

## 2023-04 | Initiative for a rural digital finance ecosystem empowering women small-scale farmers, Zambia

Financial sector partner (FSP)	<a href="#">AB Bank Zambia</a>	SCBF contribution	CHF 149,550 (47%)
Grantee/TA provider	<a href="#">Symbiotics Association for Sustainable Development</a>	Matching contribution	CHF 171,715 (53%) – FSP
Country	Zambia	Theme	Digital Financial Services
Duration	June 2023 – May 2025	Product	Digital Loans, Savings, Agent Banking and Mobile Money
Potential outreach	26,000, of which users of: Mobile Money – 26,000 Digital Savings – 8,300 Digital Loans – 160	Target group	Women and Rural Clients
Thereof women	62%		

### CONTEXT

According to the [Finscope 2020](#) report of the Bank of Zambia, only 54.8% of adults in rural areas are financially included, compared to 83.8% in urban areas. Farmers and fisherfolk situation prove worse with financial inclusion rate of only 27% according to [Finscope 2015](#) report. The Government of Zambia and the Bank of Zambia are both firmly committed to improving financial inclusion in the country as described in the [National Financial Inclusion Strategy \(NFIS\) 2017-2022](#), the Zambian government’s financial inclusion vision is to "achieve universal access and usage of a broad range of quality and affordable financial services that meet the needs of both individuals and enterprises." Additionally, the second pillar of the [2020-2023 Strategic Plan](#) of the Bank of Zambia, together with financial stability, and highlights the importance of leveraging digital finance to increase the penetration of rural finance.

Through AB Bank’s “**Initiative for a rural digital finance ecosystem empowering women small-scale farmers, Zambia**”, the bank will leverage on its existing mobile wallet platform, eTumba, to provide digital finance services to small-scale farming communities, especially women, and develop a digital finance ecosystem to enable usage of mobile money, and thus increase the levels of financial inclusion in the country.

### CURRENT STATUS OF THE FSP

AB Bank Zambia is a registered commercial bank part of AccessHolding and with international shareholders, dedicated to providing simple, affordable, and customer-centric banking services to MSMEs. These services include loans, overdrafts, digital products, current and savings accounts, national and international payment channels. Since operations have started in October 2011, more than 140,000 business loans to MSMEs have been disbursed, and more than 46,000 savings accounts been opened. As of 31 of December 2022, AB Bank loans and advances to customers stood at CHF equivalent 18.7 million for 17,000 outstanding loan clients and the average loan disbursed was CHF equivalent 1,395. AB Bank Zambia has 9 branches spread across Lusaka, Copperbelt and Eastern Province, and 3 satellite locations in predominantly agriculture locations.

The bank made a profit in 2022 after 2 years of loss making and is not yet in a position to invest heavily in projects to reach the last mile such as this, especially after investing heavily in Chipata branch. Without SCBF capacity building support, the bank would focus on our traditional MSME clientele.

### OBJECTIVES AND MAIN ACTIVITIES

The “Initiative For A Rural Digital Finance Ecosystem Empowering Women Small Scale Farmers” builds on AB Bank’s existing mobile wallet platform, eTumba, to provide digital finance services to small-scale farming communities, especially women, and develop a digital finance ecosystem to enable usage of mobile money and increase trust in mobile money. With this initiative, AB Bank wants to launch an agent network tailored to the needs of women small-scale farmers that combines digital loan solution, payment and merchant services, financial literacy and knowledge for women small scale farmers. Upon project completion, AB Bank should be in a position to reach 16,000 women small-scale farmers (62% women out of 26,000 small-holder farmers overall) by the end of 2024.

#### Partnering with:

