



**Bank of Zambia**

**KEYNOTE SPEECH  
DISSEMINATION OF THE FINSCOPE 2020 SURVEY FINDINGS**

**BY**

**MRS REKHA CHIFUWE MHANGO  
DEPUTY GOVERNOR - ADMINISTRATION, BANK OF ZAMBIA**

***RADISSON BLU HOTEL, LUSAKA  
17 DECEMBER 2020, LUSAKA, ZAMBIA***

**KEYNOTE SPEECH BY MRS REKHA CHIFUWE MHANGO, DEPUTY GOVERNOR - ADMINISTRATION,  
BANK OF ZAMBIA AT THE FINSCOPE 2020 SURVEY DISSEMINATION WORKSHOP ON 17<sup>TH</sup> DECEMBER  
2020 AT THE RADISSON BLU HOTEL, LUSAKA**

- **THE CHIEF EXECUTIVE - SECURITIES AND EXCHANGE COMMISSION**
- **THE REGISTRAR AND CEO – PENSIONS AND INSURANCE AUTHORITY**
- **THE CHIEF EXECUTIVES AND SENIOR REPRESENTATIVES OF PARTNER AND CIVIL SOCIETY ORGANISATIONS**
  - **FINANCIAL SECTOR DEEPENING ZAMBIA;**
  - **UNITED NATIONAL CAPITAL DEVELOPMENT FUND;**
  - **SAVINGS BANKS FOUNDATION FOR INTERNATIONAL COOPERATION AND**
  - **RURAL FINANCE EXPANSION PROGRAMME**
- **DIRECTORS AND OFFICIALS FROM MINISTRY OF FINANCE**
- **THE STATISTICIAN-GENERAL – ZAMBIA STATISTICS AGENCY**
- **THE CHIEF EXECUTIVE OFFICERS AND SENIOR REPRESENTATIVES – BANKERS ASSOCIATION OF ZAMBIA, ASSOCIATION OF MICRO-FINANCE INSTITUTIONS AND SAVENET ZAMBIA**
- **THE DIRECTOR-GENERAL – ZAMBIA INFORMATION AND COMMUNICATION TECHNOLOGY AUTHORITY**
- **CHIEF EXECUTIVE OFFICERS AND SENIOR PRIVATE SECTOR REPRESENTATIVES OF COMMERCIAL BANKS, MICRO-FINANCE INSTITUTIONS AND PAYMENT SYSTEMS PROVIDERS**
- **MEMBERS OF THE MEDIA HERE PRESENT**
- **DISTINGUISHED LADIES AND GENTLEMEN**

I AM DELIGHTED TO OFFICIATE AT THIS WORKSHOP FOR THE DISSEMINATION OF THE FINDINGS OF THE FINANCIAL SCOPING (FINSCOPE) 2020 SURVEY, WHICH WAS SPEARHEADED BY THE BANK OF ZAMBIA IN COLLABORATION WITH THE ZAMBIA STATISTICS AGENCY AND CO-FINANCED BY FINANCIAL SECTOR DEEPENING ZAMBIA; THE RURAL FINANCE EXPANSION PROGRAMME; THE GERMAN SAVINGS BANKS FOUNDATION FOR INTERNATIONAL COOPERATION; THE UNITED NATIONS CAPITAL DEVELOPMENT FUND; AND THE MINISTRY OF FINANCE.

I ALSO WISH TO ACKNOWLEDGE THE TECHNICAL SUPPORT FROM THE FINMARK TRUST AS WELL AS LOGISTICAL SUPPORT FROM THE PENSIONS AND INSURANCE AUTHORITY; THE SECURITIES AND EXCHANGE COMMISSION; THE BANKERS ASSOCIATION AND THE ASSOCIATION OF MICROFINANCE INSTITUTIONS OF ZAMBIA.

**DISTINGUISHED LADIES AND GENTLEMEN, I AM PROUD TO MENTION THAT THE FINSCOPE 2020 SURVEY IS A TURNING POINT FOR US, BECAUSE THE WHOLE SURVEY**

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PROCESS FROM QUESTIONNAIRE DESIGN, FIELDWORK, DATA PROCESSING, ANALYSIS AND REPORTING WAS CONDUCTED BY OUR ZAMBIAN PROJECT TEAM. PREVIOUS FINSCOPE SURVEYS WERE DONE BY EXTERNAL CONSULTANTS. WE ARE CONFIDENT THAT THE CAPACITY BUILT WILL GO A LONG WAY IN CONDUCTING FUTURE SURVEYS THAT WILL CONTINUE TO BE A RESEARCH TOOL FOR ADDRESSING THE NEED FOR CREDIBLE FINANCIAL SECTOR INFORMATION.

**DISTINGUISHED PARTICIPANTS**, AS YOU MAY BE AWARE, THE FINSCOPE SURVEY IS A NATIONALLY REPRESENTATIVE SURVEY THAT PROVIDES INFORMATION ON DEMAND, ACCESS, USE OF AND BEHAVIOUR TOWARDS FINANCIAL SERVICES BY THE ADULT POPULATION. IT IS UNDERTAKEN OVER A CYCLE OF 3-5 YEARS. IT IS BASED ON STANDARDISED TOOLS AND AN INTERNATIONALLY RECOGNISED METHODOLOGY DEVELOPED BY THE FINMARK TRUST.

THE SURVEY RESULTS ARE A RICH SOURCE OF FINANCIAL DATA THAT PROVIDES INSIGHTS TO GUIDE POLICYMAKERS AND REGULATORS TO ADDRESS MARKET IMPERFECTIONS IN THE FINANCIAL SECTOR; ENABLE PROVIDERS OF FINANCIAL SERVICES TO EXTEND THEIR REACH AND BROADEN THE RANGE OF SERVICES THEY OFFER; AND PROVIDE RELEVANT STRATEGIC INFORMATION TO STAKEHOLDERS IN THE FINANCIAL SECTOR ON MARKET OPPORTUNITIES AND THE FINANCIAL SERVICES DIFFERENT MARKET SEGMENTS NEED.

THIS FINSCOPE SURVEY, WHICH WAS CONDUCTED IN SEPTEMBER 2020, WAS THE FOURTH CYCLE, WITH PREVIOUS SURVEYS HAVING BEEN CONDUCTED IN 2015, 2009 AND 2005.

**DISTINGUISHED LADIES AND GENTLEMEN**, FINDINGS FROM FINSCOPE SURVEYS HAVE BEEN VITAL IN INFORMING FINANCIAL SECTOR REFORMS SUCH AS THE FINANCIAL SECTOR DEVELOPMENT PLAN (2010 – 2015), THE NATIONAL FINANCIAL SECTOR DEVELOPMENT POLICY (2017), THE NATIONAL FINANCIAL INCLUSION STRATEGY (2017 – 2022) AND COMPLEMENTARY SECTOR STRATEGIES SUCH AS THE NATIONAL STRATEGY ON FINANCIAL EDUCATION, THE NATIONAL RURAL FINANCE POLICY AND STRATEGY (2012) AND THE FINANCIAL INCLUSION SUPPORT FRAMEWORK.

THIS YEAR'S SURVEY PRESENTS AN OPPORTUNITY TO EVALUATE THE OVERALL TRENDS IN FINANCIAL INCLUSION. FURTHER, THE SURVEY FINDINGS WILL HELP ASSESS THE EFFECTIVENESS OF THE FINANCIAL INCLUSION INITIATIVES IMPLEMENTED AND THOSE

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THAT ARE BEING IMPLEMENTED TOWARDS ACHIEVING THE TARGETS SET IN THE NATIONAL FINANCIAL INCLUSION STRATEGY (NFIS) 2017. THESE TARGETS INCLUDE:

- INCREASING THE LEVEL OF OVERALL FINANCIAL INCLUSION TO 80 PERCENT BY 2022 FROM 59 PERCENT IN 2015;
- INCREASING THE LEVEL OF FORMAL FINANCIAL INCLUSION TO 70 PERCENT FROM 38 PERCENT IN 2015;
- INCREASING THE PERCENTAGE OF ADULTS WITH AT LEAST A TRANSACTION ACCOUNT TO 70 PERCENT FROM 36 PERCENT; AND
- IMPROVING DELIVERY CHANNELS LEVERAGING ON DIGITAL FINANCIAL SERVICES.

**DISTINGUISHED GUESTS**, THE BANK OF ZAMBIA RECOGNISES THAT AN INCLUSIVE, WELL-FUNCTIONING FINANCIAL SYSTEM ENABLES ACCESS TO A BROAD RANGE OF AFFORDABLE FINANCIAL SERVICES TO MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES), AS WELL AS HOUSEHOLDS OF ALL INCOME LEVELS AND DEMOGRAPHICS. THIS IN TURN CONTRIBUTES TO REDUCING POVERTY AND INEQUALITY BY INCREASING RESILIENCE, ACCESS TO CREDIT, INVESTMENT, JOB CREATION AND PRODUCTIVITY. IN THIS REGARD, FINANCIAL INCLUSION IS THE SECOND PILLAR OF THE BANK'S STRATEGIC PLAN (2020-2023), WHOSE OBJECTIVES ARE ALIGNED TO CONTRIBUTING TO THE ACHIEVEMENT OF THE FINANCIAL TARGETS IN THE NATIONAL FINANCIAL SECTOR POLICY AND THE NATIONAL FINANCIAL INCLUSION STRATEGY (2017). SOME OF THE INITIATIVES THAT HAVE BEEN IMPLEMENTED TO ENSURE FINANCIAL INCLUSION INCLUDE:

- IMPLEMENTATION OF THE NATIONAL FINANCIAL SWITCH AND ISSUANCE OF DIRECTIVES TO EXPAND THE USE OF MOBILE-BASED DELIVERY CHANNELS AND ACHIEVE INTEROPERABILITY AND SCALE OF RETAIL PAYMENTS SYSTEMS;
- IMPLEMENTATION OF THE ONLINE MOVEABLE COLLATERAL REGISTRY HOUSED AT PATENTS AND COMPANY REGISTRATION AGENCY TO ENABLE INDIVIDUALS AND SMALL AND MEDIUM-SIZED ENTERPRISES (SMES) USE MOVEABLE COLLATERAL TO ACCESS CREDIT;
- ESTABLISHMENT OF A CONSUMER PROTECTION AND MARKET CONDUCT SUPERVISION FUNCTION TO STRENGTHEN FINANCIAL CONSUMER PROTECTION; AND

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- CONDUCT OF VARIOUS FINANCIAL LITERACY CAMPAIGNS IN CONJUNCTION WITH THE PRIVATE SECTOR, CIVIL SOCIETY ORGANISATIONS AND OTHER FINANCIAL SECTOR REGULATORS.

THESE EFFORTS, AMONG MANY OTHER INITIATIVES UNDERTAKEN BY FINANCIAL SECTOR REGULATORS, PUBLIC, PRIVATE AND CIVIL SOCIETY ORGANISATIONS, HAVE ENABLED MORE ADULTS TO GAIN ACCESS TO A WIDER RANGE OF QUALITY AND AFFORDABLE FINANCIAL SERVICES. HOWEVER, IT IS WORTH NOTING THAT NEW INFORMAL FINANCIAL SERVICE PROVIDERS THAT ARE NOT FORMALLY REGULATED HAVE ASSUMED MORE PROMINENCE IN BOTH URBAN AND RURAL AREAS. THESE INCLUDE ROTATING SAVINGS GROUPS (CHILIMBA), SAVING GROUPS, VILLAGE BANKING GROUPS AND PRIVATE MONEY-LENDERS (KALOKA).

**DISTINGUISHED LADIES AND GENTLEMEN**, WHILE SOME OF THESE GROUPS PLAY AN IMPORTANT ROLE IN PROVIDING SAVINGS AND AFFORDABLE CREDIT TO THE COMMUNITIES, SOME UNSCRUPULOUS INDIVIDUALS HAVE TAKEN ADVANTAGE TO SWINDLE PEOPLE THROUGH PYRAMID SCHEMES. IT IS THUS IMPORTANT FOR FINANCIAL SERVICE PROVIDERS TO FIND EFFECTIVE MEANS OF REDUCING INFORMALITY BY DEVELOPING INNOVATIVE FINANCIAL MODELS TO LINK THE INFORMAL SAVERS TO THE FORMAL SECTOR.

EQUALLY, WE CHALLENGE PAYMENT SERVICE PROVIDERS AND MOBILE MONEY OPERATORS TO DESIGN PRODUCTS AIMED AT ATTRACTING THE INFORMAL MARKET PLAYERS BY TAKING INTO ACCOUNT THEIR NEEDS AND VULNERABILITIES. THIS WILL AID IN IMPROVING THE ECONOMIC WELFARE OF THE COUNTRY AND REDUCE THE PROLIFERATION OF MONEY CIRCULATION SCHEMES AND UNFAIR BUSINESS PRACTICES THAT ARE USUALLY UNDETECTED IN INFORMAL SETTINGS.

**DISTINGUISHED GUESTS**, I AM EXCITED TO STATE THAT THE FINSCOPE 2020 SURVEY WIDENED ITS SCOPE TO INCLUDE THEMATIC AREAS ON FINANCIAL HEALTH, FINANCIAL EDUCATION, CLIMATE CHANGE AND THE IMPACT OF THE COVID-19 PANDEMIC.

IT IS A RICH SOURCE OF INFORMATION THAT I IMPLORER EVERYONE HERE PRESENT AND ALL OTHER STAKEHOLDERS TO FULLY EXPLOIT AS WE DEVELOP MECHANISMS TO EXTEND FINANCIAL INCLUSION.

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**DISTINGUISHED LADIES AND GENTLEMEN,** LET ME END BY ACKNOWLEDGING ALL THE INSTITUTIONS AND INDIVIDUALS THAT ARE PRESENT TODAY AT THIS DISSEMINATION OF THE FINSCOPE 2020 SURVEY FINDINGS FOR THEIR DILIGENCE AND COMMITMENT TO THE SURVEY.

I TRUST THAT TODAY'S DELIBERATIONS WILL CONTINUE TO PROVIDE FURTHER INSIGHTS AND MOTIVATE FINANCIAL PLAYERS AND STAKEHOLDERS TO DEVELOP A MORE DYNAMIC AND INCLUSIVE FINANCIAL SECTOR THAT WILL MEET THE NEEDS OF THE SOCIETY AT LARGE.

I WISH YOU ALL A SAFE AND MERRY CHRISTMAS!

**THANK YOU AND GOD BLESS!**