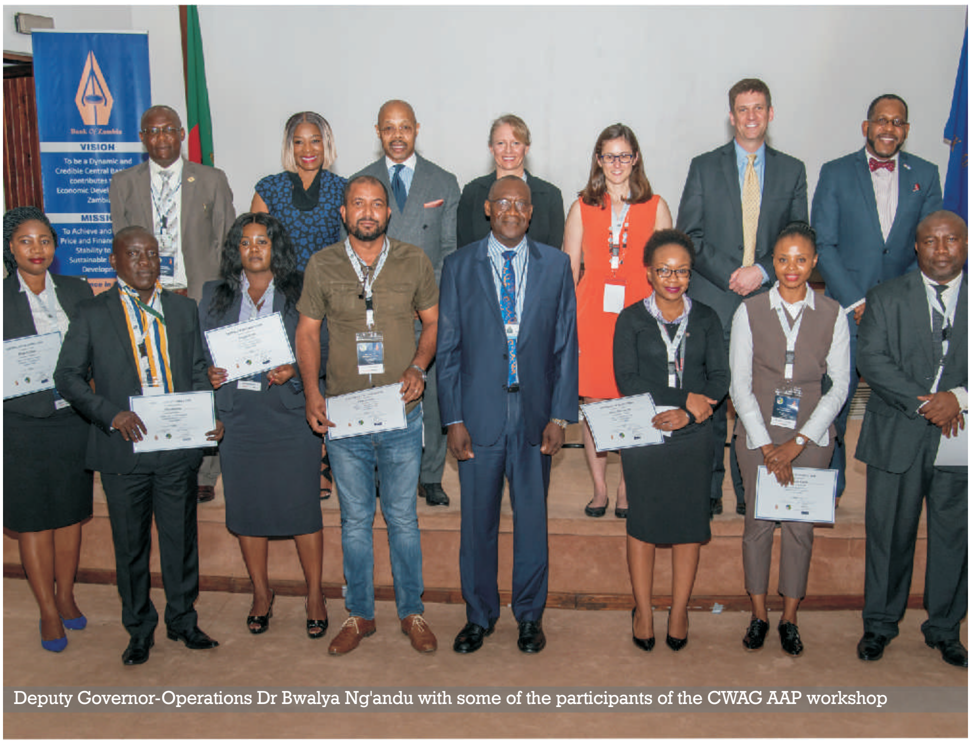
He explained that for regulators and law enforcement officers, the development that the cryptocurrency technology can facilitate organised crime is disconcerting because more often than not criminals are quicker on the uptake and tend to understand the way that they can use innovative products and services to defraud unsuspecting users. Sometimes they do this long before the capacity and capability to regulate or police is built.

“In this technologically fast changing environment it has become imperative for law enforcement agencies (regulators, investigators, enforcers, and prosecutors) to deliberately and constantly refresh their knowledge so that they are better placed to respond to the challenges that innovation throws at them.

Ladies and gentlemen, this workshop is an attempt on our part to respond to the challenges that the cryptocurrency innovation is throwing at us,” he said.

He said it is important to understand, however, that Cryptocurrencies have been created to achieve something that fiat money is not achieving or probably not doing well.

For this reason, these currencies can have powerful uses among them: the potential to achieve low cost money transfers, meaning that digital money can be sent and received at a low cost and high speed; it guarantees access to your money because it is resistant to censorship as authorities cannot freeze your account and enables its customers to make anonymous financial transactions.



Deputy Governor-Operations Dr Bwalya Ng'andu with some of the participants of the CWAG AAP workshop

BoZ Champions Access to Finance

By Zambanker Reporter

Deputy Governor-Administration Dr Tukiya Kankasa-Mabula has said the Bank of Zambia has enacted a number of regulations and developed guidelines to help ease obstacles for women, including women owned SMEs in accessing finance.

Dr Kankasa-Mabula has further indicated that the Bank has championed and led private sector actions to address the financial access gap for women through research, capacity building programmes and the launch of dedicated women's market programmes.

In the context of financial inclusion, access to finance for women entrepreneurs entails: account ownership (savings account, current account, e-wallet, or transactional account) for business and personal accounts; access to short term (working capital) credit and long-term finance for capital investments. In the context of SME finance, access to finance for women entrepreneurs entails making credit affordable and accessible to women entrepreneurs to expand their businesses, coupled with networks and linkages to markets. This can be achieved as follows: access to credit, supply chain finance, value chain finance; insurance (general and life insurance) and an ecosystem that combines access to finance, information, networks and markets.

Speaking at the First Regional Summit on Women Entreprenuers Finance in Abidjan, Dr Kankasa-Mabula said the revised Banking and Financial Services Act, 2017 containing new provisions on financial inclusion and consumer protection; the simplified Know Your Customer (KYC) guidelines; the Movable Property (Security Interest) Act and establishment of a Collateral Registry for movable security; and the National Payment Systems Act and E-Money Directives are among regulations and guidelines developed to create an enabling environment for entities to thrive.

She explained that in 2010, the Bank of Zambia began addressing access to finance for women entrepreneurs through dialogue and advocacy with public and private sector actors. This was mainly through a committee called the Task Force on Gender Inclusiveness (previously the FAMOS Task Force). It bought together Government ministries, regulators, a United Nations agency, a multi-lateral development bank, financial sector associations, and women's trade associations. The main constraint of the Task Force was that it functioned outside the governance structures and action plans of financial sector programmes. Measures were therefore taken to mainstream access-to-finance for women in national financial sector policies and programmes.

"From 2012 to date, the Bank of Zambia has endorsed and made commitments to: the Policy Brief on Advancing African Women's Financial Inclusion, 2012 led by African Development Bank, GIZ, and New Faces New Voices , the United Nations Sustainable Development Goals; the Alliance for Financial Inclusion (AFI) Maya Declaration; the 2015 AFI Maputo Accord on SME Finance; the 2016 AFI Denarau Action Plan on Women's Financial Inclusion; the 2018 AFI Sochi Accord on Fintech for Financial Inclusion and the SADC Financial Inclusion Strategy which recently incorporated a gender component," she said.

She said these commitments are domesticated at national level and provide impetus for in-country implementation, supported by funding for projects by the international organisations. Under these international protocols, Bank of Zambia has committed to several initiatives which are in progress. These are to: formulate an SME Finance Strategy by the end of 2019. (Maputo Accord); extend the application of the Female and Male Operated Small enterprises (FAMOS) toolkit by financial services providers from its current focus on women-owned SMEs to encompass financial services for SMEs (Maputo Accord); facilitate a 50% reduction in the gender gap for formal financial services inclusion from a gap of 10% (recorded in 2015) to 5% by 2022 (Denarau Accord); integrate and implement the AFI Supply Side Sex-Disaggregated Toolkit and gender indicators in the monitoring and evaluation framework for financial and digital inclusion indicators of the National Financial Inclusion Strategy and the Bank of Zambia (Denarau Accord) and to undertake a survey to determine the gender gap in the use of digital financial services (Sochi Accord).

She explained that in 2010, the Bank of Zambia began addressing access to finance for women entrepreneurs through dialogue and advocacy with public and private sector actors.

The Bank through the Financial Sector Development Plan (FSDP), Phase 2 funded policy dialogue and research on access to finance for women also contributed to Zambia's hosting of the 3rd African Women Entrepreneurship Summit (AWES) and the National Economic Empowerment Jubilee Exposition for women entrepreneurs and policy makers in July 2014.

Women-SMEs have benefitted from financial education on business management, farming and personal financial management through the National Strategy on Financial Education 2012 – 2017. The National Financial Inclusion Strategy 2017 – 2022 targets to increase overall financial inclusion (formal and informal) to 80% by 2022. The target for formal financial inclusion is 70 %. For women, the target is to increase their financial inclusion to 80% by 2022 from 57% in 2015. It will be achieved by integrating women's financial inclusion as a cross-cutting theme in the strategy.

Furthermore, two objectives in the Bank of Zambia 2016 – 2019 Strategic Plan are to increase formal financial inclusion by 16 percentage points and achieve efficiency of payment and settlement systems in order to improve financial intermediation and; to entrench gender mainstreaming in the bank and the financial sector so as to contribute to gender equality in Zambia. These have been operationalised by a Gender Policy and Strategy, champions at Executive Management level, the recruitment of a Gender Specialist, training Bank staff, research and partnerships to develop women's market programmes in financial services providers.

The Central Bank has also collaborated with Financial Sector Deepening Zambia (FSDZ) and the United Nations Capital Development Fund (UNCDF) on research to provide data on the use of financial services of women and women-SMEs. This is to inform policy initiatives and drive the usage of DFS, among others. These include: the 2018 UNCDF report on State of the Digital Financial Services Market in Zambia launched on 11 April 2019; the 2017 UNCDF report on State of the Digital Financial Services Market in Zambia released in 2018. In this report, only 40% of respondents said that they track sex-disaggregated data. Of those respondents monitoring this data, 33% of their customers were women; the 2015 Gender Analytics of the FinScope Report by FSDZ; the research on Women's Access to Financial Services in Zambia, by BoZ, New Faces New Voices and FSDZ and a 2018 UNCDF report titled 'Labour Pains – Discovering the Financial Lives of Zambian Mothers'.

"The Bank partnered with International Labour Organisation to facilitate the Female and Male Operated Small Enterprises (FAMOS) self-check in financial services providers (FSPs) since 2014. The Bank has since conducted eleven (11) FAMOS checks in financial services providers. The results of FAMOS are Action Plans and capacity building programmes to enable financial services providers get management buy-in, improve their strategies, conduct data analysis and develop business models for serving women-SMEs," she said.

Similarly, Dr Kankasa-Mabula explained that the Bank had partnered with the Global Banking Alliance for Women (GBA) to host the All Stars Africa Academy and train banks in Africa on how to develop a women's value preposition and serve women better in 2017. In 2018, the Bank partnered with FMO Entrepreneurial Development Bank of the Netherlands to provide training on women's financial inclusion for the central bank, commercial banks, and female entrepreneurs. A follow up training will be conducted in 2019 to support a credit guarantee facility that FMO is planning for women-SMEs.

Examples of facilitation of Women's Market programmes under the GBA include: Stanbic Bank, which is a member of the GBA. This helped it launch the Anakazi women's market programme which is fashioned on the value proposition of access to finance, information and networks; Zanaco Bank was also admitted to the GBA membership and is due to launch a women's banking programme in Quarter-2 of 2019 and the MTN Mobile Money and Jumo Financial Services Zambia have partnered to provide credit (called 'Kongola') to women-SMEs via mobile money. SMS messages are sent to the women-SMEs advising that the loan amounts can increase gradually if they have a good credit track record by repaying loans on time. This enables the women-SMEs to grow their businesses.

Furthermore, Zambia is one of the participating countries in the World Bank Women Entrepreneurs Finance Initiative (We-Fi). The Zambian pilot is aimed at supporting the growth of women-led SMEs in the country by catalyzing access to finance and capacity building of women entrepreneurs. The objective of the Women Entrepreneurs Finance Initiative (We-Fi) is to address financial and non-financial constraints faced by women-owned/led SMEs in World Bank (IDA and IBRD) eligible countries and territories. The We-Fi aims to achieve this by mobilising more than US$ 1 billion in commercial and IFC finance for entities that provide women entrepreneurs with access to debt, equity, venture capital, insurance products, capacity building, networks and mentors, and opportunities to link with domestic and global markets, and for governments to improve the business environment for women-owned/led SMEs.

The Zambia WeFi program is strongly aligned with ongoing Government initiatives, Bank of Zambia commitments to AFI (the Denarau and Sochi Accords) and aims to build on analytical and technical assistance work by Government of Zambia, World Bank and other development partners on women access to finance and entrepreneurship.

The Zambia We-Fi project consists of three components: 'Access to credit'. This component will support capacity building to financial institutions to design and pilot of movable asset-based lending (MABL) and FinTech based credit product for women-SMEs. The second component is 'Access to Insurance Products'. The proposed activities will support the design, piloting and refinement of a digital insurance product for women-SMEs.

The third component is 'Capacity building and access to networks'. Under this component, financial management skills will be delivered to women entrepreneurs to leverage new financial products and services and plan for business growth. It will also facilitate access to dedicated peer networks, trade associations and business networking activities.

The main beneficiaries under the Zambia WeFi project include the following: women-led and women-owned SMEs (between 200 to 500 women); participating financial institutions (including those that have done the FAMOS check); and women business associations and local training institutions. The World Bank Zambia We-Fi Program will be launched in 2019 and implemented by the Ministry of Commerce, Trade and Industry, Ministry of Finance and Bank of Zambia.

The objective of the discussion forum was to share best practices/lessons on what types of policy reforms and private sector actions have worked best to help with access to finance for women entrepreneurs, how technology can be an enabler and what types of policy reforms and private sector actions are needed to address the financial access gap.


Dr Tukiya Kankasa-Mabula

Kalyalya appeals for Entrepreneurship Support

Bank of Zambia Governor, Dr Denny Kalyalya participated in the Barclays Bank ground breaking ceremony

By Zambanker Reporter

Bank of Zambia Governor, Dr Denny Kalyalya has appealed to financial institutions to play an enhanced role in supporting entrepreneurs and innovative small businesses by closing knowledge gaps surrounding different financial products as well as providing access to appropriate funding. Speaking at the ground-breaking ceremony of Barclays Bank Zambia Plc new head office in Lusaka recently,

Dr Kalyalya said Small and Medium Enterprises (SMEs) will only really start to become drivers of economic growth when they have access to finance, which will lead to up scaled production capacity, generation of sizeable returns and contribution to the tax base.

"You will agree with me that SMEs have the potential to create many productive jobs and contribute significantly to our economy, if well supported. Today, as we commission this site, it is my hope that the facility will be of the highest standards and that the new premises will provide an environment for the provision of innovative financial solutions to the public as an endorsement of the Absa Group brand promise *"Bringing Possibilities to Life,"* he said.

He noted that the new Barclays office also marks a new chapter for one of Zambia's oldest banks, which had been in the country for over a century having opened its first branch in June 1918. Barclays has a widespread presence across the country with 41 branches, 103 ATMs, and other digital service delivery channels. It employs in excess of 800 staff.

"Barclays Bank Zambia is one of the biggest banks in the Zambian banking industry and plays a significant role in the market through the various products and services as just indicated.

It is our expectation that Absa Group Limited, the parent company of Barclays Bank Zambia Plc, will continue to build on the foundation and heritage that has been established over the last century. The bank is expected to remain a committed partner in driving financial sector development and supporting the country's economic development," he said.

The Governor further urged Barclays Bank Zambia and Absa Group Limited to explore ways in which the bank could assist in addressing some of the challenges facing the country, such as, load shedding, as this has potential to further negatively impact the country's economic growth. He said it was the expectation of the Central Bank that Barclays Bank Zambia will come up with products and services that will contribute to the enhancement of alternative energy sources to mitigate the threat on economic growth and indeed financial stability arising from load shedding.

Dr Kalyalya appealed to Absa Group Limited, through Barclays Zambia, to continue with its efforts and strategies that promote financial system stability, support monetary policy, enhance financial inclusion and gender mainstreaming for sustainable development in line with the Bank of Zambia's strategic objectives.

He applauded the Board, management, and staff of Barclays Bank Zambia and Absa Group Limited, for the initiative which will introduce convenience and world class banking services and facilities to its clientele.

He said the timing of the project was also a good indication that the Absa Group is opportunity focused. He hoped that this would rub on to the other players in the economy as well.

The Governor, Barclays and Absa senior officials at the Barclays Bank new headquarters ground breaking ceremony

BoZ Calls for More Digital Payments

By Zambanker Reporter

Deputy Governor Operations, Dr Bwalya Ng'andu has urged local merchants to accept the use of digital payments in their business transactions and the general public to take advantage of digital payments when conducting transactions. He said this could encourage people to use more digital financial services (DFS) and refrain from always withdrawing cash to make payments.

Speaking at the launch of the ZamPay integration to the Visa and MasterCard Platforms in Lusaka recently, Dr Ng'andu explained that the current reliance on cash and hence the presence of huge amounts of cash in circulation today is owed to people still preferring to move with cash as opposed to using alternative payment methods.

ZamPay, is an e-money application which allows customers on any network to use their mobile phone as a digital wallet and conduct payment transactions for goods and services such as: payments for groceries, meals at eateries, items at clothing stores and other retail places. The main feature of ZamPay is the Quick Response (QR) Code payment function. It allows a customer to scan a retailers/merchant QR code and they will be on their way to a hassle free, cashless society.

Dr Ng'andu commended Zamtel for its efforts in the recent past to expand the use of digital based payments in the country. A good example of this effort by the company was the launching in 2017 of the mobile money solution called 'Zamtel Kwacha'. With ZamPay's integration to the Visa and MasterCard Platforms, a customer is able to electronically transfer money from their bank accounts to their ZamPay wallets and vice versa.

'This innovation is truly transformative as it will ease the process of transacting which in turn will positively impact on people's day to day lives because of the efficiency and convenience gains that it will bring about. The significance of the solution provided becomes more evident if we consider that one of the challenges that customers currently face when using mobile money arises from the poor integration of systems between the banks and the mobile money service providers. Money transfer will now become easier going forward much more than it has ever been before,' he said.

He explained that customers often have to walk to mobile money outlets to deposit money in their mobile money wallets before they can engage in further transactions. With the integration of ZamPay to the Visa and MasterCard platforms however, this inconvenience will become something of the past since the loading of cash from one's bank account into their wallet can be done in the comfort of their home.

He indicated that the efficiency and convenience in payments and the safety which comes with the fact that customers will also no longer be required to move with physical cash to make deposits into their wallets basically changes the financial sector landscape in a way we have never seen before.

He added that the access and use of financial digital services contribute to the achievement of the financial inclusion targets that the Bank of Zambia and other financial sector regulators have set. Various digital financial services (DFS) are available for users to make not only payments, but transfers, savings, credit and insurance. 'The increasing number of people using digital financial services (DFS) has given millions of consumers, who previously had little or no access to bank accounts, access to financial services for the first time,' he said.

'Digital finance when applied to the lives of people living in rural areas and those of low-income status, can improve their access to basic services, thereby leading to greater financial inclusion in rural areas. It can improve access to finance for bank customers in rural and poor communities who cannot conveniently access banks located in the formal sector due to poor transportation networks and long queuing hours in banking halls, and will reduce bank customers' presence in bank branches and reduce cost because banks would cost-efficiently maintain fewer branches, and the lower costs would have positive effects for banks' profitability,' he said.

The Deputy Governor said the easy-to-use digital services provide a more convenient platform for individuals to carry out basic financial transactions including payments for electricity, water supply, money transfer to family and friends etc. He explained that if digital finance platforms are easy-to-use, users of digital financial services can help inform and persuade their peers in the formal and informal (rural) sector to take advantage of the services, leading to a greater number of individuals using digital finance thereby leading to greater financial inclusion.

The Bank of Zambia has prioritised the promotion of digital financial services (DFS) as an alternative to the use of cash. A number of initiatives have since been put into motion into support this. Among others, these include; working with Government and other private and public stakeholders to increase financial inclusion, by increasing access to formal and informal financial services. The Bank has also constituted a Working Group on DFS working with financial institutions and other stakeholders in carrying out sensitisation campaigns that highlight the importance of using digital financial services.

Dr Bwalya Ng'andu

Photo Focus

Deputy Governor-Operations Dr Bwalya Nga'ndu making a contribution during the Cheshire Homes fundraising walk

Director Board Services Ms Namwandi Ndhlovu presenting a farewell drawing to outgoing Assistant Director Communications Mr Kanguya Mayondi

Bank of Zambia team leading the Cheshire Homes fundraising walk

Members of staff with their families during the Cheshire Homes fundraising walk

Regional Office staff at the Labour Day match past

Regional Office staff take to the Labour Day Awards giving ceremony dance floor

Recipients of Labour Day awards accompanied by Deputy Governor-Administration and ZUFIAW representatives

Photo Focus

Assistant Director Strategy and Risk Mr Moonga Mizinga in discussion with chairpersons of commercial banks at Pamodzi Hotel recently

Acting Assistant Director Communications Ms Besnat Mwanza, Bank Governor Dr Denny Kalyalya and Atlasmara Chief Executive Officer Mr James Koni at the Post MPC breakfast meeting

Director Banking, Currency and Payment Systems Mr Lazarous Kamanga shares notes with NATSAVE Chief Executive Officer Mrs Mukwandi Chibesakunda during Post Monetary Policy Breakfast Meeting at Twangale

Members of staff following the MPC Announcement and Media Briefing

Bank of Zambia staff taking a question from a member of staff of a commercial bank during the capital flows workshop conducted in the ICT Training Centre

Director Board Services, Mrs Namwandi Ndhlovu, Governor's Executive Assistant Mr Danny Kaliba and Assistant Director Financial Markets Ms Nancy Mwilwa during Governor's meeting with Chairpersons of Commercial Banks at Pamodzi Hotel

Board Services Department staff at a farewell luncheon for former Assistant Director Communications Mr Kanguya Mayondi

Procurement and Maintenance Services staff at a departmental outing recently

Cybersecurity deserves utmost attention

Dr Tukiya Kankasa-Mabula

Workshop delegates following proceedings

By Zambanker Reporter

Deputy Governor Administration Dr Tukiya Kankasa-Mabula has said cybersecurity is a large scale operational risk deserving utmost attention by the financial sector. Speaking at a workshop jointly conducted by the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) and the Bank of Zambia on "Cyber Security in the Financial Services Sector", Dr Kankasa-Mabula said it is important that the financial sector develop the necessary systems and cultures to deal with this risk.

She added that key to the development and operation of these systems and cultures was the need to nurture talent capable of addressing cyber security threats through prompt detection, investigation, reporting, prosecution and prevention.

"Cyber risks should be viewed from an enterprise-wide perspective. ICT, Security, Operations, Credit Control, Anti-Money Laundering and Fraud Investigation departments need to break down the various silos to facilitate faster detection and prevention of cyber financial crimes. No single department or function can be an island in this battle. In the same vein, no bank or financial institution can be an island. One financial institution brought down by a cyber-attack would impact other banks and could ultimately destabilise the entire financial sector. It is for this reason that I call upon all CEOs here present to ensure that Cyber Security is entrenched in our day-to-day operations and strategic plans," she said.

The Deputy Governor further noted that other countries have set up Computer Incident Response Teams (CIRTs) for various industries, including the Financial Sector and urged local players through the Bankers Association of Zambia in collaboration with the Bank of Zambia to seriously consider setting up one in Zambia. He said the CIRT would, not only assist in ensuring that all financial institutions were collaborating and working as one in mitigating cyber risks, but also enable information sharing.

Earlier, Dr Kankasa-Mabula said that Information and Communication Technology (ICT) have over the years permeated all aspects of society and in particular become the mainstay of the world's financial sector infrastructure. He said while these ever emerging technologies such as Digital transformation, Artificial Intelligence, Internet of Things, Cloud Computing, Enterprise Mobility and Mobile Banking, had brought about efficiency and increased innovations, they had also exposed the financial services sector to cybercrime.

He cited some notable incidents of cybercrime as, the attack on the Central Bank of Bangladesh, Russian retail bank and seven banks in the United Kingdom.

"The financial services sector is a key target by criminals because it is the custodian of large amount of funds in the economy. For this same reason, the financial services sector has to also deal with other types of risks, which among others include, fraud, extortion, money laundering, illicit financial flows, market manipulation, data theft, and currency attacks.

With statistics showing an increase of cyber-attacks in the financial sector, the importance of ensuring that our institutions are cyber resilient cannot be over-emphasized," she said.

Macroeconomics of Money Laundering

Dr Bwalya Ng'andu

By Zambanker Reporter

Deputy Governor-Operations, Dr Bwalya Ng'andu has urged the public to play their part in creating a hostile environment for money launders in order to safeguard and protect the integrity of the financial system and the economy. Speaking at the launch of the fifth annual Trends Report by the Financial Intelligence Centre, Dr Ng'andu warned that money laundering can impose costs on economies if left unchecked.

He said money laundering has the potential to cause distortions in the economy by making it difficult for legitimate businesses to compete with companies that are being financed by proceeds of crime because companies funded by proceeds of crime can price their products and services below production cost and thus provide unfair competition to companies that finance their operations from getting loans from the financial sector.

He indicated that in most cases these companies subsidise their products and are not necessarily interested in promoting efficiency and growth but rather with cleaning their illicit funds. Legitimate companies are therefore priced out of business with a negative effect on the economy in the long term.

He explained that money laundering can undermine the stability of the financial system as it provides a low cost vehicle for illicit funds to be laundered. In addition, the flows of large sums of laundered funds passing through financial system has the potential to destabilise the financial services providers as well as damage the integrity of the financial system and cause reputational loss for the financial system. This may result in loss of public confidence and trust in the financial system. Large flows of funds into and out of the country can also have a negative impact on the exchange rate and result in higher inflation and macroeconomic instability.

"Money laundering can also lead to loss of government revenue through tax evasion-affecting the quality of delivery of social amenities to its citizens. Money laundering activities make it difficult for the government to collect revenue because transactions usually take place in the underground economy. Further money laundering may result in the transfer of economic power from the market, the government and the citizens to criminals who may then abet the perpetuation of predicate offences to generate more proceeds of crime," he said.

The Deputy Governor elaborated that money laundering can lead to loss of correspondent banking relationships given that as part of the global effort to implement the Financial Action Task Force recommendations, many countries have paid significant attention on the extent to which financial service providers comply with AML/CFT standards.

He said where financial service providers are determined to have a weak compliance culture, and the country has some strategic deficiencies in implementing these requirements, financial service providers may be denied access to correspondent banking relationships through a process called de-risking. The effect of de-risking is that a country is isolated from the international financial system and may therefore not be able to effectively perform its role in settling transactions in the economy.

"Further, the threat that money laundering and terrorist financing activities present has become very complicated because it is unfortunately riding on the rapid innovations in the financial information, technology and communication sector, the very platform responsible for most of the advancement we are witnessing in the financial services sector. Current estimates by the United Nations Office on Drugs and Crime suggest that about 2-5% of global GDP or US$800 – US$2 trillion in current US dollar is laundered every year," he said.

He added that although Zambia has in place appropriate legal, regulatory, institutional and operational frameworks to combat money laundering, a lot more still needs to be done in order to protect the economy and the financial system from abuse by criminals. Some of the deficiencies in our AML/CFT framework highlighted during the recent mutual evaluation process included among others: weaknesses in implementing a risk based approach to AML/CFT in the country; weaknesses in obtaining ultimate beneficial ownership information which is a crucial pillar in an effective AML/CFT system; weak supervision of designated non-financial professional businesses at market entry and on an on-going basis;

poor management system on AML/CFT statistics; and weak implementation of United Nations Security Council Resolutions.

He said the identified weaknesses in the local framework can be addressed if everybody played their respective roles to effectively fight money laundering in the country.

Dr Kankasa-Mabula with BoZ and Stanbic Staff

Reward & Nurture Exceptional People

By Zambanker Reporter

Deputy Governor-Administration Dr Tukiya Kankasa-Mabula has appealed to the financial sector to begin rewarding exceptional people and nurture them into leaders who can drive the economy forward. Speaking at the launch of the Stanbic Bank Ignite Regional Women Leadership Circle in Lusaka recently, Dr Kankasa-Mabula explained that the financial sector or indeed any country's economy for that matter cannot grow without investing in programmes that empower exceptional individuals with the skills they need to become better leaders.

She said the significance of this lay in the fact that doing business in Africa requires people with the ability to discern, be imaginative and bold when anticipating and overcoming the unique challenges the continent presents.

'The key to unlocking this potential lies in exceptional leadership – which is something I have been reliably informed the South & Central Women's Leadership Circle seeks to ignite.

The Ignite Leadership Circle clearly presents a great opportunity for exponential personal and professional growth, and a catalyst milestone in the careers of its participants,' she said.

She commended Standard Bank Group for not only taking the initiative and creating such a platform but also going a step further to design it in such a way that it acts as critical driver for gender balance when it comes to leadership roles.

She indicated the Women's Leadership Circle is one of the most important initiatives

to grace the finance sector in recent years in as far as the fight for gender equality was concerned, adding that the Ignite presents a great opportunity for exponential personal and professional growth, and a catalyst milestone in the careers of its participants.

She stated that the objectives of the Ignite Leadership Circle to cultivate leaders with exceptional character and skills fall in line with the Bank of Zambia's goal to promote women empowerment and increase their participation in the development of the banking sector as well as the economy.

'Through this initiative, the Standard Bank Group has set a good example of how financial institutions can employ out-of-the-box thinking to become key drivers of development and gender parity in leadership roles.

I must therefore commend the Standard Bank Group for not only taking the initiative and creating such a platform but also going a step further to design it in such a way that it acts as a critical driver for gender balance when it comes to leadership roles,' she said.

Dr Kankasa-Mabula appealed to the participants to empower others with the skills attained and to use the opportunity continually to seek excellence.

She further urged them to use their talent and to take their countries to new heights, and to ensure Africa becomes the next frontier for economic development and technological advancement. It is our responsibility to drive Africa's growth, because this is our home.

2018 Economic Overview

Monetary policy in 2018 continued to focus on maintaining price stability, by ensuring that inflation remained within the target range of 6-8%. The Bank relied on the Policy Rate as a key signal for its monetary policy stance. Decisions on the monetary policy stance were guided by the medium-term inflation outlook as well as a broader set of macroeconomic indicators, such as, the outturn in inflation, credit conditions, economic growth, financial sector stability and risks to inflation.

The Bank continued to use market based monetary policy instruments to maintain the 5-day interbank rate within +/- 1 percentage point around the Policy Rate. Inflation on average was higher in 2018 than in 2017, but was maintained broadly within the target range during the year except in August and October when it breached the upper bound of the target range. However, by the end of the year, it reverted to the target range and closed 2018 at 7.9%. The build-up in inflationary pressures was mainly on account of rising food prices, exchange rate depreciation and upward adjustment of fuel pump prices.

After a period of successive easing of monetary policy that started in 2017, the Policy Rate was lowered to 9.75% in February 2018 from 10.25% and was maintained at that level for the rest of the year. In addition, the statutory reserve ratio was adjusted downwards to 5.0% from 8.0% and was held at that level for the remainder of the year. The Bank considered this policy stance appropriate in maintaining inflation within the 6 - 8% target band as well as supporting private sector credit growth and economic activity.

Market liquidity conditions improved as monetary policy remained accommodative. Consequently, the overnight interbank rate closed the year slightly lower at 9.88% from 9.94% in December 2017. This was well within the Policy Rate corridor. Broad money grew at a slower pace in 2018 than in 2017 owing to a slowdown in domestic credit growth brought about by the moderation in expansion of lending to Government. However, credit to private enterprises and households picked up. Commercial Banks lending rates, although exhibiting a declining trend, remained elevated in 2018, reflecting in part, high yields on Government securities, high cost of wholesale funds, and elevated non-performing loans.

Yield rates on Government securities increased mainly on account of low demand and a higher risk premium induced by sovereign credit rating downgrades during the year.

However, the outstanding stock of Government securities rose by 20.7% to K58.3 billion as at end-December 2018, due to private placements of Government bonds to selected institutions.

Zambia's external sector performance in 2018 was unfavourable, with the country recording an overall balance of payments deficit of US $387.8 million against a surplus of US $18.3 million in 2017. This was largely on account of the unfavourable performance in the financial account which more than outweighed the improvements in the current and capital accounts.

The financial account registered a deficit against a surplus in 2017 mainly on account of a marked reduction in direct investment inflows and net portfolio investment outflows. The current and financial account deficits were mainly financed by a drawdown of gross international reserves.

The country's international reserves continued to decline due to high external debt service payments. As at end- December 2018, gross international reserves declined to US$1.6 billion, equivalent to 1.8 months of import cover, from US $2.1 billion in 2017 (2.9 months of import cover). The decline in reserves was moderated by purchases of US$346.0 million from the market and mineral royalty payments by the mines amounting to US$134.9 million in 2018.

Global growth remained positive, although it slowed down to 3.7% in 2018 from 3.8% in 2017 driven by subdued economic activities in advanced and some emerging market economies. In the Sub-Saharan Africa (SSA) region, growth remained unchanged explained by the mixed performance in some of the region's largest economies, Nigeria, South Africa, and Angola.

Domestic economic activity picked up in 2018, with preliminary data indicating higher growth in real GDP at 3.7%, from 3.5% in 2017. The increase in growth was supported by strong performance in the mining, manufacturing, wholesale and retail trade, and information and communications sectors. On the fiscal side, preliminary estimates indicate that the fiscal deficit at 7.6% of GDP was above the target of 6.1%, largely reflecting higher than programmed spending on capital projects and interest payments on external and domestic debt. Fiscal consolidation thus remains a critical imperative for macroeconomic stability and higher economic growth.

The overall performance of the banking and non-banking financial institutions sectors remained stable in 2018. However, the financial sector as a whole continued to be adversely affected by the high ratio of non-performing loans to total loans at 11.0%, which persistently stayed above the maximum prudential limit of 10.0% although it declined during the year.

The Bank continued to undertake legal and regulatory reforms aimed at aligning its supervisory framework with international best practice. One of the key developments that took place in 2018 was the coming into effect of the revised Banking and Financial Services Act, No. 7 of 2017, which enhanced the Bank's capacity to address challenges in the financial sector, particularly in areas, such as, consumer protection and corporate governance.

The Bank launched banknotes with enhanced security features during the year with the aim of protecting the Zambian currency from counterfeiting and safeguarding the integrity of the currency. The Bank also undertook various initiatives to increase formal financial inclusion aimed at improving living standards of the people generally.

Advances in the use of financial technology continued to enhance access to financial services, as reflected in the rising volume of transactions on mobile money platforms. In this regard, the Bank will continue to implement policies and interventions that promote the use of digital financial services to enhance financial inclusion.

In the coming year, the Bank will continue to implement the 2016-2019 Strategic Plan and deliver on its primary mandate of maintaining price and financial system stability.

BOZ pursues financial inclusion in collaboration with the AFI

Mr Marvin Ilunga

Mr Godwin Sichone

Marvin Ilunga and Godwin Sichone

Research by the Consultative Group to Assist the Poor (CGAP), an independent think tank that works to empower poor people to capture opportunities and build resilience, has found that policy makers, including the Government of Zambia, have articulated financial inclusion objectives in the conviction that it can help poor households improve their lives and spur economic activity.

Evidence from CGAP work reveals that this desired type of positive impact can be premised on three fronts, as follows:

1. The first shows the extent to which poor households typically live and work in the informal economy and explores the implications of how access and use of financial services can benefit them;
2. The second premise is of recent empirical impact evidence at the microeconomic, local economy, and macroeconomic levels; and,
3. The third proposes that low-cost financial systems can generate additional, indirect benefits for other public-sector and private-sector efforts.

From the CGAP studies, the accumulating body of evidence supports policy makers' assessments that developing inclusive financial systems is an important component for economic and social progress on the development agenda.

The CGAP propositions are clearly in agreement with the Bank of Zambia's Strategic Plan (2016 – 2019) Objective no. 3 that proposes improved formal financial inclusion by 16 percentage points, moving the national rates from about 38% to 50% by 2019, to contribute to enhanced living standards.

The Alliance for Financial Inclusion (AFI)

In the quest to improve formal and informal financial inclusion, the Bank of Zambia has since 2010 partnered with Alliance for Financial Inclusion (AFI), a non-profit making organisation led by AFI members and partners who include central banks and other financial regulatory institutions from developing countries.

It is under this collaboration that the Bank of Zambia, co-hosted the AFI 12th SME Finance (SMEF) and 14th Financial Inclusion Strategy Peer Learning Group (FISPLG) Working Group meetings from 1-4 April 2019 at Courtyard Hotel in Livingstone, Zambia's tourist capital.

The AFI membership spans more than 90 countries working together to accelerate the adoption of proven and innovative financial inclusion policy solutions with the ultimate aim of making financial services more accessible to the world's unbanked, estimated to be 3 billion people. The Bank of Zambia became a principle member of AFI in 2010.

AFI Delegates

AFI Working Groups

The working groups represent the six thematic financial inclusion policy areas that AFI actively promotes:

- Consumer Empowerment and Market Conduct (CEMC) Working Group
- Financial Inclusion Strategy (FIS) Peer Learning Group;
- Financial Inclusion Data (FID) Working Group;
- Proportionate Application of Global Standards (GSP) Working Group;
- Digital Financial Services (DFS) Working Group;
- SME Finance (SMEF) Working Group

The SMEF working group is aimed at provides a forum for financial policymakers to discuss, innovate and jointly create smart policies that facilitate small and medium enterprises' (SMEs) access to formal financial services, particularly, access to finance. The FISPLG WG, on the other hand, provides support mechanisms for countries in developing national financial inclusion strategies as frameworks to guide policy and regulatory reforms.

The Working Group Meetings

The working group meetings drew one hundred and fifty (150) participants from across the globe. This was the second time Zambia hosted AFI working group meetings. Dr Denny Kalyalya, Bank of Zambia Governor, flagged by Mr Nobert Mumba, the AFI Deputy Executive Director, officially launched the meetings. The first and last days of the meetings were joint sessions for the two working groups, while breakaway sessions were held on Day 2 and 3. During the meetings, simultaneous interpretation services were provided in English, French and Spanish by local interpreters.

Key Discussion Topics

Zambia's Financial Inclusion Journey

The Bank of Zambia and other key national stakeholders such as Rural Finance Expansion Programme (RuFEP) and Financial Sector Deepening Zambia (FSDZ) showcased Zambia's financial inclusion journey by presenting the various financial inclusion initiatives being implemented across the country, including the National financial Inclusion strategy (NFIS). Also discussed were the challenges, opportunities and policy solutions for bringing the informal sector into the formal financial system. This came out as a key challenge that almost every member country was facing. The average size of the informal sector from 158 countries over the period 1991 to 2015 was estimated at 31.9 percent, with the largest being in Bolivia at 62.3 percent and the lowest in Switzerland at 7.2 percent.

Advancing Financial Inclusion in the Rural Areas: Challenges for Households and MSMEs

Another interesting topic covered was that of "Advancing Financial Inclusion in the Rural Areas: Challenges for Households and MSMEs". It was acknowledged that in a changing global economy, amidst financial crises, inclusive rural finance remains a crucial element in rural transformation, reaching only 10 percent of rural communities. Numerous constraints, such as poor infrastructure, dispersed demand, client education, collateral limitations and other inherent risks affecting smallholder farmers that discourage the private sector from investing.

Green SME finance: SME Finance and green financial inclusion

It is now widely accepted in the AFI network and beyond that climate change poses a serious threat to development. Many of the countries represented in AFI are vulnerable to changing climates. For example, just within our Sothern African neighborhood, Cyclone Idai hit Mozambique, Malawi and Zimbabwe, leaving trails of destruction and caused more than 1,000 deaths.

Women's Savings Groups

This session highlighted the role of governments in promoting women's savings groups to increase their financial inclusion. More specifically, the discussed focused on the importance of strengthening the promotion of savings groups within National Financial Inclusion Strategies and related regulation by addressing the underlying constraints to women's financial inclusion and increasing women's empowerment. The role of savings groups and the ways in which they can be integrated into NFIS and regulation were explored.

Implementation of NFIS

Member countries that had experienced new developments or initiatives relating to relating NFIS gave updates on such initiatives /policies. The discussion also covered "National Strategies and Climate Change" and "Integrating Inclusive Insurance in NFIS".

The Social Side of the Meetings

The participants were treated to four social night events. A welcome cocktail was organized in the evening of the first day of meetings at Avani Hotel. On the second day, dinner was hosted at the David Livingstone Hotel. A Cultural Night event was held at Chrismar Hotel on Day 3 of the meetings. At this event, participants donned traditional outfit. The event was also attended by Chief Mukuni of the Leya people as a special guest. Other outdoor activities included visits to the Mosi-O-Tunya National Park, the Victoria Falls, Mukuni Village and a sunset boat cruise on the African Queen. Boma Dinner was held on the last day of the meetings. At the, participants were treated to traditional food and entertainment by a local band.

Bank Governor Dr Denny Kalyalya, AFI Deputy Executive Director, Mr Nobert Mumba and Director NBFI, Freda Tamba at the AFI meetings

Organising Committee

The Bank of Zambia wishes to express gratitude to its all-weather partners without whose support the made the event a success. The BoZ – AFI meetings also received overwhelming support from local stakeholders such as the Rural Finance Expansion Programme (RuFEP), Financial Sector Deepening Zambia (FSDZ) and commercial banks through the Bankers Association of Zambia.

Appreciation is also extended to the BoZ Organising Committee led by Ms Mankolo Beyani from the Bank Supervision Department. Other members of the Committee included: Ms Maria Katepa, Mr Banji Milambo, Mr Godwin Sichone and Mr Marvin Ilunga, Mr Morton Kazembe, Ms Mirriam Lupindula, Mr Nathan Chitika, Mr Nkatya Kabwe, Ms Catherine Mukubwa, Ms Sylvia Siwale, Ms Nelly Cheelo, Mr Nickson Solochi, Mr Sydney Chilenga, Mr Nathan Chitika, Ms Susan Muntanga, Mr Thomas Chilufya, all from the Bank of Zambia.

Conclusion

The Bank of Zambia will continue to treasure its relationship financial inclusion stakeholders like the AFI as this will help the Central Bank and the nation of Zambia at large to promote and develop evidence-based policy solutions that improve the lives of the poor through the power of financial inclusion, especially now that the country in implementing the National Financial Inclusion Strategy (2017 – 2022).

Authors:

The Authors of this article, Marvin Ilunga and Godwin Sichone are Financial Sector Development Unit staff in the Non-Banks Financial Institutions Supervision Department at the Bank of Zambia.

AFI Delegates taking pictures of proceedings

Know your Director

Evans K. Luneta-Director Procurement and Maintenance Services

You were recently appointed Director PMS, tell us how you've approached the change?

First and foremost, I would like to thank Management for entrusting me with this huge responsibility of superintending over the procurement and maintenance support functions of the Bank.

This notwithstanding, the appointment came in as a surprise to me for I did not expect it to turn out that way. But my work in the risk management field and in the Governor's office had taught me valuable lessons that in life you must always be prepared and be ready to meet any challenge coming your way.

From my risk management experience, I knew that my appointment meant I have moved from the second to the first layer of corporate governance, hence, I took it as another station in my professional career.

Therefore, I approached the change in a structured and methodical manner by engaging my employees individually with a view to knowing their respective roles and challenges they face in their operations and how I can assist them overcome. I followed it up with familiarizing my myself with the compliance requirements and then the high-level policies and procedures of the Department.

How has your professional journey been like to get where you are today?

My professional journey, thus far, has seen some ups and downs, but largely exciting; in the sense that at every station of my journey I have managed to pick up some valuable lessons, which have molded me into a person I am today. However, regardless of these up and down episodes, I have continued to remain focused on my destination.

Describe one of the projects you successfully managed end-to-end. What challenges you faced and what you did to overcome them?

I have been involved in many projects in the Bank, but I have never been appointed as a Project Manager, mainly, due to my role then in risk management which effectively 'barred' me from taking up first layer responsibilities whilst I was in the second layer of the operations of the Bank. But the one project I would say I played a catalytic role from the beginning and saw it through is the introduction of risk management in the operations of the Bank. Risk management was not only new in the Bank, but also in most, if not all, of the public sector institutions in Zambia. As a project team, we had to do a lot of research to come up with the high-level documents, such as, the risk management policies, procedures and reporting templates.

Management were also very supportive by sending us abroad for capacity building and site visits. Consequently, the Bank became a net-exporter of knowledge in risk management whereby six (6) central banks in the region visited the Bank to acquaint themselves with the Bank's risk management, including, the process, reporting, governance and how to set-up similar units in their respective organisations, as well.

The establishment of the risk management unit in the Bank was not without challenges. Being a change agent, the most profound challenge faced related to the acceptable of the function among employees, as most of them were of the view that the function would be moribund and considered to be another proliferation of functions in the Bank. We managed to overcome this challenge by embarking on a continuous and rigorous sensitization campaign Bank-wide. The other challenge faced involved us, as pioneers; how do we develop a fit-for-purpose risk management framework for the Bank without any practical experience? Through our concerted efforts and determination, we managed to develop the operational risk and business continuity management frameworks. However, when it came to the development of a financial risk management framework, we did not have the requisite knowledge, so we had to engage a consultant – ICRA Consultancy Services of India, who came to develop it, including the establishment of a middle-office in the Financial Markets department.

How do you support and motivate staff in your Department?

I support my staff in the Department through many ways, including but not limited to; critically analysing their work output and discussing with them any flaws therein, having interactive discussions whether concerning work or social. In terms of social interactions, we have established a Departmental Social Fund, whose funds we continue to utilise to fund social events, such as, the one we held at Bongwe Bush Retreat in Roma Township and a boat cruise excursion at the Kafue River Cliff. Further, I motivate my staff by sending deserving and hardworking staff for training either locally or abroad, so as to enhance their professional careers and build their capacity.

What's your approach to delegating work to employees? How do you ensure that tasks are completed?

My approach to delegating work to employees

is premised on the following factors, such as, the understanding that, as the head of the department, I cannot claim to possess all the skills sets to perform all the tasks by myself. Secondly, I delegate work to employees who possess the requisite technical and supervisory skills to ensure that assignments are performed timely and to the expected standards.

Thirdly, I delegate work to employees with a view to building their capacity to perform not only the task at hand, but also developing them into dependable and trustworthy managers who the Bank can depend on in the provision of a conducive working environment for their colleagues. Therefore, delegating work to employees, especially in a multi-disciplinary department like PMS, is a daily management output of any head of department.

Once work has been delegated to an employee and submission timelines agreed, I physically follow through with the employee or if it is a project assignment, I create time to conduct a physical inspection of the deliverable.

Overall, what do you intend to achieve in your current position?

I intend to achieve many and varied things in my life, but as at the moment, I primarily intend to change the behavior and work culture of the employees in the Department with a view to building a coherent and high-performing team of employees.

How do you want to be remembered when your Central Banking journey is over?

I would like to be remembered as an honest and frank employee who made his contributions to the improvement of the working culture at the Bank.

How do you learn?

I deploy many and various strategies to enhance my knowledge, including but not limited to strategies such as, enrolling into formal education, reading any material that could expand my knowledge, listening to colleagues with rare skills set propound on their areas of expertise, engaging in intellectual and/or professional discussions with colleagues, listening to educative programmes on radio or television and observing the real-life experiences and actions of my mentors.

Who are your peers?

Outside the Bank, my peers comprise mainly my friends I was with through the education system. They include friends like Prince Sifuniso Nyumbu, who is the current General Secretary of the Gemstones and Allied Workers Union of Zambia, Chrispin Lienda – the former branch manager Kitwe branch of the Zambia National Building Society, Mex Kulombota Matakala, the Regional Manager – Central Region at ZANACO.

Within the Bank, I have had many peers some of whom have left the service of the Bank. These are my friends I was with, in the same class, at the University of Zambia. They include friends at the Bank, such as, the former senior economist – Dr. Elvis Mtonga, the former Assistant Director, foreign markets – Alex Chakufyali, the former economist – Rainford Chirwa, the former Executive Assistant to Governor Fundanga – Mwiza Mbewe and the current Assistant Director, Money Markets – Nancy Mwilwa.

In one word, describe yourself!

I would describe myself as a 'workaholic' or a 'perfectionist'.

Rethinking the Procurement Process in the Public Sector

The standard form of procurement and contracting

By Jean Couvaras Kamanga

Procurement in the Public Sector continues to be a challenging process globally with countries trying to determine what constitutes best practise. Zambia's Public Procurement Act No. 12 of 2008 was aimed at revising the law relating to procurement in order to ensure transparency and accountability in public procurement and touts open bidding as the preferred procurement model.


Ms Jean Couvaras Kamanga

Open bidding is intended to provide value for money and promote promote private sector participation through the maximum possible competition.

Following the conclusion of the bidding process, the procuring entity enters into a contract with the successful bidder who is then under an obligation to deliver the specifications of the project on agreed terms and conditions.

A key component of such contracts is to allocate risk and responsibilities to the parties, as well as to provide a mechanism through which parties can seek redress for non-performance.

Contracts are normally lump sum in nature with prices dependent on the quotes provided by the successful bidder.

However, it is no secret that procurements in the public sector continue to face challenges such as delayed performance, poor work quality, disputes between the procuring entity and the contractor, goods not corresponding with contract specifications, among other challenges.

The continuation of such challenges has led to costly, tedious and lengthy procurement processes, that in the end, do not even deliver value for money. This then begs the question, where are we going wrong?

It is perhaps a ripe time to consider where the procurement process is going wrong, and what can be done about it. It is also an excellent opportunity to critically analyze the procurement process in its current form and determine the way forward in order to ensure the process delivers value for money and leads to stakeholder satisfaction. Suffice to mention that the procurement challenges are not unique to Zambia, many countries, including the developed countries, continue to grapple with such challenges.

A number of countries have critically analyzed their procurement practices, and some have adopted alternative models of procurement such as the Alliance model, which is currently touted as one of the more successful procurement models.

The Alliance model of procurement as a possible option

The Alliance model of procurement is a model where a procuring entity and one or more service providers work as an integrated team to deliver a specific project under a contractual framework where their commercial interests are aligned with actual project outcome. It is based on project delivery through the collaborative effort of both the project owner and the various other key stakeholders that are involved in the delivery process. It is premised on the early identification and selection of the key stakeholders to the project, who are then engaged early by the procuring entity through a ***multiparty contract****.*

Alliance contracts can be used by procuring entities in delivering major capital assets, where a public sector agency works collaboratively with private sector parties (Non-Owner Participants or NOPs). All Participants work together in good faith, acting with integrity and making best-for-project decisions. Working as an integrated, collaborative team, they make unanimous decisions on all key project delivery issues.

The fundamental characteristics of Alliance Contracts

Variations of the Alliance model exist in different jurisdictions, for instance the UK uses the PPC 2000 model as well as the Two Stage Open Book, the United States of America has the Integrated Project Delivery Model while Australia used the Alliance contract. In spite of the several variations in the contract models, there are several characteristics that distinguish them from other more traditional procurement models such as the following:

- Integration of key stakeholders and the procuring entity: This entails that in a procurement relationship, the different components of the project work together to deliver a common goal. Integration involves having common goals and objectives, effective communication among the stakeholders as well as collective performance management. Among the key stakeholders who are integrated into the project cycle is the project owner themselves. They should be involved in all key decision making, and should form part of the Core Group. The project owner should not take an arm's length approach, but should be continually involved in the entire project, as should other key stakeholders. All key stakeholders as party to a multiparty contract that is signed by all the parties and clearly outlines their relationship and accountability to each other.
- Early engagement of key stakeholder during the planning phase of the procurement process: Alliancing is premised on long term procurement relationships, collaborative working and early engagement in projects as an effective way of developing trust among parties and thereby facilitating innovation. Under Alliancing contract, key stakeholders are brought in during the planning stage, it entails that they can meaningfully contribute to the further development of the planning stage, and contribute meaningfully to the potential constraints that they can foresee. Such early engagement can facilitate early identification of risks, and their management. As aptly stated by the Association of Association of Consultant Architects in the UK, "**If the parties going into a building contract do not take the trouble to find out each other's views and assumptions, but instead remain at arm's length, then it is no surprise that they will take a cynical assessment of each other's errors or omissions**". It has generally been found that the most effective way to add value and to challenge the risks of excluding contractor contributions is for clients, consultants and contractors to form a full team at an early stage of the project, establishing the

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Regulatory Uncertainty Versus Increased Demand: *The Case of Crypto Currencies*

By Calvin Habasonda

The most common approach by most regulators on crypto currencies is to warn members of the public against the risks associated with crypto currencies and advise them to be cautious when transacting or investing in such assets. The advice is given on the basis that crypto currencies are not legal tender, and are therefore not regulated. However, globally, the public continues to show interest in investing in crypto currencies particularly Bitcoin and ethereum.


Mr Habasonda

Given the notable interest in crypto currencies, there is traction by regulators to rethink their position as crypto currencies are increasingly becoming a part of our lives. This brief write-up examines some of the issues related to the regulation of crypto currencies.

Innovations around crypto currencies could have potential to impact financial sector activities of a country. These innovations have manifested in the form of financial technology commonly referred to as Fintech, and is defined as technology applied to financial services, resulting in new business models, applications, processes, products or services with an associated disruptive effect on financial markets and institutions. Technology-driven innovations in the financial sector are increasingly viewed as potential game-changers in the way financial services will be delivered in the future. In light of this, regulators should re-assess the regulatory architecture to determine whether it remains appropriate and fit for purpose.

Crypto currencies, sometimes known as crypto assets are an inevitable result of innovations taking place in the financial sector. According to consultation paper by the South African Reserve Bank (SARB,2018), crypto assets are seen as a new form of money that could have disruptive effects on payments, investments and capital raising activities in an economy.

Presently, there are very few countries that have sufficiently addressed regulatory issues around crypto currencies. The first was the United States of America, and Europe is also now setting up regulatory frameworks for crypto currencies. As it stands, there are many areas that require clarity for regulators from conceptual issues to definitional issues. In such scenario many jurisdictions have opted for a wait and see approach to the issue of crypto currencies. One key challenge in the case of crypto currencies is that they remain largely unregulated as opposed to the financial system which is heavily regulated from market entry through licensing requirements to market exit where winding up is supervised. This situation creates regulatory arbitrage for crypto currencies. In addition, crypto currencies may give rise to risks such as increase in undetected illicit financial flows, money laundering and terrorist financing, tax evasion, inappropriate market conduct and inadequate consumer protection. These risks could entail new dynamics in terms of how regulatory authorities deal with issues of the stability and integrity of the financial system.

As earlier stated, despite these risks, interest and investments in crypto currencies have continued to grow. According to Coinmarketcap (2019), the price checking website for crypto currencies, there are over two thousand crypto coins and tokens in issue globally with a total market capitalisation of over US$300 billion. However, this level of capitalisation is bound to significantly increase with the coming on board of more trusted players in the market.

It is evident that the market is moving ahead with innovations and is clearly not waiting for regulators to sort their issues. In the meantime, majority of regulators are still grappling with definitional clarity that will influence classification of crypto currencies and their subsequent regulatory treatment. The phenomenon of crypto currency is often used in the context of decentralised technology which underpins its issuance such as blockchain or distributed ledger technology. As a result, crypto currency definition usually focus on its electronic nature, its perceived function as a medium of exchange as well as its potential to fulfill the role of store of value.

While central banks have generally not warmed up to the idea that crypto assets can be classified as "currency" for fear of legitimising it as a legal tender, a few jurisdictions have taken some steps to recognise crypto currency and classified it as a unit of account. The reluctance is not unusual as central banks worldwide have the exclusive mandate and rights to issue money. Some have argued that over time, crypto currencies, if widely used, could undermine the potency of monetary policy transmission mechanisms. Further, the fact that crypto currencies will be effectively competing with fiat money raises the question of whether traditional monetary policy will remain effective under conditions where crypto currencies dominate central bank money (He, 2018). For now though, that possibility is still remote.

Another challenge with crypto currencies has to do with volatility which is an inherent part of the price discovery process. While it is currently possible to monitor demand and supply of crypto currencies, there is very little understanding of the intrinsic values that exist. The application of traditional approaches to asset valuation such as discounted cash flow models need to be clarified to provide some understanding necessary for assessing market and liquidity risks as well as leveraged positions.

Additionally, crypto currencies could have potential effects on the payments system. Similar to the possible effects on monetary policy transmission, crypto currencies could result in the emergence of a parallel and fragmented payments system. While at relatively low volumes, the risk posed is minimal, at widespread levels of usage these could compete directly with the national payments system but without appropriate regulatory oversight.

Presently, the threats to money, monetary policy transmission and payment system are remote given the current levels of crypto currencies in issue. However, some risks associated with market conduct, consumer protection and money

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roles of all parties under integrated conditional preconstruction phase agreements.

- Sharing of risks and opportunities. As opposed to the allocation of risks as done under traditional contracts, there is a collective assumption of risks under Alliance contracts. Under UK's PPC 2000, risks are identified in the 'Risk Register' and allocated to the party best able to manage those risks. Such an approach ensures that parties apportion the risks in an equitable manner so that teams continue to be responsible for the risk under their control. Parties should also be fairly compensated for the assumption of such risks.
- Under Alliance contracts, the goal is to develop commitment to developing a culture that promotes and drives Innovation and outstanding performance. Decisions are made in the best interests of the project. This perhaps remains the most challenging of all tenets of the Alliance contract, as it requires stakeholders to have true commitment to the project, and share a common vision. It requires the development of key leadership skills among the stakeholder, and especially their representatives in the Core Group.
- Joint management structure and integrated team. Under Alliance contracts, there is an integrated management team who collectively make decisions. Such teams are comprised of **members representing all the parties to the multiparty contract**. Formation of such groups help in the early detection of problems, as well as ensuring that problems do no escalate through timely interventions by the Group. The PPC 2000 for instance, uses the Core Group which is made up of different members representing all the key stakeholders for purposes of decision making. Through constant meetings of the Core Group, there is early identification of disputes which are then resolved through unanimous decision of the Group. The Core Group serves as a key risk management tool for Alliance contracts as members are able to resolve disputes collectively in order to ensure that the focus is on project delivery.
- Commitment by all parties to no disputes. Under the Alliance model of procurement, all disagreements are handled through negotiation among the parties. Parties cannot resort to other dispute resolution mechanisms such as litigation or arbitration. As a result, any claim-oriented behaviour will be avoided and the focus will be on resolving any conflicts to the best of the project. There is a clear definition of responsibilities in a no-blame culture. The parties are encouraged to focus more on finding solutions to problems, as opposed to focusing on who caused the problem. As opposed to traditional contracts that are adversarial in nature with parties only looking to their own interests, Alliance contracts encourage win-win situation that are focused on project delivery.
- All transactions and communications between participants are to be fully open-book This entails that parties operate in a transparent and honest manner towards each other in their dealings. Transactions involving resources, costs, supplies are generally available to all and information flow is unrestricted. Communication is also open. There is agreement among the parties to open-book prices to provide cost information to manage change and risk without dispute. This approach allows for analysis of costs and supply chain negotiation to achieve savings and added value. This can be opposed to the traditional contracts where the bidders provide quotes are their cost structures are not open book in nature.

Where Alliancing has Worked

The UK adopted the PPC 2000 model of procurement in 2000. To date, it has recorded unprecedented savings in its public procurement, and has not had disputes of a legal nature. Sir Michael Latham, a British Member of Parliament, has this to say on PPC 2000:

In challenging economic times when money has to go further, PPC2000 and TPC2005 offer exactly the techniques that government and the private sector need to secure "more for less" through a combination of cost savings and added value

Suffice to note that Australia which uses the Alliance model of procurement offers similar sentiments on cost savings and added value. The public sector in these countries have consistently used Alliance model for their procurement and this has resulted in unprecedented savings for their government. For instance, in the UK, during the construction of Cookham Wood Youth Justice Board New Build Young Offenders Institution, the government achieved a cost saving of 20% using the PPC 2000 and Two Stage Open Book procurement model.

Mrs Kamanga is Senior Legal in the Legal Services Department

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laundering are real and eminent when dealing in crypto currencies. Under the circumstances, it is appropriate that regulators begin to consider regulating these aspects which can also have detrimental effects to a country's economy. Clearly, it seems unlikely that interest and participation in crypto currency investments will abet. More recently,

Facebook has announced its intentions to issue crypto currency called Libra that will provide secure environment and will be supported by reserves to make it more acceptable for users. Such initiatives will only increase competition to money and therefore, sooner or later regulators will have to plan their regulatory responses to the emergency of virtual currencies.

Regulators could consider regulating exchanges through which these transactions take place and designate these exchanges as reporting entities for purposes of addressing more immediate concerns on money laundering and financing of terrorism.

In turn, reporting entities will have an obligation to perform basic know your customer requirements on all customers and transactions. In addition, regulating for market conduct and consumer protection will become more feasible if trading and investments in crypto currencies is channeled through exchanges which act as intermediaries.

Available evidence points to a continued increase in crypto currency investments if market capitalisation is anything to go by. The situation as it exists allows those intending to make investments or trade in these currencies to directly contact the issuer through internet based platforms. The risk of cybercrime are eminent as well in addition to loss of funds. There is no framework for protecting consumers as well as for ensuring errant crypto currency service providers are identified and sanctioned.

This exposes members of the public to excessive risk. It is an open question whether regulators will remain uncertain or they will begin to take steps to address some of these challenges and create a safe and sound environment in which such assets can be traded in.

Mr Habasonda is Senior Analyst Regulatory Policy and Research in the Bank Supervision Department

Towards gender equity & equality at the workplace:

12 gender sensitive provisions in the Employment Code Act No. 3 of 2019

By Lungisani Zulu

That equity and equality are important national goals for Zambia is beyond doubt, after all, these are listed among our most important national values and principles in article 8 of the Constitution, the supreme law of the land. Gender equity and equality is central within the meaning of these important national values and principles.

Mr Lungisani Zulu

In this paper, I set out to discuss twelve provisions in the recently enacted Employment Code Act, No. 3 of 2019 which enhance gender equity and equality at the workplace in Zambia.
To fully appreciate the meaning of gender equity and equality, permit me to turn to the provisions of the Gender Equity and Equality Act No. 22 of 2015 which defines all three terms.
Act No. 22 of 2015 defines gender to mean the roles, duties and responsibilities which are culturally or socially ascribed to women, men, girls and boys. Equality is defined to include the full and equal enjoyment, by both sexes, of rights, opportunities, responsibilities and freedoms, and where both sexes are equally treated while equity is defined to mean the just and fair distribution of benefits, rewards and opportunities between both sexes.
In a nutshell, the article looks at how the Employment Code advances the equality and equitable enjoyment of opportunities, rights, opportunities and responsibilities in a workplace between both sexes in Zambia.
From the outset, let me state that my thesis is that the Employment Code Act goes a long way in building on a myriad of gender enhancing legislation in Zambia which stretch from the Constitution Amendment Act No. 2 of 2016, the Gender Equity and Equality Act No. 22 of 2015 and the Anti Gender Violence Act No. 1 of 2011. Here are 12 reasons why I say so.

1. **Equal opportunities and None discrimination on the basis of gender**
   Section 5 of the Employment Code requires every employer to promote equal opportunities in employment and eliminate discrimination at the workplace. It further expressly bans any form of discrimination based on a number of grounds including sex, gender, pregnancy and marital status.
   This should set the right tone for enhancing gender equality and equity for all at the workplace.

2. **Employment policies to include harassment issues**
   Section 95 of the Employment Code requires every employer to ensure that there is in place in every workplace a number of policies, procedures and codes for the effective administration of the employment relationship. Some of the policies which must be in place includes a harassment policy and the grievance procedure and code of conduct. The requirement to have such policies should go a long way to raising awareness of harassment of women and how to tackle the same.
   This way, various forms of harassment such as sexual harassment should be better contained in a Zambian workplace.

3. **Longer Maternity leave**
   The employment laws have always recognized the right to maternity leave for expecting mothers. This time though, by the provisions of section 41 of the Employment Code, maternity leave has been extended from the usual 12 weeks, to 14 weeks. And this can be taken after delivery or some of it before delivery provided there is at least 6 weeks after delivery. And should you have twins or other form of multiple births, the 14 weeks should be extended by a further 4 weeks, meaning 18 weeks in total. Should a female employee give birth to a premature child, the 14 weeks is subject to such longer extension as the doctor may certify.
   Our mothers, sisters and wives should be able to return to work fully rested and restored. Of course not forgetting that they will be leaving healthier children at home.

4. **Full pay during maternity leave**
   Further the provisions of the Code guarantee a full pay for the maternity leave, on condition that the female employee has been in continuous employ for a period of 24 months before going on maternity leave.

5. **No less favorable treatment on return from maternity**
   The Employment Code further guarantees a retuning employee the job the employee held immediately before maternity leave or to reasonably suitable job on terms and conditions not less favorable than those which applied before the leave.
   Female employees should not be demoted for maternal duties and the attendant maternity leave.

6. **Maternity leave in addition and not in lieu of other leave types**
   The fact that a female employee is entitled to maternity leave does not mean the other types of leave such as compassionate, sick or annual are not available to her. By the provisions of the Code, maternity leave is in addition to and not in lieu of other leave types.
   A female employee is also able to take the other types of leave at the end of maternity leave, provided the employer agrees to this.

7. **Fitness certificate to resume work within 6 weeks of delivery**
   A female employ is not permitted to resume work within six weeks after delivery by the provisions of section 42 of the Code. To do so, the employee must be certified fit to resume work by a medical doctor.
   Clearly, not even the employee herself is allowed to circumvent the provisions of maternity leave.

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Savings at the Frontier Programme

By Kabinda Kawesha

Financial inclusion policies and initiatives evolve around providing access to financial services to financially excluded citizens, increasing the availability and usage of a variety of tailored financial services (savings, credit, payments, insurance, investment products) to those who are financially excluded, whilst enhancing financial capability and consumer protection.


Ms Kabinda Kawesha

To achieve this, the financial inclusion ecosystem comprises a number of stakeholders with distinct roles and capabilities, which when brought together in various partnerships contribute to the attainment of financial inclusion goals. These players comprise government agencies, regulators, financial services providers, payment systems providers, mobile network operators, financial experts, the academia/research institutions, development partners, community leaders, among others.

In 2016, the Bank of Zambia became acquainted with the Oxford Policy Management Institute, an international development consultancy firm that has partnered with the MasterCard Foundation for a programme called Savings at the Frontier (SatF). The aim of SatF is to improve the financial inclusion of low-income individuals and communities in sub-Saharan Africa (SSA) by examining the evidence on the demand for, and supply of, formal financial services for users of informal savings mechanisms (ISMs) in order to discover which services and channels are most valued by the financially disadvantaged and what drives the business case for FSPs to serve them. This is highlighted in the SatF Strategy Paper available on https://www.opml.co.uk/files/Publications/a0600-savings-at-the-frontier/satf-strategy-summary.pdf?noredirect=1.

The consultative meetings between BoZ and the Oxford Policy Management were timely, as the Bank was considering initiatives that could be aligned with the Bank of Zambia 2016 – 2019 Strategic Plan objective to increase formal financial inclusion by among others, scaling up formal financial services for rural and unbanked areas.

Therefore, following consultative meetings with Oxford Policy Management on the state of financial inclusion in Zambia in relation to the Finscope Zambia 2015 Survey[1], and the potentialities of formalising linkages with savings groups, the SatF was undertaken in Zambia with selected formal financial services providers[2].

The proceeding article by Madison Financial Services, a participating FSP in the SatF programmes, highlights the experience it gained and lessons learnt in providing digital financial services to informal savings groups, consistent with the National Financial Inclusion Strategy.

[1]According to the Finscope Zambia 2015 survey, financial inclusion (formal and informal) showed a significant increase of access to 59.3% up from 37.3% in 2009. Under the FinScope methodology, financial inclusion considers that part of the adult population which use any kind of financial service, formal or informal. These are termed as the "financially served" or "financially included" whereby, people can be "formally included", i.e. use the financial services offered by formal financial institutions (governed by a legal precedent of any type) or "informally included", i.e. use informal financial services such as membership in a Savings Group or borrowing from an informal moneylender (kaloba). Formal usage is not exclusive usage, as some people may also be using informal services. However, the "informally included" is defined as those using only informal services, i.e. not using any formal services.

[2]https://www.opml.co.uk/files/Publications/a0600-savings-at-the-frontier/satf-strategy-summary.pdf?noredirect=1

Madison Finance: Promoting & Digitising Informal Savings Groups in Zambia under the Savings at the Frontier Programme

Introduction

Madison Finance (MFinance) is a licensed deposit taking non-bank financial Institution (NBFI) and a subsidiary of Madison Financial Services Public Limited Company. MFinance commenced operations in 2009 as a payroll backed loan company, and overtime introduced deposit and other financial services, including microfinance loans to micro, small and medium enterprises (MSMEs).

In December 2016, MFinance responded to a call by Savings at the Frontier (SatF) for proposals from Zambian-based financial services providers to participate in its programme. MFinance was selected for the SatF programme.

The SatF is a six and half year partnership (2015-22) between the Mastercard Foundation and Oxford Policy Management to "test commercial models to meet financial services demand from informal savers."

SatF is working with ten financial services providers in Ghana, Tanzania and Zambia to work with a diverse set of informal savings mechanisms (ISMs).

Informal Savings in Zambia

As per SatF team analysis of Findex MicroData (see below), the digital revolution and access to formal services has not reduced usage of ISMs. As anticipated in the SatF strategy paper, overall use of ISMs has expanded in absolute terms and as a percentage of growing population between 2011 and 2017 in three SatF countries

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Madison Finance: Promoting & Digitising Informal Savings Groups in Zambia under the Savings at the Frontier Programme

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(including Zambia).

- ISM users (only using ISMs as well as ISMs+Formal) have rapidly expanded from 0.6 million to 2.2 million (+266%);
- Percentage of adult population using ISMs has grown from 7% to 23%;
- However, ISM-only users have remained stagnant i.e. the entire expansion is coming from those using formal with informal;
- Further qualitative analysis is needed on importance of formal for ISM users;

Indicators	Population (Million)		Population (%)	
	2011	2017	2011	2017
Overall reach of formal	1.8	5.8	23	61
Formal Financial Institution (FFI) account only	0.4	0.7	5	8
FFI a/c + Mobile Money/Card	1.2	2.7	16	28
Digital but no FFI a/c	0.2	2.4	2	25
Formal/informal combined	2.2	6.1	28	65
Formal only	1.6	3.9	21	41
Overlap formal/ISM	0.2	1.8	2	20
ISM only	0.4	0.4	5	4
Nothing outside cash/home	5.5	3.3	72	35
Cash/home-based	2.7	1.3	36	14
Report doing nothing	2.7	2.0	36	21
Total	**7.6**	**9.4**		

Source: Analysis of MicroData by SatF team; Primary data from Demirgüç-Kunt, Asli, Leora Klapper, Dorothe Singer, Saniya Ansar, and Jake Hess. 2018. The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution. Washington, DC: World Bank

employees). MFinance aims for this new product to become relevant to an additional 1.4 million underserved peri-urban MSME operators, plus another 1.4 million informal peri-urban/ rural workers that work in the MSME/agriculture sector.

This partnership offers the real prospects of developing linkages with ISMs in Zambia, a promising market (in terms of linkage) by enabling MFinance refine their offer to savings groups and their members, as well as rolling out an agent model that gets agents as close as possible to groups/ savers.

MFinance is using the US$850,000 funding from SatF (Business Plan Development phase and implementation phase) to test and enhance its 'Chilimba' savings product and roll it out to users of informal groups – including Savings and Internal Lending Communities (SILC) groups, chilimbas and village savings groups – across all 110 districts in Zambia, with a particular focus on peri-urban and rural areas. Chilimba' is a digital group savings product that integrates mobile banking with M-Finance's core banking system and digitises the traditional 'three keys' savings approach used by some of the groups. Individual member accounts can be defined by members' mobile phone numbers, which then link into the group account.

Mfinance and SatF Partnership

SatF has been supporting MFinance since early 2017 to develop a mobile phone enabled/linked savings product that aims to reach formal financial services to 2.8 million new customers for the institution. This is part of MFinance's strategic shift towards becoming a retail-funded MSME micro-bank. The traditional customer base is around 1.2 million largely urban adults (salaried

Mfinance is also using the SatF funding to develop a team of mobile bank agents and super agents who will be in direct and regular contact with the groups. MFinance expects to reach existing groups through its own agents/ super agents and via third-party facilitators such as Africare. MFinance agents are also promoting new groups. This will inspire trust, facilitate the transition to digital transactions/ doorstep banking as well as provide informal savers with better and more secure financial services. It will also provide valuable learning for MFinance and SatF to test the extent to which an ex-ante viable business case can be made to work within the specific infrastructure, communication and population density constraints of the Zambian market.

Current Status

The partnership is designed to directly respond to the Zambia National Financial Inclusion Strategy 2017-2022 as follows:

NFIS Zambia Priorities	MFinance Plans/ Response
Improved physical access to high-quality financial delivery channels	• Commenced agency banking in 2017 and mobile banking in 2018. • The company has 12 MFinance agents and over 1,000 Konse Konse agents to date • Over 3,000 customers recruited by March 2019 • Projected 35,000 customers by December, 2022
Innovative and diverse financial products and services that meet customers' needs	Through agency and mobile banking, MFinance is reaching customers who have traditionally used only informal finance e.g. in Mansa branch alone, over 2,500 new depositors have been added who are offered doorstep service at the group and individual level
Improved outreach and adoption of digital financial services (DFS)	• Over 5,400 DFS accounts opened through MFinance from 2017 to date.
Greater availability of affordable financing for SMEs, smallholder farmers, and agricultural entities	Mfinance is offering free services to women, small holder farmers, small businesses. For example, there are no monthly charges for withdrawal, deposits and money transfers (amongst MFinance customers) on the accounts offered. K237.8 Million deposits mobilised from 23.9k savers. Deposits growing at 12% per quarter.

The project is progressing well with good uptake of the savings product, particularly in Mansa (about 750 km away from Lusaka), the model for which is now also being adopted in Chipata, Lusaka, Soweto and Kalingalinga Branches. Progress has been made on enhancing agent network, including recruitment of 12 agents, 2 agent supervisors and 1 super-agent.

Partnership has been finalised with Airtel and 543 Konse Konse to make use of their agent network. Further, work is planned on standardising approach to staff training, group /member engagement across regions (through agents and call centre), introducing new products as per demand (e.g. micro insurance) and educating savers on the benefits of group and individual linkage.

Overall, this is an exciting project for Madison Finance. The linkage with SatF has provided a very good opportunity for the business to reach as many savers as possible with a view to meeting the countries needs at large and bettering the lives of the end users.

Kabinda Kawesha is Manager – Financial Sector Development

Digital Credit in Zambia

By Jimmy Couvaras

The advent financial technologies, more commonly known as fintechs has challenged the way financial services are deployed and delivered to the public. An example of such a change has been the emergence of digital credit in the recent past.


Mr Jimmy Couvaras

Digital Credit refers to micro loan products that are processed, approved and disbursed almost instantly, using alternative sources of data and algorithms to assess potential borrowers, and are accessed remotely with minimum physical human interaction.

In Zambia, the most common form of digital credit has involved partnerships between Mobile Money Operators (MNOs), licensed loan providers such as micro finance institutions and banks and data analytics companies. Each of the three parties has a distinct role in the provision of digital credit. The Micro-Finance Institutions or banks provide the loan funds and assume all the credit risk. The funds are then placed in a corporate wallet on the mobile money platform. On the other hand, mobile money providers are used as a channel for disbursement and/or collection of loans and provide the interface with customers. Finally, the Data Analytic companies provide platforms that evaluate credit worthiness of potential borrowers using alternative sources of data.

THE CASE FOR DIGITAL CREDIT

Digital credit offers short term financing to a sector that would otherwise not be served by the traditional financial service providers. The common customers for digital credit include marketers, students, street vendors etc.

Marketers and vendors use the micro loans to buy merchandise and the revenue raised is used to repay the loan while a student may use the loan to smooth out his or her cash-flow. Digital credit is thus an invaluable source of funds for this segment of the market.

Historically, financial service providers would never consider serving this segment of the market as it was considered too risky. Financial service providers had no information on such customers as these were not their kind of clients. However, financial service providers are now able to use alternative sources of data to create a customer profile. The alternative sources of data on which credit worthiness is assessed include talk-time purchase, bill payments, length of customer relationship with the MNOs, etc.

Digital credit thus brings into the financial sector a segment of the market that was previously not served. This helps increase financial inclusion and brings forth the benefits associated with financial inclusion.

THE OTHER SIDE OF DIGITAL CREDIT

Digital credit has faced its fair share of criticism, ranging from data privacy concerns to irresponsible lending. Most of the borrowers that access digital credit lack the financial capability to make financial decisions and end up financially distressed. Further, the most common use of digital credit is to cover living expenses.

While there is nothing wrong with covering living expenses from digital credit, use of funds in such a way does very little in uplifting the livelihoods of people or alleviating poverty. It instead, creates a vicious cycle.

Another criticism levelled against digital credit is concern about confidentiality of customer data. A lot of information is collected on customers and this data is used for credit scoring. While customers do accept for this data to be used as part of customer terms and conditions, there is need for key information to be given to customers. Many borrowers rarely read these terms and conditions. It then comes as a shock when such a customer finds himself blacklisted at the Credit Reference Bureau because of poor performance on a small loan obtained through digital credit.

A high rate of non-performing loans is expected for such a business model due to the little interaction between loan providers and customers.

WAY FORWARD

Digital credit has the potential to contribute positively to people's lives. However, there is need for refinement of the model to ensure a high rate of repayment and sustainability of the loan provider. Further, the target market is new to such services.

There is therefore need for upskilling and educational programs that equip this segment of the market with the requisite skills and knowledge to make financial decisions.

Mr Couvaras is Manager Payment Systems Development in the Banking, Currency and Payment Systems Department

Separations

By Zambanker reporter

Five (5) members of staff have separated from the Bank through retirement in the second quarter of 2019 while one resigned.

Two of the five former employees who separated from the Bank were from Regional Office, one from Procurement and Maintenance Services (PMS), one from Bank Supervision and the other was from Board Services.

Board Services Department lost one employee in the name of Mr Kanguya Mayondi. Mr Mayondi separated from the Bank on 24th April, 2019 through early retirement after working for slightly over 16 years. He was Assistant Director in charge of Communications at the time of his separation. He joined the Bank on 1st September, 2003.

Mr Denny Dumbwizi separated from the Bank through resignation on 1st May, 2019 after working for over 17 years. He was Senior Analyst – Research and Regulatory Policy in the Bank Supervision Department at the time of his separation. He joined the Bank on 1st October, 2002.

The Procurement and Maintenance Department lost one employee in the name of Mr Moffat Kauma. Mr Kauma separated from the Bank on 5th June, 2019 after working for 18 years. He was an Assistant Manager – Insurance Services at the time of his separation. He joined the Bank on 17th April, 2001.

Ms Lydia Namwila separated from the Bank on 12th June, 2019 after working for 37 years. She was a Section Officer – Note Destruction at Regional Office at the time of her separation. She joined the Bank on 5th February, 1982.

Mr Mulenga Kasonde was separated from the Bank on 26th June 2019 after working for 4 years. He was a Technologist Maintenance at Regional Office at the time of his separation. He joined the Bank on 4th August, 2015.

New Faces

By Zambanker Reporter

The Bank of Zambia has recruited five members of staff in the second quarter of 2019.

Departments that benefited from the recruitment include Human Resources, Regional Office, Procurement and Maintenance Services and Financial Markets Departments.

Mrs Rabecca Chiumya Kasuka joined the Bank on 1st April, 2019 as an Economist – Foreign Exchange Market Surveillance. She holds a Bachelor of Science (Hons) Degree in Economics with specialisation in Finance and Credit from the Kursk State University in Russia. Before joining the Bank, Mrs Kasuka worked for Barclays Bank Zambia Limited as a Foreign Exchange Sales Dealer. She is a member of the Financial Markets Association.

Mrs Brenda Mugala Siame joined the Bank on 15th April, 2019 as an Administrative Assistant in the Human Resources department. She holds a Diploma in Public Administration from the National Institute of Public Administration (NIPA) and an advanced certificate in secretarial from Evelyn Hone College. Mrs Siame worked for Zesco Limited as a Management Secretary. She is a member of the Professional Secretaries Association of Zambia.

Mr Taonga Chisamanga joined the Regional Office team as a Technical Support Specialist on 24th April, 2019. Mr Chisamanga holds a Bachelor of Science in Computer Science and is certified in Risk and Information Systems Control. Mr Chisamanga is also a CISCO certified Network Professional and a Moody's certified Credit Analyst. He worked for Standard Chartered Bank as a Country Technical Specialist/Business Information Security Officer before joining the Bank. He is a member of the Information Systems Audit and Control Association (ISACA).

Mr Vincent Kumbeni joined the Bank on 13th May, 2019 as a driver in the Procurement and Maintenance Services Department. He is a mechanic. Before joining the Bank, Mr Kumbeni worked for the Ministry of Health as a driver and was attached to the Levy Mwanawasa hospital.

Mr Joseph Kampile Musonda also joined the Regional Office team on 27th May, 2019 as a Technical Support Specialist. He holds a Bachelor of Science Degree in Computer Science from the Copperbelt University, is a Cisco Certified Network Associate (CCNA) and has the Academic Network Infrastructure Management from Groningen University in the Netherlands. He worked for Bayport Financial Services as an Assistant IT Manager before joining the Bank. He had also worked for the Copperbelt University as a Network Systems Administrator and for Huawei as a Core Network Engineer. He is a member of the Information and Communications Technology Society of Zambia.

Luapula Province


Staff making a presentation at the KFM Radio Station


Paying a courtesy call on Provincial Administration


Presenting a gift to Provincial Permanent Secretary Dr Felix Phiri

Muchinga Province


Muchinga Province Minister Hon. Malozo Sichone with provincial administration and Show Society officials at the BoZ stand during the Provincial Show in Chinsali


Town Hall Meeting on Investing in Government Securities at Northern Rock Hotel in Mpika


'The BoZ won the Best Financial Institution Stand Award'


'Handing out a prize to a game quiz winner'

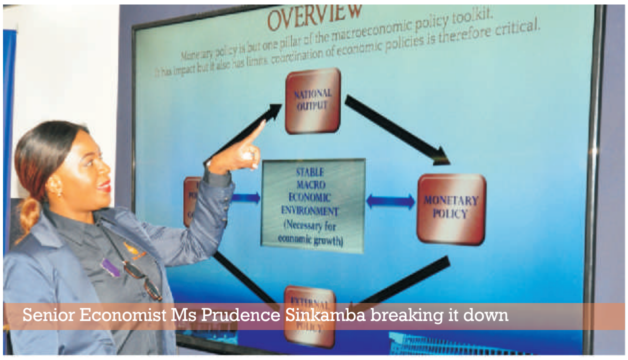
Western


Western Province exhibitors


Engagement with members of the public

Zambia International Trade Fair


Making presentations to Deputy Governor-Operations, Dr Bwalya Ng'andu



Senior Economist Ms Prudence Sinkamba breaking it down


The Trade Fair Delegation


Members of the press at the stand

Eastern Province


Winner of the 1st prize in the Best Regulator Exhibitor category


Show Society Officials at the BoZ stand


Town Hall Meeting on Investing in Government Securities at Protea Hotel in Chipata


Assistant Manager - Government Securities Operations, Mr Finzi Mwezani and Assistant Manager - Open Market Operations, Ms Lyasanika Mwambazi making a presentation at Radio Maria

Province


'Look out for these features'


Guests following proceedings

Towards gender equity & equality at the workplace:

From Page 38

8. No dismissal on account of maternity
Employers are not allowed to terminate work, impose a penalty or disadvantage on an employee or indeed adversely change a condition of employment on account of an employee's pregnancy or maternity leave.
The right to maternity leave should therefore be more respected by every employer in Zambia.

9. No harmful work for pregnant women
Two months before the estimated date of delivery, there should be no overtime for female employees. Section 44 of the Code requires that female employees must not be subjected to perform work in excess of the normal day's work within two months of delivery.
Further, on the recommendation of a medical doctor, a pregnant woman may be reallocated to suitable alternative employment on same terms to protect her health or the health of the child. A pregnant woman must also not be subjected to duties requiring continuous standing or otherwise detrimental to the health of the employee or the unborn child.

10. Two 30 minutes nursing breaks per day for lactating mothers
Lactating mothers are entitled to two nursing breaks of thirty minutes each per day for a period of six months. Alternatively, they can take one hour nursing break per day for six months. The period for nursing breaks should not be deducted from the number of paid hours of work for the female employees.
And the Employment Code does even anticipate flexi hour arrangements by providing that there is nothing stopping alternative agreements with respect to nursing breaks provided the agreement is not less favorable.

11. Mother's day for women
Section 47 of the Code has continued to guarantee every female employee one day of absence each month without having to produce a medical certificate. Mother's day therefore continues to be legal in Zambia.

12. Paternity leave for papas too
True in recognising that gender is about both sexes, section 46 of the Employment Code provides for papas too. A male employee is entitled to 5 days paid paternity leave to be taken within 7 days of the birth of his child. This is on condition of having worked for the employer for a period of 12 months before the paternity leave and you submit the birth record to the employer.
It can therefore be seen that the Employment Code Act No. 3 of 2019 does go a long way in advancing gender equality and equity in a workplace in Zambia.

About the author: Mr Zulu is Senior Legal Counsel in the Legal Services Department

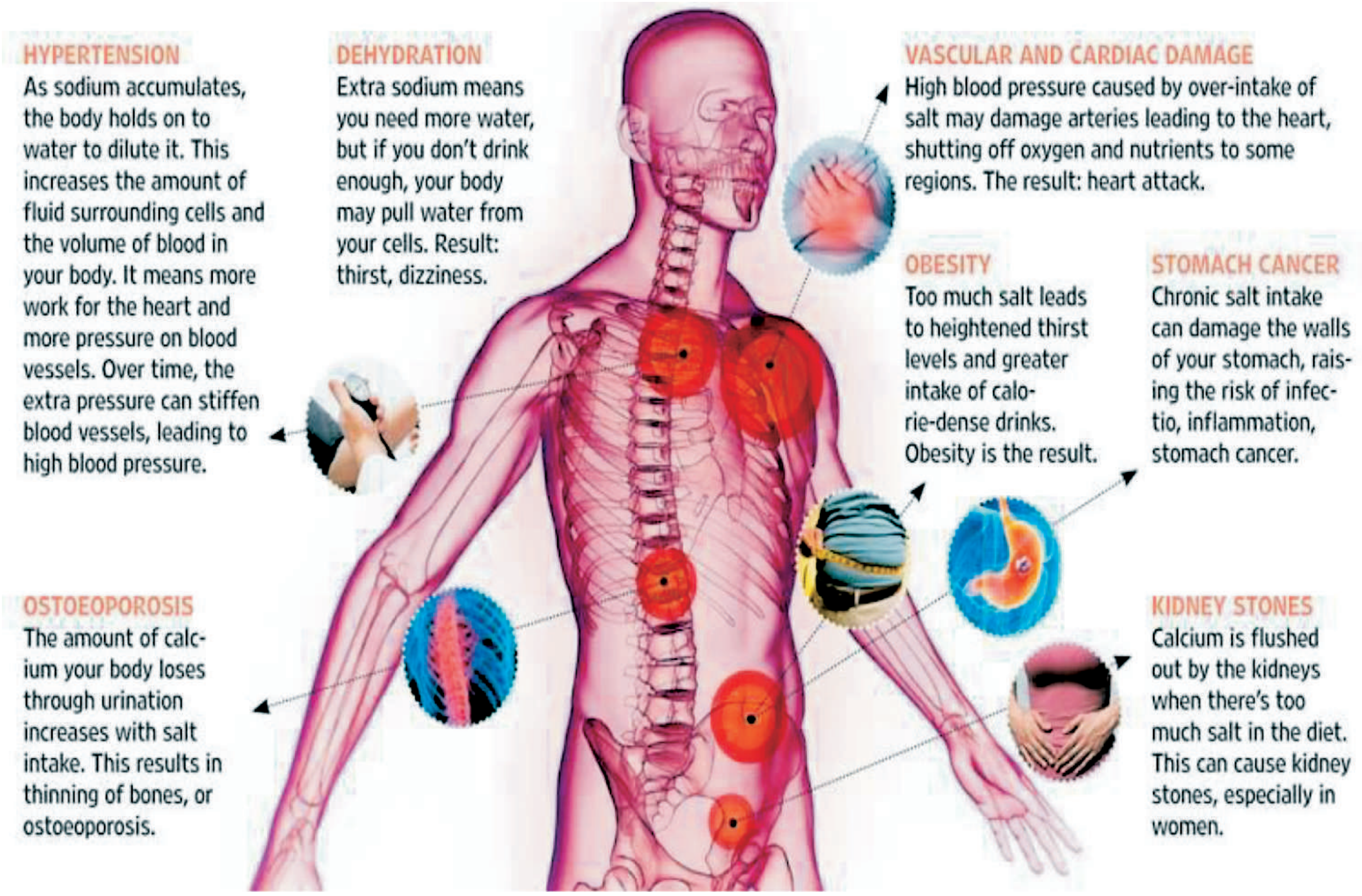
The Pinch-By-Pinch Killer

EXCESS SALT WHAT IT DOES TO YOUR BODY

Weak bone to weak hearts, overdosing on salt can lead to many ailments

By Mercy Wasomwe

Your greatest wealth is your health. Take care of it. It is important that we all stay healthy by managing stress.



The vicious cycle is that the more salt we eat, the more we crave it.
The message is

List of NBFIs at 31 March 2019 and the Nature of Services Offered

NAME	NATURE OF LICENCE	AUTHORISED SERVICES	
		BULDING SOCIETIES	
NAME	**NATURE OF LICENCE**	**AUTHORISED SERVICES**	
1. Finance Building Society	Financial Institution	• Issuance of building society and mutual society shares, with char • Acceptance of deposits; • Commercial or consumer financing services; • Finance leasing; • Lending on security of or dealing in mortgages or any interest in real property; • Issuance of debentures and money market instruments; • Factoring; • Payment of cheques or other demand orders drawn or issued by customers and payable from deposits held by payer; • Invoice discounting; and • Issuance of guarantees, performance bonds or letters of credit.	
2. Pan African Building Society	Financial Institution	• Issuance of building society and mutual society shares, with characteristics similar or identical to deposits; • Acceptance of deposits; • Commercial or consumer financing services; • Finance leasing; • Lending on security of or dealing in mortgages or any interest in real property; • Issuance of debentures and money market instruments; • Factoring; • Payment of cheques or other demand orders drawn or issued by customers and payable from deposits held by payer; • Invoice discounting; and • Issuance of guarantees, performance bonds or letters of credit.	Valid
3. Zambia National Building Society	Financial Institution	• Issuance of building society and mutual society shares, with characteristics similar or identical to deposits; • Acceptance of deposits; • Commercial or consumer financing services; • Finance leasing; • Lending on security of or dealing in mortgages or any interest in real property; • Issuance of debentures and money market instruments; • Factoring; • Payment of cheques or other demand orders drawn or issued by customers and payable from deposits held by payer; • Invoice discounting; and • Issuance of guarantees, performance bonds or letters of credit.	Valid
		CREDIT REFERENCE BUREAU	
NAME	**NATURE OF LICENCE**	**AUTHORISED SERVICES**	
1. Credit Reference Bureau Africa Limited	Financial business	• Credit reference services	Valid
		DEVELOPMENT BANK	
NAME	**NATURE OF LICENCE**	**AUTHORISED SERVICES**	**STATUS OF LICENCE**
1. Development Bank of Zambia	Financial business	• Development financing; • Commercial or consumer financing services; • Finance leasing; • Lending on security of or dealing in mortgages or any interest in real property; • Issuance of debentures and money market instruments; • Factoring; • Invoice discounting; and • Issuance of guarantees, performance bonds or letters of credit.	Valid
		FINANCIAL BUSINESSESBANK	
NAME	**NATURE OF LICENCE**	• **AUTHORISED SERVICES**	**STATUS OF LICENCE**
1. Agricultural Leasing Company Zambia Limited	Leasing Finance	• Commercial or consumer financing services; • Finance leasing; • Lending on security of or dealing in mortgages or any interest in real property; • Issuance of debentures and money market instruments; • Factoring; • Invoice discounting; • Issuance of guarantees, performance bonds or letters of credit	Valid
2. Alios Finance Zambia Limited	Leasing Finance	• Commercial or Consumer Financing Services; • Finance Leasing; • Lending on security of or dealing in Mortgages or any interest in Real Property; • Issuance of Debentures and Money Market Instruments; • Factoring; • Invoice Discounting; • Issuance of Guarantee; • Performance Bonds or Letters of Credit	Valid
3. Betternow Finance Company Limited	Financial Business	• Commercial or Consumer Financing Services; • Finance Leasing; • Lending on security of or dealing in Mortgages or any interest in Real Property; • Issuance of Debentures and Money Market Instruments; • Factoring; • Invoice Discounting; • Issuance of Guarantees; • Performance Bonds or Letters of Credit	Valid
4. Business Partners International Zambia SME Fund Ltd	Financial Business	• Commercial or Consumer Financing Services; • Finance Leasing; • Lending on security of or dealing in Mortgages or any interest in Real Property; • Issuance of debentures and money market Instruments; • Factoring; • Invoice Discounting; • Issuance of Guarantee; • Performance Bonds or Letters of Credit	Valid
5. JUMO Zambia Limited	Financial Business	• Commercial or Consumer Financing Services; • Finance Leasing; • Lending on security of or dealing in Mortgages or any interest in Real Property; • Issuance of Debentures and Money Market Instruments; • Factoring;	Valid

		• Invoice Discounting; • Issuance of Guarantee; • Performance Bonds or Letters of Credit	
6. Zambian Home Loans Limited	Financial Business	• Commercial or Consumer Financing Services; • Finance Leasing; • Lending on security of or dealing in Mortgages or any interest in Real Property; • Issuance of Debentures and Money Market Instruments; • Factoring; • Invoice Discounting; • Issuance of Guarantee; • Performance Bonds or Letters of Credit	Valid

SAVINGS AND CREDIT INSTITUTION

NAME	NATURE OF LICENCE	AUTHORISED SERVICES	STATUS OF LICENCE
1. National Savings and Credit Bank	Financial Business	• Acceptance of deposits; • Commercial or consumer financing services; • Finance leasing; • Lending on security of or dealing in mortgages or any interest in real property; • Issuance of debentures and money market instruments; • Factoring; • Payment of cheques or other demand orders drawn or issued by customers and payable from deposits held by payer; • Invoice discounting; and • Issuance of guarantees, performance bonds or letters of credit.	Valid Valid

NON - DEPOSIT TAKING MICROFINANCE INSTITUTIONS

NAME	NATURE OF LICENCE	AUTHORISED SERVICES	STATUS OF LICENCE
1. Agora Microfinance Zambia Limited	Non- Deposit Taking Microfinance Institution	• Credit Facilities	Valid
2. ALS Capital Limited	Non- Deposit Taking Microfinance Institution	• Credit Facilities	Valid
3. Altus Financial Services Limited	Non- Deposit Taking Microfinance Institution	• Credit Facilities	Valid
4. ASA Microfinance	Non- Deposit Taking Microfinance Institution	• Credit Facilities	Valid
5. Bomach Finance Limited	Non- Deposit Taking Microfinance Institution	• Credit Facilities	Suspended until March 2020
6. Chibuyu Financing Company Limited	Non- Deposit Taking Microfinance Institution	• Credit Facilities	Valid
7. Christian Empowerment Microfinance Zambia Limited	Non- Deposit Taking Microfinance Institution	• Credit Facilities	Valid
8. Direct Finance Limited	Non- Deposit Taking Microfinance	• Credit Facilities	Valid
9. Easy Cash Financial Services Limited	Non- Deposit Taking Microfinance Institution	• Credit Facilities	Valid
10. Elpe Finance Limited	Non- Deposit Taking Microfinance	• Credit Facilities	Valid
11. FMC Finance Limited	Non- Deposit Taking Microfinance Institution	• Credit Facilities	Valid
12. Goodfellow Finance Limited	Non- Deposit Taking Microfinance Institution	• Credit Facilities	Valid
13. Innovate Capital Solutions Limited	Non- Deposit Taking Microfinance Institution	• Credit Facilities	Valid
14. Izwe Loans Zambia Limited	Non- Deposit Taking Microfinance Institution	• Credit Facilities	Valid
15. JMAAC Financial Services	Non- Deposit Taking Microfinance Institution	• Credit Facilities	Suspended until 19 May 2019
16. Meanwood Finance Corporation Limited	Non- Deposit Taking Microfinance Institution	• Credit Facilities	Valid
17. Microloan Foundation Limited	Non- Deposit Taking Microfinance Institution	• Credit Facilities	Valid
18. Moneta Finance Limited	Non- Deposit Taking Microfinance Institution	• Credit Facilities	Valid
19. Nchanga Financial Services Limited	Non- Deposit Taking Microfinance Institution	• Credit Facilities	Valid
20. Unity Finance Limited	Non- Deposit Taking Microfinance Institution	• Credit Facilities	Valid
21. Xtenda Finance Limited	Non- Deposit Taking Microfinance Institution	• Credit Facilities	Valid
22. Premier Choice Finance Limited	Non- Deposit Taking Microfinance Institution	• Credit Facilities	Valid
23. Robert & Syls Microcredit Limited	Non- Deposit Taking Microfinance Institution	• Credit Facilities	Valid
24. Sigma Financial Solutions Limited	Non- Deposit Taking Microfinance Institution	• Credit Facilities	Valid
25. Tandiza Zambia Finance Limited	Non- Deposit Taking Microfinance Institution	• Credit Facilities	Valid
26. YesCash Zambia Limited T/A Expresscredit.co.zm	Non- Deposit Taking Microfinance Institution	• Credit Facilities	Valid
27. Zambou Financial Services Limited	Non- Deposit Taking Microfinance Institution	• Credit Facilities	Valid

DEPOSIT TAKING MICROFINANCE INSTITUTIONS

NAME	NATURE OF LICENCE	AUTHORISED SERVICES	STATUS OF LICENCE
1. Bayport Financial Services Limited	Deposit Taking Microfinance Institution	• Credit facilities • Linkage Banking • In-country transfers • Savings	Valid
2. Ecsponent Financial Services Ltd Trading as Mybucks	Deposit Taking Microfinance Institution	• Credit facilities • Linkage banking • In-country transfers • Savings	Valid
3. Madison Finance Company Limited	Deposit Taking Microfinance Institution	• Credit facilities • Linkage banking • In-country transfers • Savings	Valid
4. Microfinance Zambia Limited	Deposit Taking Microfinance Institution	• Credit facilities • Linkage banking • In-country transfers • Savings	Valid
5. VisionFund Zambia Limited	Deposit Taking Microfinance Institution	• Credit facilities • Linkage banking • In-country transfers • Savings	Valid
6. Zampost Microfinance Zambia Limited	Deposit Taking Microfinance Institution	• Credit facilities • Linkage banking • In-country transfers • Savings	Valid
7. FINCA Zambia Limited	Deposit Taking Microfinance Institution	• Credit facilities • Linkage banking • In-country transfers • Savings	Valid
8. Pulse Financial Services Ltd T/A Entrepreneurs Financial Centre	Deposit Taking Microfinance Institution	• Credit facilities • Linkage banking • In-country transfers • Savings	Valid

Bank *of* Zambia

MONEY AT YOUR FINGER TIPS, SIMPLY SWIPE!

BE SMART AND SWIPE TO PAY FOR YOUR GOODS AND SERVICES!

you always win at game

Bata

SHOPRITE

PEP

SPAR

Pick n Pay

MUVI TV

CHOPPIES
Great value for your money!

GOtv
Live it. Love it.

KWESÉ TV

Handyman's Paradise

Melisa supermarket

MultiChoice DStv

ZESCO

Lusaka Water and Sewerage Company Limited

builders WAREHOUSE

"e-payments – money at your fingertips"

Bank of Zambia, Bank Square, Cairo Road, P. O. Box 30080, Lusaka, 10101, Zambia
Tel: + 260 211 399300/+260 212 399600, E-mail:info@boz.zm, Website: www.boz.zm