



## **Keynote Address**

**by**

**Minister of Finance & Economic Development**

**Honourable P. Chinamasa (MP)**

**on the Official Launch of the National Financial Inclusion**

**Strategy in Zimbabwe**

**Harare, 11 March 2016**

## Salutations

- The Governor of the Reserve Bank of Zimbabwe
- Deputy Governors of the Reserve Bank of Zimbabwe
- Permanent Secretaries of Government Ministries here present
- Financial Sector Regulators
- President of the Bankers Association of Zimbabwe and CEOs of banks
- Executive Director of Zimbabwe Association of Microfinance Institutions
- Development Partners
- Distinguished Guests
- Ladies and Gentlemen

1. I would like to take this opportunity to thank to the Governor for the warm welcome and for inviting me to address this gathering of stakeholders from various sectors of the economy on a subject close to my heart.
2. It is indeed a pleasure to officiate at the launch of the **National Financial Inclusion Strategy** for Zimbabwe.
3. As you may recall, in the 2016 National Budget Statement I highlighted that we have made commendable progress in the

restoration of stability and confidence in the financial services sector following the various monetary and financial sector reforms.

4. The sector is now in a position to effectively play its role with regards to financial intermediation through savings mobilisation, and channelling those savings to productive sectors in support of the ZimAsset Programme.
5. Ladies and Gentlemen, as we consolidate this position, we need to build an inclusive financial sector.
6. Financial inclusion, which is typically understood as *access to formal financial services such as credit, insurance and secure saving opportunities*, has in recent years been identified as a critical engine of economic growth. Empirical evidence, meanwhile, indicate that across the world, financial exclusion is one of the biggest barriers to development.

### **Globalisation of Financial Inclusion as a Policy**

7. Ladies and gentlemen, the Government and at my Ministry we are cognisant of the fact that the concept of financial inclusion

has become a world-wide phenomenon. Global trends show strong and increasing interest in the development of national financial inclusion strategies

8. Financial inclusion was initially put on the G20 agenda in November 2008 and, in 2010, it became one of the pillars of the global development agenda. Thus, financial inclusion has been acknowledged as an important structural enabler for inclusive economic growth and development.
9. We now have the G20's Financial Inclusion Action Plan and the Global Partnership for Financial Inclusion, apart from follow-up work by the IMF, World Bank and BIS, among others.

### **National Financial Inclusion Strategy for Zimbabwe**

10. The Ministry of Finance and Economic Development attaches significant importance to increased financial inclusion to improve the lives of many of the most vulnerable in our country.
11. It is against this background that I would like to extend my gratitude to the Governor of the Reserve Bank of Zimbabwe and

his team for spearheading the development of our country's national financial inclusion strategy.

12. The strategy is a holistic approach which should address the four key dimensions to financial inclusion namely **ACCESS, QUALITY OF THE PRODUCTS AND SERVICES, ACTUAL USAGE OF ACCESSED PRODUCTS AND SERVICES** and their **IMPACT ON THOSE ACCESSING THEM**.
13. I have been informed that the strategy is a product of wide consultations and has been informed by international best practices in the field of financial inclusion.
14. On the part of Government, we are spearheading the Rapid Results Initiative, in collaboration with World Bank, which seeks to improve the ease of doing business in Zimbabwe, by embarking on a number of reforms.
15. The reforms include access to credit by the majority of the population through the establishment of a collateral registry for movable assets, streamlining processes involved in starting a

business, obtaining construction permits and trading across borders to mention but a few.

16. These reforms are expected to go a long way in complementing the National Financial Inclusion Strategy being launched today.
17. The National Financial Inclusion Strategy has created a framework for Government, private sector, and other stakeholders to work together towards this important goal.

### **Empowerment Through Financial Inclusion**

18. The vision of the Government and my Ministry is to create more opportunities of doing business and to make every Zimbabwean self-reliant and economically empowered.
19. The Zimbabwean economy is replete with opportunities for its populace. The greatest constraint, however, has been lack of access to adequate financial services by the majority of people to exploit these opportunities.
20. Financial inclusion shall serve as a critical pathway for uplifting the lives of under-served and marginalised people in our country.

21. Ladies and gentlemen, through financial inclusion we seek to unlock economic opportunities for many stakeholders; especially women and youth; by expanding access to as savings, credit, insurance, capital markets and payment systems. These tools provide a path to empowerment for families and communities.
22. An inclusive financial sector has the catalytic effect of helping the nation to diversify the economy and boost sectors such as agriculture, tourism and manufacturing. When more people save and transact through formal financial institutions, the country will have more resources to invest in various sectors of the economy and in turn create the much needed jobs as well as reduce poverty.
23. Access to financial services is often the first step in allowing the poor and marginalized to flourish.
24. There is also a wide appreciation that financial inclusion empowers individuals and businesses to achieve their full potential and hence raise the aggregate productivity and income,

which in turn, supports more dynamic and sustainable economic growth.

### **High Level Recommendations**

25. Ladies and gentlemen, let me hasten to indicate that **greater access to financial services alone is not enough**. The expansion of financial services must go hand in hand with **financial education and consumer protection**.

26. For sustainable economic growth, citizens across the socio-economic spectrum need access to **appropriate and affordable financial services**.

27. I urge our financial institutions to **harness technology**, particularly mobile technology, which has tremendous potential to enhance access to digital financial services.

28. The unbanked and underserved segments of the population present a major business opportunity particularly if banks can

develop **business models tailored to meets their special requirements.**

29. I further want to urge the financial services sector regulators to **promote an enabling environment that allows financial institutions to be innovative**, while ensuring that the financial system remains safe and sound; and that consumers are protected.

### **Conclusion**

30. Ladies and gentlemen, I would like to conclude by saying that financial inclusion does not only help the individual and their family, but it can also be a powerful driver of economic growth. And it has to work in two ways: it has to enable, and it has to empower.
31. The financial inclusion agenda being launched here should be a joint responsibility of the financial sector, the government and the Reserve Bank in pursuit of a national policy for financial inclusion.
32. At my Ministry, we ready to work with all stakeholders and to prioritise the development and implementation of the National

Financial Inclusion Strategy in order to complement existing government programs such as the ZimAsset, Ten Point Plan and Ease of Doing Business Reform Programme.

33. As pointed out by the Managing Director of the IMF in one of her recent speeches, sustainable growth makes life better for everyone. It entails “growth that is more inclusive, that is better shared... that is also sustainable and more balanced.”
34. To get there, we will need concerted action by government, banking industry, regulators and all stakeholders working together.
35. To our development partners, I want to express my gratitude. We shall continue to call on your technical and financial support in implementing these financial inclusion initiatives.
36. With these remarks, it is now my honour and privilege to officially launch the National Financial Inclusion Strategy.

Thank you.