**Zopia's Country Profile**

Zopia’s economic growth was over 7% in the period 2005-15, well above the Sub-Saharan Africa average, though it fell to 3.2% in 2011/12. As a result of population growth, real economic growth per capita averaged around 4% in the period 2005-15.

According to World Bank statistics, GNI per capita was around 500 USD in 2014. The proportion of people living in poverty was 25% in 2012/13 (compared with 56% in 2002/03). There is a significant disparity between rural and urban income levels, with the mean consumption of the richest area (Lunga) being 2.5 times that of the poorest area (the northern region).

The population of Zopia was around 34 million in 2014. The annual population growth rate of about 3% is one of the highest in the world.

Zopia has the youngest population in the world, with more than 50% of its population being children under the age of 15. The population structure is expected to remain youthful for the next 15 years.

Zopia has one of the highest dependency ratios in the world (it was projected to increase to 115% in 2020). 2.2% of the population was aged 60 or above in 2012. The majority of older people live in poverty. Only 7% have access to a pension, of whom 60% are males.

Zopia’s labour force was estimated at 12 million people in 2014 and is projected to reach 19 million by 2018. Almost all of those who earn an income receive it in cash. Zopia is largely andependent on agriculture: over 82% of the labour force is employed in the agriculture sector. Many of them receive income infrequently – often seasonally. Many of those who live in rural areas are members of community and other mutual help groups. Micro Small and Medium Enterprises (MSME) employ over 1.5 million people out of the total non-farm workforce.

A large number of local languages are spoken within Zopia. 12% of Zopians use the Internet; 42% of Zopians use cell phones. The proportion of the population with access to the Internet and to cell phones is expected to grow substantially over the coming years. There are a number of radio stations and a few television stations spread out all over the country, which provide both local and international content. There are about 5 print media houses with newspapers printed in English and a few local languages; however most of these newspapers circulate in urban areas

By the end of 2014, there were 15 commercial banks with 500 branches, with most of them being situated in urban centers. According to the FinScope survey of 2013, only 16% of Zopians have accounts with commercial banks. This limits access to safe and sound financial services. The microfinance sector plays an important role, particularly in rural areas. The Government promoted, through the Welfare for all project, the establishment ofSavings and Credit Cooperatives (SACCOs) throughout the country. However, many SACCOs are small or weak (or both) – and members of a number of SACCOs have lost all or part of their savings as a result of fraud or poor financial management.

The FinScope survey of 2013 indicated that 21% (women: 18%; men: 24%) of those aged 16 years and above use formal financial services, a further 7% (women: 8%; men: 7%) use semi-formal financial services such as (SACCOs and Non deposit taking Micro Finance Institutions) and a further 42% (women: 43%; men: 41%) use only informal financial services (including Rotating Savings and Credit Associations (ROSACAs), Village Savings and Loans Associations (VSLAs), investment clubs, savings clubs and welfare funds). 30% (women: 31%; men: 28%) do not make use of any form of financial services. 38% of those living in urban areas use formal financial services, compared with 15% of those living in rural areas.

Some of those who have bank accounts withdraw their pay in cash as soon as it is paid into their account and thus do not take advantage of the benefits which a bank account can bring.

According to FinScope, 72% of Zopians (women: 69%; men: 73%) are currently saving, while 20% have never saved (women: 21%; men: 19%). Seventeen percent save with banking products while 31% use informal products. Of those who save, 60% keep their money in a secret place. The most common reason for saving is to meet basic household needs (68%) and emergencies (58%).

Forty five percent of those aged 16 and above are currently borrowing (women and men equal), while 35% have never borrowed (women: 36%; men: 34%). 60% borrow from institutions providing goods or services on credit (e.g. shops, clinics, etc.), 33% from friends/family and 24% from informal financial groups. Only 7% borrow from commercial banks and 3% from Micro finance Deposit Taking Institutions.

Three percent of those aged 16 and above have a formal insurance product, 20% have an informal insurance product and 77% don’t use any insurance product. 36% of the population does not know about insurance or how it works and a further 19% do not know how to go about buying insurance.

Access to Universal Primary Education increased from 2.5 million students in 2003 to 8.4 million in 2014, with girls constituting 41% of those enrolled. Secondary school enrolment increased by 50% from 0.8 million in 2010 to 1.2 million in 2014, with girls constituting 47% of those enrolled. From 2012 to 2014, enrolment in Business, Technical and Vocational Educational and Training increased by 46% from 26,000 to 47,000. The adult literacy rate has increased from 69% in 2008/09 (when nearly half of adult women were illiterate, compared with 23% for men) to 73% in 2014 (65% for women, 83% for men) 43.

***The Central Bank Governor of the Central Bank of Zopia, after a regional meeting of central bank governors in the neighboring Bopia, has assigned the new Director of Financial Inclusion Department to design a strategy for financial literacy for Zopia taking into consideration the profile and challenges faced by the country. The Director has requested the Team to:***

1. Develop a vision for the strategy and at least three goals/objectives of the strategy
2. Discuss five expected outcomes of the strategy
3. Design a governance structure for implementation of the strategy
4. Carry out a stakeholder mapping for implementation of the strategy and indicate some of the activities to be undertaken in the strategy.