



**KEY NOTE ADDRESS**

**By**

**Dr J.T. CHIPIKA**

**Deputy Governor, Reserve Bank of Zimbabwe**

**ON THE OCCASION OF THE AFRICAN DEVELOPMENT BANK'S  
YOUTH ENTREPRENEURSHIP AND INNOVATION MULTI-DONOR  
TRUST FUND YOUTH LED MSME TRAINING & MENTORSHIP  
ZIMBABWE LAUNCH EVENT**

**DATE: 4 MARCH 2022**

**VENUE: AVONDALE HARARE**

## **SALUTATIONS**

- **Representatives from Embassies here present;**
- **Representatives from the African Development Bank;**
- **Representative from the African Guarantee Fund – Ms Nicole Muia;**
- **The Zimbabwe Agricultural Development Trust (ZADT) Board Members here present;**
- **Representatives from Government Ministries;**
- **The CEO of the ZADT, Mr Godfrey Chinoera;**
- **Representatives of the Development Partners and Financial Institutions;**
- **Distinguished Guests;**
- **Ladies and Gentlemen.**

## **A VERY GOOD MORNING TO YOU ALL!**

1. It is my great pleasure to officiate on behalf of the Reserve Bank of Zimbabwe, on this occasion of the launch of the **African Development Bank's Youth Entrepreneurship and Innovation Multi-Donor Trust Fund Youth Led MSME Training & Mentorship Programme.**
2. We are aware that ZADT is receiving the youth training and mentorship capacity building support from the **African Development Bank and the African Guarantee Fund** to facilitate provision of critical services which steer inclusive development to our youth, for which we are very grateful as the Central Bank. Allow me Ladies and Gentlemen, to thank

the African Development Bank and the African Guarantee Fund for this initiative.

### **CHALLENGES FACED BY YOUTHS AND WOMEN IN ZIMBABWE**

3. Let me start by highlighting that **a nation's pillar of success, is its younger generation and the achievements of that generation.** The future of every nation lies in the development of its young people and initiatives such as the one we are witnessing today, are key in unlocking the full potential of young people.
4. Young people in Zimbabwe (aged between 18 to 35 years) account for more than 67% of the total population. According to the 2019 Labour Force and Child Labour Survey, **Zimbabwe had 4.49 million youth aged between 15 to 35 years,** the numbers could have increased by now. **Therefore, given the vision, the right mentorship and guidance, the right skills, and adequate resources, young people have a great potential to contribute meaningfully to economic development and nation building.**
5. Notwithstanding, the youth in Zimbabwe and other developing countries in general, are disproportionately affected **by high levels of unemployment, and exclusion from the productive and income generating activities** that impact on their lives and their future.
6. **Access to quality financial services on a sustainable basis is key to unlocking the full entrepreneurial potential in young people,** which in turn is critical for meaningful economic development and economic emancipation of the majority of Zimbabweans.

7. However, young people are generally considered “**high risk**” and continue to be financially excluded due to a number of reasons including the negative stereotypes, lack of credit history, lack of requisite collateral, and lack of adequate business experience and skills.
8. Women, on the other hand, account for more than 52% of the population in Zimbabwe, and **therefore no meaningful and credible economic growth can take place without incorporating strategies and initiatives aimed at facilitating financial, social and economic inclusion of women. Access** to, and **usage** of quality financial services on a sustainable basis is key to unlocking the full potential of the majority of the population, who are women!
9. Challenges that have militated against financial inclusion of women include but are not limited to, **historically lower levels of education and financial literacy, lower income levels, lack of tangible assets or collateral, legal constraints, time and mobility constraints, socio-cultural constraints, inter-role conflicts involving domestic and professional roles**, and a lack of market exposure, this makes the situation even worse for female youths.

## **THE NATIONAL FINANCIAL INCLUSION STRATEGY (NFIS)**

10. Given the importance of the youth and the women in economic development and contribution to national output, the Reserve Bank of Zimbabwe has identified under both NFIS I (2016-2020) and NFIS II (2022 – 2026), **the youth and women as target groups that are currently financially excluded and have put in place strategies to facilitate their inclusion.**
11. In line with our vision to be a transformative and responsive Central Bank and in pursuit of sustainable and inclusive economic growth, we are happy to advise that following the end of term of NFIS I on 31 December 2021, development of NFIS II is currently underway.
12. It is through this strategy that **we seek to broaden access and usage of quality financial services, with special emphasis on the inclusion of Micro, Small and Medium Enterprises (MSMEs), women, youth, rural populations and indeed the small-scale agricultural sector.**
13. Let me hasten to say that under NFIS I, a number of **successes** were recorded with regards to financial inclusion of youth, women and their micro, small and medium enterprises, including increasing number of women, youth and MSMEs accessing financial services, as well as the value of loans to the same target groups.
14. The Bank conducted a desk-top review of the NFIS I and engaged the financial inclusion stakeholders to evaluate the effectiveness of strategies deployed under NFIS I and the challenges, in order to improve on the strategies to be deployed under NFIS II.

15. Further, in order to develop and implement an evidence-based National Financial Inclusion Strategy, **two FinScope Surveys have been commissioned and are currently underway, the FinScope MSME Survey and the FinScope Consumer Survey, results of which will be used as baseline statistics to set targets for NFIS II.**
16. NFIS II is being implemented under the National Development Strategy (NDS) 1 from 2021 to 2025. **The Overarching Goal of the NDS 1 is to ensure high, accelerated, inclusive and sustainable economic growth, as well as socio economic transformation and development.** The strategy has several objectives **two of which are to achieve and sustain inclusive and equitable Real GDP growth and to promote new enterprise development employment and job creation.** The Strategy is executed according to set national priorities.

## **ENTREPRENERIAL DEVELOPMENT**

17. Cognisant of the importance of entrepreneurship development in the financial inclusion agenda and its impact on economic transformation, empowerment and poverty alleviation, **the RBZ has added the Entrepreneurship Development as a Pillar to NFIS II.**
18. The Strategy proffers an Entrepreneurship strategy that facilitates coordination and collaboration among various stakeholders including Government, skills development agencies, line ministries, financial service providers, regulatory authorities, and development partners, to **provide capacity building at the micro and meso levels through**

**skills development programmes. The event we are witnessing today, dovetails very well into the strategic thinking around Entrepreneurship development.**

19. It is therefore commendable that organisations such as the Zimbabwe Agricultural Development Trust, are active in facilitating access to finance and entrepreneurship development for the previously excluded sectors of our economy in which women and youths are key players.
20. We encourage the ZADT to continue to increase its support for the smallholder farming sector. We encourage our entrepreneurs and youth to take advantage of this Programme and contribute towards poverty alleviation and ultimately to the economic development of our country.
21. Ladies and Gentlemen, we are cognisant of some of the hurdles that youths face in accessing finance through financial institutions, some of which I have highlighted earlier in my presentation earlier. In this regard, one of our focus areas is to build a robust credit infrastructure that will facilitate financial inclusion of the currently marginalised and underservices, the majority of whom are youth and women.
22. The **Credit Reference systems** is already operational and has gone a long way in dealing with information asymmetry challenges that were barriers to financial inclusion. The Bank has also put in place the MSME Guarantee Scheme under the ECGC, and we are happy to report that a number of women and youth-owned business have accessed facilities through the guarantees.

23. Further, the **Collateral Registry (use of movable property)** is due to be operational during the first half of 2022, and is expected to facilitate access to the much needed capital by MSMEs including the agricultural sector.
24. Distinguished Ladies and Gentlemen, the Reserve Bank remains committed to developing policies that promote economic growth, in line with the national aspirations, to ensure that we “**leave no one behind**”.
25. It is our sincere hope that our banks and microfinance institutions will find the African Development Bank’s Youth Entrepreneurship and Innovation Multi-Donor Trust Fund Youth Led MSME Training & Mentorship Programme value adding in terms of the **quality of the business proposals they will receive from the trained Youths**.
26. The support of these development institutions complements the efforts in ensuring that the goals of the Zimbabwe National Financial Inclusion Strategy are achieved.
27. In closing, as the Reserve Bank of Zimbabwe, **we continue to encourage collaboration of the players in the financial services sector and the youths who would be the products of this Programme**. To the ZADT, we look forward to your resilient support and participation in the continued fight for equity and development of women, youth and the MSMEs which you are involved in.

28. With these words I would like **to declare the African Development Bank's Youth Entrepreneurship and Innovation Multi-donor Trust Fund Youth Led MSME Training & Mentorship Programme officially launched in Zimbabwe.**

**I THANK YOU.**