



Financial Inclusion Through Traditional Leaders Most Significant Change Study

An Investigation from Zambia's Luapula Province

STUDY REPORT

July 2024

About FSD Zambia

Financial Sector Deepening Limited (FSD Zambia) is a Zambian organisation working closely with key players throughout the economy to ensure that all Zambians are financially healthy, particularly the most excluded and underserved. We help rural families, women, youth, low-income people, and other households in Zambia to understand and access a wide range of sustainable, comparable and affordable financial services. To expand financial inclusion, we collaborate with both public and private sector institutions to make financial markets work better. FSD Zambia enhances trust between clients and suppliers of financial services by increasing their understanding, expanding innovation, and lowering costs. FSD Zambia enjoys the active support of financing partners UK Aid, Swedish Sida, Comic Relief/Jersey Overseas Aid and Rural Finance Expansion Programme (RUFEP). More information is available on our website, www.fsdzambia.org

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1. Introduction and background

Financial Sector Deepening Limited (FSD Zambia) is a Zambian organisation working closely with key players throughout the economy to ensure that all Zambians are financially healthy, particularly the most excluded and underserved. It helps rural families, women, youth, low-income people, and other households in Zambia to understand and access a wide range of sustainable, comparable and affordable financial services. To expand financial inclusion, it collaborates with both public and private sector institutions to make financial markets work better. FSD Zambia enhances trust between clients and suppliers of financial services by helping to bring people together, cultivate understanding, stimulate innovation, and lower costs. In this way, all women, men, girls and boys can learn about, choose, and use a wide range of financial services that have the most positive impact on their lives.

To enhance financial access and education in unserved and underserved villages across Luapula province, FSD Zambia developed and launched a financial development initiative called Financial Inclusion through Traditional Leaders (FIT). The goal of the project was to contribute to the advancement of financial inclusion in Zambia. The strategic objective was to increase access to and use of appropriate formal and informal financial services for households and individuals in the geographic areas, particularly for those living below the poverty line. In this project, FSD Zambia aimed at increasing access to appropriate financial services for poor rural households and individuals living in Luapula province by deepening and broadening the available informal and formal financial services, as well as increasing financial capabilities and consumer protection across the province. The project's duration was more than four years, targeting over 200,000 poor individuals.

To demonstrate and enhance project implementation and outcomes, FSD Zambia conducted a “Most Significant Change” study for the FIT project. The design of this study was informed by the need to continuously provide the market with essential information for financial inclusion advancement. Additionally, the findings of the study would be useful in assessing how sustainable the FIT project would be in the future, now that it had reached its closure phase. This report, therefore, contains findings from the MSC study, which FSD Zambia undertook in July 2024 in four districts in Luapula Province, aiming to investigate the key benefits resulting from the FIT project.

The study used a qualitative approach and targeted: (a) males and females who had benefited directly from the FIT project since its inception or during its execution; (b) males and females who had benefited from other interventions similar to the FIT project but did not involve traditional leaders as part of the implementation; and (c) traditional leaders who were at the center of the FIT project model.

Interventions benefit target groups or communities in various ways, and sometimes it is not easy to establish which benefits were the most significant. Therefore, understanding the most significant changes or benefits that were being attributed to the FIT project was imperative in informing how similar projects in the future could be better designed to be more impactful and sustainable.

2. Purpose of the study

To gain deeper insights into project outcomes, results and benefits

The focus on quantitative study approaches often overlooks the stories behind the numbers. Therefore, employing a qualitative approach was essential, as it provided context to explain why certain outcomes occurred as they did. Similarly, collecting stories helped to gain deeper insights into specific issues.

To provide data for evidence-based action and interventions

Due to the impact the FIT project has had in Luapula, the next logical step was to introduce the project into other provinces as well. But to ensure that this scaling process goes well, the MSC study becomes a rich pool of what significant changes can be expected.

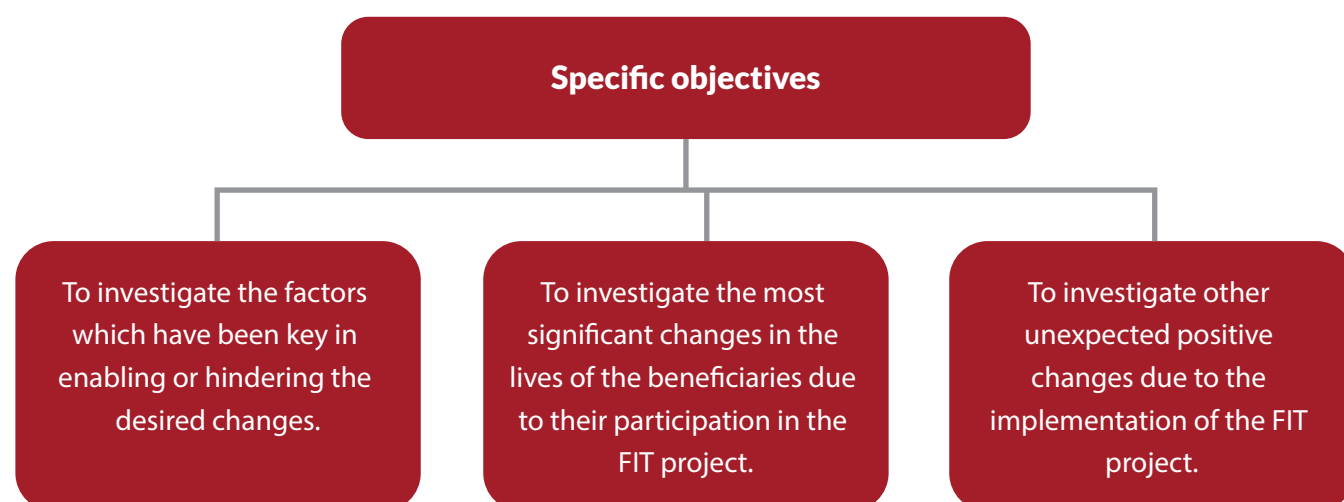
To contribute to the growing body of knowledge on how to use the MSC approach

The MSC approach is a new M&E technique that has not been used in many projects or countries. The original approach actually requires that it is used on a continuous basis throughout the lifecycle of a project, so that changes are made to the original project design based on feedback from the stories. Hence this MSC study bridges that gap of how to use the approach.

3. Study goal and objectives

The goal of this study was to generate the most significant change stories that would help FSD Zambia, donors, key stakeholders, and market players learn from the FIT stories, particularly about the project's direct and unintended impact on community members. The study helped assess and explain the intervention's processes and causal link mechanisms in accordance with the project's theory of change. This adoption of a qualitative design was valuable in bringing out in-depth information from the community members, traditional leaders, and key stakeholders involved in the FIT project. The specific objectives of the study are shown in Figure 1 below.

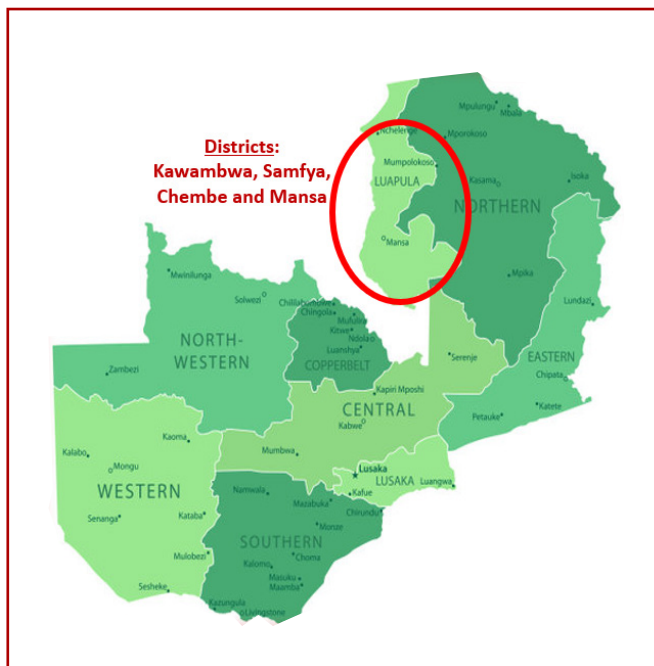
Figure 1. Specific objectives of the study



To achieve the specific objectives highlighted above, the MSC study focused on the following research questions:

1. What factors have been key in enabling or hindering the desired changes?
2. What have been the most significant changes in the lives of the beneficiaries due to their participation in the FIT project?
3. Have the target beneficiaries experienced any unexpected positive changes due to the implementation of the FIT project?

4. Study context and target groups



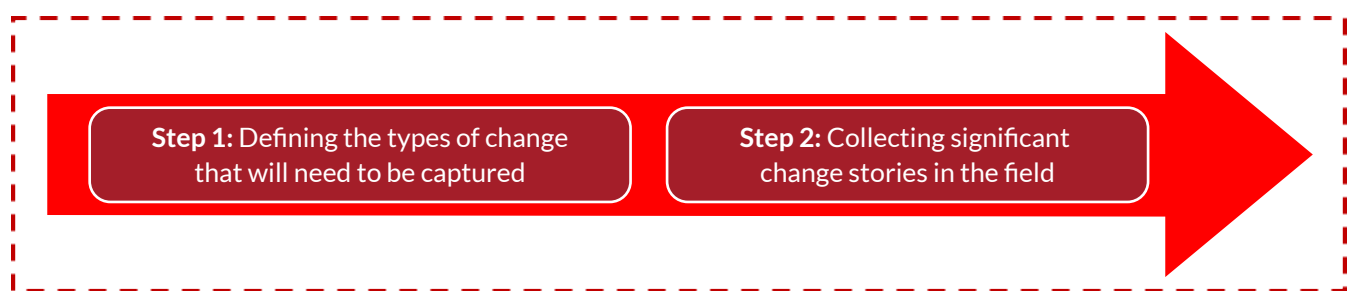
The study was conducted in Zambia's Luapula province, which has a population of 1.3 million people and a growth rate of 3.2%. Despite being rich in natural resources, the province is hindered by poor road and communication networks. It also has the second-highest poverty rate in Zambia, with 81% of the population living in poverty. Fishing and farming are the primary economic activities. Financial inclusion stands at 35.2% for formal services and 36.4% for informal services, with women being the most excluded, at 48.3%.

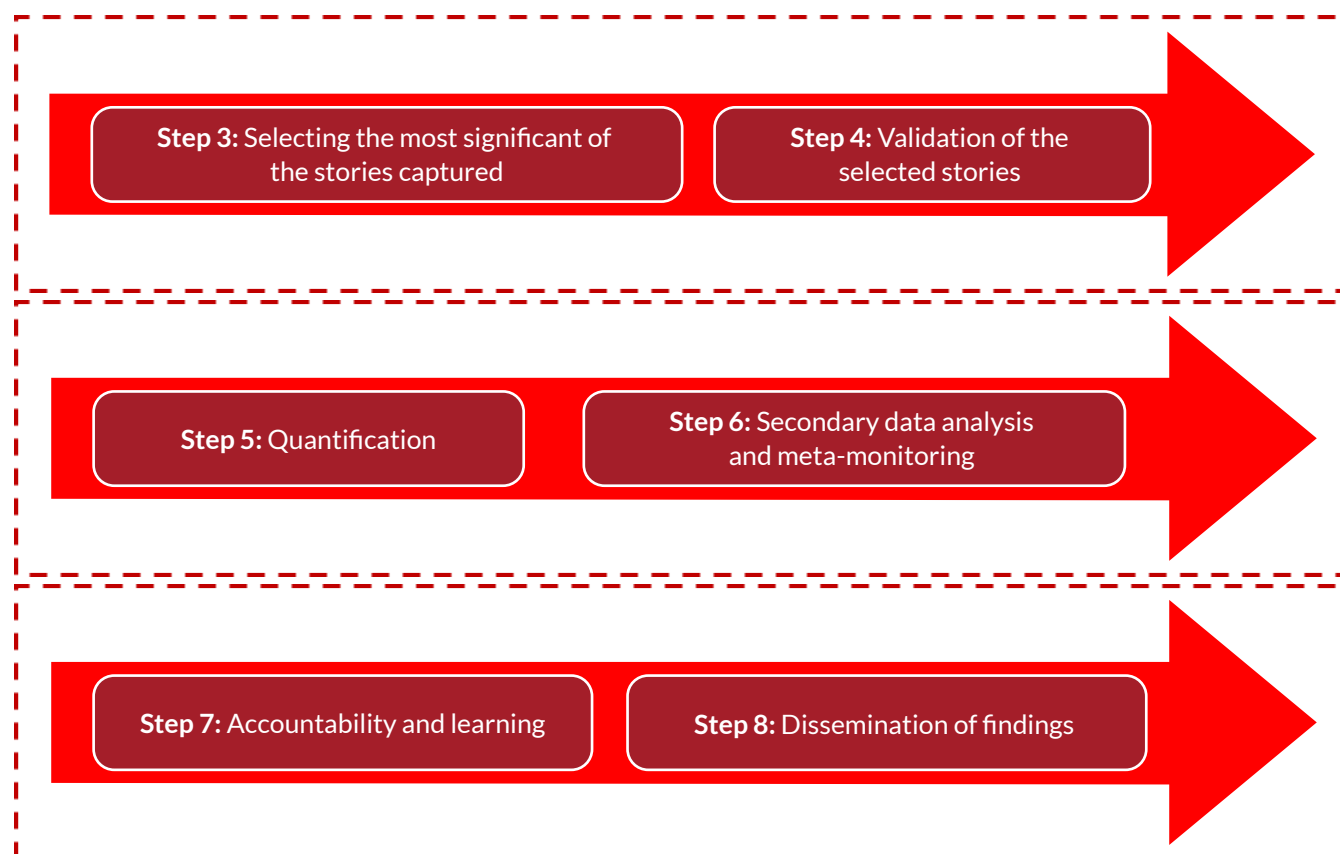
The focus of the study was on: a) people who had benefited from the FIT project, b) individuals who benefited from similar interventions but did not involve traditional leaders, and c) traditional leaders who were central to the FIT project model.

5. Methodology, design and technical approach

This study employed the Most Significant Change (MSC) approach, which involves collecting stories from respondents about the most impactful benefits they have experienced or observed as a result of being beneficiaries of a specific intervention. As shown in Figure 2 below, the process consisted of eight individual steps.

Figure 2. Study approach





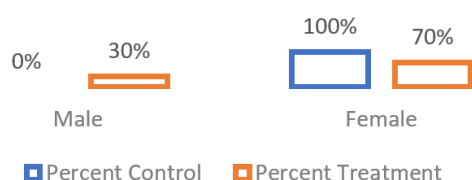
The study used a single-method design which involved qualitative approaches to align with the objectives. This methodology is presented in the table below.

Data collection tools and methods	Focus Group Discussions (FGDs) were conducted with two groups: a) savings group members to gain deeper insights into the benefits of the FIT project, and b) headpersons trained as Trainer-of-Trainers (ToTs) in their respective villages.
	In addition, Key Informant Interviews (KIIs) were conducted with traditional leaders who were selected in the various target districts.
Target population	a) Males and females who had benefited directly from the FIT project, since the project started or after it had already started, b) males and females who had benefited from interventions similar to the FIT project, and did not involve traditional leaders as part of the implementation, c) traditional leaders (both headpersons and Chiefs) who were at the centre of the FIT project model.
Sample selection	a) categorising the FIT project target districts into two categories (i.e., peri-urban & rural), b) ranking the districts in the two categories from highly urban to least urban & most rural to least rural, c) selecting four districts purposively (two from each category), d) sourcing the numbers of FIT project beneficiaries and the list of traditional leaders

	who were involved in the FIT project, e) selecting a sample of respondents randomly and traditional leaders purposively.
FGD and KIIs done	Eight and four FGDs were conducted with FIT beneficiaries and headpersons, respectively in the sampled four districts. Two additional FGDs were conducted with non-FIT beneficiaries – one in Samfya and the other in Kawambwa. Furthermore, four KIIs were conducted with each of the traditional leaders in the sampled districts.

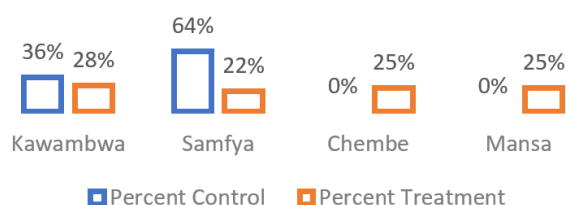
6. Profile of savings group respondents

Sex Distribution



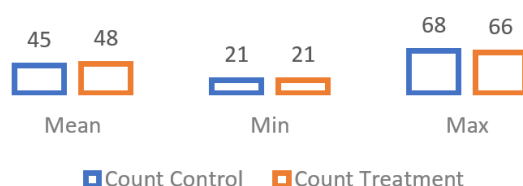
The respondents in the treatment group consisted of 30% males and 70% females, while the control group consisted of female respondents only (100%).

District Distribution



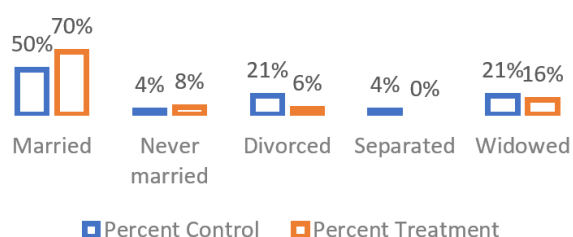
The treatment group was selected in four districts, namely, Kawambwa, Samfya, Chembe and Mansa, which accounted for 28%, 22%, 25% and 25% of the sample, respectively. The control group on the other hand was selected in Kawambwa and Samfya only, and accounted for 36% and 64% of the sample, respectively.

Age Distribution (Years)

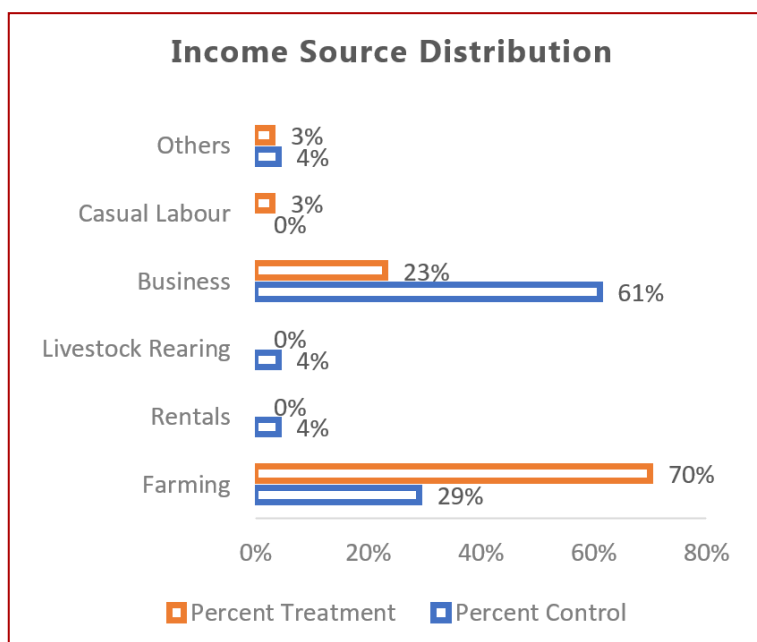


The respondents in the treatment and control groups were similar in age, with a slight variation in the average ages of 45 and 48 years old, respectively. Furthermore, both groups had same minimum age and their maximum age varied by a few years.

Marital Status Distribution



Marital statuses of the respondents varied differently between the treatment and control groups. In the treatment group, 70% of the respondents were married, whilst 16% were widowed. A further 8% and 6% never married or were divorced, respectively. Contrary, 50% of the respondents in the control group were married, 21% were divorced, whilst 21%



Farming was found to be the main source of income for the treatment group (70%), whilst it was the second main source of income for the control group, accounting for 29%. In as much as business was the second main source of income for the treatment group (23%), it was the main source of income for the control group (61%). In the control group, the respondents also got income from sources like livestock rearing and rentals, whilst no respondents in the sample stated such

7. Study findings

7.1 Most significant change stories

The FIT project was implemented with the goal of enhancing access to a wide range of sustainable, comparable, and affordable financial services for underserved and excluded populations. This initiative aimed to improve the welfare of these groups. Based on the findings, the project has yielded numerous benefits, particularly in terms of economic and social wellbeing. Of these, economic wellbeing accounted for approximately 60% of the reported benefits, demonstrating a broader range of positive outcomes compared to social wellbeing, which comprised around 40% of the benefits.

7.2 Enablers of change in economic and social wellbeing

The changes observed in both economic and social wellbeing were not spontaneous but were driven by various factors that created enabling conditions for the project's success. Key enablers of change include the active involvement of traditional leaders, particularly village headpersons and Chiefs. Village headpersons were primarily trained to build their capacity to train community members and those involved in savings groups. Meanwhile, Chiefs played a more supervisory role, overseeing the financial inclusion activities within their chiefdoms. The findings indicate that the inclusion of traditional leaders significantly contributed to the project's success, enhancing its overall effectiveness and bringing about numerous benefits.

Traditional leaders played various roles in as far as the project is concerned. For instance, they were very instrumental in the following ways:

- They were instrumental in delivering financial education and consumer protection training to community members, acting as Trainers of Trainers (ToTs) to empower others with essential knowledge.

- They conducted extensive mobilisation and sensitisation efforts across villages and savings groups, raising awareness about the training content, eligibility requirements, and potential benefits, thus ensuring broad community engagement and participation.
- Traditional leaders also played a pivotal role in addressing challenges within savings groups, such as defaulting and theft. Their involvement included conflict resolution where they helped mediate and resolve issues like defaulting and theft within savings groups. In cases of defaulting, they facilitated the creation of agreeable payment plans, set deadlines for repayment, and defined potential consequences for non-compliance, ensuring fairness and accountability within the groups.
- Additionally, some traditional leaders set a strong example by joining savings groups and actively participating in saving. Their personal involvement helped motivate previously sceptical individuals to join.
- The involvement of traditional leaders has proven to be essential for the success of the project for several reasons:
- **Respect and Influence:** Traditional leaders hold significant respect within their communities due to their roles in guiding and leading the people under their authority. When they take a leading role in an activity or speak in support of an initiative, it greatly enhances the likelihood of that activity being embraced and successfully implemented by the community.
- **Custodians of Peace and Law Enforcement:** As the custodians of peace and enforcers of community laws, traditional leaders are well-positioned to address any conflicts or challenges that arise. Their authority and trusted role in maintaining order within the community make it easier for them to manage disputes and ensure smooth operations of the project's activities.

Quotes

"We, as traditional leaders, are the custodians of the people. If we are always at the forefront of any initiative, things progress smoothly. When a Chief speaks, that is final. In fact, some changes take time, so our consistent presence adds great value," – Chief Chembe

"We are able to train the community on effective saving strategies and how to grow their money through investments. Some individuals are now also better equipped to plan and manage their businesses, which has helped them generate profits," – Headperson, Kawambwa

"People are now building houses, which I can attribute to the financial education they have been receiving. I have also seen an increase in the number of businesses, which people fund using money they have been saving due to a change in their mindsets." – Headperson, Mansa

"In savings groups, we now have by-laws that every member must agree to. When issues arise, we sometimes involve people from FIC to help resolve them. If that doesn't work, we bring the difficult individuals to the Chief, and if needed, we take the matter to court. Whenever there is a problem, we are the first ones called, and we take the lead in resolving the issue," – Headperson, Chembe

Leverage traditional leaders have	<ul style="list-style-type: none"> • Traditional leaders have been highly effective in resolving various challenges faced by savings groups, such as defaulting and theft, due to their respected positions in society. • Before the involvement of traditional leaders, there was low participation in the savings groups due to defaulting, thefts and dissolutions. As such, them being involved has given legitimacy to savings groups. • Since they became involved, traditional leaders have also helped increase the longevity of savings groups due to high compliance with savings group constitutions and regulations. • Being inside a savings group as a member has also accorded traditional leaders the opportunity to know why certain problems occur and how best they can be handled.
Key challenges	<ul style="list-style-type: none"> • Long Distances: The long distances that need to be covered to reach certain areas make community mobilization and sensitization difficult. This is compounded by the lack of transportation and limited financial resources to cover travel expenses, hindering the effectiveness of outreach efforts. • Lack of Financial Incentives: Maintaining motivation to continuously train people about financial inclusion can be challenging due to the absence of financial incentives, such as allowances. There is a limit to how much voluntary work one can do without adequate compensation, which may hinder sustained engagement and commitment. • Inconsistent Monitoring of ToT Effectiveness: A lack of consistent monitoring of the effectiveness of Trainers of Trainers (ToTs) has led to situations where some trainers are not consistent in delivering training sessions. In some cases, there is also a lack of support or a clear point of contact for clarification on specific issues, which has impacted the overall quality and reach of the training.

Source: FIT MSC, 2024

7.3 Improvements in economic wellbeing

As previously mentioned, the findings indicated that the FIT project has led to significant changes in the economic wellbeing of individuals in various target districts. Firstly, the results revealed an increase in the number of people who could easily access informal loan products by being members of savings groups. These groups provide affordable capital and financing for those looking to start a business. Many new businesses had been established by savings group members, thanks to the accessible and affordable loans offered through these groups, which serve as a source of financing.

The FIT project had significantly contributed to financial inclusion in many communities. The findings showed that, alongside increasing the longevity of existing groups, there had been a rise in the formation of new savings groups. The FIT project had encouraged community members to participate for various reasons, with the involvement of traditional leaders being a key factor. This involvement had helped reduce issues such as borrower defaults and theft among members. Furthermore, many respondents indicated

that they had joined³multiple savings groups, utilising funds from one group for household needs while allocating resources from another for children's educational expenses.

Notable quote	"People have significantly reduced their reliance on loans with high-interest rates, as savings groups now offer loans at much lower rates. This makes the conditions for repaying the loans more manageable," – Headperson, Samfya.
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Source: Fieldwork, 2024

Another reported improvement in the economic wellbeing of respondents was that, beyond securing capital and finances from savings groups, many individuals were able to invest in various income-generating activities. By diversifying their investments across multiple businesses, many people not only generated income from different sources but also mitigated unforeseen cash flow issues that arose in one of their businesses by relying on those that were still performing well. As a result, their overall standard of living remained relatively unaffected in the long run. While the types of businesses varied from person to person, farming emerged as the most common form of investment. For example, some individuals invested in farming while also running a grocery store or a salon. Additionally, since many savings groups typically took about a year to distribute funds, this provided an opportunity for individuals to recover and begin making a profit before the next disbursement.

Notable quote	"Since people started receiving financial education training, they have learnt how to save and later borrow to reinvest in one or two businesses that can generate income, such as farming. Some are now raising chickens and selling them," – Headperson, Kawambwa.
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Source: Fieldwork, 2024

The findings also showed that, as a result of receiving financial education and consumer protection training, many savings group members acquired various types of assets. It was found that members purchased assets such as motorbikes for transportation, household goods, and land, which some used for agricultural purposes or to build houses. Live animals, particularly goats and chickens, were also found to be preferred assets for some members. These animals were easy to sell and could be consumed at the household level when needed.

Notable quote	"With my second share-out, I was able to buy a plot of land with a house on it. With my third share-out, I managed to acquire another plot of land where I plan to build a rental property." – FIT Savings Group Member, Kawambwa
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Source: Fieldwork, 2024

savings group members also reported that they were able to increase their agricultural output due to their capacity to purchase farming inputs, such as fertilizer, using loans they acquired from the savings group. Other savings group members used the loans to buy farming equipment and pesticides, which have improved the productivity of their farms and gardens. After harvest, they are able to sell some of their output to the Food Reserve Agency (FRA) and keep the rest for home consumption.

Notable quote	<p>"I have been able to access financing to modernize my agriculture and increase my output. I am now better off than I was before joining the savings group." – FIT Savings Group Member, Kawambwa</p>
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Source: Fieldwork, 2024

The findings also showed that another notable change in people's economic wellbeing was a reduced reliance on informal predatory lending institutions or individuals who provide what is locally known as "kaloba." This form of predatory lending often involves extremely high-interest rates of up to 100% on the borrowed amount, with very short payback periods. However, members of the savings groups reported that the groups were a better and more sustainable option, as they provided an easily accessible and more reliable source of finance, evidenced by the low interest rates.

Building on the points mentioned above, and as previously stated, traditional leaders have played a key role in increasing women's participation in financial inclusion through the FIT project. This involvement has been critical in ensuring that women not only become economically active but also engage in various income-generating activities and participate in household financial decision-making. Traditional leaders, such as Chiefs, have influenced these outcomes by: a) encouraging women to participate in financial inclusion activities, b) promoting joint decision-making between spouses, c) appointing female headpersons to advance financial and consumer education programs, and d) advising couples on how to save and manage money together to avoid household conflicts, among other actions.

Continuing along this line, the findings revealed that the involvement of traditional leaders has contributed to an increase in women's economic empowerment across many communities. More women are now able to earn and control their own income without needing to ask their husbands or other men for financial support. Once economically empowered, these women are more likely to have a significant say in decisions about improving their lives or investing their money. Additionally, more women have taken steps to engage in various income-generating activities, which has allowed them to have financial independence, with their spouses having less influence over their money. The findings also highlighted that some women are now actively contributing to household financial decisions. By participating in savings groups, women have gained a voice, and the involvement of traditional leaders has ensured that if a woman is sidelined by her spouse, she can report the issue. The spouse can then be counseled, and the conflict or challenge can be addressed and resolved.

Notable quote	<p>"Women are often the ones who control money in a household. So, even in savings groups, women are the most involved. They are now able to create budgets for their households because they can manage their own money," – Chief, Kawambwa.</p> <p>"Previously, for example, a couple would farm, harvest, and sell, but the man would choose to misuse the money simply because he was the head of the household. At that time, women had no say. But not anymore." – Chief, Chembe</p> <p>"Because they now have their own money, many women have the power and authority over the income they generate." – Chief, Kawambwa</p> <p>"Financial conflicts in households are now almost none existent." – FIT Savings Group Member, Mansa.</p>
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Source: Fieldwork, 2024

7.4 Improvements in social wellbeing

Another category of benefits reported by the respondents related to improvements in their social wellbeing. The findings indicated that the most significant change in social wellbeing was an increase in the number of individuals across various communities who were able to improve the standard of their old houses. Due to a lack of financial resources in the past, many people had been forced to live in houses of very poor standard, typically made from trees and grass, without proper roofing, flooring, or ventilation. However, with the introduction of the FIT project and increased access to resources through savings groups, more people have been able to replace the tree structures with bricks and the grass roofs with iron sheets. They have also been installing cement floors and larger windows to allow for better airflow. Over time, these improvements tend to contribute to better health outcomes for the residents, particularly the children.

Secondly, the findings also showed that there has been an increase in the number of people who have been able to send their children to school at primary, secondary, and tertiary levels. This has been made possible because, once people join savings groups, their economic status tends to improve as they gain better access to money. This increase in disposable income allows them to meet various school-related expenses such as school fees, books, stationery, uniforms, bags, and shoes. Having a readily accessible source of funds has proven especially helpful in covering needs that are not included under the 'free education' umbrella or are simply too expensive to afford.

Notable quote	<p>"Through savings groups, people are now able to raise money to build houses or even take their children to school," – Headperson, Mansa.</p>
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Source: Fieldwork, 2024

In addition to the above, the study also found that one of the worst forms of mistreatment people could be subjected to was a lack of respect. The logic behind this is that, in cases of over-reliance on their spouses, many women are at high risk of being disrespected and expected to behave according to what the man deems fit, leaving room for various forms of abuse. This situation worsens when a woman is less economically productive than her spouse or not economically productive at all. However, things change for the better once a woman has financial resources and assets that she can control based on her own judgment. As a result, many women reported that they now have the self-esteem and the confidence to speak their minds and no longer tolerate disrespect from anyone, as being economically empowered has allowed them to make their own decisions.

The results also showed an increase in the number of people who had been able to build their own houses, either to live in with their families or to rent out for a monthly income. It is important to note that the target districts for the FIT project were predominantly poor, meaning that most people either lived in rented houses or in their own homes, which often did not meet basic standards. However, through their participation in savings groups, many individuals had been able to secure financial resources to construct new houses using cement, blocks, and iron sheets. Some had even managed to connect their new houses to the electricity grid. Over time, this had reduced their reliance on fuels such as charcoal and allowed school-going children to engage in various school-related activities from home, particularly at night.

Notable quote	“For those who were not able to take their children to school in the past, they are able to do that now. Those who used to live in small houses made of grass are now able to save and get roofing sheets for their newly built houses,” – Chief, Samfya.
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Source: Fieldwork, 2024

Fifthly, it was also observed that people’s attitudes towards saving had changed since the inception of the FIT project. Previously, for example, people used to hide their money, either buried in a hole in their houses or concealed in the roof. However, many people now opt to keep their money securely in mobile money accounts, bank accounts, or even save with the savings group. This change in behavior occurred as individuals were exposed to proper financial education. As a result, the incidence of loss due to eventualities such as household fires or theft has greatly reduced. Members of savings groups also reported a reduction in out-of-pocket expenditures for emergencies, such as funerals, as the emergency fund within the group helps cover such costs. It was further observed that savings group members are now able to create household budgets to avoid impulse spending on non-essential items, indicating a shift towards prioritizing needs over wants.

Notable quote	<p>“We no longer keep money in our houses because the risk of losing out in case there is a fire is high. Keeping money in a mobile money account or bank has also reduced impulse buying because the money is not easily accessible and well budgeted for now.” – FIT Savings Group Member, Samfya.</p>
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Source: Fieldwork, 2024

Lastly, the FIT project had brought about a change in the ways conflicts and misunderstandings within savings groups were handled. How conflicts were resolved showed a distinction between respondents in the treatment groups and those in the control group. Most of the conflicts that savings groups encountered, particularly in many places, revolved around defaulting, theft, and the dissolution of savings groups. In the sampled savings groups, the findings showed that conflicts were handled by the Chiefs or headpersons, which led to fewer conflicts arising within the savings groups. In contrast, the savings groups in the control group relied on law enforcement officers and the courts of law to settle their conflicts. However, they faced challenges, particularly in recovering money from defaulters or prosecuting thefts through these two options, due to the lack of legal formalisation of savings groups. Interestingly, the savings groups in the sample would also take cases to the headpersons for resolution if the police and courts failed to resolve the issues.

Notable quote	<p>“A headperson takes up a case first and refers it to the Chief if it is beyond his capacity to solve. As long as a case goes through the traditional leaders, it is always resolved.” – FIT Savings Group Member, Chembe.</p>
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Source: Fieldwork, 2024

7.5 Respondent stories of change

The above few sections focused on the most significant changes in economic and social wellbeing that have come about as a result of the FIT project in Luapula. However, there were a number of stories about changes or improvements in economic and social wellbeing which stood out. Hence, shown in the table below are stories of four savings group respondents.

Astridah Kombe (Female, 27 years old), Chief Chisunka, Mansa.



Astridah Kombe joined a savings group under the FIT project three years ago with her husband, but initially, she didn't take it seriously. Unfortunately, she became widowed in early 2023, shortly after giving birth to her son, and found herself needing to support her family, which included two other young children. This event prompted her to take the savings group more seriously. In 2023, she received a significant share out from the group. With the money, she created a budget and used it to buy a sewing machine and fertilizer for the 2023/2024 agricultural season. After a successful harvest, she used the proceeds to build a new house, which she roofed with iron sheets. Once she moved into her new home, she rented out her old grass-thatched house (shown in the picture) and now receives a steady monthly rental income. To

supplement this income, she also sews school uniforms and other apparel for residents in her community.

In Astridah Kombe's words, "After my husband died, I took the savings group seriously so that I could save money and get a big share out that I could invest. The loans and share out have also helped me take care of my children and smoothed household consumption." In Astridah Kombe's words, "After my husband died, I took the savings group seriously so that I could save money and get a big share out that I could invest. The loans and share out have also helped me to take care of my children and smoothed household consumption."

Notable Changes	Domains of Change
<ul style="list-style-type: none"> Built a new house. Receives rental income from the old house. Bought a sewing machine. Increased agricultural output. 	<ul style="list-style-type: none"> Social Economic

Prudence Chishala (Female, 27 years old), Chief Munkanta, Kawambwa.



Having completed only Grade 12, Prudence Chishala decided to join a savings group under the FIT project as a way to empower herself. Over the course of four years in the savings group, she was able to secure financing that enabled her to start a garden, a vegetable stand, and a mobile money booth. Through her businesses, she has increased her savings and received substantial share outs in recent years. These funds have allowed her to purchase a house and another plot of land. As part of her 2024 budget, she is currently in the process of building a shop behind her mobile money booth, after recently purchasing the space.

In her words, “If I keep a ZMW2,000 in the house, it remains the same. But if I save that same amount in the savings group, it attracts interest and therefore I will get about ZMW3,500 to ZMW3,800.”

Notable Changes	Domains of Change
<ul style="list-style-type: none"> Started a mobile money booth. Started a vegetable stand. Built a house. Bought a plot. Owens a vegetable garden. 	<ul style="list-style-type: none"> Social Economic

Lawrence Kaunda (Male, 58 years old), Chief Kasoma Lwela, Chembe.



Despite having ideas about cross-border trade, Lawrence Kaunda was unable to participate in such activities at the Chembe border. However, after joining a savings group under the FIT project, he was able to start his fish trading business, which has significantly improved his livelihood. With the money saved from his business, he has managed to build a modern house with an iron sheet roof.

In Lawrence Kaunda's words, “I thought that joining the savings group and using the money for business would help me build a modern house and live like a human being, and it did...”

Notable Changes	Domains of Change
<ul style="list-style-type: none"> Started a business. Built a house. 	<ul style="list-style-type: none"> Social Economic

Laston Chisembele (Male, 33 years old), Chief Chisunka, Mansa.



Laston Chisembele, a 33-year-old male from Chief Chisunka in Mansa, has been a member of a FIT project savings group for slightly more than four years. Using capital obtained from the savings group, he constructed two fish ponds with a capacity of over 1,500 fish in Chief Chisunka's Chieftdom. However, due to insufficient funds to buy fingerlings and feed, he shifted his business model and started keeping about 200 breeders in his pond. He now supplies his village and neighboring villages with fingerlings.

In Laston Chisembele's words, "Through the lessons that I learnt in the savings group on how to invest, I have been able to construct two fish ponds and keep fish for two cycles."	
Notable Changes	Domains of Change
Constructed fish ponds to breed fingerlings.	<ul style="list-style-type: none"> Economic

Source: Fieldwork, 2024

As shown in the above stories about changes in social and economic wellbeing, two things stood out from all the many stories which were captured a) the changes that a person experiences usually have spillover effects on other areas of their or their families lives and the community, and b) social and economic types of change tend to co-exist because where there is a change in economic wellbeing (e.g., an investment into a business), a change in social wellbeing is likely to follow (e.g., more respect, able to pay for a child to school) – or vice-versa, where for instance being educated (i.e., social change) can entail being more likely to know how to raise resources, invest or even run a business (i.e., economic change).

7.6. Types of change captured during validation

Apart from confirming the reliability and accuracy of the data collected and analyzed during the first stage of this study, the data validation process was also conducted to identify any new categories of change that might emerge. The findings revealed that:

- the views and opinions from the FIT beneficiaries sampled during the first stage were all reliable and accurate – due to the fact that those sampled to take part in the validation held similar views and opinions. This further proved that the FIT project has had similar impacts in the various target districts it has been implemented.
- all the methodological procedures adopted from tool design until data analysis were scientifically sound – and this means that the results from this study are generalisable to the entire population(s) of the target districts.

It is worth noting however that no new categories of change emerged during the data validation. What this hence entail is that the FIT project has brought about a lot of tangible and sustainable economic and social changes in the lives of various individuals and their communities as a whole.

8. Conclusion and recommendations

8.1. Conclusion

In conclusion, this study examined the Financial Inclusion through Traditional Leaders (FIT) project, implemented by Financial Sector Deepening Zambia (FSD Zambia) over four years in various villages across Luapula Province. The project's objective was to enhance financial education access among both unserved and underserved populations. Based on the findings, it is imperative to note that:

- the most significant changes identified were changes in both economic and social wellbeing.
- the major factor which enabled the positive changes in the lives of the respondents and communities was the involvement of traditional leaders who among other things a) provided trainings about issues of financial education and consumer protection to various members of various villages, b) conducted extensive mobilisation and sensitisation of the community members and savings groups, c) arbitrated and settled issues such as defaulting and theft.
- the involvement of traditional leaders also led to more women being economically empowered, participating in income-generating activities and contributing to making financial decisions at the personal and household level.

In line with these findings, it is essential to intensify efforts on successful strategies to achieve more significant and sustainable impacts while simultaneously addressing bottlenecks that may hinder effective project implementation. This will require enhanced collaboration and input from target communities, the Zambian Government, and other relevant stakeholders to expand financial inclusion for previously underserved and excluded populations.

8.2. Recommendations and the implications for financial inclusion

1. There is need to offer more trainings about financial consumer protection to both the Trainer-of-Trainers (ToTs) and the savings groups. This is because more emphasis seems to have been directed towards financial education, and many seem to have distorted knowledge about financial consumer protection, where the focus has been on paying attention to expiry dates on products.
2. There is need to a) provide continuous refresher trainings for the ToTs on all issues of financial inclusion, and b) train new ToTs more frequently. The fact that a certain ToT was trained does not guarantee that they will take it upon themselves to keep learning on their own. Also, a ToT may relocate or even die.
3. There is need to increase the number of times FSD Zambia monitors how the ToTs are working and savings groups are functioning so that all the areas of improvement can be identified early and worked on in a timely manner.
4. There is need to provide some form of identification (e.g., an ID, uniform or t-shirts bearing the FSD Zambia logo, etc.) so that it is easy for ToTs to be identified by community members.
5. There is need to set aside some financial resources which can be used for ToT incentives. This would help in keeping them more motivated to do their work which most of them do on a voluntary basis.

