

From access to opportunity: Leveraging financial inclusion for economic transformation in Zambia

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- Financial inclusion has expanded rapidly in Zambia through mobile money and digital financial services, increasing access to finance, strengthening resilience, and supporting economic growth, job creation, and domestic revenue mobilisation.
- Despite strong progress, rural communities, women, and other underserved groups continue to face barriers to productive financial services, while most mobile money is still used for payments rather than savings, credit, insurance, or investment.
- Building trust through stronger consumer protection, financial capability, and improved digital infrastructure is essential to encourage wider use of productive financial services and reduce financial exclusion.
- Policies should lower connectivity costs, strengthen the SME finance ecosystem, expand tailored digital financial products, and improve financial capability to help financial inclusion drive inclusive economic transformation.

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JULY 2026

This project was funded by the IGC

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Growing evidence shows that financial inclusion supports economic growth, poverty reduction, enterprise development, and resilience, particularly when backed by strong digital infrastructure and effective institutions. In Zambia, the rapid expansion of mobile money has drastically widened access to financial services, especially for rural communities and informal workers. So far, mobile money is used mainly for payments and everyday transactions. With support from the government, and innovation in the telecommunications and banking sectors, this digital infrastructure can promote more productive activities, such as savings, credit, insurance, and investment, driving enterprise growth, economic resilience, domestic revenue mobilisation, and inclusive economic transformation in Zambia.

Leveraging financial inclusion for inclusive economic growth

Expanding access to financial services, particularly through digital financial services and mobile money, strengthens participation in economic activity, improves resilience among households and businesses, and supports growth, job creation, and domestic revenue mobilisation. Financial inclusion refers to the access to, and effective use of, affordable and appropriate financial services, including payments, savings, credit, insurance, and digital financial services, by individuals and businesses.

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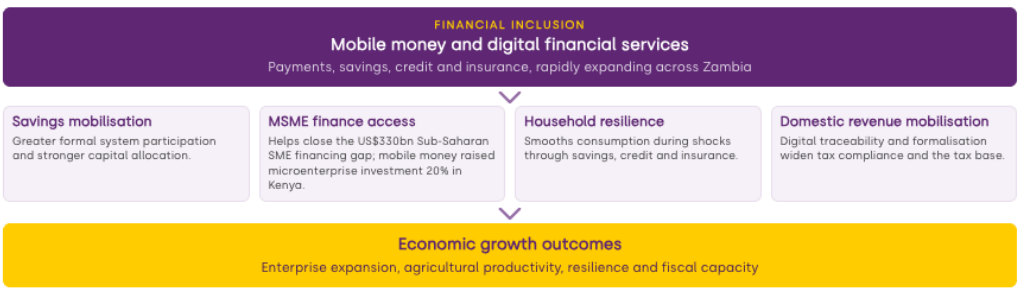
A 10 percentage point increase in financial inclusion can raise annual GDP growth by approximately 0.3 to 0.5 percentage points according to the International Monetary Fund and World Bank.

This highlights the growing importance of financial inclusion as a macroeconomic policy instrument for supporting Zambia's goals of growth, job creation, agricultural transformation, and domestic revenue mobilisation.

Figure 1: Financial inclusion transmission channels supporting economic growth in Zambia



As illustrated in Figure 1, financial inclusion supports growth through four mutually reinforcing channels. Increased access to savings and digital financial services helps mobilise domestic resources and strengthen investment. In parallel, improved access to finance enables Micro, Small, and Medium Enterprises (MSMEs) and smallholder farmers to expand productive activities, create jobs, and contribute to growth. Financial inclusion also enhances household resilience, helping families manage economic and climate-related shocks through savings, credit, and insurance. At the same time, the rapid expansion of mobile money and digital payments supports formalisation, improves transaction traceability, and creates opportunities to broaden the tax base. Together, these channels offer a framework for the Government of Zambia to invest strategically in the mechanisms that turn digital financial services into economic growth outcomes.

The state of financial inclusion in Zambia

Zambia has made remarkable progress in expanding financial inclusion through mobile money and digital finance. The next challenge is ensuring that increased access translates into greater productivity, resilience, and economic opportunity for all.

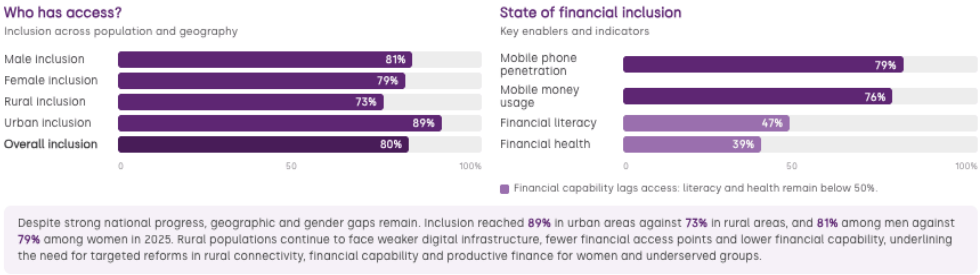
Progress over the past decade has been driven largely by mobile money, agent banking, and digital financial services. Financial access points increased from almost four per 10,000 adults in 2009 to roughly 80 in 2022, reflecting rapid expansion in agent banking and mobile money agent networks. Mobile money has become the primary driver of inclusion, with usage rising from 58% in 2020 to 76% in 2025, supported by mobile phone penetration of about 79%. Platforms such as Airtel Money, MTN MoMo, and Zamtel Kwacha now play a central role in payments and domestic transfers. As a result, overall financial inclusion rose from 69% in 2020 to 80% in 2025.

Overall financial inclusion was 80% in 2025, up from 69% in 2020.

76% of adults are using mobile money in 2025, up from 58% in 2020.

There are around 80 financial access points per 10,000 adults in 2022, up from about 4 in 2009.

Figure 2: Trends in financial inclusion in Zambia, 2025



Despite strong national progress, geographic and gender gaps remain. Inclusion reached **89%** in urban areas against **73%** in rural areas, and **81%** among men against **79%** among women in 2025. Rural populations continue to face weaker digital infrastructure, fewer financial access points and lower financial capability, underlining the need for targeted reforms in rural connectivity, financial capability and productive finance for women and underserved groups.

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As shown in Figure 2, mobile money has become the primary driver of financial inclusion in Zambia, accelerating access to financial services nationwide. The expansion of agent banking and mobile money infrastructure has sharply increased availability across the country, particularly for previously underserved communities. Mobile money removes many of the barriers of traditional banking, such as formal employment records, collateral, and minimum balances, making it especially important for informal workers and irregular-income groups, who are often rural, young, or women.

For inclusion to drive growth, however, households and businesses must move beyond payments and transfers towards savings, credit, insurance, and investment products that support enterprise development, agricultural productivity, and resilience. While mobile money usage reached 76% and overall inclusion reached 80% in 2025, the use of these productive financial services remains considerably lower.

Trust is a critical enabler of productive financial inclusion. As digital finance has expanded rapidly, growing concerns about fraud, scams, cybersecurity risks, and unauthorised transactions can undermine consumer confidence and limit uptake, particularly among first-time users, women, youth, and those with lower levels of digital and financial literacy. Strengthening trust will require stronger consumer protection frameworks, improved financial education, effective complaint resolution, and greater use of data analytics and artificial intelligence to detect fraud and identify emerging risks.

Although financial literacy and financial health have improved since 2020, many households, particularly women, youth, and low-income rural populations, still struggle to manage shocks, save consistently, and make informed financial decisions. The next phase of reform should therefore focus on strengthening

financial capability, expanding rural digital infrastructure, improving consumer protection, and developing financial products tailored to MSMEs, women, youth, and smallholder farmers, moving financial inclusion from basic access towards productive and inclusive transformation in Zambia.

Recommendations to promote economic growth through increased financial inclusion

Review telecommunications taxes and fees to lower connectivity costs and attract investment in underserved areas

Zambia should strengthen the policy and regulatory environment for telecommunications and digital infrastructure investment, in line with the Eighth National Development Plan and the National Digital Transformation Strategy (2023-2027). Evidence from the World Bank and The Global Systems for Mobile Association (GSMA) shows that excessive taxation and high regulatory costs constrain private investment and slow inclusion. Industry stakeholders, including the Zambia Information and Communications Technology Authority (ZICTA), note that high regulatory fees and the 35% Corporate Income Tax on telecom operators, 5 percentage points above the standard rate, reduce resources for network expansion. The Government should review telecoms taxes, regulatory fees, and spectrum charges, and bring connectivity costs in line with the United Nations benchmark of 1 GB of mobile data costing under 2% of average monthly income. Lower connectivity costs would expand rural mobile and agent-banking networks and improve access to digital financial services in underserved communities.

Coordinate SME policy, data, and literacy reforms to expand access to productive financial services

Zambia should improve the coherence of its Small and Medium-sized Enterprise (SME) policy, regulatory, and information ecosystem to widen productive financial inclusion for MSMEs. This includes developing an evidence-based SME Act and harmonising SME definitions across the Zambia Revenue Authority (ZRA), the Patents and Companies Registration Agency (PACRA), the Bank of Zambia (BoZ), and sector ministries, so financial institutions can better target SME products. Evidence from the International Finance Corporation shows that MSMEs across sub-Saharan Africa face substantial financing constraints that limit growth and productivity. Led by the Ministry of Small and Medium Enterprise Development with regulatory and financial-sector partners over the next 6-18 months, the Government should establish a centralised SME gateway and national SME database linked to PACRA, and scale financial literacy programmes that improve uptake of credit,

savings, insurance, and digital services, particularly among women, youth, and informal enterprises.

Expand tailored digital credit, savings, and insurance products for underserved groups

The Government, through the Ministry of Finance and National Planning, the Bank of Zambia, financial institutions, and development partners, should accelerate the development of inclusive digital credit, savings, and insurance products tailored to MSMEs, women, youth, and smallholder farmers. Building on the Ministry of Small and Medium Enterprise Development's work to establish a digital credit system through a public-private partnership, new financing should remain accessible to people who lack traditional collateral, formal employment records, or credit histories. Providers should use alternative data, including mobile money transactions and digital payment histories, alongside artificial intelligence and advanced analytics to strengthen credit scoring, reduce information asymmetries between lenders and borrowers, and improve fraud detection and early-warning systems. To ensure no group is left behind, policymakers should routinely disaggregate financial inclusion and credit data by gender, age, MSME size, geography, and sector.

Build practical financial capability and reduce compliance barriers to formal participation

The Government, the Bank of Zambia, the Zambia Revenue Authority, financial institutions, and development partners should strengthen financial capability by moving beyond basic awareness campaigns towards practical financial management, enterprise development, responsible borrowing, digital finance, and tax literacy. Existing initiatives should be coordinated and delivered through mobile platforms, cooperatives, SME associations, farmer organisations, and youth networks to reach underserved populations at scale. Policymakers should also reduce the information and compliance barriers that discourage formal participation by simplifying financial information, improving access to business support services, and strengthening the link between financial inclusion, business registration, and enterprise support, so that entrepreneurs can move from informal activity into the formal economy.