**Provincial Observations**

Bulawayo

* Availability: 75% have mobile money account, 34% have bank account,
* 2% have pension policy
* Biggest Barrier: knowledge (30%)
* 2% of registered businesses are not registered with ZIMRA
* No mobile money user was aware of loans offered through MM
* 23% were aware of insurance products offered through MM

In Bulawayo, only 35% of MSMEs have a bank account but 75% have a mobile money account for their business. Of those who have a mobile money account, 23% were aware of the insurance products offered while none knew about any loans offered on the platform. Within Bulawayo, 30% of enterprises identified a lack of knowledge as a barrier to the access and use of financial products.

Harare

* Availability: 70% have a MM account, 44% have a bank account
* Only 30% use formal sources for business advice
* Biggest Barrier: inflation (35%)
* 3% of registered business are not registered with ZIMRA
* Only 18% use formal sources of funds for their business operations

In Harare, 70% of MSMEs have a mobile money account and 44% have a bank account. 35% of businesses identify inflation as a barrier to access and use of financial products and services. 30% of the enterprises use formal sources for business advice and only 18% use formal sources to fund their ongoing business operations.

Manicaland

* Availability: 65% have MM accounts, 38% have bank accounts
* 52% have access to savings facility
* Biggest Barrier: Finance (33%)
* 13% registered but not with zimra
* Of the 19% that have insurance, 40% offer staff insurance while 41% offer product insurance

65% of MSMEs have mobile money accounts while only 38% have a bank account. 33% of respondents identified a lack of finance and affordability as a barrier to access financial products. 52% of enterprises do have access to a savings facility. Of the 19% of enterprises that have business insurance products, 40% of them offer staff insurance.

Mashonaland Central

* Availability: 41% have MM, 28% have bank
* 3% of those who need foreign currency are registered on the SME foreign exchange auction
* Biggest Barrier: finance (19%)
* Knowledge: 18%
* Legal: 16%
* 29% of registered business are not registered with ZIMRA
* Of the 14% that have insurance, only 3% offer staff insurance while 7% offer product insurance

Only 41% of MSMEs have a mobile money account while fewer enterprises (28%) have a bank account. 19% of enterprises identified a lack of finance for the reason why they did acquire financial products, while 18% identified a lack of knowledge of product and/or process, and 16% identified that they were not in legal standing. Of the 46% registered businesses, 29% of them were not registered with ZIMRA.

Mashonaland East

* Availability: 43% bank, 83% MM account
* 30% of those who need foreign currency are registered on the SME auction
* Biggest Barrier: inflation (37%)
* Only 0.7% of those who are registered are not registered with ZIMRA
* 64% make investments on behalf of the business

83% of enterprises have a mobile money account (2nd highest across the provinces) and 43% have a bank account. Of those who need access to foreign currency, 30% of enterprises are registered on the SME auction yet none of them have made a successful bid. 37% of MSMEs identified inflation as a barrier to acquire formal financial products.

Mashonaland West

* Availability: 34% have bank account, 60% have mobile money account
* 31% have insurance (largest %)
* Biggest Barrier: knowledge (20%)
* 4% are not registered with ZIMRA
* 53% use formal sources for ongoing funds

34% of the enterprises had a bank account while 60% had a mobile money business account. 20% of the MSMEs stated that they did not know how to access products such as bank accounts, pensions, and loans. Despite this, Mashonaland West had the highest percentage (31%) of enterprises that has business insurance products and 53% used formal sources for their ongoing business operations.

Masvingo

* Availability: 18% had bank accounts, 37% had mobile money accounts
* 82% have access to a savings facility
* Biggest Barrier: inflation (32%)
* 4% not registered w ZIMRA
* 32% aware about insurance thru MM, while only 9% aware of loans thru MM

In Masvingo, only 18% of enterprises have bank accounts and 37% have mobile money accounts. However, 82% do have access to a savings facility. 32% of enterprises selected inflation as a barrier to acquiring formal financial products and only 2% of those who need foreign currency are registered on the SME foreign exchange auction.

Matabeleland North

* Availability: 37% have bank, 85% MM accounts (largest)
* None of the MSMEs who need foreign currency are registered on the SME auction
* 16% have a savings facility
* Biggest Barriers: finance (39%)
* 20% not registered with ZIMRA
* 9% make investments on behalf of the business
* 16% (largest) have applied for a commercial loan in the past

Matabeleland North had the largest ownership of mobile money accounts (85% of enterprises) while only 37% had a bank account. None of the MSMEs who need foreign currency are registered on the SME foreign exchange auction, while only 16% have access to a savings facility. 39% of enterprises identified that access to finance and affordability were barriers to acquiring formal financial products.

Matabeleland South

* Availability: 57% have bank accounts (largest), 40% MM
* 46% formal business advice source
* Biggest Barriers: finance (27%)
* Inflation: 19%
* Trust: 13%
* 10% not registered with ZIMRA
* 13% have applied for a commercial loan in the past
* 17% have funds from formal source

Matabeleland South had the highest percentage of enterprises with bank accounts (57%) with only 40% of enterprises having a mobile money business account. Of those who have a bank account, 16% had applied for a commercial in the past. However, only 17% use formal sources to fund their ongoing business operations.

Midlands

* Availability: 25% have bank, 17% MM
* 38% have access to a savings facility
* Biggest Barrier: knowledge (28%)
* 25% not registered with ZIMRA
* Of the 10% of enterprises that have access to insurance products, 48% offer staff insurance

Midlands has the lowest ownership of mobile money accounts (17%) and only 25% have a bank account. Unlike Masvingo, only 38% have access to a savings facility. 28% of enterprises who do not have financial products admitted that they did not know about the product or the process in which to acquire or register.

Inclusion Observation

Age

* In Zimbabwe, 39% of youth-owned businesses are financially included whereas 47% of businesses owned by individual older than 35 are included.
* In ZIm: Usgae: 40% 35+, 33% youth
* In Zim: avai: 41% 35+, 36% youth
* In Zim: compli: 48% 35+, 33% youth
* In ZIm: barr: 43% 35+, 46% youth
* In Harare: youth 30%, 35+ 50%... 1.7x more likely??
* In Manicaland, the youth ~1% more than 35+

An individual was classified as a youth if they were under the age of 36. In Zimbabwe, 39% of the MSMEs owned by youth were financially included; compared to 47% of those owned by older individuals. This gap is largely because a smaller percentage of enterprises are compliant when owned by a youth (33% of youth-owned enterprises are compliant whereas 48% of enterprises owned by individuals older than 35 are compliant). Harare has the greatest difference with youth-owned enterprises being 1.7 times more likely to be excluded and Manicaland has the smallest difference.

In Harare we see the greatest difference between business owners that are younger than thirty-five and those that are older. It is encouraging that the gap for youth is not as dramatic in provinces like Manicaland, Mashonaland East and Matabeleland North. Older business owners tend to score higher as they have a history to refer to and business experience. The business owners classified as youth might still be new to the entrepreneurship world. The financial sector and MSME-supporting organization’s can invest in youth-owned businesses by providing opportunities to gain business experience and empowering them to take a risk and fund a business venture through loans and grants.

Gender

* In Zimbabwe, 39% of female-owned enterprises are included versus 47% of male-owned enterprises
* In ZIm: Usage: 33% female, 40% male
* In Zim avai: 36% female, 41% male
* In Zim: compli: 31% female, 51% male
* In Zim: barr: 44% female, 43% male
* In Mata: male: 53%, 37% female
* Midlands: Female: 41%, Male: 42%... lowest inclusion for men

The national financial inclusion strategy identified women as a vulnerable group and took steps to include them through initiatives like the establishment of the Women’s Bank. In Zimbabwe, 47% of MSMEs who were owned by men were financially included, compared to only 39% of women-owned enterprises. A big contributor to this difference is that women-owned enterprises are less likely to be compliant. 31% of enterprises owned by women were compliant, whereas 51% of male-owned enterprises were compliant. Midlands has the fewest included MSMEs in general with no difference between who owns the business.

Another target group of the national financial inclusion strategy was the female population with interventions such as the establishment of the Women’s bank. Despite these efforts, female enterprise owners scored lower than their male counterparts in every province. The financial inclusion survey included 787 male-owned (56%) and 615 female-owned (44%) enterprises. The national average financial score for Zimbabwe is 45 and when filtered by gender, enterprises owned by women in the provinces of Matabeleland North, Mashonaland Central and Masvingo score below national average.

Size

* In Zimbabwe, 38% of micro are included versus 56% of small
* In Zim: usage: micro 34%, small: 42%
* In Zim: avail: micro 34%, small: 50%
* In Zim: compli: micro 29%, small: 74%
* In Zim: barr: 46% micro, 40% small
* In Midlands: 61% small, 37% micro

Enterprises are classified by the number of full-time employees, gross assets and annual turnover. Micro enterprises represent the less formal and generally are new startup ventures and so they are less financially included compared to small enterprises. 38% of micro enterprises are financially included and 56% of small enterprises are included across Zimbabwe. Small enterprises were 2.5 times more likely to be compliant with registration compared to micro enterprises. 35% of micro enterprises and 50% of small enterprises had financial products like bank accounts, insurance and savings facilities.

Micro Enterprises are start-up businesses and as such have a lower financial inclusion score than small enterprises. As a business grows and becomes more established (stable), they are more likely to have a higher financial inclusion score as they gain as financial history and seek further financial investments to grow and expand the business. Therefore, an important measure to improve financial inclusion in the country is to support policies and programs that help businesses grow or merge.

Subsector

* In Zimbabwe, 43% agriculture, 47% mining, 43% retail, 32% vending
* In Zim: usage: agriculture 40%, mining: 33%, retail: 33%, vending: 25%
* In Zim: avai: agri 39%, min 39%, retail 41%, vending 30%
* In Zim: compli: 39% agri, 57% mining, 47% retail, 12% vending
* In Zim: barr: 44% agri, 40% mining, 47% retail, 41% vending

The national financial inclusion strategy targeted small-holder farmers. The index then compared the level of financial inclusion between enterprises involved in agriculture with those involved in mining, retail, or vending. Those in the vending subsector were the most excluded (68% financially excluded) and mining had the least (53% of mining MSMEs). 43% of MSMEs who were involved with agriculture are financially included with 39% of them being compliant and 40% of them able to use the financial products and services.

The national strategy targeted small-holder farmers and so to compare financial inclusion between MSMEs involved in Agriculture to MSMEs involved with mining, retail, and vending. The subsector vending has the lowest financial inclusion score as it is accounting for enterprises that are informal as only 11% of vending MSMEs are compliant. Financial Inclusion in the agriculture subsector is like the retail industry and often worse than for enterprises involved in mining. The mining sector in Mashonaland Central is especially concerning with an inclusion score of 24, whereas Harare scored 70.

Location

* In Zimbabwe, 42% rural vs 49% urban
* In ZIm: Usage: rural 39%, urban 39%
* In Zim: avai: rural 38% urban 44%
* In Zim: compli: 32% rural, 54% urban
* In Zim: barr: 42% urban, 42% rural
* In Midlands: 55% urban, 33% rural
* In Mash West: rural: 44%, urban 45%

In Zimbabwe, 58% of enterprises located in the rural areas are financially excluded whereas as 51% of urban enterprises are excluded. In Zimbabwe, the national census projections (based on 2012 data) suggest that much of the population (55%) live in the rural areas on Zimbabwe. This is the characteristic that gives the smallest difference between financial inclusion scores. Midlands has the greatest difference with 55% or urban-based enterprises being included compared to 33% or rural-based enterprises, and Mashonaland West has the smallest difference.

Urban areas often are the hub of entrepreneurship but in the national strategy for financial inclusion, one of the target populations was the rural community. In Zimbabwe, the national census projections suggest that much of the population (55%) live in the rural areas on Zimbabwe. Of the ten provinces, no rural community was targeted in Harare or Bulawayo as those provinces consist primarily of the city hubs.  In the other eight provinces, urban areas do score higher on the financial inclusion by 83%. This gap is most severe in Midlands and is smallest in the Mashonaland provinces.

Formality

* Key influence?