

NATIONAL STRATEGY ON FINANCIAL EDUCATION FOR ZAMBIA



Strategy Presentation, Kitwe
March 18, 2013



Justification

- Why Financial Education?



Formulation

- Strategy development process



Scope

- Framework and priority financial education programmes



Leadership

- How will the Strategy be implemented?



Funding

- How much is required and how will the Strategy be financed?



Impact

- How will success be measured?



Conclusion

- Current status, Strategy re-cap, success factors

PRESENTATION OUTLINE

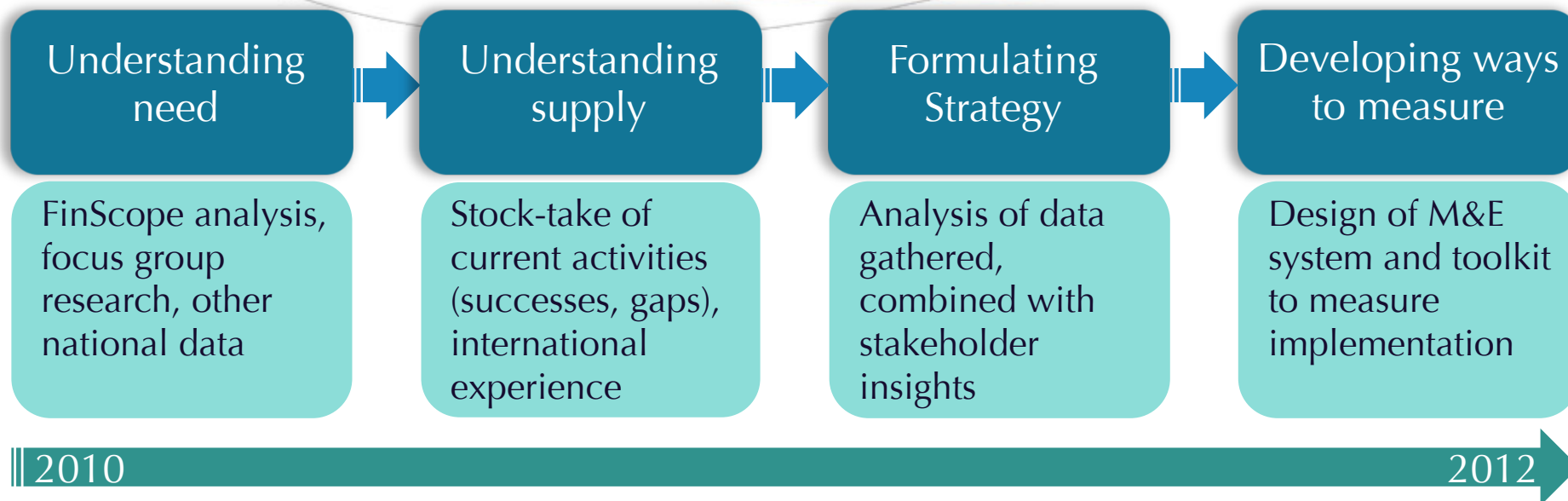
JUSTIFICATION



Why Financial Education?

- Increasing recognition that the ability to manage one's finances well is an essential life skill
- “Financial education” is defined as “providing people with the knowledge, understanding, skills and confidence so that they make financial decisions and take actions which are appropriate to their personal circumstances” – OECD
- Financial education is an important component of financial inclusion initiatives
- Zambia joins a number of countries that have developed national strategies

FORMULATION: The Strategy development process was systematic and consultative



Resources

Funding: DFID Financial Education Fund, FSDP, FinMark Trust

Consultants: Eighty/20, M&N Associates, Bryn Clive, Whydah Consulting, International Expert

Oversight and Management: FSDP FE Working Group, FinMark Trust

Stakeholder consultation

Workshops:

Sept 2010, Nov 2011, July 2012

One-on-one consultations:

Stocktake study, strategy consultations

FSDP FE Working Group:

Monthly meetings, retreat



SCOPE

Strategy framework and
priority programmes

Strategy framework

- The National Strategy on Financial Education for Zambia sets out the direction and framework for improving financial literacy among Zambians
- It outlines programmes, leadership, funding model, action plan, milestones and a monitoring and evaluation plan

Strategy framework (continued)



Goal

- A financially educated population



Strategic objective

- People in Zambia have improved knowledge, understanding, skills, motivation and confidence to help them to secure positive financial outcomes for themselves and their families by 2017



Underpinning principles

- Work in partnership
- Build on existing initiatives
- Maximise cost-effectiveness
- Foster sustainable changes
- Focus on clients and their needs
- Communicate effectively
- Measure impact – and share the results

Priority programmes



Children

Component 1

Financial education through the curriculum
Financial education through extra-curricular activities



Youth

Component 2

Financial education in universities, colleges, and learning institutions
Financial education in youth development centres and other agencies



Adults

Component 3

Financial education workplace programmes
Financial education programmes for small scale farmers
Financial education programmes for MSMEs
Financial education through teachable moments



Cross cutting

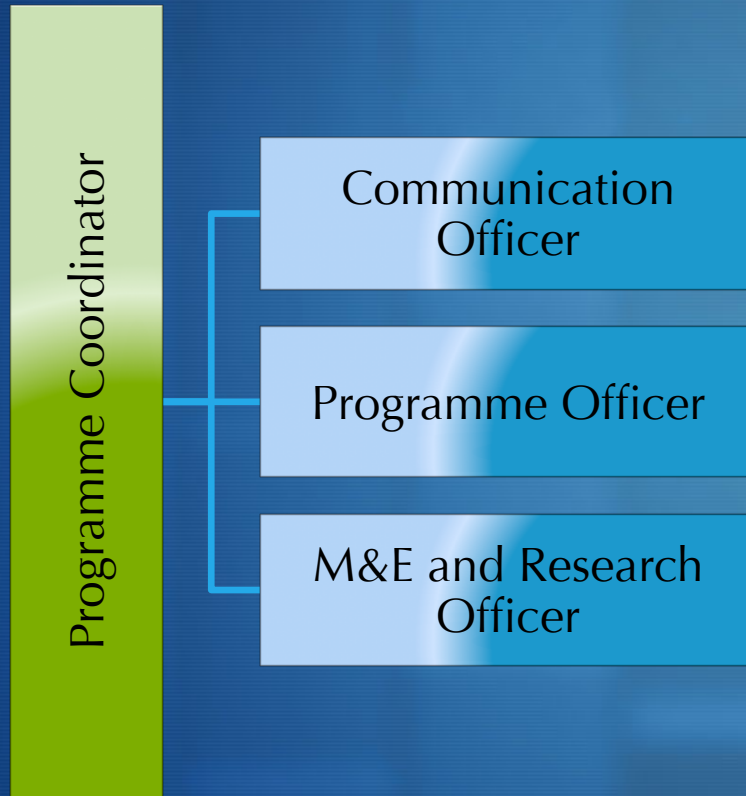
Financial education through appropriate media
Financial education through a website



LEADERSHIP

How will the Strategy
be implemented?

Institutional arrangement



Financial Education
Coordination Unit (FECU)

- Spearheaded and supported by the three financial services regulators (BOZ, PIA, SEC)
- Championed by the Bank of Zambia Governor
- Wide ranging stakeholder engagement
- Executive support through FECU, initially housed within BOZ and advised by a multi-stakeholder Steering Committee

Stakeholder engagement



A critical role of the FECU will be to facilitate active stakeholder engagement through various ways:

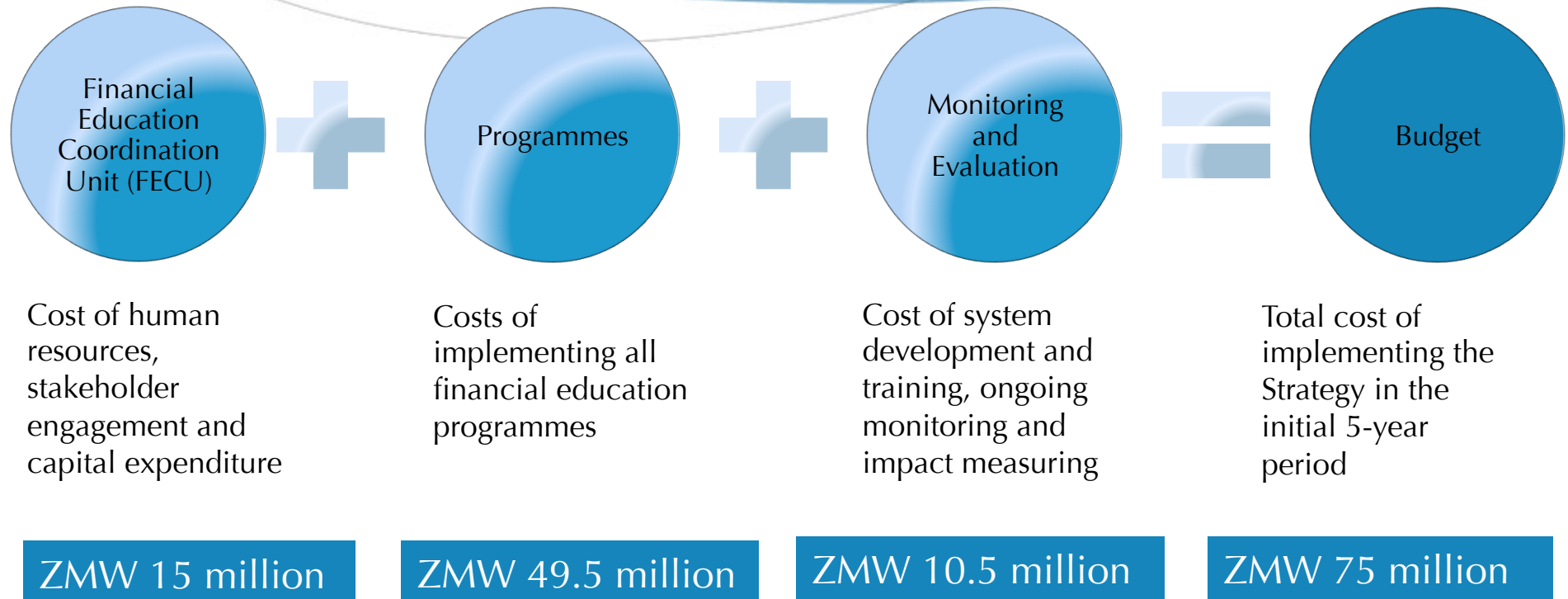
- One-on-one meetings
- Workshops
- Newsletters
- Website



FUNDING

- How much is required?
- How will it be financed?

The indicative budget for the initial 5 year period has three main components



Kwacha rebased figures

- This is an indicative budget to be refined once the FECU is in place
- It is based on costs incurred by existing programmes, market prices of the delivery channels and consultations with the three financial regulators
- Not all costs are expected to be channelled through the FECU

Funding is expected to be drawn from multiple sources

- financial services regulators (BOZ, PIA and SEC)
- the Government
- the Financial Sector Development Plan (FSDP)
- corporate social responsibility (CSR) budgets of private sector firms
- resources of implementing organisations (including staff, premises and training materials)
- donors



IMPACT

How will success be measured?

What will success look like? – Programme level



Increased outreach and scale

Output

Number of
Zambian people
reached through the
various
programmes



Increased levels of knowledge, awareness and confidence

Outcomes

Number of
Zambian people
with knowledge,
skills and
confidence to take
appropriate
financial decisions



Change in behaviour

Impact

Number of
Zambian people
taking appropriate
financial decisions
(including use of
financial services)

What will success look like?

Strategy
Level



Coordination and implementation

Strategy implementation

Number of stakeholders engaged in the financing and implementation of programmes

Number of programmes effectively implemented



Achievement of milestones

Progress measurement

Timely achievement of the milestones set in the various programmes

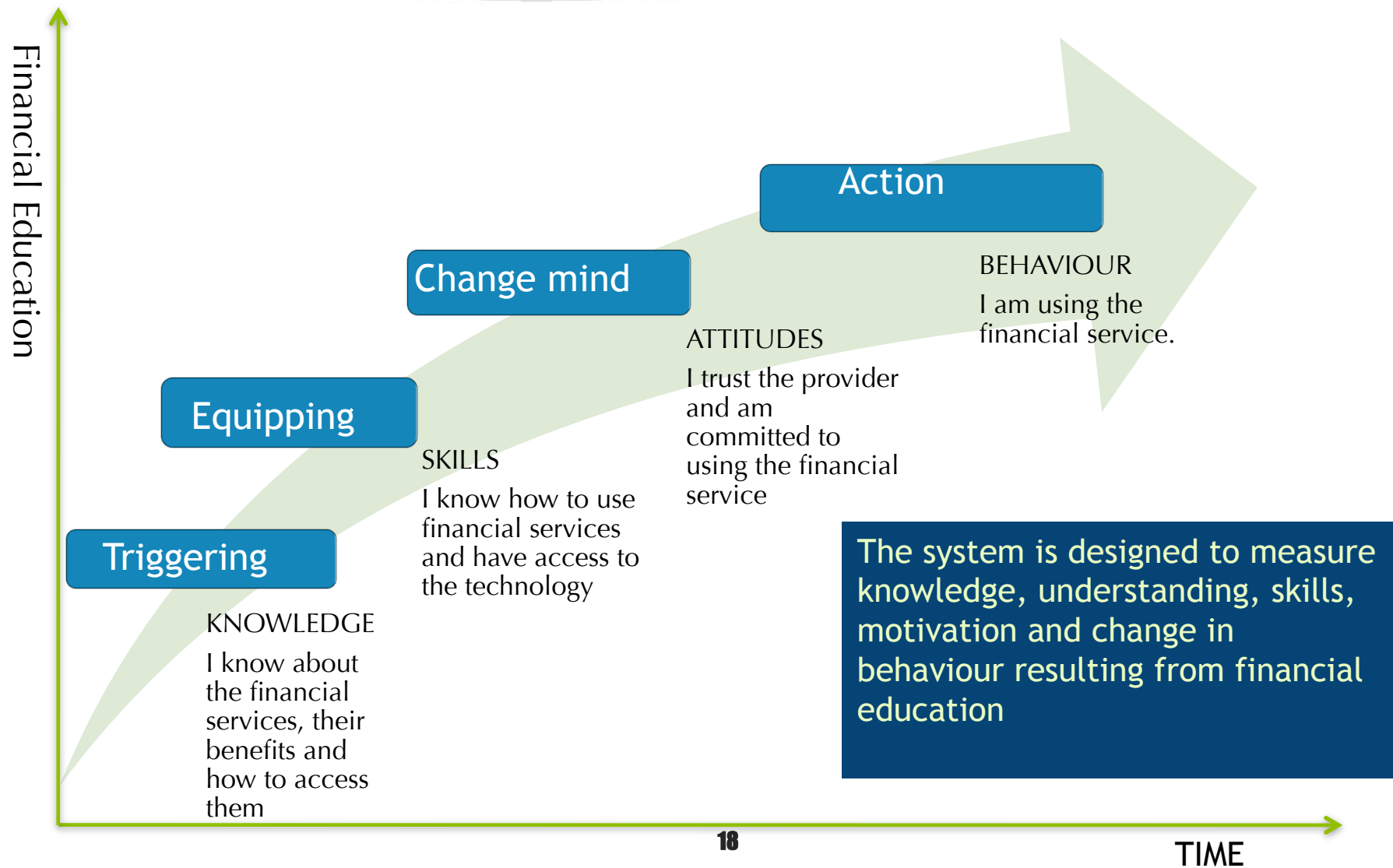


Success of the Strategy

Goal achievement

How well the programmes are contributing to the achievement of the overall goal of the Strategy

Measuring Financial Education





CONCLUSION

- Current Status and Progress
- Strategy Summary
- Key Success Factors

Progress To-date



- Financially supported by the three regulators, the process of constitution the Financial Education Coordination Unit is nearly completed
- The Ministry of Education already making strands in the process of integrating financial education in the school curriculum
- A number of organisations continue to provide financial education and seeking partnerships for scaling up and replication for greater outreach. Examples include Zanaco, JAA and CAMFED

Strategy Summary

The National Strategy on Financial Education for Zambia...

- ◆ fits within the National priorities (Vision 2030, SNDP, FSDP)
- ◆ is fully endorsed by the three financial services regulators and a wide range of organisations
- ◆ will build on existing initiatives to enhance scale, outreach and impact
- ◆ has underpinning principles that form the basis for prioritising and implementing financial education programmes
- ◆ will be implemented through executive leadership by a dedicated coordination unit, supported by a steering committee
- ◆ outlines the institutional arrangement for the implementation of the strategy
- ◆ cost around ZMW 75 million in the initial 5-year implementation period
- ◆ outlines milestones for strategy implementation
- ◆ has a monitoring and evaluation system that outlines impact indicators and measurement tools

Success Factors



- ◆ Effective stakeholder engagement and willingness to work in partnership
- ◆ Availability of funding; Participation of various stakeholders in funding
- ◆ Strong leadership and executive support
- ◆ Leveraging and scaling of existing good initiatives
- ◆ Consistent measuring and sharing of impact and lessons learned and effective feedback to programmes
- ◆ Parallel efforts to build financial inclusion and improve consumer protection

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THANK YOU