REMARKS

FSD ZAMBIA RELEASES ITS ANNUAL REPORT FOR THE 2019/20 FISCAL YEAR

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BOARD CHAIRPERSON - FSD ZAMBIA

WEDNESDAY 20TH MAY 2020

FSD ZAMBIA HEAD OFFICE
Good morning. I am happy to speak to you today about FSD Zambia as its Chair of the Board of Directors. This last fiscal year, our fourth year of operations, has been exceptionally successful for us. Let me take you through a few of our achievements.

The result is in the proof. FSD Zambia completed an annual impact assessment with about 2000 of our end clients, randomly surveyed. The survey clearly showed a positive outcome on most of the FSD Zambia supported programs, both in terms of socio-economic effects and also increasing access and usage of financial services. Based on this assessment, there was a strong case that we have a real economy impact on people’s livelihoods, with particular evidence that more households were able to smoothen their consumption and pay of both school fees and medical bills.
FSD Zambia has an active Board and committees, and we have enjoyed our 3rd unqualified audit from KPMG with the fourth one under way now. We have A ratings from financing partners. FSD Zambia is the model for other FSDs in our Charter and Articles of Association, structure, leadership, operations approaches, research and reporting processes. Our CEO is Chair of the newly formed FSD Network of nine FSDs across Africa. DFID has just awarded the members of the Network with a five-year grant of GBP320 million over five years to expand our work together. My team has spoken at key international forums on savings groups innovation, links between financial services providers to better serve the poor and women, gender and digitisation, microinsurance national public-private partnerships covering over one million families, and globally recognised research innovations in social norms, gender, and finance.

Our success has, in this last fiscal year, enabled new grants from our valued financing partners DFID, Sida, Comic Relief with Jersey Overseas Aid, and continuing to operate with Rufep. This has enabled our programme to expand and to adapt to the pandemic and develop new ways of
addressing this global challenge. We are now financially secure for the next five years.

Notable work achievements for FSD Zambia in this last fiscal year included the fostering of both new and existing business associations for better market innovation and function; and significant growth in digitisation, both digital finance and identity as well as moving existing systems to computerised systems -- starting with digitising national school fee payments -- and the emergence of more domestic fintechs. We have enhanced the public-private dialogue among policymakers, regulators, and financial service providers, resulting in important enhancements in payments, digital finance limits, and microinsurance market principles.

We help the market learn by research, knowledge products, and a wide range of financial education processes. Our work on informal savings, social norms, new savings group mechanisms, and the setup for the 2020 Finscope has contributed significantly to understanding of how to reach clients more effectively. The clients themselves are benefitting from a wide range of learning options: via SMS and voice on cell phones for free,
trainers in savings groups, local radio dramas in local language, introduction of financial education into the national school curriculum, videos, comic books, learning from financial service providers products such as Agripay with Zanaco, and through traditional leaders such as the Luapula Chiefs.

FSD Zambia encourages market innovation. This year we facilitated client-centric product development in microinsurance, a wide range of pilots for smallholder farmer financing, new blended outreach for village shops and agrodealers, and a public-private structure to make savings group growth a national effort. A partial pre-payment for crops just before harvest, during the hungry season, has expanded to 15,000 smallholder farmers and is growing fast, along with better yields and less side-selling by those farmers.

We were successful in reaching over 1.4 million Zambians this year and worked with a wide range of institutions to good results as you can see. The Board is pleased with the achievements and responsibility of its team, as well as the market change, they are achieving. This next year we have a
new and evolved Strategy which was approved on 23 March of this year. The approach is called FSD2.0, is shared with all FSDs, and involves us looking at and helping remove the financial market limitations on real sector operations. Our work will enable inclusive finance for all Zambians, so they have economic opportunities, access to basic services, and a sustainable future. We already work in education, agriculture, and microenterprise, but now are looking at other real sector areas where there are challenges to access for lower-income and vulnerable families. We will only work on the financial aspects of these areas, leaving the technical work of areas such as energy to other organizations.

FSD Zambia is looking forward to a great year, despite the extreme challenges of Covid-19 and debt for Zambia. We will continue our active engagement to making the financial lives and overall circumstances of Zambians better, particularly rural households, women, youth, and the disabled. Now more than ever, this work is needed.

THANK YOU