PRESS RELEASE

FSD Zambia welcomes £21.95m 5-year commitment from UK Aid to initiate new phase of financial sector development

Commitment comes as part of an ambitious £320m UK aid package for strengthening Africa’s financial markets, to boost economic growth and reduce poverty at scale.

20 January 2020, London: Today, FSD Zambia welcomes a £21.95m 5-year commitment from UK Aid, part of a £320m package that will initiate an ambitious new phase of financial sector development across the continent. Announced ahead of the UK-Africa Investment Summit London, the package includes additional funding for 9 existing Financial Sector Deepening Programmes [FSDs] and to set up and scale new FSDs in high-priority markets, including Ethiopia, Ghana, Sierra Leone and the West African Monetary Union.

The new commitment, announced by UK Secretary of State Alok Sharma, represents the start of an important new approach to financial sector development in sub-Saharan Africa. The package from UK Aid recognises that a comprehensive, integrated approach to financial market development in Africa is required to realise the continent’s potential and help meet the United Nation’s global goals. The £320m commitment provides funding for ambitious programmes that create financing solutions for the opportunities and challenges faced across Africa’s economies, from individual households and micro-enterprises to business and infrastructure investment. This means addressing the entire system of finance from savings groups to capital market development and operating more closely to the interface between finance and the real world.

UK International Development Secretary Alok Sharma said: “Africa’s substantial investment potential is clear, with many African countries outstripping global economic growth in recent decades. The UK is already the top financial exchange for Africa’s businesses, and we want investors to seize the exciting opportunities that Africa offers. These new initiatives, announced ahead of the UK-Africa Investment Summit, will make it easier, greener and more secure to invest in Africa, mobilising billions of pounds of sustainable investment to help end poverty.”

FSD Zambia will channel this commitment to, among other efforts to deepen financial inclusion in Zambia, build on the success of our work with Savings Groups that so far has contributed to the establishment of 7,900 groups with savings totalling almost ZMW100 million. Evidence shows that Savings Groups enable both learning and economic empowerment for low-income households and individuals, especially in rural areas. Furthermore, FSD Zambia will utilise these resources to expand support to the extension of
appropriate Agriculture insurance to smallholder farmers in Zambia, particularly in light of climate change. With these funds, FSD Zambia will also deepen work with the Ministry of General Education on introducing the Financial Education curriculum from grade 1 to 12. We believe this is a significant step towards growing a generation of financially capable Zambians.

Chair of the FSD Network Council and CEO of FSD Zambia, Betty Wilkinson commented on the commitment: "On behalf of the nine existing members of the FSD Network and those new FSDs in formation, our sincere gratitude to the UK Government for this generous, constructive, and thoughtful five-year commitment. We pledge to broaden and deepen our innovative work across Africa to make money work for low-income families, women, youth, the excluded, and those who need financial services the most. This new package will enable us to apply finance - in all its forms - to the challenge of the Sustainable Development Goals. The FSD Network will enhance livelihoods for poor people; improve access to basic human services where finance is a barrier; and enable a sustainable future, particularly addressing the financial aspects of climate change and illicit capital flows.

At FSD Zambia, we are excited to receive this key grant from UK Aid. As a Zambian organisation, we will use these resources responsibly to deepen financial inclusion, make money work to increase incomes and reduce poverty, and enable sustainable futures for the women, men, and children of our country”.

The £320m package also marks a significant step forward for the FSD Network. After nearly twenty years of operation and UK Aid support, the FSD Network today comprises nine active FSD programmes, with a strong track record of impact, unparalleled local insight with applied research, and a powerful network of relationships with local regulators, policymakers, industry bodies, and low-income households. The new FSDs will join the Network, enabling them to benefit from, and contribute to, continent-wide knowledge sharing and cross-border collaboration.

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Notes to Editor

About FSD Zambia

Zambian Financial Sector Deepening Limited (FSD Zambia) is a Zambian organisation working with the private and public sector to expand financial inclusion by making financial markets work better. We strive to ensure that all citizens, particularly the most excluded and
underserved are financially healthy. This way, all women, men, girls and boys, can learn, choose and use a wide range of financial services that positively impact their lives. FSD Zambia enjoys the active support of financing partners UK Aid, SIDA, Rural Finance Expansion Programme (RUFEP) and Comic Relief/Jersey Overseas Aid

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