

PROJECT FACTSHEET

Title of Project	SCBF 2012-03: EFC Zambia Interconnectivity
Country / Region	Zambia, Southern Africa
Financial Intermediary	EFC Zambia , deposit taking microfinance institution
Swiss Competence Centre mandated for execution	DID - Développement International Desjardins in collaboration with Bamboo Investments SARL, Geneva 32 Rue Malatrex, 1201 Geneva, Switzerland
Overall Project Budget	CHF 197,370 (27% contribution by financial intermediary)
SCBF Contribution	CHF 144,000 (73% SCBF funding share)
Date of Project Approval	22 June 2012
Project Period	September 2012 – August 2013 (12 months)
Context	<p>Zambia's financial sector is relatively small and is dominated by a handful of mainstream commercial banks, few being actively engaged in microfinance activities.</p> <p>As of 2005, MFIs only served around 50,000 customers, representing 0.005% of Zambia's population. It is estimated that there are approximately 924,000 MSMEs in Zambia – only 10% of which are estimated to have access to appropriate financial services. Based on these figures and the significant portion of the population that remains unbanked, the industry has the potential to yield proven results and have an impact, both from a financial and social standpoint. The industry as a whole has been expanding the last few years, and currently there is association with 23 MFIs members throughout Zambia.</p>
Current status	<p>Established by CARE Zambia as a project supported by the Department for International Development in 1996, EFC Zambia is the leading deposit-taking microfinance institution in Zambia, licensed and supervised by the Bank of Zambia with a share capital of ZMK 23 billion. The Company accounts for 40% of total deposit-taking MFI assets, 53% of total voluntary savings; 36% of total outstanding net loans, and 58% of total paid-up capital.</p> <p>The Company's target market comprises mostly but not entirely of those minority groups that have often times been overlooked by mainstream financial institutions. EFC Zambia currently operates a main branch at its Head Quarters in Lusaka, plus five other branches/point of sales around the capital city, Kitwe, Kafue and Chipata as well as six business loan centres in markets within Lusaka. It currently serves more than 10 thousand customers and has over 130 employees.</p> <p>Enterprise development will be attained through interlinking various products and providing the necessary technical expertise to the clients through competent and experienced staff. Alongside that, an increase in the business capacity for local entrepreneurs is assured since one of the Company's objectives is to give an opportunity to its clients to participate in the ownership of the company through its unique and innovative "Client Share Ownership Program" (CSOP).</p>
Objective and Main Activities	<p>The objective of the Project is to improve banking services for EFC Zambia clients – existing and potential, particularly in rural areas, both in terms of access as well as the degree of utilization of services, by facilitating the execution of transactions through the interconnectivity of transactions (funds) and diversifying the supply of financial services. More specifically, by interconnecting EFC Zambia's branch network, the Company will be able to achieve the following goals:</p> <ul style="list-style-type: none"> • Improve access to financial services of its rural client base, thereby directly improving overall financial inclusion; • Diversify the suite of financial services on offer, by developing addition transactional services such as inter-branch services and funds transfers; • Achieve real-time access by EFC Zambia's clients- in both urban and rural areas – to their accounts from any branch and point of sale across the network; and • Put in place the infrastructural prerequisites for the addition of new financial service delivery channels such as a mobile banking network and ATMs.