

# The National Strategy on Financial Education for Zambia







## About this Strategy

The National Strategy on Financial Education for Zambia sets out the framework for improving the financial education of the Zambian population. The primary objective of the Strategy is to empower Zambians with knowledge, understanding, skills, motivation and confidence to help them to secure positive financial outcomes for themselves and their families by 2017.

The development of the Strategy was commissioned by the Bank of Zambia and was co-funded by the UK's Department for International Development's (DFID's) Financial Education Fund (FEF) and by FinMark Trust. The development of the Strategy was overseen by the Financial Sector Development Plan (FSDP) Financial Education Working Group, with technical support from FinMark Trust.

This Strategy outlines the priority financial education programmes for Zambia, together with the principles which will be employed in implementing them. The contents of the Strategy take account of information and views provided by stakeholders, including at two stakeholder workshops held in October 2010 and November 2011, an analysis of the FinScope Zambia 2009 survey findings<sup>1</sup> and a stock-take study<sup>2</sup>.

This document describes the first phase of the implementation of the National Strategy on Financial Education, which covers the five year period from 2012-2017. The National Strategy will be kept under review and revised as and when necessary during the course of this period. In addition, a full review will take place at the end of the period and the results are expected to be reflected in a second phase of implementation.

---

<sup>1</sup> Financial Access Matters Focus Note No. 6, Financial Education in Zambia: What does FinScope tell us?, FinMark Trust, 2011.

<sup>2</sup> Stock-take of Financial Education in Zambia: A Review of Financial Education Initiatives and Opportunities, M&N Associates, 2012, available from the FSDP Secretariat on request.





# Table of contents

Acronyms	1
Foreword	2
Executive Summary	4
<b>1 The Contribution of Financial Education to National Priorities</b>	<b>9</b>
<b>2 Background</b>	<b>10</b>
2.1 Profile of Zambia's population	10
2.2 Profile of priority population segments	11
2.3 Use of financial products	13
<b>3 The Need for a National Strategy on Financial Education</b>	<b>19</b>
3.1 The need for financial management	19
3.2 Definition of financial education	19
3.3 Financial inclusion and financial consumer protection	21
3.4 Benefits of financial education to stakeholders	22
3.5 Current financial education initiatives	22
3.6 Lessons from international experience	25
3.7 The need for a National Strategy	27
<b>4 Framework for the National Strategy on Financial Education</b>	<b>28</b>
4.1 Goal and strategic objective	28
4.2 Principles underpinning the National Strategy	28
<b>5 Financial Education Programmes for Zambia</b>	<b>31</b>
<b>6 Stakeholder Engagement and Communication</b>	<b>42</b>
<b>7 Leadership of the National Strategy on Financial Education</b>	<b>44</b>
<b>8 Budget for the National Strategy on Financial Education</b>	<b>46</b>
<b>9 Funding of the National Strategy on Financial Education</b>	<b>47</b>
<b>10 Monitoring and Evaluation</b>	<b>48</b>
10.1 Overview of the Monitoring and Evaluation System	48
10.2 Measuring Financial Education	48
10.3 Monitoring and Evaluation Framework	49
10.4 Evaluation of Impact	51
10.5 Stakeholder Participation in Monitoring and Evaluation	52





## Annexes

Annex 1:	Definitions	54
Annex 2:	Current financial education initiatives	55
Annex 3:	Action plan	58
Annex 4:	Gantt chart	70
Annex 5:	Logical framework	71
Annex 6:	Indicative budget	77

## List of Figures

Figure 1:	The profile of priority segments identified under the National Strategy on Financial Education	11
Figure 2:	Percentage of children attending school	12
Figure 3:	An example of life stage-based 'teachable moments'	13
Figure 4:	Financial Access Strand for Zambian adults in 2009	14
Figure 5:	Financial Access Strand and Landscape of Access for priority segments	15
Figure 6:	Indicators of financial education needs for the priority segments	17
Figure 7:	Financial education change process	20
Figure 8:	Financial education stakeholders for Zambia	43
Figure 9:	Monitoring and Evaluation plan for financial education programmes	52

## List of Tables

Table 1:	Map of the National Strategy on Financial Education for Zambia	8
Table 2:	Summary of financial education programmes	32
Table 3:	Financial education for children	33
Table 4:	Financial education for the youth	34
Table 5:	Financial education workplace programmes	36
Table 6:	Financial education programmes for small-scale farmers	37
Table 7:	Financial education programmes for MSMEs	38
Table 8:	Financial education through teachable moments	39
Table 9:	Financial education through appropriate media	40
Table 10:	Financial education website	41
Table 11:	Indicative budget for the National Strategy on Financial Education	46
Table 12:	Outcome indicators for programmes contributing to the National Strategy on Financial Education	51

## List of Boxes

Box 1:	Zanaco Financial Fitness Programme	23
Box 2:	Children International's financial education programme	23
Box 3:	Junior Achievement's financial education programme	24
Box 4:	Camfed's financial education programme for young women	24
Box 5:	Measuring financial education: Example of savings, insurance and credit	49
Box 6:	Example of input, output, outcome and impact indicators	50



## Acronyms

ACCA	Association of Certified Chartered Accountants
ATM	Automated Teller Machine
BETUZ	Basic Education Teachers Union of Zambia
BOZ	Bank of Zambia
Camfed	Campaign for Female Education
CCPC	Competition and Consumer Protection Commission
CDC	Curriculum Development Centre
CEEC	Citizens Economic Empowerment Commission
CSO	Central Statistical Office
DFID	The UK's Department for International Development
FECU	Financial Education Coordination Unit
FEF	Financial Education Fund
FSA	Financial Services Authority
FSDP	Financial Sector Development Plan
GRZ	Government of the Republic of Zambia
HIV/Aids	Human Immune Virus / Acquired Immune Deficiency Syndrome
ICT	Information Communication Technology
ILO	International Labour Organisation
JA	Junior Achievement
LCMS	Living Conditions Monitoring Survey
LFS	Labour Force Survey
LuSE	Lusaka Stock Exchange
MCDMCH	Ministry of Community Development, Mother and Child Health
MCTI	Ministry of Commerce, Trade and Industry
M&E	Monitoring and Evaluation
MIBT	Ministry of Information, Broadcasting and Tourism
MIS	Management Information System
MLSYG	Ministry of Labour, Sports, Youth and Gender
MLGHEEP	Ministry of Local Government, Housing, Early Education and Environmental Protection
MoESVT	Ministry of Education, Science and Vocational Training
MoF	Ministry of Finance
MSME	Micro, Small and Medium Enterprise
NGO	Non-governmental organisation
OECD	Organisation for Economic Co-operation and Development
PIA	Pensions and Insurance Authority
PSDP	Private Sector Development Programme
SCT	Social Cash Transfer
SEC	Securities and Exchange Commission
SME	Small and Medium Enterprise
SNDP	Sixth National Development Plan
TA	Technical Assistance
TEVETA	Technical Education, Vocational and Entrepreneurship Training Authority
ToT	Training of Trainers
UNZA	University of Zambia
WEDAZ	Women Entrepreneurs Development Association of Zambia
WG	Working Group
ZACCI	Zambia Association of Chambers of Commerce and Industry
ZAMCOM	Zambia Institute of Mass Communication
ZCSMBA	Zambia Chamber of Small and Medium Business Associations
ZDA	Zambia Development Agency
ZESCO	Zambia Electricity Supply Corporation
ZICA	Zambia Institute of Chartered Accountants
ZICTA	Zambia Information and Communication Technology Authority
ZIHRM	Zambia Institute of Human Resource Management
ZNBC	Zambia National Broadcasting Corporation
ZNFU	Zambia National Farmers Union





## Foreword

The National Strategy on Financial Education for Zambia, which is set out in this document, has the primary objective of empowering Zambians with the knowledge, understanding, skills, motivation and confidence to help them to secure positive financial outcomes for themselves and their families, especially those that are disadvantaged by less education and/or poverty.

The development of the strategy is an integral component of the Zambian Government's Financial Sector Development Plan (FSDP), which is a comprehensive strategy to broaden and strengthen the country's financial sector. This strategy is expected to contribute towards making Zambia a prosperous middle-income nation as envisaged in the National Vision 2030.

It has been observed that the existing financial education programmes and initiatives at national level remained fragmented. This has contributed to the high financial exclusion rate with results of the 2009 FinScope survey on the demand and supply of financial services showing that only 37.3 % of the adult population is financially included. The National Financial Education Strategy is expected to galvanise existing initiatives and assist in generating a stream of resources which will support sustainability over the long-term.

Increased financial literacy levels result in increased consumption and uptake of financial services, and thus has motivated the Bank of Zambia (BoZ), the Pensions and Insurance Authority (PIA) and the Securities and Exchange Commission (SEC) as financial sector regulators, to develop this strategy with the support of interested stakeholders.

The process of drawing up the National Strategy, initiated in mid-2010, included field research and broad consultative meetings. In addition to this, support was received from the United Kingdom Department for International Development's (DFID's) Financial Education Fund (FEF) and FinMark Trust.

In developing the national strategy for Zambia, the experiences of a number of countries that have undergone a similar process were taken into consideration. I am confident that, in terms of coherence and comprehensive coverage, the National Strategy stands comparable with the best. However, the long-term goal of '*a financially educated Zambian population by 2030*' can only be achieved if all the stakeholders provide their active support and participation.

I therefore look forward to further growth in the partnerships that have developed, and urge any other stakeholders that have not yet participated in this agenda to join in working to secure a more financially educated population.

Michael Gondwe

GOVERNOR BANK OF ZAMBIA









## Executive Summary

1. This document sets out the National Strategy on Financial Education for Zambia.
2. The long-term goal of the National Strategy is "a financially educated Zambian population by 2030". This fits with, and supports, Vision 2030, "making Zambia a prosperous middle-income nation by 2030".
3. The strategic objective is that "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".
4. The implementation of the National Strategy on Financial Education will contribute to the Sixth National Development Plan (SNDP) 2011–2015, which aims to actualise the aspirations of Vision 2030 under the theme of "sustained economic growth and poverty reduction".
5. Consistently with the strategic objective, this document describes the first phase of the implementation of the National Strategy on Financial Education, covering the five year period from 2012-2017. A full review will take place at the end of the period and the results are expected to be reflected in a second phase of implementation, which it is envisaged will begin in 2017.
6. It is becoming increasingly important that people in Zambia are able to manage their finances well. For example, people with low incomes need to make their money go as far as possible; to save when they can in order to smooth income flows and to provide for future emergencies; and to avoid taking unnecessary risks. Financial inclusion initiatives are unlikely to succeed unless people have the knowledge, skills and confidence to make effective use of financial products. Moreover, the increased availability of financial products and services which has occurred in recent years for some sections of the population has opened up opportunities for people to manage their finances more flexibly and more effectively, but has also given rise to risks.
7. In Zambia – as in other countries – many people lack the knowledge, skills and confidence to be able to manage their finances well. In particular, Zambia's low and medium income earners are typically not familiar with basic financial terminology, are not aware of the financial products and services that are available, are not confident to approach financial institutions, and do not have a positive attitude towards them. There is also increasing concern about levels of over-indebtedness.
8. People can be helped to manage their finances well through financial education, using channels which they regularly use, and at a time and place which suits them.
9. The definition of "financial education" which has been developed for the purpose of the National Strategy on Financial Education for Zambia is:  
"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."
10. The term "a financially educated person", for the purpose of the National Strategy, refers to someone who not only has the requisite knowledge, understanding, skills and confidence, but who, in practice, makes financial decisions and takes actions which are appropriate to his or her personal circumstances.
11. Everyone stands to benefit from a financially educated population:
  - a) consumers – people at all income levels stand to gain financially from making the most productive use of the money they have, from avoiding unnecessary charges associated with financial products and from avoiding undue risks (including the risks associated with over-indebtedness). Financial education can help to improve people's quality of life;
  - b) financial institutions – people who are financially educated are more likely to have the knowledge, skills and confidence to choose and purchase financial products. This is likely to stimulate demand for financial products and to reduce the risk that people will buy products which are unsuitable for them. Moreover, financial institutions will have to spend less time explaining some of the basic features of financial products;
  - c) the Government – a more financially educated population is likely to save and invest more, to be better equipped to run successful businesses, and to be more likely to purchase financial products which are





- appropriate to their circumstances. This should serve as a stimulus to economic growth and should help to reduce levels of financial exclusion;
- d) employers – employees who are financially educated are less likely to get into the sorts of financial difficulties which can distract them at work and thus make them less productive;
  - e) civil society organisations and donors – financial education can help to improve people's livelihoods and can thus help many civil society organisations and donors to achieve their goals.
12. The implementation of the National Strategy on Financial Education will contribute to achieving the objectives of the national Financial Sector Development Plan (FSDP), which, among other things, is intended to address the problem of low financial inclusion. Financial education will not be sufficient on its own to improve levels of financial inclusion: it needs to be complemented by financial access initiatives and financial consumer protection measures if positive impact is to be achieved.
13. The National Strategy takes full account of the particular circumstances of Zambia, including both people's needs for financial education and the methods of delivery which are most likely to bring about successful outcomes. For example, a substantial proportion of the population is young; many people live in rural areas; many are poorly educated; and incomes are generally low and are often irregular and unpredictable. There are high levels of financial exclusion, especially in rural areas.
14. The National Strategy also takes account of financial education initiatives already underway in Zambia, building on these where appropriate, and of experience of other countries<sup>3</sup>. Initiatives currently taking place in Zambia, while commendable, are of limited scale and outreach and they are not coordinated. There is a need both for greater investment in financial education and for a well-coordinated approach, which can help to take advantage of synergies and to avoid unplanned gaps and unnecessary overlaps. The development and implementation of the National Strategy will help to achieve these objectives.
15. The National Strategy is underpinned by a number of principles ("the underpinning principles"). These principles, which form the basis for deciding which financial education programmes should be prioritised and which will guide the implementation of these programmes, are:
- a) work in partnership;
  - b) build on existing initiatives;
  - c) maximise cost-effectiveness;
  - d) foster sustainable changes;
  - e) focus on clients and their needs;
  - f) communicate effectively; and
  - g) measure impact – and share the results.
16. There are a large number of financial education programmes which could potentially be undertaken. It is important to prioritise, since otherwise resources are liable to be stretched too thinly. The programmes which have been selected as priority programmes are set out below, grouped according to the age group at which the programme in question is principally aimed:
- a) **Financial education for children**
    - financial education through the school curriculum;
    - financial education through extra-curricular activities;
  - b) **Financial education for the youth**
    - financial education in universities, colleges and other learning institutions;
    - financial education in youth development centres and other agencies;

<sup>3</sup> A review of the current supply of financial education in Zambia was undertaken as a component of the strategy development process. The review, entitled 'Stock-take of Financial Education in Zambia: A Review of Financial Education Initiatives and Opportunities, M&N Associates, 2012' is available from the FSDP Secretariat on request.





**c) Financial education for adults**

- financial education workplace programmes;
- financial education programmes for small-scale farmers;
- financial education programmes for micro, small and medium enterprises (MSMEs);
- financial education through teachable moments;

**d) Cross-cutting financial education initiatives**

- financial education through appropriate media;
- financial education through a website.

17. In a number of cases, the above programmes represent opportunities to be explored, rather than programmes which can be initiated straightaway. Full implementation of these programmes will depend on, among other things, securing funding or in-kind resources; securing the participation of relevant partners; and implementing and assessing the outcomes of pilot projects. As a result of this, some programmes will be initiated sooner than others, whilst some may prove, once consultations with stateholders have been concluded, to be impracticable.
18. Each of the wide range of organisations – in the public, private and non-profit sectors – which stand to benefit from a more financially educated Zambian population are considered to be stakeholders. Arrangements will be made to communicate regularly with these stakeholders, through newsletters, workshops, a website and, where appropriate, bilateral discussions, in order to inform them of developments; to enlist their active support and participation; and to help them to define their role and engage effectively in implementation, whether at a funding, programme implementation, advocacy or other level.
19. The National Strategy on Financial Education will be implemented by a broad range of partners, drawn from a variety of sectors. Implementation will be spearheaded by the three financial service regulators, and a Financial Education Coordination Unit (FECU) will be housed within the Bank of Zambia for this purpose. The FECU will focus on managing the co-ordination, prioritisation, fund-raising, decision-making, capacity-building and communication processes relating to the Strategy's implementation and on helping to provide focus and momentum. It will be advised by a Financial Education Steering Committee, the membership of which will draw on the FSDP Financial Education Working Group (which has overseen the development of the National Strategy for Financial Education). The Governor of the Bank of Zambia will be the champion of the National Strategy.
20. The budget for the first phase of implementation, covering the period 2012-2017, is estimated at ZMW 75 million (approx. \$15m), which comprises ZMW 15 million (approx. \$3m) for the FECU and stakeholder engagement, ZMW 49.5 million (approx. \$9.9m) for implementation of financial education programmes and ZMW 10.5 million (approx. \$2.1m) for monitoring and evaluation. This budget is indicative and does not take into account current investments into financial education by existing programme implementers. It is subject to adjustment once the FECU has been established and a full implementation plan has been developed.
21. Resources to implement the National Strategy are expected to come from financial services regulators, corporate social responsibility (CSR) programmes of financial services institutions (and, potentially, CSR programmes of other types of organisation), the Financial Sector Development Plan (FSDP), the Government, donors and implementing organisations' own resources (including staff, premises and training materials).
22. The Monitoring and Evaluation (M&E) system which has been developed alongside the National Strategy enables the effectiveness of the Strategy to be measured and will help to determine which programmes are effective, enable comparisons to be made between programmes with similar aims and will measure the impact on different people influenced by the programmes. M&E will take place at: a) the financial education providers' level, where the specific programmes will be assessed to evaluate whether they are achieving the expected outcomes for the target population; and b) the national level, where the FECU will consolidate the information to evaluate the impact of the combined efforts of financial education providers at the population level and thus the impact of the Strategy itself. The M&E system will also measure the impact of the Strategy

<sup>4</sup> Toolkit for Monitoring and Evaluation of Financial Education in Zambia, 2012. Available from the FSDP Secretariat on request.





in engaging stakeholders, securing funding for financial education activities, and co-ordinating these activities effectively. The M&E system includes a Logical Framework, common indicators, tools and processes. Financial education providers will play a critical role in data collection, analysis and reporting. An M&E toolkit<sup>4</sup>, published alongside this document, provides financial education providers with guidelines for developing their own logical frameworks within the framework of the Strategy; for recording expected results; for measuring indicators; and for using quantitative and qualitative impact evaluation tools and methods. The M&E system for the Strategy is dynamic and iterative. It will develop and change as the financial education environment changes as a result of technological advances, results of financial education pilot initiatives and programmes, and regulatory changes in the financial sector:

23. It is envisaged that a baseline survey will be undertaken in 2012 to measure the extent to which people in Zambia are financially educated. Repetition of the survey in future years will enable assessments to be made about the impact of the National Strategy as a whole.
24. The National Strategy on Financial Education for Zambia is summarised on the next page:





**Table 1: Map of the National Strategy on Financial Education for Zambia**

Relevant national priorities	<ul style="list-style-type: none"> <li>• Vision 2030 “making Zambia a prosperous middle-income nation by 2030”</li> <li>• Sixth National Development Plan (SNDP) 2011–2015 theme of “sustained economic growth and poverty reduction”</li> <li>• Financial Sector Development Plan (FSDP) supporting “...the efficient mobilisation and allocation of resources necessary to achieve economic diversification, sustainable growth and poverty reduction”</li> </ul>		
Goal of the National Strategy	A financially educated Zambian population by 2030		
Strategic Objective of the National Strategy	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		
Initial implementation phase	2012 – 2017 (5 years)		
Priority financial education programmes	<b>Component 1</b> Financial education for children <ul style="list-style-type: none"> <li>• financial education through the school curriculum;</li> <li>• financial education through extra-curricular activities.</li> </ul>	<b>Component 2</b> Financial education for the youth <ul style="list-style-type: none"> <li>• financial education in universities, colleges and other learning institutions;</li> <li>• financial education in youth development centres and other agencies.</li> </ul>	<b>Component 3</b> Financial education for adults <ul style="list-style-type: none"> <li>• financial education workplace programmes;</li> <li>• financial education programmes for small-scale farmers;</li> <li>• financial education programmes for MSMEs;</li> <li>• financial education through teachable moments.</li> </ul>
	<b>Cross-cutting financial education programmes</b> <ul style="list-style-type: none"> <li>• financial education through appropriate media;</li> <li>• financial education through a website.</li> </ul>		
Underpinning principles	<ul style="list-style-type: none"> <li>• Work in partnership;</li> <li>• Build on existing initiatives;</li> <li>• Maximise cost-effectiveness;</li> <li>• Foster sustainable changes;</li> <li>• Focus on clients and their needs</li> <li>• Communicate effectively; and</li> <li>• Measure impact – and share the results.</li> </ul>		
Leadership	<ul style="list-style-type: none"> <li>• Spearheaded by the three financial service regulators with a dedicated Financial Education Coordination Unit housed in the Bank of Zambia, reporting to a multi-stakeholder Steering Committee.</li> <li>• Engagement of all relevant stakeholders in the implementation and review of the National Strategy.</li> </ul>		
Funding	<ul style="list-style-type: none"> <li>• Multiple funding sources including financial service regulators, private sector firms, the Government, the Financial Sector Development Plan (FSDP), non-governmental organisations and international development agencies.</li> </ul>		
Budget	<ul style="list-style-type: none"> <li>• The estimated budget is ZMW 75 million (approx. \$15m) for the period 2012 – 2017.</li> <li>• This amount covers the costs of the FECU, M&amp;E and the implementation of financial education programmes. It does not take into account current investments into financial education by existing programme implementers.</li> </ul>		





# 1. The Contribution of Financial Education to National Priorities

This section covers:

❑ **How the National Strategy on Financial Education contributes to national priorities**

25. Financial education contributes to the achievement of the Government of the Republic of Zambia's Financial Sector Development Plan (FSDP), which is aimed at promoting the development of a "stable, sound and market-based financial system that supports the efficient mobilisation and allocation of resources necessary to achieve economic diversification, sustainable growth and poverty reduction". To inform this programme, the Government carried out an assessment of the financial sector<sup>5</sup>. This revealed weaknesses that included low financial inclusion, a lack of financial services in rural areas, a poor credit culture and limited knowledge of financial services and products.
26. To address these weaknesses, the FSDP focuses on three pillars, namely:
  - ❑ enhancing market infrastructure;
  - ❑ increasing competition; and
  - ❑ increasing access to finance.
27. Financial literacy is included under the second and third of these pillars, since it will contribute to:
  - ❑ accelerating financial inclusion;
  - ❑ increasing access to financial services; and
  - ❑ improving the prudent management of financial services among the population.
28. Implementation of the FSDP contributes towards the achievement of the Government's Sixth National Development Plan (SNDP), which runs from 2011–2015. The theme of the SNDP is "sustained economic growth and poverty reduction". This in turn helps towards the achievement of Vision 2030 "making Zambia a prosperous middle-income nation by 2030"<sup>6</sup>.

---

<sup>5</sup> Financial Sector Assessment Programme, IMF, 2003.  
<sup>6</sup> FSDP Project document, Phase I.





## 2. Background

This section<sup>7</sup> covers:

- ❑ Profile of Zambia's population
- ❑ Profile of priority population segments
- ❑ Use of financial products

### 2.1 Profile of Zambia's population

29. Zambia has a population of 13.3 million, which is largely rural (61% of the total population reside in rural areas), relatively young (54% of the population are aged under 18 years; and 48% of adults are aged under 30) and fairly evenly divided along gender lines (49% are male and 51% are female)<sup>8</sup>.
30. English is the official language. The main vernacular languages are Bemba, Lozi, Nyanja and Tonga. There are about 70 indigenous languages and dialects throughout Zambia.
31. Education levels among the adult population are low: only 39% of adults over the age of 16 have completed secondary school education, and 18% have not completed primary school education<sup>9</sup>. These low education levels are significant as, in general, there is a direct correlation between education levels and financial inclusion.
32. Despite a 4% decline in overall poverty during the 2004-2006 period, 64% of the population (approximately 7.5 million Zambians) were still below the national poverty line in 2006<sup>10</sup>. Many income earners have low incomes: two million adults have a personal income of less than ZMW 300 per month<sup>11</sup>.
33. The most common source of income is farming, with over 40% of the adult population (2.7 million) receiving income from this source. Income from self-employment (1.0 million) is the next most common source of income, followed by income from a household member (0.9 million).
34. Approximately 672,000 people are formally employed<sup>12</sup>. FinScope shows that the main sources of formal income are from private companies, followed by income from government, with the majority (55%) of formal employment in rural areas being provided by government. In terms of overall employment (both formal and informal), farming drives financial activity in rural areas, whereas self-employment (running a business) and money received from a household member feature more prominently in urban areas.
35. Most adults earn their income on an irregular, inconsistent basis, which is explained by the fact that most people either earn their livelihood through farming or self-employment where income is often unpredictable. According to FinScope, 28% of farmers receive an income every month of the year, compared to 90% for salaried workers, who have the most predictable income. Nearly 30% of adults say that their households have gone without a cash income often or always over the past 12 months<sup>13</sup>. Even those adults who have formal or regular jobs tend to receive their income, and make their transactions, in cash, rather than making use of a bank account.
36. FinScope shows that access to cellphones is increasing: 70% of the adult population had access to a cellphone in 2009, compared to fewer than 30% in 2005. Access is relatively high within rural areas, with over half of rural farmers having access to a cellphone. On the other hand, access to web-based technology is low, with only 7% of adults having access to a computer and 6% having access to the Internet.
37. In terms of media usage, radio had the widest coverage among all sections of the population, followed by television. In the month prior to the FinScope survey, 67% of adults overall had listened to the radio, 39% had watched television, 21% had read newspapers and 16% had read magazines.

<sup>7</sup> This section draws extensively from the analysis of FinScope Zambia 2009 data that was undertaken by Eighty20 Consulting as an input to the development of the National Strategy on Financial Education. The initial phase of analysis has been published in Financial Access Matters Focus Note No. 6 'Financial Education in Zambia: What does FinScope tell us?', FinMark Trust, 2011. A subsequent analysis detailed in a presentation entitled 'The need for financial education: a demand-side perspective' is based on the main segments identified under the National Strategy. Both documents are available at [www.finmarktrust.org.za](http://www.finmarktrust.org.za).

<sup>8</sup> FinScope 2009.

<sup>9</sup> FinScope 2009.

<sup>10</sup> World Development indicators, Central Statistical Office, Public Service Management Division, 2009.

<sup>11</sup> FinScope, 2009.

<sup>12</sup> Central Statistical Office, 2010, Ministry of Finance and National Planning.

<sup>13</sup> FinScope 2009.





## 2.2 Profile of priority population segments

38. The priority segments identified by the National Strategy were used to inform the analysis from FinScope 2009. Adults are segmented in line with their primary income source into three segments, namely salaried workers, micro, small and medium enterprise (MSME) owners and small-scale<sup>14</sup> rural farmers. In addition, a further segment comprising the youth aged between 18 and 35 has been identified<sup>15</sup>.
39. The size and profile of priority adult and youth segments identified by the National Strategy is summarised in Figure 1.

**Figure 1: The profile of priority segments identified under the National Strategy on Financial Education**

SALARIED EMPLOYEES (624 000)							
PRIVATE SECTOR (379 000)				PUBLIC SECTOR (245 000)			
DEMOGRAPHICS SECTOR				DEMOGRAPHICS SECTOR			
GENDER		GEOGRAPHY		GENDER		GEOGRAPHY	
Female	28%	Urban	73%	Female	36%	Urban	42%
Male	72%	Rural	27%	Male	64%	Rural	58%
EDUCATION AND INCOME				EDUCATION AND INCOME			
EDUCATION		INCOME		EDUCATION		INCOME	
Secondary completed	26%	Earn more than KR5,000 per year	56%	Secondary completed	17%	Earn more than KR5,000 per year	73%
College/university completed	21%	Other regular income sources:		College/university completed	57%	Other regular income sources:	
Professional qualification	1%	Money from farming	10%	Professional qualification	1%	Money from farming	32%
		Self-employed in own business	6%			Self-employed in own business	6%
COMMUNICATION				COMMUNICATION			
TECHNOLOGY		MEDIA ACTIVITIES		TECHNOLOGY		MEDIA ACTIVITIES	
Cellphone	91%	Radio	83%	Cellphone	97%	Radio	88%
Computer	17%	Television	67%	Computer	36%	Television	81%
Internet	14%	Newspapers	53%	Internet	27%	Newspapers	71%
		Magazines	27%			Magazines	45%
MSMEs (822 000)							
MSME URBAN (419 000)				MSME RURAL (404 000)			
DEMOGRAPHICS SECTOR				DEMOGRAPHICS SECTOR			
GENDER		RECORD KEEPING		GENDER		RECORD KEEPING	
Female	52%	Measure business performance	73%	Female	46%	Measure business performance	54%
Male	48%	Keep up-to-date financial accounts	42%	Male	54%	Keep up-to-date financial accounts	29%
EDUCATION AND INCOME				EDUCATION AND INCOME			
EDUCATION		INCOME		EDUCATION		INCOME	
Secondary completed	14%	Earn more than KR5,000 per year	37%	Secondary completed	24%	Earn more than KR5,000 per year	17%
College/university completed	6%	Other regular income sources:		College/university completed	1%	Other regular income sources:	
		Money from farming	10%	Money from farming	51%	Money from fishing/ fish farming	6%
		Money from household member	9%				
COMMUNICATION				COMMUNICATION			
TECHNOLOGY		MEDIA ACTIVITIES		TECHNOLOGY		MEDIA ACTIVITIES	
Cellphone	92%	Radio	79%	Cellphone	71%	Radio	59%
Computer	13%	Television	68%	Computer	5%	Television	22%
Internet	11%	Newspapers	40%	Internet	5%	Newspapers	7%
		Magazines	26%			Magazines	7%

<sup>14</sup> Score < 50 on the asset index. The asset index is a summary of the assets owned by the individual. A high asset index indicates that the farmer is likely to be a larger, commercial farmer as opposed to a small-scale farmer. These individuals have been excluded from the segment.

<sup>15</sup> These segments are mutually exclusive based on the most relied upon income source identified in FinScope. The segments are hierarchical with the employed segments sized first. Thus only adults aged 18 to 35 who are not in these segments are included in the youth segment. These segments are not collectively exhaustive. Approximately 20% of adults aged 16 or more do not fall into these segments.



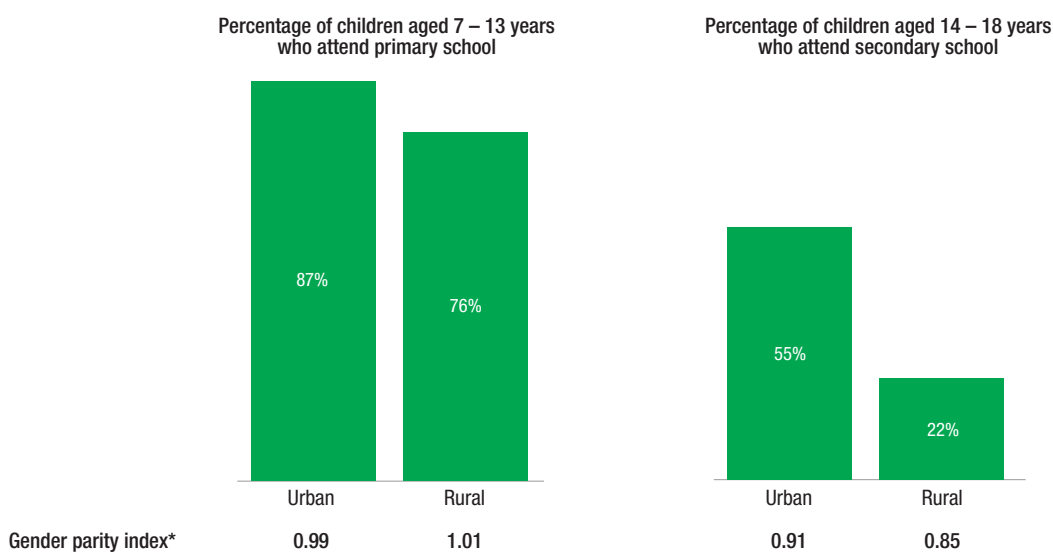




SMALL SCALE RURAL FARMERS (1.76 million)				YOUTH (1.9 million)			
DEMOGRAPHICS SECTOR				DEMOGRAPHICS SECTOR			
<b>GENDER</b>		<b>GEOGRAPHY</b>		<b>GENDER</b>		<b>GEOGRAPHY</b>	
Female	43%	Measure business performance	57%	Female	64%	Urban	50%
Male	57%	Keep up-to-date financial accounts	22%	Male	36%	Rural	50%
EDUCATION AND INCOME				EDUCATION AND INCOME			
<b>EDUCATION</b>		<b>INCOME</b>		<b>EDUCATION</b>		<b>INCOME</b>	
Secondary completed	4%	Earn more than KR2,000 per year	17%	Secondary completed	17%	Regular income sources:	
College/university completed	0%	Other regular income sources:		College/university completed	2%	Do not receive income	39%
		Piece work	11%	Money from household member		Piece work	9%
		Self-employed in own business	6%	Money from farming			9%
COMMUNICATION				COMMUNICATION			
<b>TECHNOLOGY</b>		<b>MEDIA ACTIVITIES</b>		<b>TECHNOLOGY</b>		<b>MEDIA ACTIVITIES</b>	
Cellphone	53%	Radio	57%	Cellphone	76%	Radio	69%
Computer	1%	Television	12%	Computer	7%	Television	47%
Internet	2%	Newspapers	6%	Internet	5%	Newspapers	25%
		Magazines	6%			Magazines	20%

40. In addition to adults, the National Strategy also highlights children as a priority segment. Data from the Central Statistical Office (CSO) indicates that children of school-going age in urban areas are more likely to attend school than their counterparts in rural areas. This is particularly so for secondary schools, where attendance nationally is far lower than it is for primary schools. This data is summarised in Figure 2.

**Figure 2: Percentage of children attending school**



Source: Central Statistical Office 2007 data

Note: The Net Attendance Ratio (NAR) for primary and secondary school is the percentage of school age population (7 – 13 years for primary and 14 – 18 years for secondary) that is attending school.

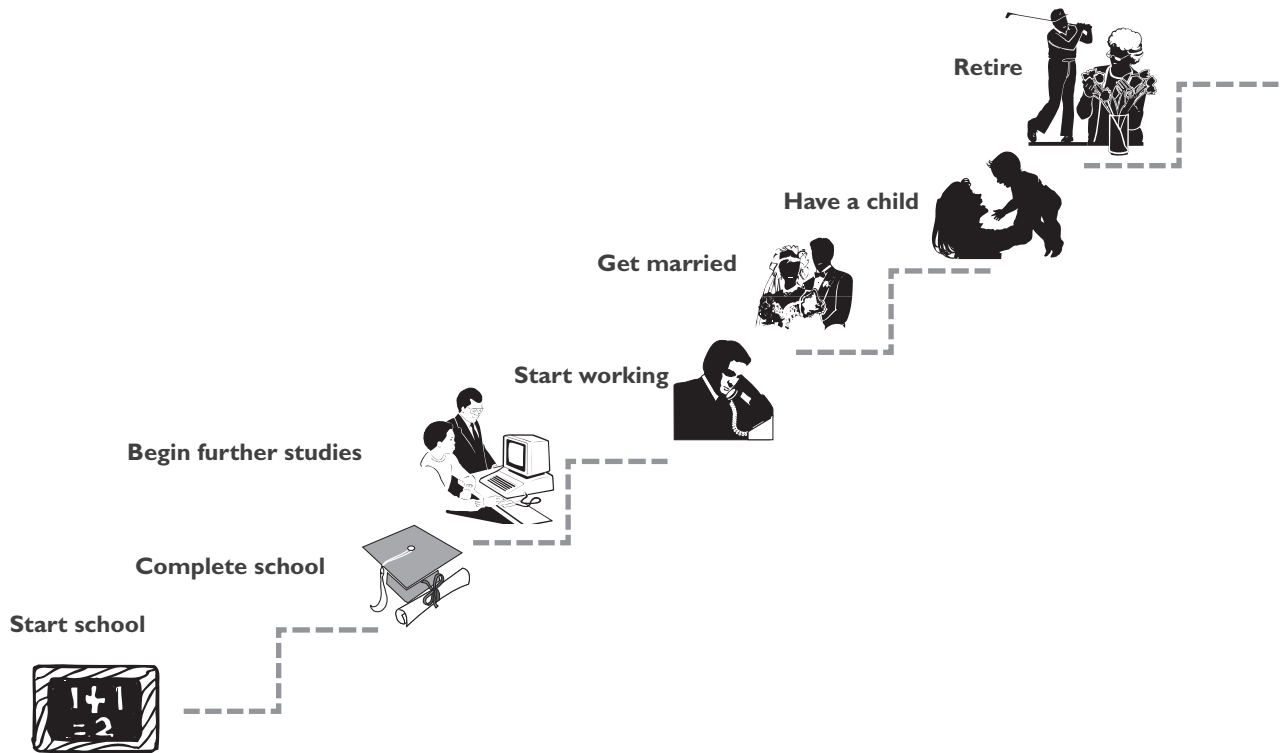
\* The Gender Parity Index is the ratio of the NAR for females to the NAR for males – if it is greater than 1 the NAR for females is greater than the NAR for males.





41. The National Strategy also identifies key 'teachable moments' – times in people's lives and contexts when they are more likely to be receptive to financial education, as illustrated in Figure 3.

**Figure 3: An example of life stage-based “teachable moments”**



42. FinScope indicates that there are over 2.8 million women in Zambia of childbearing age (16-49), over half of whom live in rural areas. The data also indicates that there are approximately 685,000 adults who are at, or close to, retirement age.
43. Financial education programmes can leverage existing organisations and groupings. According to FinScope, one in four adults in Zambia belong to a church or other religious group.
44. Transport hubs, key routes and public transport vehicles themselves can also display relevant information. While the majority of people in Zambia walk or cycle to their nearest food/grocery store and market, public buses and local minibuses are often used for trips to the post office and further afield.
45. Financial education can also be linked to the payment of government social cash grants. These are projected to grow from 32,561 beneficiaries in 2011 to over 99,000 by 2015<sup>16</sup>.

### 2.3 Use of financial products

46. Financial product usage can be summarised in the form of a Financial Access Strand (Figure 4). The Strand presents mutually exclusive segments that reflect financial product usage patterns, distinguishing those who are banked, those who are not banked but who are making use of other products provided by formal financial service providers (such as microcredit or insurance), those who make use of informal financial mechanisms (such as rotating savings clubs, village savings and credit groups, unregulated lenders and forms of community banking promoted by the Government<sup>17</sup> and by NGOs) and those who do not report any financial product usage.

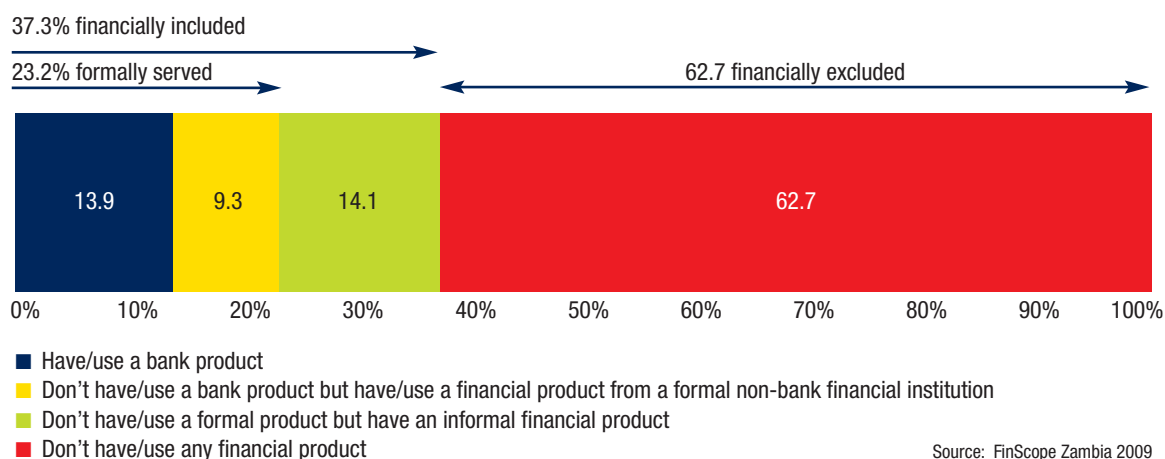
<sup>16</sup> Ministry of Community Development, Mother and Child Health, 2011.

<sup>17</sup> Through an International Fund for Agricultural Development (IFAD) funded Government programme, the Ministry of Finance's Rural Finance Programme offers grants to NGOs and MFIs promoting community banking in rural areas, particularly in areas with no physical access to formal financial services. The services provided include village savings and credit groups.





**Figure 4: Financial Access Strand for Zambian adults in 2009**



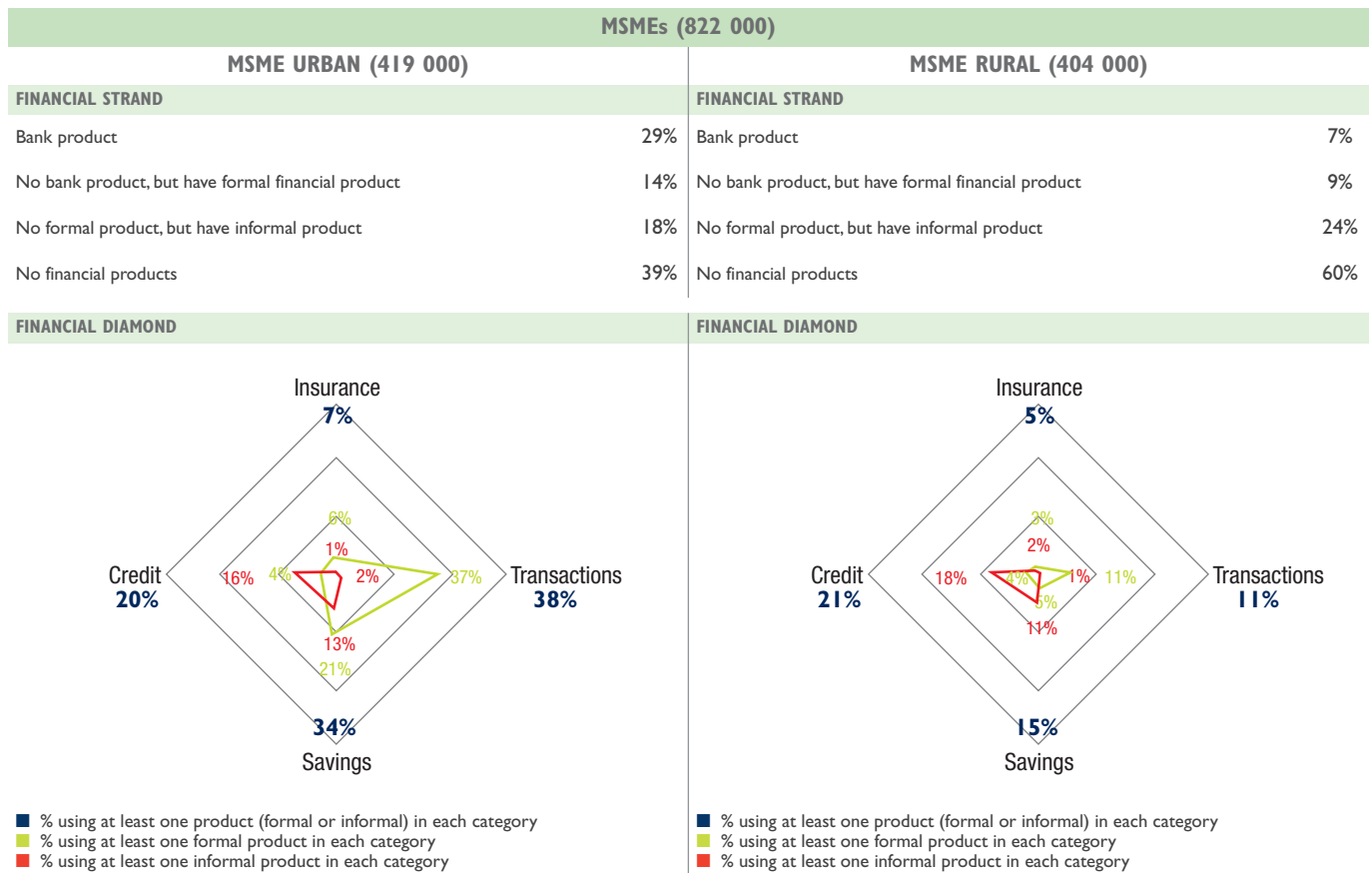
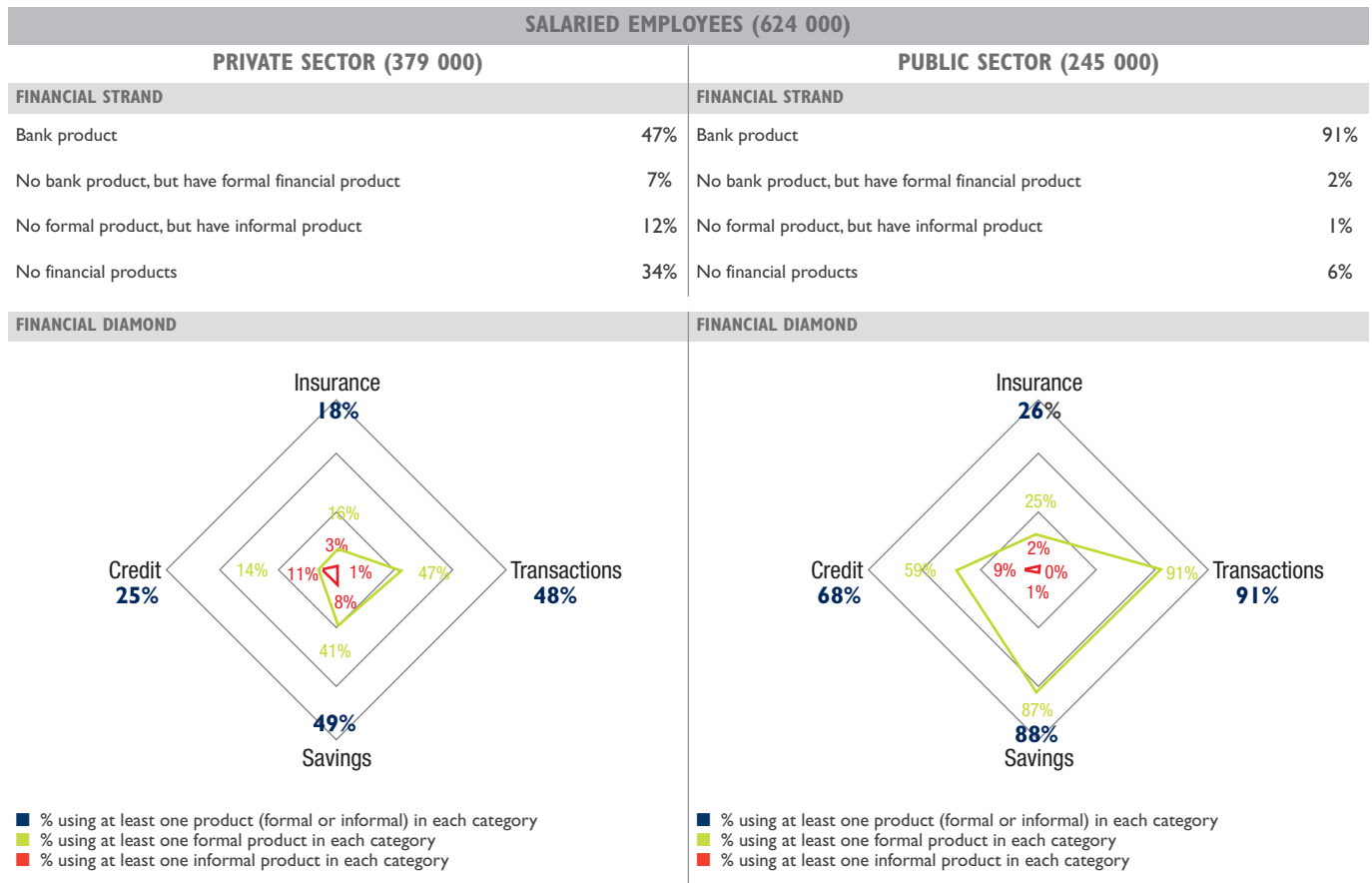
47. FinScope shows that 63% of the adult population is financially excluded (i.e. they report not making use of either formal or informal financial products). The situation is worse in rural areas, where physical access to financial institutions is poor and literacy levels are lower.
48. The salaried population displays the highest level of formal financial inclusion, with 93% of public sector employees and 54% of private sector employees using a bank account or other formal financial product. 43% of MSME owners in urban areas use at least one formal financial product from a bank or a non-bank financial institution. By contrast, just 18% of small-scale rural farmers, 16% of rural MSME owners and 13% of the youth use a formal financial product. The barriers of access to formal financial products include poor physical access, unaffordable and inappropriate financial products, a lack of confidence in formal financial services and poor understanding of the available products and services. As a result of these barriers, people who use any form of financial product, especially the poor, tend to use informal instruments to manage their finances, which can be both risky and expensive.
49. Over 14% of the adult population overall uses informal financial products only. Usage of informal financial products is highest among rural MSME owners, small-scale rural farmers and urban MSME owners with 24%, 20% and 18% of the segments respectively using only informal products. Unsurprisingly, usage of informal financial products is lower among the salaried population, with 12% of private sector employees and 1% of public sector employees using informal products only<sup>18</sup>.
50. An alternative way to display product usage data is the Landscape of Access which summarises financial product penetration in a 'diamond' of usage across four key product types, namely transactional products (such as bank accounts or formal money transfer services), savings products, credit and insurance. An additional dimension captured by the Landscape is the distinction between formal and informal product usage in each category. According to FinScope, 59% of public sector workers, but only 14% of private sector workers, have a formal credit product.
51. This data, together with the Financial Access Strand is summarised in Figure 5.

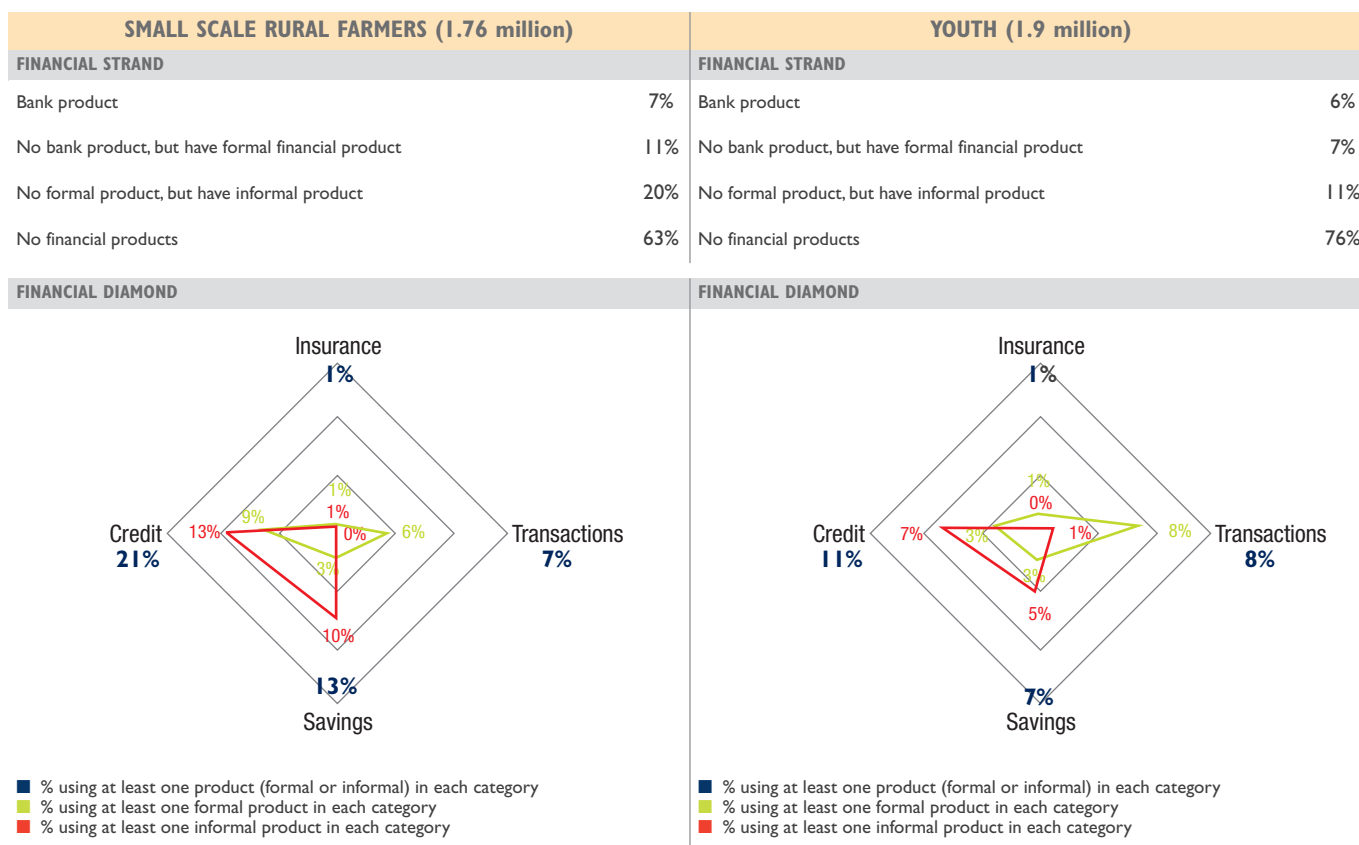
<sup>18</sup> FinScope 2009.





**Figure 5: Financial Access Strand and Landscape of Access for priority segments**





52. An increasing number of adults are borrowing from formal or informal providers. FinScope indicates that around one fifth of adults have borrowed money from a person or institution in the past 12 months. Supply side data shows that, between September 2004 and 2005, commercial bank lending to the personal sub-sector increased by 64% and has continued to increase significantly to date. During the same period, in the non-bank sector; pay-roll-based micro lending increased by an average of 58% per annum<sup>19</sup>. The propensity to borrow differs amongst different population groups, with reported credit usage highest for salaried adults (who have the highest levels of access to formal credit) followed by MSME owners and small-scale rural farmers. The vast majority of those who use credit borrow from their friends or family. Just 5% of those who have borrowed did so from a bank and a further 9% say they have borrowed from another non-bank financial institution. Informal moneylenders known as *kaloba* are an important source of credit, particularly when no formal lenders are present in the market, although their interest rates are often very high. Worryingly, not all borrowers understand the term 'interest': 56% of small-scale rural farmers and 55% of MSME owners that use credit did not understand the term<sup>20</sup>. This may impact on their ability to choose the right product and may contribute to over-indebtedness.
53. The number of salaried adults who are highly indebted appears to be increasing. There are reports of employees who have ended up with negative salaries on their pay slips, either due to irresponsible lending on the part of the lender; a lack of understanding of the actual cost and terms of borrowing by the borrower; or a combination of the two. Undoubtedly, such situations are not only having severely adverse effects on the financial well-being of the employees and their families, but are also impacting on the productivity of employees, who need to divert their energies from their jobs to finding alternative means of daily sustenance. FinScope indicates that the level of indebtedness is not just a cause for concern among the salaried, but also among the borrowing population overall: 16% of adults who are accessing credit report using more than half of their incomes to service debt, while 18% say they have missed a loan repayment in the last 12 months. The reasons for borrowing also provide an indication of financial well-being: the most commonly cited reason for borrowing across the priority segments is to fund living expenses, indicating a difficulty with making ends meet.

<sup>19</sup> FSDP 2009.  
<sup>20</sup> FinScope 2009.





54. According to FinScope, 40% of adults say they save or put money away for a specific purpose. The majority of saving is done informally, with 49% of savers keeping cash at home. The main reasons for saving are to cover emergencies or medical needs: 24% of those that save say they are saving for a non-medical emergency, and a further 16% are saving for either a medical emergency or planned medical expenses. Most of those who save for a specific purpose allocate a residual part of their income to savings, rather than a constant portion of their income: 72% of small-scale rural farmers and 73% of MSME owners who are saving say that the proportion of income depends on the amount available at the time. In terms of preparing for old age, salaried employees in the public sector show the highest level of preparedness: 30% of these have a pension product, most likely through the National Pension Scheme Authority (NAPSA), which is a mandatory facility.
55. Only 3% of the adult population has a formal insurance product. The segments of the population who are most likely to have a formal insurance product are salaried adults in the public and private sectors (25% and 16%, respectively, of whom have a formal insurance product). Usage of insurance products within other segments is very low, with only 1% of small-scale rural farmers and 5% of MSME owners having a formal insurance product. This may be due, in part, to a low level of awareness: just 16% of small-scale rural farmers and 32% of MSME owners say that they have heard of and understand the term “insurance”. When asked for reasons why they do not have an insurance product, many adults cited “Does not know how it works” as the main reason. Rather than using insurance or other formal risk management mechanisms, low-income people, who are particularly vulnerable to risks and shocks, tend to resort to expensive and unreliable coping strategies, such as borrowing from informal moneylenders at high interest rates.
56. The investment sector in Zambia is small and access to capital markets by the adult population is minimal<sup>21</sup>. Of those adults that claim to save, less than 1% said that they use investment instruments such as treasury bills or unit trusts<sup>22</sup>.
57. FinScope indicates a lack of willingness to consult on financial matters: 43% of adults said that, when it comes to money, they trust their own experience or knowledge rather than the advice or promise of others. Of those that do seek advice, the most popular source is friends and family, followed by financial institutions.
58. Figure 6 summarises selected indicators for financial education needs for the priority segments.

**Figure 6: Indicators of financial education needs for the priority segments**

SALARIED EMPLOYEES (624 000)	
PRIVATE SECTOR (379 000)	PUBLIC SECTOR (245 000)
<b>KEEPING TRACK</b>	<b>KEEPING TRACK</b>
85% Heard of and understand “budget”	94% Heard of and understand “budget”
62% “You keep track of your expenses every month”	67% “You keep track of your expenses every month”
62% “You have a monthly or weekly budget”	82% “You have a monthly or weekly budget”
76% <i>Of these</i> , “You ensure you spend within your budget”	79% <i>Of these</i> , “You ensure you spend within your budget”
<b>MAKING ENDS MEET</b>	<b>MAKING ENDS MEET</b>
30% Borrowed money from a person/institution in the last 12 months	57% Borrowed money from a person/institution in the last 12 months
20% <i>Of these</i> , Missed a payment in the past 12 months	4% <i>Of these</i> , Missed a payment in the past 12 months
24% “It is okay to borrow money to pay back outstanding debt”	20% “It is okay to borrow money to pay back outstanding debt”
11% “If you borrow money it is okay to pay it a bit later than agreed”	18% “If you borrow money it is okay to pay it a bit later than agreed”
6% “Without credit/taking a loan, you would not be able to feed your family”	7% “Without credit/taking a loan, you would not be able to feed your family”
<b>PLANNING AHEAD</b>	<b>PLANNING AHEAD</b>
69% Save or put money away for a specific purpose	87% Save or put money away for a specific purpose
24% Saving for an emergency	37% Saving for an emergency
9% Have pension product	30% Have pension product
1% Saving for retirement or old age	8% Saving for retirement or old age
<b>CHOOSING AND USING</b>	<b>CHOOSING AND USING</b>
67% Heard of and understand “interest”	89% Heard of and understand “interest”
64% Heard of and understand “insurance”	87% Heard of and understand “insurance”
10% Don’t know of any advantages of a bank account	1% Don’t know of any advantages of a bank account
<b>ACCESSING INFORMATION</b>	<b>ACCESSING INFORMATION</b>
64% “You know quite a bit about money and finances”	70% “You know quite a bit about money and finances”
56% “When it comes to money you trust your own experience/knowledge rather than advice/promises of others”	48% “When it comes to money you trust your own experience/knowledge rather than advice/promises of others”
40% Ask family member or friend for financial advice	34% Ask family member or friend for financial advice
25% Ask financial institution for financial advice	27% Ask financial institution for financial advice

<sup>21</sup> FSDP II project document, Page 1.

<sup>22</sup> FinScope 2009.





## MSMEs (822 000)

### MSME URBAN (419 000)

#### KEEPING TRACK

- 85% Heard of and understand "budget"
- 46% "You keep track of your expenses every month"
- 50% "You have a monthly or weekly budget"
- 78% *Of these*, "You ensure you spend within your budget"

#### MAKING ENDS MEET

- 26% Borrowed money from a person/institution in the last 12 months
- 19% *Of these*, Missed a payment in the past 12 months
- 17% "It is okay to borrow money to pay back outstanding debt"
- 12% "If you borrow money it is okay to pay it a bit later than agreed"
- 12% "Without credit/taking a loan, you would not be able to feed your family"

#### PLANNING AHEAD

- 66% Save or put money away for a specific purpose
- 27% Saving for an emergency
- 2% Have pension product
- 0% Saving for retirement or old age

#### CHOOSING AND USING

- 61% Heard of and understand "interest"
- 45% Heard of and understand "insurance"
- 13% Don't know of any advantages of a bank account

#### ACCESSING INFORMATION

- 65% "You know quite a bit about money and finances"
- 57% "When it comes to money you trust your own experience/knowledge rather than advice/promises of others"
- 41% Ask family member or friend for financial advice
- 24% Ask financial institution for financial advice

### MSME RURAL (404 000)

#### KEEPING TRACK

- 65% Heard of and understand "budget"
- 24% "You keep track of your expenses every month"
- 28% "You have a monthly or weekly budget"
- 85% *Of these*, "You ensure you spend within your budget"

#### MAKING ENDS MEET

- 27% Borrowed money from a person/institution in the last 12 months
- 24% *Of these*, Missed a payment in the past 12 months
- 20% "It is okay to borrow money to pay back outstanding debt"
- 14% "If you borrow money it is okay to pay it a bit later than agreed"
- 10% "Without credit/taking a loan, you would not be able to feed your family"

#### PLANNING AHEAD

- 65% Save or put money away for a specific purpose
- 19% Saving for an emergency
- 0% Have pension product
- 0% Saving for retirement or old age

#### CHOOSING AND USING

- 38% Heard of and understand "interest"
- 18% Heard of and understand "insurance"
- 22% Don't know of any advantages of a bank account

#### ACCESSING INFORMATION

- 66% "You know quite a bit about money and finances"
- 47% "When it comes to money you trust your own experience/knowledge rather than advice/promises of others"
- 45% Ask family member or friend for financial advice
- 5% Ask financial institution for financial advice

## SMALL SCALE RURAL FARMERS (1.76 million)

#### KEEPING TRACK

- 57% Heard of and understand "budget"
- 16% "You keep track of your expenses every month"
- 20% "You have a monthly or weekly budget"
- 68% *Of these*, "You ensure you spend within your budget"

#### MAKING ENDS MEET

- 25% Borrowed money from a person/institution in the last 12 months
- 20% *Of these*, Missed a payment in the past 12 months
- 16% "It is okay to borrow money to pay back outstanding debt"
- 16% "If you borrow money it is okay to pay it a bit later than agreed"
- 8% "Without credit/taking a loan, you would not be able to feed your family"

#### PLANNING AHEAD

- 51% Save or put money away for a specific purpose
- 17% Saving for an emergency
- 0% Have pension product
- 0% Saving for retirement or old age

#### CHOOSING AND USING

- 34% Heard of and understand "interest"
- 16% Heard of and understand "insurance"
- 27% Don't know of any advantages of a bank account

#### ACCESSING INFORMATION

- 54% "You know quite a bit about money and finances"
- 49% "When it comes to money you trust your own experience/knowledge rather than advice/promises of others"
- 43% Ask family member or friend for financial advice
- 4% Ask financial institution for financial advice

## YOUTH (1.9 million)

#### KEEPING TRACK

- 67% Heard of and understand "budget"
- 16% "You keep track of your expenses every month"
- 23% "You have a monthly or weekly budget"
- 81% *Of these*, "You ensure you spend within your budget"

#### MAKING ENDS MEET

- 12% Borrowed money from a person/institution in the last 12 months
- 23% *Of these*, Missed a payment in the past 12 months
- 17% "It is okay to borrow money to pay back outstanding debt"
- 12% "If you borrow money it is okay to pay it a bit later than agreed"
- 6% "Without credit/taking a loan, you would not be able to feed your family"

#### PLANNING AHEAD

- 31% Save or put money away for a specific purpose
- 9% Saving for an emergency
- 0% Have pension product
- 0% Saving for retirement or old age

#### CHOOSING AND USING

- 39% Heard of and understand "interest"
- 25% Heard of and understand "insurance"
- 29% Don't know of any advantages of a bank account

#### ACCESSING INFORMATION

- 52% "You know quite a bit about money and finances"
- 33% "When it comes to money you trust your own experience/knowledge rather than advice/promises of others"
- 34% Ask family member or friend for financial advice
- 8% Ask financial institution for financial advice





## 3. The Need for a National Strategy on Financial Education

This section covers:

- ❑ The need for financial management
- ❑ Definition of financial education
- ❑ Financial inclusion and financial consumer protection
- ❑ Benefits of financial education to stakeholders
- ❑ Current financial education initiatives
- ❑ Lessons from international experience
- ❑ The need for a National Strategy

### 3.1 The need for financial management

59. It is becoming increasingly important that people can manage their personal and household finances well. For example:

- a) poor people need to be able to make what little income they have go as far as possible; to save some of their income, wherever practicable, in order to smooth income flows and to provide for future emergencies; and to avoid taking unnecessary risks with their finances;
- b) in order to take advantage of initiatives which are intended to promote financial inclusion – i.e. access to appropriate financial products – people need the knowledge, skills and confidence to make effective use of these financial products;
- c) the increasing availability of microcredit and other financial products and services, combined with the rapidly expanding use of alternative channels to distribute these products – including ATMs, point of sale devices and cellphones – has opened up opportunities for people to manage their finances more flexibly and more effectively; but it has also given rise to risks which may be unfamiliar – particularly to new, and potential new, consumers. People who have the knowledge, skills and confidence to manage their finances well are better able to take advantage of these new opportunities without exposing themselves to risks which they do not understand, or of which they are unaware.

60. However, as illustrated in Section 2.3 above, in Zambia – as in many other countries – many people are not able to manage their personal and household finances well. There is therefore a need to improve financial education levels in Zambia.

### 3.2 Definition of financial education

61. There is no generally agreed definition of the term “financial education”. The Organisation for Economic Co-operation and Development (OECD), an international thought-leader on financial education, defines it as follows<sup>23</sup>:

*“Financial education is the process by which financial consumers/investors improve their understanding of financial products and concepts and, through information, instruction and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being.*

Where:

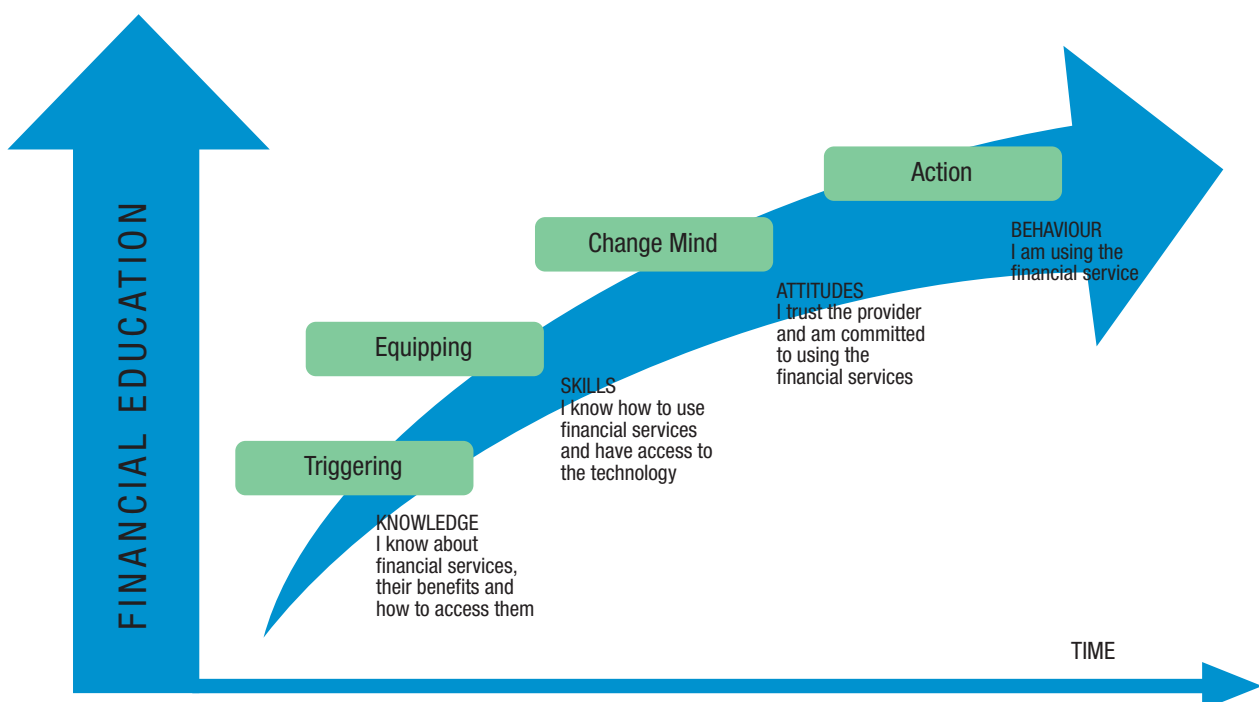
- ❑ *information* involves providing consumers with facts, data and specific knowledge to make them aware of financial opportunities, choices and consequences;
- ❑ *instruction* involves ensuring that individuals acquire the skills and ability to understand financial terms and concepts, through the provision of training and guidance; and





- advice involves providing consumers with counsel about generic financial issues and products so that they can make the best use of the financial information and instruction they have received.”
62. Specifically excluded from this definition are:
- a) marketing initiatives which promote a particular brand or specific products or services; and
  - b) financial advice which may lead to the recommendation of a specific product or service.
63. Drawing on this, the definition of financial education which has been developed for the purposes of the National Strategy on Financial Education for Zambia is:
- “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”.*
64. Consistently with that, the term “a financially educated person” for the purposes of the National Strategy refers to someone who not only has the requisite knowledge, understanding, skills and confidence, but who, in practice, makes financial decisions and takes actions which are appropriate to his or her personal circumstances.
65. The term “financial decisions” is interpreted broadly, to encompass not only decisions related to formal financial products and services – including transactional banking, savings, credit, investments (including through pensions and through Stock Exchange instruments), insurance, etc – but also informal financial products and services and relevant non-monetary behaviours (for example, a farmer holding back more seed with a view to increasing future crop yields).
66. Financial education is achieved over time, initially with improvements in knowledge and skills which in turn lead to changes in attitudes and behaviours: see Figure 7.

**Figure 7: Financial education change process**



Source: Adapted from the Financial Education Fund (FEF) Toolkit





67. Some other countries refer to “financial literacy” or “financial capability” rather than to “financial education”. In practice, these terms tend to be used in similar ways. The term “financial education” has been selected for Zambia, because it is likely to be the most familiar, and the most widely understood, of these terms.
68. The UK Financial Services Authority identified<sup>24</sup> five components<sup>25</sup> of what it referred to as financial capability:
  - a) making ends meet (i.e. making sure that spending does not consistently exceed income);
  - b) keeping track of one's finances (i.e. knowing the details of one's day-to-day finances);
  - c) planning ahead (i.e. making appropriate financial provision for the future);
  - d) choosing and using financial products (making informed choices about financial products entails, among other things, having a good general awareness of the types of financial products that can help to achieve one's goals; and understanding the risks associated with financial products and the trade-off between risk and reward); and
  - e) accessing and using information (i.e. having some knowledge of financial matters and keeping abreast of financial developments).
69. Financial education is intended to help people to manage their personal and household finances. Among other things, financial education can help equip people with some of the skills which are needed to run a business successfully – and can therefore help to promote entrepreneurship. Nevertheless, everyone needs to be able to manage their personal and household finances well, whether or not they also carry on a business.
70. It would be unrealistic – in any country – to expect that financial education programmes could turn the generality of the population into financial experts. A more realistic aim is that people will be provided with knowledge, understanding, skills and confidence and that this will help them to secure good financial outcomes for themselves and their families, even if they are not the best possible outcomes.
71. It follows that financial education is intended to influence people's behaviour: Little will have been achieved if people are financially educated, but nevertheless behave in a financially reckless manner. The National Strategy on Financial Education is therefore intended to bring about improvements in the way in which, in practice, people in Zambia manage their personal finances.

### 3.3 Financial inclusion and financial consumer protection

72. Financial education, financial inclusion initiatives and financial consumer protection all have a vital role to play in achieving the goals of the FSDP. Each needs to be pursued simultaneously. None is likely to be sufficient on its own to bring about a significant contribution to achieving these goals.
73. For example, people who are financially educated and therefore understand the potential advantages of using formal financial services will not be able to put this learning into practice if there are no formal financial institutions available where they live or work.
74. People who have been financially educated may be reluctant to make much use of financial products if they are concerned that financial institutions will treat them unfairly – particularly if there are no means of redress should this happen in practice.
75. Similarly, financial inclusion initiatives are unlikely to be successful if people at whom the initiative is targeted do not understand the potential benefits to them or do not understand how to make effective use of the products in question. For example, people may be persuaded, as a result of a campaign designed to promote access to bank accounts, to open an account. But unless they have the knowledge, skills and confidence to operate a bank account, they are unlikely to make much (if any) use of it.

---

<sup>24</sup> Financial Services Authority (2006), Financial Capability in the UK: Establishing a Baseline, available at [http://www.fsa.gov.uk/pubs/other/fincap\\_baseline.pdf](http://www.fsa.gov.uk/pubs/other/fincap_baseline.pdf).

<sup>25</sup> These five components were used as a framework for analysing the FinScope 2009 survey findings, as detailed in the Financial Access Matters Focus Note No. 6: Financial Education in Zambia: What does FinScope tell us?, FinMark Trust, 2011.





### 3.4 Benefits of financial education to stakeholders

76. A wide range of stakeholders will benefit from the Zambian population becoming more financially educated:
- a) **consumers** – people at all income levels stand to gain financially from making the most productive use of any money they have, from avoiding unnecessary charges associated with financial products and from avoiding undue risks (including the risks associated with over-indebtedness). Financial education can help to improve people's quality of life;
  - b) **financial institutions** – people who are financially educated are more likely to have the knowledge, skills and confidence to choose and purchase financial products. This is likely to stimulate demand for financial products and to reduce the risk that people will buy products which are unsuitable for them. Moreover, financial institutions will have to spend less time explaining some of the basic features of financial products;
  - c) **the Government** – a more financially educated population is likely to save and invest more, to be better equipped to run successful businesses, and to be more likely to purchase financial products which are appropriate to their circumstances<sup>26</sup>. This should serve as a stimulus to economic growth and should help to reduce levels of financial exclusion.
  - d) **employers** – employees who are financially educated are less likely to get into the sorts of financial difficulties which can distract them at work and can thus make them less productive;
  - e) **civil society organisations and donors** – financial education can help to improve people's livelihoods and can thus help many civil society organisations and donors to achieve their goals.

### 3.5 Current financial education initiatives

77. A number of organisations in Zambia are currently implementing financial education initiatives. These are documented in a stock-take study<sup>27</sup>, which was commissioned by FinMark Trust on behalf of the Bank of Zambia to contribute to the development of a National Strategy on Financial Education, and are summarised below<sup>28</sup>.

#### *Financial education initiatives for schoolchildren*

78. Financial education initiatives in schools are currently being undertaken and supported by a few financial service providers and non-governmental organisations. They include the following:
79. Zanaco's Financial Fitness programmes reaches over 5,000 school children in about 150 schools in 33 districts. It is targeted at pupils in Grades 8 and 9 in Government schools. The programme provides pupil-centred learning, with the pupils working in groups, supervised by a teacher. The topics covered include money, wasting money, banking, saving, interest, budgeting, using ATMs, using cheques, borrowing, managing debt and developing a financial fitness plan. The financial fitness materials are currently being used by some NGOs, such as Camfed and Restless Development, in their financial education programmes. Zanaco also runs financial fitness programmes for adults. The programme is summarised in Box 1.

<sup>26</sup> Provided that financial education is complemented by effective financial consumer protection and financial inclusion measures.

<sup>27</sup> Stock-take of Financial Education in Zambia: A Review of Financial Education Initiatives and Opportunities, M&N Associates, 2012, available from the FSDP Secretariat on request. See Annex 2 for a summary of existing financial education programmes.

<sup>28</sup> Outreach figures are given where available.





## Box 1: Zanaco Financial Fitness Programme

Zanaco is a commercial bank which runs a financial education programme – Financial Fitness – as part of its corporate social responsibility (CSR) portfolio. The programme has been running since 2008. Eco Ventures International, an American company that specialises in financial education materials, developed the training materials and toolkits. The channels used for programme delivery are outlined below.

### Children and the Youth

Working in conjunction with the Ministry of Education and Restless Development, an NGO with offices in Zambia, the Zanaco branch network has adopted Government schools across the country where the financial fitness programme is carried out. The programme is an extra-curricular activity that focuses on the basics of financial literacy. Zanaco also publishes weekly Financial Fitness articles in the Education Post, a supplement in the Post newspaper. The bank facilitates student educational tours to bank branches.

### Adults

Zanaco runs radio programmes on financial education in English and vernacular languages (Nyanja, Lozi, Kaonde, Tonga and Luvale). It has also developed a series of comic strips on financial education topics, which have been featured in the Post and Daily Mail newspapers.

### Zanaco Staff and Small and Medium Enterprises (SMEs)

Zanaco runs training workshops covering: financial planning, borrowing, credit awareness, saving, investment, banking, insurance, wealth building, planning for retirement and estate management. Zanaco also works in collaboration with the Zambia National Farmers Union (ZNFU) to deliver training workshops to farmers in the ZNFU network across the country.

Zanaco participates in the Agricultural and Commercial Show and the Trade Fair and runs events such as quizzes on financial education.

80. Children International Zambia launched a financial education programme in 2011, which is based on the Aflatoun programme, a social and financial education programme for children aged 6 – 14 years old.

The five core elements of the Aflatoun programme are: personal exploration and understanding; rights and responsibilities; saving and spending; planning and budgeting, and; entrepreneurship.

The Children International Zambia programme is summarised in Box 2.

## Box 2: Children International's financial education programme

Children International is an international NGO focused on children. In Zambia, it operates in Lusaka, providing support to about 15,000 less privileged children in its centres in Kanyama, Chibolya and George compounds in the area of education, health and family assistance.

With respect to education, Children International Zambia is implementing the Aflatoun Programme in eight community schools in the three compounds. It has trained 16 teachers from these schools in delivering this programme as an extra-curricular activity through school clubs. The programme teaches basic financial principles and sound practices that would be difficult for children to learn elsewhere. The programme also teaches children about self-discovery, rights and responsibilities, and the wise use of resources, empowering them to break the cycle of poverty and create a more equitable society. Savings is a key part of the Aflatoun Programme.





81. Junior Achievement (JA) provides financial education to young people in schools through its Banks in Action programme (which is targeted at Grades 9-12) and the JA Finance Pack, which covers subjects such as basic budgeting and profit and loss. The programme is summarised in Box 3.

### **Box 3: Junior Achievement's financial education programme**

Junior Achievement is an international organisation, started 90 years ago by entrepreneurs in the USA. It targets the youth, aged 15 to 25. It focuses on three areas: entrepreneurship, financial literacy and workforce readiness.

In Zambia, JA's current outreach is primarily in Lusaka, but it has programmes in all the provinces of Zambia. JA has also collaborated with partners, such as the British Council, on nationwide activities supporting financial education and entrepreneurship training for youth.

All financial education materials are developed in the USA but have not yet been adapted for local use, so there are some issues with understanding some of the terminology. Working closely with the Business Subjects Teachers Association, JA trains teachers who cascade the training to students.

The programme is carried out as an extra-curricular activity and students learn about financial literacy through interactive role-play games and through materials provided by JA.

82. Restless Development's financial education project was launched in January 2011 and is targeted at schoolchildren and student teachers. The goal is to create long-lasting behavioural change among young people. The project is fairly new and aims to reach 5,000 youths, 4,500 student teachers in 13 colleges of education and 11 communities in Central and Copperbelt Provinces by the end of 2011.

#### *Financial education initiatives for the youth*

83. Camfed runs financial education programmes for young women in rural areas of Zambia. The project was launched in 2009, with funding from DFID accessed through the Financial Education Fund (FEF): around 10,700 young women have been trained. The Camfed programme is summarised in Box 4.

### **Box 4: Camfed's financial education programme for young women**

Campaign for Female Education (Camfed) Zambia is a non-governmental organisation (NGO) devoted to eradicating poverty through girls' education and empowerment of young women.

The NGO runs a project for financial education for young women in rural areas covering 8 districts (Luapula 3, Northern 3 and Western 2). The project has been running since 2009 and aimed to reach 8,800 young women by the end of 2011, but has surpassed this target and reached around 10,700 young women. The project had been expected to close in December 2011. However, Camfed has decided to continue implementing its financial education programme as part of its young women empowerment programmes. The new programme Camfed is developing will have aspects of financial education as part of leadership and enterprise training.

Camfed developed customised financial education training materials using Zanaco and Global Finance materials. Some difficult terms of the training materials were translated into two local languages: Bemba and Lozi. Camfed has trained 160 peer educators and 3 co-trainers in the 8 districts. The peer educators and co-trainers cascade the training to the girls and young women.

The institutional framework for activism of young women is provided through Cama (the Camfed Association), a young rural women's peer network, founded by former Camfed beneficiaries which includes young women across 3 provinces in Zambia. These young women are supported through the provision of bursaries while they are in secondary school.





#### *Financial education in the workplace*

84. Workplace financial education programmes are currently being undertaken by Zanaco as part of its Financial Fitness programme. Current outreach is around 900 employees, including the bank's own employees.

#### *Financial education for Small and Medium Enterprises (SMEs)*

85. Zanaco runs financial education programmes for SMEs. Current outreach is around 1000 SMEs. Zanaco uses financial education training manuals and a comic book as educational tools.

#### *Financial education for the general public*

86. A number of umbrella organisations, such as the Bankers Association of Zambia, and financial service regulators, such as the Pensions and Insurance Authority and the Bank of Zambia, have implemented financial education initiatives targeted at the general public. These have mostly taken the form of road shows; the dissemination of information at trade fairs; and radio and television sensitisation programmes.

### **3.6 Lessons from international experience**

87. A number of international organisations have highlighted the importance of financial education. For example, the OECD has said that:

*"For emerging economies, financially educated consumers can help ensure that the financial sector makes an effective contribution to real economic growth and poverty reduction ... The information available on consumer financial literacy is worrying for two reasons – not only do individuals generally lack an adequate financial background or understanding to navigate today's complex market, but unfortunately they also generally believe that they are far more financially literate than is really the case."*<sup>29</sup>

88. In a statement issued in 2006, G8<sup>30</sup> Finance Ministers said:

*"We acknowledge the importance of better financial education and literacy for improving the ability of people to use financial services and to make effective decisions with respect to their present and future welfare."*<sup>31</sup>

89. In November 2010, the World Bank launched a Global Programme on Consumer Protection and Financial Literacy<sup>32</sup>, building on work that it had undertaken in Europe and Central Asia. The objective is to help countries achieve concrete measurable improvements<sup>33</sup>.

90. National strategies on financial education have been developed, or are being developed, in a number of countries, including Australia, Azerbaijan, Brazil, Canada, Ghana<sup>34</sup>, Kenya, Malaysia, New Zealand, Singapore, South Africa, Tanzania, Trinidad and Tobago, Uganda and the United Kingdom. In developing the National Strategy on Financial Education for Zambia, account has been taken of lessons which can be drawn from experience in other countries. Important lessons include the following:

- a) the development and implementation of a national strategy on financial education encourages stakeholders and donors to increase their involvement in, and funding of, financial education programmes;
- b) strong and effective leadership, with adequately resourced executive support, is needed to drive forward the development and implementation of a national strategy on financial education;
- c) working in partnership with a wide range of stakeholders from the public, private and non-profit sectors helps to increase the availability of resources for financial education initiatives and to ensure that the most effective use is made of those resources;

<sup>29</sup> The Importance of Financial Education, OECD Policy Brief, 2006. Available at <http://www.oecd.org/dataoecd/8/32/37087833.pdf>.

<sup>30</sup> The G8 (or Group of 8) is a forum for the governments of eight major economies: Canada, France, Germany, Italy, Japan, Russia, the United Kingdom, and the United States.

<sup>31</sup> Pre-Summit Statement by G8 Finance Ministers, 2006. Available at [http://eng8russia.ru/page\\_work/11\\_1.html](http://eng8russia.ru/page_work/11_1.html).

<sup>32</sup> See <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTFINANCIALSECTOR/0,,contentMDK:22761006~pagePK:148956~piPK:216618~theSitePK:282885,00.html>.

<sup>33</sup> The Global Program focuses on four areas:

- a) making financial information easy to understand and comparable so that consumers can shop for the best deal;
- b) improving business practices to ensure that abusive and predatory practices are prohibited, and intermediaries are regulated;
- c) giving consumers a way to get quick and easy redress when their financial institutions have made a mistake; and
- d) helping consumers learn to use financial services with confidence.

<sup>34</sup> The Ghana national strategy focuses on the micro-finance sector.





- d) people tend to be over-confident about their ability to manage their personal finances well;
  - e) if people are given too much information, or have a large number of possible options, they are liable to be overwhelmed and to do nothing. So, it is important to keep things as simple as possible;
  - f) financial education programmes should use language and contexts with which the target audiences can relate;
  - g) people often struggle to take good decisions about financial matters. So, financial education programmes should not only provide people with education, information and guidance on personal finance issues, but should also help them to take good decisions;
  - h) a relatively small proportion of a target audience is likely to remember, and to act on, financial education messages the first time (or even the first few times) they hear them. So, it is important to repeat messages;
  - i) people learn in different ways. So, a variety of channels and messages should be used. This will also increase the number of people who hear a message more than once;
  - j) advantage should be taken of “teachable moments” – that is times in people’s lives, and contexts, when they are more likely to be receptive to financial education;
  - k) it is important to prioritise those financial education programmes which are most likely to be cost-effective;
  - l) proposed programmes should be piloted, wherever possible, to assess – before the programme is rolled out more widely – whether the programme is likely to be successful and, if it is, whether any adjustments to it can usefully be made;
  - m) consideration should be given to lessons which can be drawn from other public education initiatives (for example, HIV/Aids prevention programmes), including about techniques and communication channels which have been successful with different target groups.
91. In developing the National Strategy on Financial Education for Zambia, account has been taken of financial education programmes which have been undertaken in other countries. Unfortunately, relatively few evaluations of financial education programmes have been published. Moreover, some of the programmes undertaken in other countries, which appear to have been successful in those countries, would not necessarily be successful in Zambia. So, judgements have had to be made about the sorts of programmes which have been put in place in other countries which are most likely to be cost-effective in Zambia.
92. Financial education programmes which have been undertaken in other countries include the following broad categories<sup>35</sup>:
- a) financial education as part of schools' curricula;
  - b) financial education as part of extra-curricular activities for schoolchildren;
  - c) financial education programmes for students in schools and universities;
  - d) financial education delivered in workplaces;
  - e) financial education incorporated into rural outreach programmes;
  - f) financial education programmes targeted at women;
  - g) financial education delivered via a range of media (including television, radio, newspapers, comic books, posters, drama, the internet and CD-Roms);
  - h) financial education delivered via trusted intermediaries (including community and religious leaders);
  - i) financial education road shows and workshops; and
  - j) financial education weeks.

<sup>35</sup> Fuller information is set out in the study, 'Stock-take of Financial Education in Zambia: A Review of Financial Education Initiatives and Opportunities', M&N Associates, 2012, available from the FSDP Secretariat on request.





### 3.7 The need for a National Strategy

93. The financial education activities which are currently being undertaken in Zambia, though commendable, are uncoordinated, have achieved only limited outreach, and leave some large gaps.
94. The development and implementation of a focused national financial education strategy for Zambia helps to address these weaknesses. While building on existing financial education initiatives, it will ensure that there is a more comprehensive, sustainable, co-ordinated and effective range of programmes than is currently the case; and will avoid unintended gaps and unnecessary overlaps. It will galvanise the efforts of stakeholders which are currently undertaking financial education initiatives, or which might be willing to do so in future, and will foster and strengthen strategic partnerships. It will encourage the allocation of more resources; and it will secure a wider and deeper impact from the resources which are deployed on financial education programmes. The National Strategy on Financial Education will contribute to the achievement of national priorities, including the promotion of financial inclusion.
95. The National Strategy on Financial Education for Zambia identifies the key priorities which are to be addressed and this will provide focus and momentum. By building on existing programmes, it ensures that the maximum value will be derived from the skills and experience which have already been gained by those who are currently working in this field.
96. In short, working together and to a common agenda will help to ensure that the maximum benefit is obtained from the efforts of all those organisations which are willing to contribute to the strengthening of financial education in Zambia.







## 4 Framework for the National Strategy on Financial Education

This section covers:

- ❑ Goal and strategic objective of the National Strategy
- ❑ Principles underpinning the National Strategy

### 4.1 Goal and strategic objective

97. The **goal** of the National Strategy on Financial Education for Zambia is:  
*a financially educated Zambian population by 2030*
98. This dovetails with, and supports, Vision 2030 “making Zambia a prosperous middle-income nation by 2030”. The implementation of the National Strategy on Financial Education will contribute to the Sixth National Development Plan (SNDP) 2011–2015, the theme of which is “sustained economic growth and poverty reduction”.
99. The **strategic objective** of the National Strategy on Financial Education for Zambia is that  
*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*
100. The National Strategy on Financial Education for Zambia is underpinned by a number of principles (“the underpinning principles”). These principles form the basis for prioritising financial education programmes and will guide how the financial education programmes will be implemented.

### 4.2 Principles underpinning the National Strategy

101. The underpinning principles of the National Strategy are as follows:
1. Work in partnership;
  2. Build on existing initiatives;
  3. Maximise cost-effectiveness;
  4. Foster sustainable changes;
  5. Focus on clients and their needs;
  6. Communicate effectively; and
  7. Measure impact – and share the results.
102. These principles are outlined below.

#### ***Work in partnership***

103. A wide range of stakeholders would benefit from a more financially educated Zambian population. Many of them could potentially be involved in developing and implementing financial education programmes.
104. Working in partnership, with the active participation of a wide range of stakeholders, will be strongly encouraged. This will help to:
- a) maximise the availability of resources and ensure that those resources are used effectively;
  - b) avoid unnecessary duplication, for example through the sharing of good financial education materials which have already been developed, rather than each organisation producing its own resources;
  - c) achieve greater outreach and scale;
  - d) encourage networking and the sharing of lessons learned – which will help to promote good practices; and





- e) ensure that those who undertake financial education initiatives work to a common goal and use consistent messages and complementary approaches.

105. In order to achieve this, effective communication with stakeholders will be essential. This is discussed further in Section 6.0 below.

#### ***Build on existing initiatives***

106. Both the stock-take study and discussions with stakeholders have emphasised the importance of building, wherever practicable, on existing financial education initiatives. This may, for example, take the form of helping existing initiatives to achieve greater scale or outreach, possibly through fostering the development of strategic partnerships; or arranging for some of the financial education resources which have already been developed to be used by a wider range of organisations.

#### ***Maximise cost-effectiveness***

107. Operating cost-effectively will help to ensure that the maximum benefit possible is secured from the resources which are made available for financial education – and should also help to attract further investment in financial education.

108. Among the factors which should be taken into account in assessing cost-effectiveness are:

- a) **the number of people which a programme is expected to reach, together with the likely impact of the programme on behaviours** – both elements are important: there is no point in reaching lots of people if the programme in question will have little or no impact on behaviours; equally, it would not be sensible to invest in expensive programmes which are effective, but which reach very few people;
- b) **sustainability** – programmes which will produce no lasting legacy once funding for the programme has come to an end are unlikely to be cost-effective;
- c) **replicability** – other things being equal, a programme is more likely to be cost-effective if it is replicable – that is, the programme is likely to be adopted or adapted by others, assuming that the original programme proves to be successful;
- d) **scalability** – a programme is more likely to be cost-effective if there is potential (provided that the programme is shown to be effective) to scale it up so that it reaches larger numbers of people;
- e) **the potential for leveraging in additional resources** – some programmes can leverage in additional resources<sup>36</sup>, which increases the overall resources available to support that programme.

#### ***Foster sustainable changes***

109. The leadership and funding arrangements (see sections 7.0 and 8.0 below) for the National Strategy on Financial Education for Zambia have been designed with a view to ensuring that the implementation and further development of the strategy is sustainable in the long-term.

110. In addition, the financial education programmes which have been prioritised are expected to be sustainable (in the sense that they will produce a lasting legacy once any initial funding has come to an end)<sup>37</sup>. It is also important that financial education initiatives influence long-term behaviours, rather than merely short-term behaviours.

---

<sup>36</sup> For example, in order for financial education to be incorporated into existing subjects in the schools curriculum, there would need to be an initial investment to develop a financial education curriculum, to produce resources and to train teachers. Thereafter it would not be necessary to make further payments to those who are providing the financial education – since the teachers concerned are already being paid and are simply delivering financial education as part of subjects which they already teach.

<sup>37</sup> For example, incorporating financial education into the schools curriculum, preparing resources and training teachers to teach financial education effectively produces a lasting legacy – the curriculum, resources and trained teachers can be used to deliver financial education for many years ahead. By contrast, programmes which rely on paying people to train adults in their communities may not be sustainable once the funding stream used to pay the trainers (and to hire premises, etc) runs out.





### *Focus on clients and their needs*

111. The contents and delivery channels used for financial education programmes will be designed to ensure that they take account of the needs of those whom the programme in question is intended to reach. It will therefore be necessary to gain a clear understanding of the needs and preferences of specific population sectors.

### *Communicate effectively*

112. Financial education messages are much more likely to have an impact if they are expressed in clear, simple and succinct language and if the intended audience regard them as relevant to their situation. So far as possible, they should prompt people to take action.

### *Measure impact – and share the results*

113. Financial education programmes will be evaluated and monitored (see section 10.0 below) so that the impact of each programme can be assessed and informed decisions can be made as to which programmes lead to positive changes in behaviour and are otherwise cost-effective, and should therefore be continued or built on, and which programmes should be modified or discontinued. The lessons learned will be widely disseminated, so that they can be taken into account in the design and development of other relevant financial education programmes and in the refinement of the strategy as a whole.





## 5. Financial Education Programmes for Zambia

This section covers:

### ❑ Financial education programmes for Zambia

114. There are a large number of financial education programmes which could potentially be undertaken. It is important to select priorities, since otherwise resources are liable to be stretched so thinly that little or nothing of significance is achieved.
115. It is not possible to devise a formula for deciding which of the potential programmes should be selected as priorities; instead, judgements have needed to be made. In reaching these judgements, particular account has been taken of the needs of the population; which programmes can be expected to lead to positive changes in behaviour; the expected cost-effectiveness of potential programmes; the desirability of reaching a broad spread of the population, rather than focussing on only one or two sections; and opportunities which can be harnessed for making progress.
116. Table 2 summarises the financial education programmes for Zambia and shows how they are linked to the overall goal and strategic objective of National Strategy as well as the nation's Vision 2030. For convenience, the programmes have been grouped according to the age group at which they are predominantly aimed. However, several of these programmes will reach more than one age group (for example, financial education workplace programmes will reach some of the youth, as well as older adults).
117. The priority programmes which have been selected for the National Strategy on Financial Education for Zambia are described in Tables 3-10 below. In a number of cases, the programmes represent opportunities to be explored, rather than programmes which can be initiated straightaway. Full implementation of these programmes will depend on, among other things, securing funding or in-kind resources; securing the participation of relevant partners; and implementing and assessing the outcomes of pilot projects. As a result of this, some programmes will be initiated sooner than others, whilst some may prove, once consultations with stakeholders have been concluded, to be impracticable to initiate. The first programme to be initiated will be financial education in schools: this takes advantage of the opportunities presented by the Curriculum Development Centre's current review of the school curriculum.
118. The contents of financial education programmes will need to vary, for example to take account of the needs of the target audience. At a very high level, programmes are likely to cover:
  - ❑ budgeting and financial planning;
  - ❑ saving and investing for cash flow management, long-term needs and life-cycle events;
  - ❑ prudent borrowing and managing debt;
  - ❑ identifying and managing risks;
  - ❑ investing;
  - ❑ the uses, characteristics, advantages and disadvantages of different types of financial products; and
  - ❑ understanding basic financial terms.
119. The content of financial education programmes will benefit from a training needs assessment of the relevant target groups. Consideration will be given to the development of core messages, which can be used, or adapted for use, in a variety of contexts. This would not only result in lower overall costs than if messages were to be developed separately for each programme, but it would also help to promote the delivery of consistent messages across a broad range of financial education programmes.
120. The following tables outline the financial education programmes for Zambia:





**Table 2: Summary of financial education programmes**

Relevant national priorities	<ul style="list-style-type: none"> <li>• Vision 2030 “making Zambia a prosperous middle-income nation by 2030”</li> <li>• Sixth National Development Plan (SNDP) 2011–2015 theme of “sustained economic growth and poverty reduction”</li> <li>• Financial Sector Development Plan (FSDP) supporting “...the efficient mobilisation and allocation of resources necessary to achieve economic diversification, sustainable growth and poverty reduction”</li> </ul>		
Goal of the National Strategy	A financially educated Zambian population by 2030		
Strategic Objective of the National Strategy	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		
Initial implementation phase	2012 – 2017 (5 years)		
Priority financial education programmes	<p><b>Component 1</b> Financial education for children</p> <ul style="list-style-type: none"> <li>• financial education through the school curriculum;</li> <li>• financial education through extra-curricular activities.</li> </ul>	<p><b>Component 2</b> Financial education for the youth</p> <ul style="list-style-type: none"> <li>• financial education in universities, colleges and other learning institutions;</li> <li>• financial education in youth development centres and other agencies.</li> </ul>	<p><b>Component 3</b> Financial education for adults</p> <ul style="list-style-type: none"> <li>• financial education workplace programmes;</li> <li>• financial education programmes for small-scale farmers;</li> <li>• financial education programmes for MSMEs;</li> <li>• financial education through teachable moments.</li> </ul>
	<p><b>Cross-cutting financial education programmes</b></p> <ul style="list-style-type: none"> <li>• financial education through appropriate media;</li> <li>• financial education through a website.</li> </ul>		
Underpinning principles	<ul style="list-style-type: none"> <li>• Work in partnership;</li> <li>• Build on existing initiatives;</li> <li>• Maximise cost-effectiveness;</li> <li>• Foster sustainable changes;</li> <li>• Focus on clients and their needs</li> <li>• Communicate effectively; and</li> <li>• Measure impact – and share the results.</li> </ul>		
Leadership	<ul style="list-style-type: none"> <li>• Spearheaded by the three financial service regulators with a dedicated Financial Education Coordination Unit housed in the Bank of Zambia, reporting to a multi-stakeholder Steering Committee.</li> <li>• Engagement of all relevant stakeholders in the implementation and review of the National Strategy.</li> </ul>		
Funding	<ul style="list-style-type: none"> <li>• Multiple funding sources including financial service regulators, private sector firms, the Government, the Financial Sector Development Plan (FSDP), non-governmental organisations and international development agencies.</li> </ul>		
Budget	<ul style="list-style-type: none"> <li>• The estimated budget is ZMW 75 million (about \$15 million) for the period 2012 – 2017.</li> <li>• This amount covers the costs of the FECU, M&amp;E and the implementation of financial education programmes. It does not take into account current investments into financial education by existing programme implementers.</li> </ul>		





121. Component 1: Financial education for children

**Table 3: Financial education for children**

Aspect	Description
Situation analysis	<p><b>Need</b></p> <ul style="list-style-type: none"> <li>• People begin to form their attitudes to financial matters early in life. Children are increasingly taking financial decisions, sometimes from an early age. Providing them with financial education helps them to take sound decisions. Schools provide an ideal channel for this, as they are already established and funded.</li> <li>• Children can play a role in educating their parents. For example, programmes can be designed to involve parents, such as by asking children to draw up a household budget with the help of their parents.</li> <li>• There is wide support among stakeholders for providing financial education to children. The stock-take study records that "Incorporating financial education in the school syllabus was the most frequently recommended step by interviewees. It was felt that by including financial education in the school syllabus wide outreach would be achieved in a highly cost-effective way."</li> <li>• Schools comprise government schools, private schools, community schools and church schools.</li> </ul> <p><b>Current initiatives</b></p> <ul style="list-style-type: none"> <li>• In Zambia there are already some programmes run by NGOs and private institutions, including Zanaco, Children International, Junior Achievement, Camfed and Restless Development, that provide financial education to children.</li> <li>• Many other countries which have developed, or are developing, national strategies on financial education have prioritised the provision of financial education to schoolchildren.</li> <li>• Considerable experience and expertise – both from the programmes which are already being undertaken in Zambia and from other countries – can be drawn on in developing financial education programmes for children. There are many already existing resources and materials which can be adapted.</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• The Ministry of Education, Science and Vocational Training and the Curriculum Development Centre are currently reviewing school curricula and are exploring the possibility of integrating financial education into revised curricula.</li> <li>• Once teachers have been trained to deliver financial education through school curricula, some of them could be used to deliver financial education to children in other ways, such as presenting children's television programmes which incorporate elements of financial education.</li> <li>• As well as Government schools, there are also private schools, community schools and church schools in Zambia, which can be partnered with to increase overall outreach.</li> </ul>
Aim	To help children to gain knowledge and understanding of financial matters, together with skills, confidence and responsible attitudes, as they move into adulthood.
Elements: financial education through the school curriculum	<ul style="list-style-type: none"> <li>• Integrate financial education into relevant subjects such as business studies, mathematics, home economics and civic education.</li> <li>• Develop teacher training materials.</li> </ul>
Elements: financial education through extra-curricular activities	<ul style="list-style-type: none"> <li>• Introduce financial education into after-school clubs.</li> <li>• Leverage on existing extra-curricular activities for schools, such as those run by Zanaco, Children International, Junior Achievement and Restless Development.</li> <li>• Make use of print media, for example the Education Post.</li> <li>• Incorporate financial education into children's interactive television programmes.</li> <li>• Promote child-centred learning through games and role-play.</li> </ul>
Implementation	<ul style="list-style-type: none"> <li>• Identify and source funding for technical assistance in curriculum development.</li> <li>• Modify curriculum to embed financial education.</li> <li>• Develop appropriate financial education teacher and pupil resources to support the delivery of financial education through the curriculum, leveraging on existing financial education materials.</li> <li>• Develop and implement a plan for piloting and scaling up extra-curricular activities.</li> <li>• Develop appropriate financial education materials for after-school clubs, leveraging on existing financial education materials.</li> <li>• Build capacity of teachers to effectively deliver financial education programmes.</li> <li>• Build capacity of journalists and children's television presenters.</li> <li>• Monitor and evaluate the effectiveness and impact of financial education through the school curriculum and through extra-curricula activities.</li> <li>• Funding requirements include: provision of technical assistance to Curriculum Development Centre and Ministry of Education, Science and Vocational Training in developing the school curriculum, curriculum and extra-curricula resources and teacher training modules; and implementing stakeholder consultative meetings and teacher training programmes.</li> </ul>





**Table 3: Financial education for children (continued)**

Aspect	Description
Stakeholders	<ul style="list-style-type: none"> <li>• Ministry of Education, Science and Vocational Training (MoESVT)</li> <li>• Curriculum Development Centre (CDC)</li> <li>• FSDP Secretariat</li> <li>• Donors</li> <li>• Ministry of Finance (MoF)</li> <li>• Non-governmental organisations (NGOs) – including Camfed, Children International, Junior Achievement and Restless Development</li> <li>• Banks</li> <li>• Non-bank financial institutions</li> <li>• Media</li> <li>• Teacher training colleges</li> <li>• Ministry of Local Government, Housing, Early Education and Environmental Protection (MLGHEEEP)</li> <li>• University of Zambia (UNZA) School of Education</li> <li>• Schools (private, public and community)</li> </ul>

122. Component 2: Financial education for the youth

**Table 4: Financial education for the youth**

Aspect	Description
Situation analysis	<p><b>Need</b></p> <ul style="list-style-type: none"> <li>• Zambia has a young population. 32% of the adult population is between the ages of 16 and 24 years old and almost half (48%) of the adult population is under the age of 30.</li> <li>• Most of today's youth will not have had the benefit of financial education while they were at school. So, it is important to provide them with opportunities for financial education at the stage in their lives when – for many of them – they are increasingly taking on responsibility for managing their finances.</li> <li>• The youth of today are the workforce and entrepreneurs of tomorrow. Providing them with financial education will equip this future workforce with the ability to manage their personal, and business, finances well. A financially educated employee is an asset as s/he is less likely to be distracted by financial worries and this will enhance the productivity of the workplace.</li> </ul> <p><b>Current initiatives</b></p> <ul style="list-style-type: none"> <li>• Some NGOs and financial institutions (e.g. Camfed, Zanaco, microfinance institutions) are already delivering financial education to the youth, both in urban and rural areas.</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• There are opportunities to provide financial education to large numbers of the youth, using channels that significant numbers of the youth already use.</li> <li>• There are two major channels: The first includes universities, colleges and other learning institutions; the second includes youth development centres and agencies such as youth associations, NGOs and churches</li> <li>• There are a number of youths in the informally employed sector; running micro and small enterprises. This group could potentially receive financial education provided to MSMEs as outlined in Table 7.</li> <li>• Financial education programmes that already target the youth can be built on.</li> <li>• Cellphones and social media, such as Facebook can be used to deliver financial education to the youth.</li> <li>• Financial education activities could be incorporated in drama clubs and debating clubs, working in close collaboration with the National Arts Council (NAC) and the 'Theatre for Development' wing of the University of Zambia's (UNZA) Language Department.</li> </ul>
Aim	To help the youth to gain knowledge and understanding of financial matters, together with skills, confidence and responsible attitudes, as they move into the workplace.
Elements: financial education in universities, colleges, and other learning institutions	<ul style="list-style-type: none"> <li>• Financial education through core subjects at foundation stage.</li> <li>• Financial education through clubs and associations using toolkits and other materials.</li> <li>• Delivery through job portals such as the one developed by the Ministry of Labour, Sports, Youth and Gender.</li> <li>• Financial education through social media and local media e.g. college and university radio stations (e.g. Hone FM and UNZA radio).</li> </ul>





**Table 4: Financial education for the youth (continued)**

Aspect	Description
<p><b>Elements: financial education in youth development centres and other agencies.</b></p>	<ul style="list-style-type: none"> <li>• Financial education toolkits and other materials.</li> <li>• Delivery through trainers and peer educators.</li> <li>• Delivery through trained drama groups.</li> <li>• Delivery through job portals such as the one developed by the Ministry of Labour, Sports, Youth and Gender:</li> <li>• Delivery through NGOs and micro-finance institutions.</li> <li>• Financial education through social media e.g. Facebook and Twitter:</li> <li>• Delivery through cultural events.</li> </ul>
<p><b>Implementation</b></p>	<p><b>Universities, colleges and other learning institutions</b></p> <ul style="list-style-type: none"> <li>• Secure formal agreements with universities, colleges and other learning institutions interested in integrating financial education into foundation courses.</li> <li>• Assess financial education needs for the youth in universities, colleges and other learning institutions.</li> <li>• Identify and source funding for experts to work with MoESVT and learning institutions on the development of modules on financial education for foundation courses.</li> <li>• Develop financial education materials to incorporate in universities and colleges curricula, leveraging on existing financial education materials.</li> <li>• Develop and deliver training programmes to teachers and lecturers on financial education modules.</li> <li>• Develop other appropriate financial education materials and toolkits delivered through various channels including clubs, social media, local media and job portals.</li> <li>• Monitor and evaluate the effectiveness and impact of financial education programmes for the youth in learning institutions.</li> <li>• Funding requirements include: development of financial education toolkits for the youth; capacity building of learning institutions in delivering financial education to the youth.</li> </ul> <p><b>Youth development centres and other agencies</b></p> <ul style="list-style-type: none"> <li>• Secure formal agreements with existing organisations or new organisations interested in implementing financial education programmes for the youth in youth development centres and other agencies.</li> <li>• Assess financial education needs for the youth reached through youth development centres and other agencies.</li> <li>• Develop a plan for scaling up financial education programmes in youth development centres and other agencies.</li> <li>• Implement pilot financial education programmes (may include use of drama, local media, social media, toolkits, training programmes and peer educators).</li> <li>• Review pilot programmes and scale up successful initiatives.</li> <li>• Monitor and evaluate the effectiveness and impact of financial education programmes for the youth in youth development centres and other agencies.</li> <li>• Funding requirements include: development of financial education toolkits and materials for the youth; capacity building of youth development centres and other agencies in delivering financial education to the youth.</li> </ul>
<p><b>Stakeholders</b></p>	<ul style="list-style-type: none"> <li>• MoESVT</li> <li>• Ministry of Labour, Sports, Youth and Gender (MLSYG)</li> <li>• Universities, colleges and other learning institutions</li> <li>• Teacher training colleges</li> <li>• Youth development centres</li> <li>• Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA)</li> <li>• Banks</li> <li>• Non-bank financial institutions</li> <li>• NGOs (e.g. Camfed, Junior Achievement, Restless Development, Children International)</li> <li>• National Arts Council (NAC)</li> <li>• Churches and other faith-based organisations</li> <li>• Community leaders</li> <li>• Donors</li> </ul>







**Table 5: Financial education workplace programmes**

Aspect	Description
Situation analysis	<p><b>Need</b></p> <ul style="list-style-type: none"> <li>Salaried employees have the greatest access to formal financial services, yet many fail to take up these opportunities. Among those who are accessing financial services, over-indebtedness is becoming of increasing concern.</li> <li>According to FinScope, the salaried segment in the public sector shows the highest level of preparedness for financing their old age, but, even then, only 30% within this segment have a pension product, most likely through the National Pension Scheme Authority (NAPSA), a mandatory facility.</li> <li>Financial education programmes can provide the building blocks for sound financial management decisions. From the employer's perspective, reducing the risk of employees getting into financial difficulties can make the workforce more productive and reduce absenteeism.</li> </ul> <p><b>Current initiatives</b></p> <ul style="list-style-type: none"> <li>Zanaco implements a Financial Fitness workplace programme for its employees. No other organised financial education workplace programmes have been identified.</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Workplace financial education programmes can leverage on the experience of social change programmes (such as for HIV/Aids), as well as on any organised education programmes which are being implemented in workplaces.</li> <li>There is an opportunity to reach significant numbers of employees through programmes delivered in workplaces, particularly among large employers.</li> <li>Professional bodies, such as the Zambia Institute for Human Resource Management (ZIHRM), the Zambia Institute of Banking and Financial Services (ZIBFS) and the Zambia Institute of Chartered Accountants (ZICA), have indicated an interest in developing and delivering financial education in the workplace.</li> </ul>
Aim	To address the financial needs of salaried employees with a view to enabling them to make more informed financial management choices and to avoid over-indebtedness.
Elements	<ul style="list-style-type: none"> <li>Develop and deliver financial education workplace training programmes.</li> <li>Develop appropriate toolkits for staff (print, online or digital format).</li> <li>Delivery of financial education through various channels, including presentations, workshops, staff induction programmes, peer education and self-learning. These can be directed at all employees, as well as incorporated in induction training, and are likely to be conducted or facilitated by human resource departments.</li> </ul>
Implementation	<ul style="list-style-type: none"> <li>Conduct training needs assessment for salaried workers.</li> <li>Develop toolkits and workplace financial education training programmes, leveraging on existing financial education materials, where possible.</li> <li>Train trainers or other relevant staff in workplaces, in particular those in human resource departments.</li> <li>Scale-up existing programmes, pilot test new programmes and roll out successful ones.</li> <li>Build capacity of the Zambia Institute of Human Resource Management (ZIHRM), the Zambia Institute of Chartered Accountants (ZICA) and other institutions in the design and delivery of financial education workplace programmes and toolkits.</li> <li>Monitor and evaluate the effectiveness and impact of financial education workplace programmes.</li> <li>Funding requirements include: technical assistance to training institutions (such as ZIHRM, ZICA and ZIBFS) for the design and delivery of financial workplace; programmes and toolkits; development and distribution of financial education toolkits for the workplace.</li> </ul>
Stakeholders	<ul style="list-style-type: none"> <li>Private sector and public sector employers</li> <li>MLSYG</li> <li>International Labour Organisation (ILO)</li> <li>Professional bodies, e.g. ZICA, ZIHRM and ZIBFS</li> <li>Employer associations</li> <li>Industry associations</li> <li>Trades unions</li> <li>Credit Reference Bureau</li> <li>Banks</li> <li>Non-bank financial institutions</li> <li>Competition and Consumer Protection Commission (CCPC)</li> <li>Cabinet Office – human resource and public service management divisions</li> <li>Lusaka Stock Exchange (LuSE)</li> <li>Zambia Electricity Supply Corporation's (ZESCO) Managing Change in Attitudes Programme</li> <li>Donors</li> </ul>





**Table 6: Financial education programmes for small-scale farmers**

Aspect	Description
<p><b>Situation analysis</b></p>	<p><b>Need</b></p> <ul style="list-style-type: none"> <li>• The majority of Zambia's poor population lives in rural areas. Farming is the main source of income for households and individuals in these communities.</li> <li>• Income from farming is erratic and lumpy. Disposable income for farmers is usually available at harvest time and requires effective planning to last throughout the year.</li> <li>• FinScope data shows that budgeting is uncommon amongst small-scale rural farmers: only around one fifth of adults in this segment say they keep a monthly or weekly budget.</li> </ul> <p><b>Current initiatives</b></p> <ul style="list-style-type: none"> <li>• Zanaco has a partnership with the Zambia National Farmers Union (ZNFU) in delivering financial education to rural farmers.</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• There are a number of established networks that can be used as channels to deliver financial education, such as the ZNFU.</li> <li>• There are also a number of large agribusinesses that manage small-scale farmer out-grower schemes that offer opportunities for the delivery of financial education.</li> <li>• Financial education to farmers will improve productivity, which would be in the interests of agribusinesses and out-grower schemes, as well as the farmers themselves.</li> </ul>
<p><b>Aim</b></p>	<p>To assist smallholder farmers to plan ahead and to reduce their vulnerability to risks and shocks.</p>
<p><b>Elements</b></p>	<ul style="list-style-type: none"> <li>• Design and delivery of training programmes and toolkits for farmers.</li> <li>• Delivery through large agribusinesses and other relevant aggregators.</li> <li>• Promotion of working in partnership e.g. Zanaco and ZNFU.</li> <li>• Use of appropriate media, such as radio and cellphone technology</li> </ul>
<p><b>Implementation</b></p>	<ul style="list-style-type: none"> <li>• Conduct training needs assessment for small-scale farmers.</li> <li>• Develop a plan for financial education programmes for small-scale farmers.</li> <li>• Design and implement pilot financial education programmes for small-scale farmers, leveraging on existing financial education materials and channels, where possible (may include training programmes, use of community radio stations, agribusinesses, NGOs and other potential rural based aggregators)</li> <li>• Review pilot financial education programmes for small-scale farmers and roll out successful ones.</li> <li>• Monitor and evaluate the effectiveness and impact of financial education programmes for small-scale farmers</li> <li>• Funding requirements include: technical assistance to agribusinesses and NGOs on the integration of financial education in existing training programmes for farmers; and development of appropriate financial education toolkits for farmers.</li> </ul>
<p><b>Stakeholders</b></p>	<ul style="list-style-type: none"> <li>• Agribusinesses and input suppliers</li> <li>• Organised groups, e.g. ZNFU</li> <li>• Banks</li> <li>• Non-bank financial institutions</li> <li>• Ministry of Finance's Rural Finance Programme</li> <li>• Ministry of Agriculture and Livestock's extension support service</li> <li>• Sub-sector associations (e.g. cotton, tobacco, rice)</li> <li>• Ministry of Community Development, Mother and Child Health (MCDMCH)</li> <li>• Fertiliser Support Programme cooperatives</li> <li>• NGOs working with small-scale farmers</li> <li>• Donors</li> </ul>





**Table 7: Financial education programmes for MSMEs**

Aspect	Description
<p><b>Situation analysis</b></p>	<p><b>Need</b></p> <ul style="list-style-type: none"> <li>The majority of Zambians are employed in the informal sector; mostly in single-owned MSMEs. Very few distinguish between household and business finances.</li> <li>There is little use of formal financial products, with most relying on informal financial products, or borrowing from family and friends.</li> </ul> <p><b>Current initiatives</b></p> <ul style="list-style-type: none"> <li>Zanaco is currently providing financial education to its SME clients.</li> <li>The COMESA SME Toolkit project is working in partnership with Zanaco to provide financial literacy and business planning training to Zanaco's SME clients.</li> <li>The International Labour Organisation (ILO) is working with Zanaco, Investrust Bank, the Zambia Development Agency (ZDA) and the Citizens Economic Empowerment Commission (CEEC) to facilitate financial skills training for small and medium enterprises (SMEs).</li> <li>The Zambia Chamber of Small and Medium Business Associations (ZCSMBA) delivers entrepreneurship training workshops to SMEs once a month, mainly in provincial centres and major districts.</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>There are a number of NGOs, international development agencies and enterprise associations that focus on MSME development which can be used as delivery channels for financial education.</li> <li>Financial education to MSMEs is likely to improve the performance of their businesses and, thereby, contribute to economic growth.</li> </ul>
<p><b>Aim</b></p>	<p>To improve the financial management of those employed in the MSME sector; at both a household and business level.</p>
<p><b>Elements</b></p>	<ul style="list-style-type: none"> <li>Development of training and other programmes for MSMEs, leveraging on existing programmes.</li> <li>Delivery of toolkits to MSMEs through enterprise development groups and associations.</li> <li>Promotion of working in partnership.</li> <li>Delivery through NGOs, industry associations, microfinance institutions and other financial institutions.</li> <li>Use of appropriate media, such as radio and cellphone technology.</li> </ul>
<p><b>Implementation</b></p>	<ul style="list-style-type: none"> <li>Conduct training needs assessment for people employed in MSMEs.</li> <li>Develop a plan for financial education programmes for MSMEs.</li> <li>Design and implement pilot financial education programmes for MSMEs, leveraging on existing financial education materials, where possible (may include implementing training programmes, development of toolkits, use of radio stations and building capacity of various NGOs and organisations working with MSMEs in the design and delivery of financial education training and materials to MSMEs)</li> <li>Review pilot financial education programmes for MSMEs and roll out successful initiatives.</li> <li>Monitor and evaluate the effectiveness and impact of financial education programmes for MSMEs.</li> <li>Funding requirements include financial support to NGOs and organisations working with MSMEs in developing and delivering financial education materials to MSMEs.</li> </ul>
<p><b>Stakeholders</b></p>	<ul style="list-style-type: none"> <li>MSME umbrella associations</li> <li>Sub-sector associations</li> <li>ZDA</li> <li>CEEC</li> <li>Banks</li> <li>Non-bank financial institutions</li> <li>CCPC</li> <li>ZCSMBA</li> <li>ZACCI</li> <li>NGOs</li> <li>MLSYG</li> <li>MCDMCH</li> <li>Ministry of Commerce Trade and Industry (MCTI)</li> <li>ZICA</li> <li>Association of Certified Chartered Accountants (ACCA) Zambia</li> <li>Women's development organisations e.g. Women Entrepreneurs Development Association of Zambia (WEDAZ) and women's empowerment groups under the MCDMCH</li> <li>Donors</li> </ul>





**Table 8: Financial education through teachable moments**

Aspect	Description
Situation analysis	<p><b>Need</b></p> <ul style="list-style-type: none"> <li>• There are times in people's lives, and contexts, when they are more likely to be receptive to financial education. These can be termed "teachable moments".</li> </ul> <p><b>Current initiatives</b></p> <ul style="list-style-type: none"> <li>• There are no current financial education initiatives focused on teachable moments.</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Opportunities for taking advantage of teachable moments include pre- and post-natal clinics, marriage counseling and retirement, as well as contact points for regular transactions and services, such as grant payouts and transport services.</li> <li>• Teachable moment opportunities in Zambia include the Government's social cash transfer (SCT) scheme, which aims to reach 99,000 very poor and vulnerable people by 2015. Delivering financial education to these grant recipients could be a cost-effective way of reaching an otherwise hard to reach section of the population.</li> <li>• Financial education could potentially be delivered via churches and other faith-based organisations and via cultural events.</li> </ul>
Aim	To take advantage of moments when people are more likely to be receptive to financial education to help them to gain relevant knowledge and skills in financial matters.
Elements	<ul style="list-style-type: none"> <li>• Development of financial education materials which are relevant to the teachable moment in question e.g. brochures, toolkits.</li> <li>• Building partnerships e.g. with banks and with churches and other faith-based organisations.</li> </ul>
Implementation	<ul style="list-style-type: none"> <li>• Identify teachable moment opportunities and potential partners.</li> <li>• Conduct training need assessments of relevant target audiences.</li> <li>• Design and pilot materials for teachable moments; leveraging on existing materials where possible (may include toolkits).</li> <li>• Review and roll out appropriate materials for teachable moments.</li> <li>• Monitor and evaluate the effectiveness and impact of delivering financial education through teachable moments.</li> <li>• Funding requirements include development of appropriate financial education toolkits and materials and the training of trainers.</li> </ul>
Stakeholders	<ul style="list-style-type: none"> <li>• MCDMCH</li> <li>• Ministry of Health</li> <li>• Health care facilities</li> <li>• Payment service providers</li> <li>• Community leaders</li> <li>• Churches and other faith-based organisations</li> <li>• NGOs</li> <li>• Banks</li> <li>• Non-bank financial institutions</li> <li>• CCPC</li> <li>• Future Search</li> <li>• Transport operators</li> <li>• Donors</li> </ul>





**Table 9: Financial education through appropriate media**

Aspect	Description
Situation analysis	<p><b>Need</b></p> <ul style="list-style-type: none"> <li>• Edutainment (the delivery of education through forms of entertainment, such as television and radio soaps) can be a powerful way of delivering messages to large numbers of people.</li> </ul> <p><b>Current initiatives</b></p> <ul style="list-style-type: none"> <li>• Most media programmes on financial education are conducted through discussion fora which target niche audiences.</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Experience from Kenya's Makutano Junction, a popular television soap in which financial education has been successfully integrated, has shown that people can learn about financial education in an entertaining way. The South African Insurers Association (SAIA) runs a series of financial education programmes through radio drama and these have proved effective in educating the population on the benefits of insurance. In Poland, financial education has been delivered through reality programmes and interviews with well-known personalities. There is scope to learn from these experiences.</li> <li>• Popular Zambian soaps, such as 'Banja' (Muvi TV) and 'Kabanana' (ZNBC), present opportunities for delivering financial education messages to large audiences in a fun and entertaining manner. ZNBC and Muvi TV are interested in exploring such opportunities.</li> </ul>
Aim	To improve the financial education knowledge and skills of the general public.
Elements	<ul style="list-style-type: none"> <li>• Develop television and radio programming, and support mechanisms, to provide viewers and listeners with financial education in a fun and entertaining manner.</li> <li>• Develop material for other forms of edutainment e.g. drama and cultural groups.</li> </ul>
Implementation	<ul style="list-style-type: none"> <li>• Identify experts to work with media organisations in integrating financial education in appropriate television and radio programmes.</li> <li>• Build appropriate media programme-making skills.</li> <li>• Build appropriate skills and training for drama groups through the National Arts Council (NAC).</li> <li>• Solicit funding and sponsorship for financial education media programmes.</li> <li>• Develop capacity of the cultural section of the University of Zambia Language Department's Theatre for Development wing to deliver financial education at traditional and cultural ceremonies.</li> <li>• Monitor and evaluate the effectiveness and impact of delivering financial education through edutainment.</li> <li>• Funding requirements include: provision of technical assistance to various media organisations and drama groups on how to effectively use edutainment for financial education; training for drama groups and journalists.</li> </ul>
Stakeholders	<ul style="list-style-type: none"> <li>• Television stations e.g. ZNBC and Muvi TV</li> <li>• Radio stations (community, local and national)</li> <li>• Print media</li> <li>• Banks</li> <li>• Non-bank financial institutions</li> <li>• CCPC</li> <li>• Financial sector associations (e.g. Bankers Association of Zambia (BAZ), Insurers Association of Zambia (IAZ), Association of Microfinance Institutions of Zambia (AMIZ)</li> <li>• Financial services regulators (BOZ, PIA, SEC)</li> <li>• NAC</li> <li>• Universities and colleges</li> <li>• Ministry of Information, Broadcasting and Tourism (MIBT)</li> <li>• Donors</li> </ul>





**Table 10: Financial education website**

Aspect	Description
Situation analysis	<p><b>Need</b></p> <ul style="list-style-type: none"> <li>• Internet usage is low but increasing, especially via cellphones. For instance, young people with access to cellphones are increasingly using the internet for social networking purposes.</li> <li>• A financial education website could be promoted to those, both young and old, who have access to the Internet.</li> <li>• A financial education website is also likely to be useful to stakeholders engaged in the implementation of financial education activities.</li> </ul> <p><b>Current initiatives</b></p> <ul style="list-style-type: none"> <li>• There is no organisation disseminating financial education through the Internet in Zambia.</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• A number of public and private bodies are investing in improving the outreach of information communication technology (ICT) and the promotion of ICT usage.</li> <li>• A well designed website is likely to accommodate downloadable financial education toolkits and materials and this would help reduce the cost of disseminating financial education materials.</li> <li>• Experiences in countries that have implemented financial education websites show that a financial education website can also contain templates such as budgets that people can use in their financial planning.</li> </ul>
Aim	To improve financial education knowledge and skills of the general public, through access to information, tools, games and other resources.
Elements	<ul style="list-style-type: none"> <li>• Development of a website and appropriate content.</li> <li>• Website management and updating.</li> <li>• Campaign to drive traffic to the website.</li> <li>• Website should be linked to, among other things, the financial education workplace programme.</li> </ul>
Implementation	<ul style="list-style-type: none"> <li>• Design and launch a financial education website for consumers and stakeholders.</li> <li>• Develop and roll out a campaign to drive traffic to the website.</li> <li>• Monitor and evaluate the effectiveness and impact of delivering financial education through a financial education website.</li> <li>• Funding requirements include: design and development of the financial education website; website hosting; and provision of technical assistance on website management and content management.</li> </ul>
Stakeholders	<ul style="list-style-type: none"> <li>• NGOs</li> <li>• Banks</li> <li>• Non-bank financial institutions</li> <li>• Website developers and internet service providers</li> <li>• Financial services regulators</li> <li>• Professional bodies</li> <li>• Zambia Institute of Mass Communication</li> <li>• Zambia Information and Communication Technology Authority</li> <li>• Ministry of Transport, Works, Supply and Communications</li> <li>• MESVT</li> <li>• CPCC</li> <li>• MIBT</li> <li>• Donors</li> </ul>





## 6. Stakeholder Engagement and Communication

This section covers:

- Financial education stakeholders
- Stakeholder engagement
- Stakeholder communication

- I 25. A wide range of organisations – in the public, private and non-profit sectors – stand to benefit from a more financially educated Zambian population. These organisations can all be regarded as stakeholders. Moreover, many organisations can potentially play a role, as partners, in implementing the National Strategy on Financial Education.
- I 26. Information-sharing and consultation will be crucial – not least because potential partners are more likely to become actively involved if they feel able to exercise some influence over the strategic direction of financial education work. Arrangements will be made<sup>38</sup> to communicate regularly with stakeholders through newsletters, workshops and, where appropriate, bi-laterally, in order to inform them of developments, to disseminate lessons which have been learned from financial education programmes in Zambia (and, where appropriate, from financial education programmes which have been undertaken in other countries), to highlight (including through case studies) success stories, to enlist their active support and participation and to discuss how they can make effective contributions. A website will be developed as a resource for stakeholders. Stakeholders will have the opportunity to influence the strategic direction of financial education work not only through consultations with them, but also through the advice provided by the Financial Education Steering Committee<sup>39</sup> – which will comprise senior representatives from key stakeholders involved in financial education.
- I 27. Stakeholders can contribute to the implementation of the National Strategy on Financial Education in the following main ways:
- funding financial education programmes and other financial education initiatives (such as surveys);
  - implementing financial education programmes, including in partnership with others;
  - providing technical assistance;
  - training and capacity-building;
  - sponsorship, for example of television or radio programmes;
  - piloting innovative financial education initiatives;
  - monitoring and evaluating financial education programmes;
  - undertaking research;
  - sharing resources – in particular, information, tools, materials, learning and research – with other partners;
  - developing policies which promote financial education, financial consumer protection and financial inclusion;
  - being active advocates, with policy-makers and decision-makers, for financial education; and
  - enlisting other potential partners to become active participants.

<sup>38</sup> See section 7.0 below.

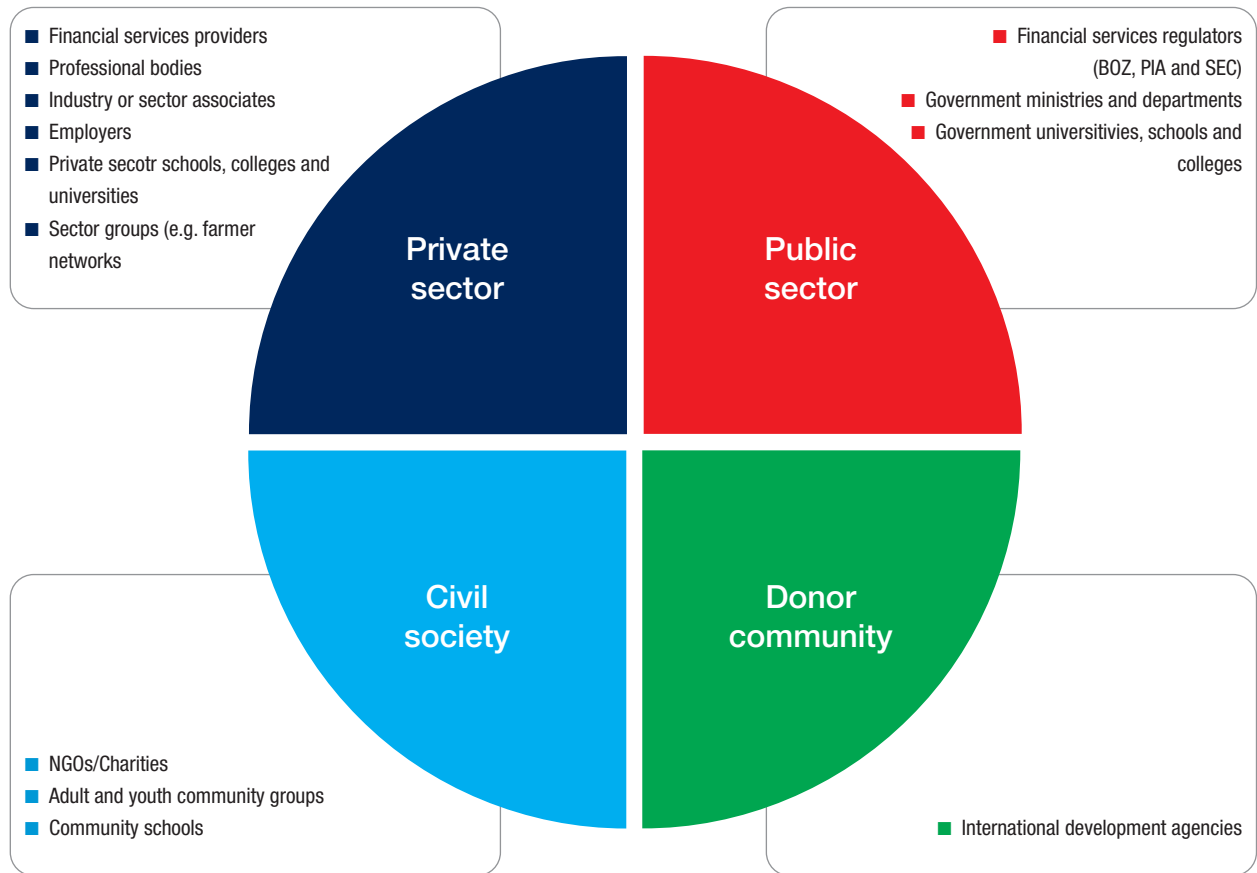
<sup>39</sup> See paragraph I 35 below.





128. The main types of stakeholder are shown in Figure 8

**Figure 8: Financial education stakeholders for Zambia**







## 7. Leadership of the National Strategy on Financial Education

This section covers:

### ❑ Leadership and coordination

- I 29. The National Strategy on Financial Education will be implemented by a wide range of partners, drawn from a variety of sectors. It is important that the activities of the diverse organisations which will be implementing financial education programmes are carefully co-ordinated, in order to minimise unnecessary duplication and to avoid unplanned gaps. This requires effective leadership and well-resourced executive support.
- I 30. The National Strategy on Financial Education will, when fully implemented, help to improve the livelihoods of all sections of the Zambian population. It will contribute to Vision 2030 (Zambia to become a “prosperous middle income country by the year 2030”); so, the arrangements to secure the implementation of the National Strategy need to be sustainable. Taking into account these considerations, the Bank of Zambia, the Pensions and Insurance Authority and the Securities and Exchange Commission will spearhead the implementation of the National Strategy on Financial Education, with the Bank of Zambia taking a leading role. This decision also takes into account that the regulators have an established interest in financial education and that the Bank of Zambia has led the National Strategy on Financial Education development process; that financial education is centrally aligned with the Financial Sector Development reform objectives, as set out in the Financial Sector Development Plan (FSDP) – a Government-led initiative which the Bank of Zambia is mandated to implement; and that many stakeholders have indicated that they consider that the Bank of Zambia is well-placed to lead the implementation of the National Strategy. The Governor of the Bank of Zambia will act as the overall champion for the National Strategy on Financial Education.
- I 31. A dedicated unit, which will be known as the Financial Education Coordination Unit (FECU), will be housed within the Bank of Zambia. The Bank of Zambia, the Pensions and Insurance Authority and the Securities and Exchange Commission – and possibly other stakeholders – will all contribute to the resourcing of the FECU.
- I 32. The FECU will focus on managing the co-ordination, prioritisation, fund-raising, decision-making, capacity-building and communication processes and on helping to provide focus and momentum. Specific responsibilities will include:
- a) Advocating the case for improved financial education;
  - b) Providing a focal point for financial education in Zambia;
  - c) Securing the support and involvement of key potential partners, including through fund-raising;
  - d) Informing partners and other stakeholders – including through a regular newsletter and through workshops – about overall progress with the implementation of the National Strategy on Financial Education, financial education activities which are being undertaken, future plans, and good practices in Zambia and elsewhere;
  - e) Ensuring that priorities for the strategy are set, so that resources are used cost-effectively and are not spread too thinly;
  - f) Where necessary, initiating financial education programmes or ensuring that suitable programmes are initiated;
  - g) Ensuring that activities are co-ordinated, wherever possible, to avoid duplication and wastage of resources;
  - h) Identifying needs for technical assistance and ensuring that this technical assistance is provided and managed;
  - i) Developing a website for consumers and for stakeholders;
  - j) Monitoring and evaluating the implementation of the strategy, so that corrective action can be taken, or other changes made, where appropriate; and
  - k) Where necessary, allocating some of the available funding towards programme implementation.





133. It is envisaged that the FECU will initially comprise:
1. **a Programme Co-ordinator** – who will lead the Unit and oversee the implementation and further development of the National Strategy on Financial Education, and who will have specific responsibility for stakeholder management and for policy development and review;
  2. **a Communications Officer** – who will have expertise in developing clear and compelling communications (both for consumers and for stakeholders) and who will assist in implementing the Unit's stakeholder communication activities;
  3. **a Monitoring, Evaluation and Research Officer** – who will be a source of expertise in these fields and who will assist both the Unit and stakeholders in implementing the Strategy's Monitoring and Evaluation Plan; and
  4. **a Programme Officer** – who will provide a secretariat service for the Financial Education Steering Committee (see paragraph 135 below), develop and manage a programme plan and be responsible for other administrative duties, such as procurement of technical assistance.
134. It will be important (whether these roles are filled through recruitment, secondments or a combination of the two) that the individuals who are appointed have the skills and experience needed to carry out the key tasks referred to in the descriptions of these roles.
135. A Financial Education Steering Committee, which will comprise senior representatives from key stakeholders involved in financial education, will be established to provide guidance to the FECU on, and to oversee the implementation of, the National Strategy. The membership of the Steering Committee will draw on the membership of the FSDP Financial Education Working Group<sup>40</sup>, which has overseen the development of the National Strategy for Financial Education. The Financial Education Steering Committee will, among other things, monitor and advise on overall progress with the implementation of the National Strategy, including key milestones; and advise on significant policy issues.
136. Working Groups, comprising technical experts, will be established, as and when required, to guide work on some of the key financial education initiatives.

---

<sup>40</sup> The FSDP Financial Education Working Group will be disbanded once the Financial Education Steering Committee has been established.



## 8. Budget for the National Strategy on Financial Education

This section covers:

- ❑ An indicative budget for the National Strategy on Financial Education

I 37. Table I I outlines the budget for the first phase of the National Strategy on Financial Education for Zambia, covering the period 2012-2017. A more detailed breakdown is provided in Annex 5. This budget is indicative and does not take into account current investments into financial education by existing programme implementers. It is subject to adjustment once the FECU has been established and a full implementation plan has been developed.

I 38. Table I I: 5-year budget for the implementation of the National Strategy.

**Table I I: Indicative budget for the National Strategy on Financial Education**

Budget item	Description	Approximate amount (ZMW)	Approximate amount (USD)
<b>1. FECU costs</b>			
1.1	Personnel	12 000 000	2 400 000
1.2	Stakeholder engagement	2 500 000	500 000
1.3	Capital expenditure	675 000	135 000
<b>Sub-total FECU costs</b>		<b>15 175 000</b>	<b>3 035 000</b>
<b>2. Monitoring and evaluation costs</b>			
2.1	System development	650 000	130 000
2.2	Training of implementing partners	450 000	90 000
2.3	Surveys	9 500 000	1 900 000
<b>Sub-total monitoring and evaluation costs</b>		<b>10 600 000</b>	<b>2 120 000</b>
<b>3. Financial education programmes costs</b>			
3.1	Financial education programmes for children	14 000 000	2 800 000
3.2	Financial education programmes for the youth	8 000 000	1 600 000
3.3	Financial education programmes for adults	14 000 000	2 800 000
3.4	Cross-cutting financial education programmes	13 500 000	2 700 000
<b>Sub-total programme implementation costs</b>		<b>49 500 000</b>	<b>9 900 000</b>
<b>Grand total</b>		<b>75 275 000</b>	<b>15 055 000</b>





## 9. Funding of the National Strategy on Financial Education

This section covers:

### ❑ Funding sources and opportunities

139. The impact of the National Strategy on Financial Education will depend in part on the volume of resources made available for financial education initiatives and on the effectiveness with which these resources are deployed. The resources in question include both direct funding (of, for example, the FECU and of financial education programmes) and in-kind resources (for example, staff and premises which are made available free of charge for financial education programmes). Some of the funding for financial education programmes will be channelled through the FECU, while other funding will be applied directly to financial education programmes. Resources are expected to come from the following main sources:
- a) financial services regulators (i.e. the Bank of Zambia, the Pensions and Insurance Authority and the Securities and Exchange Commission);
  - b) the Financial Sector Development Plan (FSDP);
  - c) corporate social responsibility (CSR) programmes of financial services institutions (and, potentially, CSR programmes of other types of organisation);
  - d) the Government;
  - e) donors;
  - f) implementing organisations' own resources (including staff, premises and training materials).
140. It is anticipated that many, if not all, current financial education programmes – for which funding arrangements are currently in place – will continue. Beyond that, potential funders have yet to decide whether they are going to contribute resources to help to implement the National Strategy on Financial Education and, if so, how much resource to make available. This is understandable, since many will wish to have the opportunity to consider the contents of the National Strategy on Financial Education before deciding what support (if any) they are willing to offer. Experience in other countries indicates that the publication of a national strategy on financial education helps to encourage the provision of resources for financial education programmes, because potential funders recognise that the resources which they make available will have greater impact than would be the case in the absence of a national strategy.





## 10. Monitoring and Evaluation

This section covers:

- ❑ Overview of the Monitoring and Evaluation System
- ❑ Measuring Financial Education
- ❑ Monitoring and Evaluation Framework
- ❑ Evaluation of Impact
- ❑ Stakeholder Participation in Monitoring and Evaluation

### 10.1 Overview of the Monitoring and Evaluation System

- I 41. This section summarises the Monitoring and Evaluation (M&E) system for the National Strategy on Financial Education. The M&E system allows the effectiveness of the National Strategy to be measured both at the national level and the programme level and includes a Logical Framework<sup>41</sup>, common indicators, tools and processes<sup>42</sup>.
- I 42. The Logical Framework sets out a common M&E framework with a goal, strategic objective, expected outcomes, and indicators for the Strategy. Programmes<sup>43</sup> have been identified that will enable the Strategic Objective to be achieved and the Logical Framework shows how they will contribute to outputs and strategic outcomes. Quantitative and qualitative monitoring and evaluation tools, processes and methods are described in detail in the M&E Toolkit<sup>44</sup>.
- I 43. Monitoring progress and evaluating outcomes are vital management functions. Monitoring allows adjustments to be made both to the National Strategy itself and to financial education programmes. It allows comparison between different programmes with similar aims. Evaluation shows whether the Strategy or programmes are effective by establishing whether the expected outcomes are achieved.
- I 44. The M&E system will be used by financial education providers as well as the FECU, following the guidelines presented in the Toolkit. It is designed to be simple, useful and not onerous to partners using it.

### 10.2 Measuring Financial Education

- I 45. Concepts of financial education are described in Section 3.2. A financially educated person has knowledge, understanding, skills and confidence so that they make financial decisions and take actions which are appropriate to their personal circumstances. Financial education is a process involving a sequence of changes, initially with improvements in knowledge and skills which in turn lead to changes in motivation and behaviour. The M&E system acknowledges that participation in training programmes, for example, does not necessarily lead to changes in financial behaviour. Likewise, measuring numbers attending training will not indicate changing financial behaviour. Measuring behaviour requires particular indicators and tools. Box 5 gives examples of what must be done to measure knowledge, skills, motivation and behaviour in the case of different financial services.

---

<sup>41</sup> See Annex 2.

<sup>42</sup> A Management Information System will be developed which will form part of the National Strategy's Financial Education M&E system.

<sup>43</sup> See section 5.0 above.

<sup>44</sup> Toolkit for Monitoring and Evaluation of Financial Education in Zambia, 2012. Available from the FSDP Secretariat on request.





## Box 5: Measuring financial education: Example of savings, insurance and credit

### Savings

- Provide evidence that the purposes of saving are known;
- Show that the capacity exists to make a savings plan;
- Provide evidence of the willingness to save ahead; and
- Show that savings are actually put aside.

### Insurance

- Provide evidence that the purposes of managing risks are known;
- Show that the capacity exists to effectively develop risk management plans;
- Show that people understand risk management options including insurance;
- Provide evidence of the willingness to take insurance as a risk management financial service; and
- Show that people are actually taking up insurance.

### Credit

- Provide evidence that the purposes of borrowing are known;
- Show that the capacity exists to make prudent decisions on whether to borrow, when to borrow and how to repay;
- Show that people understand prudent borrowing; and
- Show that people actually borrow for the right reasons and manage repayments well.

146. The M & E system is based on the five areas that financial education encompasses. These are making ends meet, keeping track of one's finances, planning ahead, choosing and using financial products and accessing and using information, and are described in Section 3.2<sup>45</sup>.
147. The M&E system takes into account the characteristics of Zambia's financial sector and the environment in which it acts, including issues such as poor access and availability of financial services, rural poverty, informality of some financial products, and high risks that the poor face. The M&E system measures the impact of financial education on different groups, including women and girls, and vulnerable groups such as the uneducated, retirees, physically challenged and the very poor. The M&E system also measures the effectiveness of several different delivery mechanisms.

## 10.3 Monitoring and Evaluation Framework

148. The National Strategy on Financial Education is summarised in the Logical Framework<sup>46</sup>. It shows how the planned activities relate to the four components - financial education for children, financial education for the youth, financial education for adults and cross-cutting financial education programmes – how they result in defined outputs and outcomes and how, if these are achieved, then the overall 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” will be met. Indicators are assigned at each level:
- ❑ **Input indicators** refer to the means required to implement project activities (e.g. personnel, equipment, training, studies, operational facilities, commitments and disbursements).
  - ❑ **Output indicators** measure the tangible achievements of the programme in terms of numbers.
  - ❑ **Programme outcome indicators** measure the changes resulting from the outputs of a programme.
  - ❑ **Impact indicators** of the Strategy are high-level indicators that measure the impact of the Strategy itself and are a consolidation of the outcomes of the programmes which contribute to the National Strategy. Box 6 gives the example of different level indicators used by the Camfed programme.

<sup>45</sup> Financial Services Authority (2006), Financial Capability in the UK: Establishing a Baseline. These five areas were used as a framework for analysing the FinScope 2009 survey findings as detailed in Financial Access Matters Focus Note No. 6: Financial Education in Zambia: What does FinScope tell us?, FinMark Trust, 2011.

<sup>46</sup> See Annex 4.





## Box 6: Example of input, output, outcome and impact indicators

Quantified money, numbers of trainers, materials (**input indicators**) are used to undertake training (**an activity**) of young women in financial skills. This activity results in 160 peer educators who have trained 10,700 young women (**output indicators**).

The evaluation form showed that the training programme resulted in improved knowledge of savings schemes, increased number of women using a savings account, increased involvement of women in household financial decisions, increased number of women accessing and using credit for productive purposes, increased number of women who know about and use credit schemes (**programme outcome indicators**) and so on. Finally, there is a mass of women able to make financial decisions in a more informed way about financial matters, (**impact indicator; national strategic objective achieved**).

Source: Adapted from Camfed data

149. Analysis of input and output data provides information related to programme cost-effectiveness, management efficiency, and achievement of the programme towards its specific targets. Analysis of the outcome and impact indicators determines the impact of the programme or the Strategy. Table 12 shows some possible outcome indicators for partners contributing to the National Strategy on Financial Education.





**Table 12: Outcome indicators for programmes contributing to the National Strategy on Financial Education**

	<b>Money Management: Keeping track – budgeting</b>	<b>Money Management: Making ends meet – borrowing/ indebtedness</b>	<b>Saving</b>	<b>Accessing Information</b>	<b>Choosing and Using Financial Products</b>
<b>Knowledge</b>	More people understand why it is important to develop and use a household budget and have an accurate knowledge of their personal budget/s.	More people understand the risks, opportunities and costs associated with taking out a loan and have an accurate knowledge of how much they personally owe.	More people can state why savings is a positive life strategy.	More people know where they can access information from a reliable source.	More people know what services are offered by financial products and know why it is important to understand the key features of a financial product before choosing one.
<b>Skills</b>	Improved skills to make realistic budgets.	More people can assess whether a loan is affordable and understand how interest rates are calculated.	More formal sector workers can calculate how much money they need to retire.	Growth in confidence and ability levels to use technology-based information sources and financial transactions and storage.	More people understand how to assess whether a financial product is good value, in comparison with competitor products.
<b>Attitude and Motivation</b>	More people are motivated to draw up a household budget, to help them to make ends meet.	More people take steps to avoid becoming over-indebted and attempt to decrease loan arrears, such as changing types of expenditures.	More people are willing to defer expenditure in order to save for the future and develop a savings and retirement plan.	Increased willingness to ask for financial information.	Increased willingness to shop around before buying a financial product.
<b>Behaviour</b>	More people make active use of a household budget that allows for planning ahead for expected and unexpected events.	Fewer people making late loan payments. Fewer people borrowing from others to make loan repayments.	Increased investments in productive activities to improve earning ability, increased numbers saving into formal and informal savings products and pensions, land, animals, and housing assets.	Increase in numbers seeking financial information other than from their family and friends.	More people use their account at least twice a month and receive their salary in a bank account.  More people shop around before buying financial products.

### 10.4 Evaluation of Impact

150. The impact of the National Strategy on Financial Education will be evaluated at two levels:
- ❑ at the national level: the combined efforts of financial education providers are assessed to evaluate changes in financial education at the population level and thus the impact of the Strategy itself. Impact evaluations may use: surveys before, during and after the intervention; specific assessments to evaluate the outcomes related to specific areas of enquiry or to specific target groups; or evaluations which may be commissioned to assess the progress of different component projects towards the component objectives. Monitoring data and outcome evaluations of components will also inform impact evaluation. The Logical Framework provides some high-level impact indicators.
  - ❑ at the financial education providers' level: the specific programme is assessed to evaluate whether it is achieving the expected outcomes for the target population.
151. Although there is currently no specific baseline study of financial education in Zambia, the stock-take study<sup>47</sup> provides some baseline information related to the supply of financial education. Some relevant demand-side data related to budgeting, saving, debt management, ability to access information and advice has been provided by FinScope 2009<sup>48</sup>. Further surveys, including a financial education survey and a follow-up FinScope survey, are expected to be commissioned in 2012 to provide a baseline, against which progress can be measured in the future.
152. The impact of the Strategy will also be assessed using secondary data that is related to national supply side indicators provided by various financial institutions. These relate to levels of indebtedness, use of formal and informal products, and growth in credit disbursements – formal and informal. Other surveys such as the Labour Force Survey, the Living Conditions Monitoring Survey, the Zambia Business Survey and other relevant national surveys will enrich the impact evaluation.



<sup>47</sup> Financial Education Stock take: A review of financial education programmes and opportunities, M&N Associates, 2012.  
<sup>48</sup> FinScope 2009.





## 10.5 Stakeholder Participation in Monitoring and Evaluation

- I 53. Financial education providers will play a critical role in data collection, analysis and reporting. The stock-take study found that few of the existing financial education programmes have M&E systems that measure the impact and effectiveness of their programmes. Several institutions delivering financial education were able to provide data related to coverage and numbers trained, but were unable to provide information related to impact. Skills and resources for the M&E of financial education programmes using accepted methodologies have not been available until now<sup>49</sup>. Financial education providers will be expected to establish some capacity for M&E in terms of staff and resources.
- I 54. The Monitoring and Evaluation Toolkit for the National Strategy on Financial Education has been developed to assist implementing partners to develop their own logical frameworks, within the framework of the National Strategy, to collect input, output and outcome indicators using common tools, formats and definitions, and to provide information and analyses to the FECU.
- I 55. The Toolkit also guides financial education providers on how to develop their own M&E plan, based on their logical framework and action plan. An M&E plan describes the programme and what it intends to achieve, what information will be collected, by whom, and where, how, and when the information will be collected. An M&E plan shows how the programme fits into the National Strategy's M&E system. At programme level, realistic targets based on relevant hypotheses will be set. Achievement of targets by implementing partners will be closely monitored by the FECU in order to set strategic targets at mid-term (2014) for the subsequent three years.
- I 56. An example is illustrated in Figure 9.

**Figure 9: Monitoring and Evaluation plan for financial education programmes**

Financial Education Programme example: Financial education for the youth			
<p><b>Programme Objective</b> Youth leaving trades school have the financial knowledge, understanding, and skills and are motivated and confident to run their businesses by 2015</p> <p><b>Logical Framework</b> Specific to youth training programme</p> <p><b>Action Plan</b> Including targets</p> <p><b>Budget</b></p>	<p><b>WHAT TO MEASURE?</b></p> <table border="1"> <tr> <td> <p><b>Inputs &amp; Outputs</b> Costs; staff; number of teachers trained; number of students attending class; hours taught; number of manuals distributed.</p> </td> <td> <p><b>Outcomes</b> Improved grades of financial knowledge and skills of youth attending trades school; X % opened business accounts and regularly use financial products.</p> </td> </tr> </table>	<p><b>Inputs &amp; Outputs</b> Costs; staff; number of teachers trained; number of students attending class; hours taught; number of manuals distributed.</p>	<p><b>Outcomes</b> Improved grades of financial knowledge and skills of youth attending trades school; X % opened business accounts and regularly use financial products.</p>
	<p><b>Inputs &amp; Outputs</b> Costs; staff; number of teachers trained; number of students attending class; hours taught; number of manuals distributed.</p>	<p><b>Outcomes</b> Improved grades of financial knowledge and skills of youth attending trades school; X % opened business accounts and regularly use financial products.</p>	
	<p><b>HOW &amp; WHEN to MEASURE?</b></p> <table border="1"> <tr> <td> <p><b>Monitoring</b> Regular monitoring of input and output indicators. Monthly and quarterly reports using monitoring forms.</p> </td> <td> <p><b>Evaluation Tools</b> Test recipients before the programme, and at completion of programme. Follow up survey 12 months later.</p> </td> </tr> </table>	<p><b>Monitoring</b> Regular monitoring of input and output indicators. Monthly and quarterly reports using monitoring forms.</p>	<p><b>Evaluation Tools</b> Test recipients before the programme, and at completion of programme. Follow up survey 12 months later.</p>
	<p><b>Monitoring</b> Regular monitoring of input and output indicators. Monthly and quarterly reports using monitoring forms.</p>	<p><b>Evaluation Tools</b> Test recipients before the programme, and at completion of programme. Follow up survey 12 months later.</p>	
<p><b>WHO FOR? WHY?</b></p> <table border="1"> <tr> <td> <p><b>Programme Management</b> Cost-effectiveness and efficiency. Project progress against targets.</p> </td> <td> <p><b>FECU</b> Analysis of outcome indicators of financial education of youth attending trades school.</p> </td> </tr> </table>	<p><b>Programme Management</b> Cost-effectiveness and efficiency. Project progress against targets.</p>	<p><b>FECU</b> Analysis of outcome indicators of financial education of youth attending trades school.</p>	
<p><b>Programme Management</b> Cost-effectiveness and efficiency. Project progress against targets.</p>	<p><b>FECU</b> Analysis of outcome indicators of financial education of youth attending trades school.</p>		

<sup>49</sup> Camfed is an exception and has recently completed an evaluation assessment using some of the frameworks discussed in this section.





157. Financial education providers will report to the FECU at agreed intervals using agreed reporting formats. The FECU will consolidate, analyse and disseminate the information and analyses reported, highlighting useful key trends, periodically. A Management Information System will be developed, and relevant individuals trained, within the first 18 months of implementation to facilitate the process of information analysis and exchange.
158. Progress of the National Strategy on Financial Education will be measured against the milestones. These are described in the Action Plan (see Annex 3). Some examples of milestones include:
- Setting up of the FECU with appropriate staff in place;
  - Drafting of technical proposals for information systems;
  - Commissioning of technical assistance for relevant priority activities;
  - Financial education included in school curriculum.
159. The milestones may be colour coded as is currently the practice by the FSDP Secretariat, with green representing an activity that is on track for completion in the proposed timeframe; yellow representing an activity that has made some progress, but which still requires work to achieve the target; and red, when little or no action has been taken to date, and activities are much delayed.
160. The M&E system for the National Strategy on Financial Education is dynamic and iterative. It will develop and change as the financial education environment changes as a result of technological advances, results of financial education pilot initiatives and programmes, and regulatory changes in the financial sector.





## Annex 1: Definitions

- ❑ **Financial education** – providing people with knowledge, understanding, skills and confidence so that they make financial decisions and take actions that are appropriate to their personal circumstances.
- ❑ **A financially educated person** – someone who not only has the requisite knowledge, understanding, skills and confidence, but who, in practice, makes financial decisions and takes actions which are appropriate to his or her personal circumstances.
- ❑ **Financial education provider** – an individual, group or organisation that is implementing one or more financial education programmes; these are referred to as 'implementing partners' in Annex 2.
- ❑ **Employment in the informal sector** – includes all workers who work in establishments that are:
  - a) not registered with any national authority
  - b) do not pay any taxes to a formal authority
  - c) are unorganised in their operations

**Informal employment** – includes all workers in the informal sector as defined above, with the addition of those that are in the formal sector but are not entitled to certain benefits such as paid leave, social security, gratuity (e.g. office orderlies in the civil service). Source: CSO

- ❑ **Salaried employees** – persons in formal employment receiving a regular salary.
- ❑ **Youth** – a male or female person aged between 15 and 35 years<sup>50</sup>.
- ❑ **Banked** – individuals using one or more product provided by a regulated bank.
- ❑ **Formally served** – Individuals using formal financial products supplied by regulated institutions. This is not exclusive usage, as these individuals may also be using informal products.
- ❑ **Informally served** – Individuals who are not using any formal financial products but who are using one or more financial product supplied from an informal source such as a savings club or informal money lender.
- ❑ **Financially excluded** – Individuals using no formal or informal financial product.
- ❑ **Financial inclusion** – Giving people access to appropriate financial products and services, such as savings, transaction banking, credit and insurance, whether formal or informal.

<sup>50</sup> This is the definition used by the Ministry of Labour, Sports, Youth and Gender.





## Annex 2: Current financial education initiatives<sup>51</sup>

### 1. Financial education initiatives supported by banks

FINANCIAL FITNESS PROGRAMME								
Organisation	Dedicated financial education programme	Source of funding	Target groups	Outreach and scale	Material development and delivery channels	Current strategic partnerships	Future plans and opportunities	Geographical Coverage (provinces)
Zanaco	Yes	Bank's CSR	1) Children and youth, 2) adults, including Zanaco employees, and 3) SMEs	The current outreach of the programme is over 5,000 pupils, 1000 employees, 685 small-scale farmers and 1000 SMEs	Eco Ventures International, an American company, developed Zanaco's financial educational materials  The current delivery channels include schools, print media, radio, farmer networks, SME associations	Ministry of Education, Science and Vocational Training  NGOs (Restless Development and Camfed)  Sector associations (ZNFU)	Collaboration with Bank of Zambia and United Nations Children's Fund (UNICEF)	All provinces
ACCESS FINANCIAL EDUCATION PROGRAMME								
Access Bank	No	Bank's CSR	Children	Over ZMK 100 million in educational support	Community schools	SOS Village  Kamulanga High School  World Vision	Work with other banks for a coordinated approach on financial education	Lusaka
BARCLAYS FINANCIAL EDUCATION PROGRAMME								
Barclays Bank PLC	No	Bank's CSR	Village savings and loans associations  Young people	Very small, figures not provided  Figures not provided	Rural communities  Schools	Plan International  Junior Achievement	Work with other banks for a coordinated approach on financial education	Copperbelt Central Southern
BAZ FINANCIAL EDUCATION PROGRAMME								
Bankers Association of Zambia	No	Membership fees	General public	Very small, figures not provided	Media (television and radio)	None	Work with banks to develop a structured financial education strategy within the banking sector for general public.  Build on Zanaco model	All provinces
FNB FINANCIAL EDUCATION PROGRAMME								
First National Bank	No	Bank's CSR	Existing and potential customers / bank products and services	Very small, figures not provided	One-on-one	None	Work with other banks for a coordinated approach on financial education	Lusaka





## 2. Financial education initiatives implemented by NGOs and international organisations

FINANCIAL EDUCATION FOR YOUNG WOMEN IN RURAL AREAS								
Organisation	Dedicated financial education programme	Source of funding	Target groups	Outreach and scale	Material development and delivery channels	Current strategic partnerships	Future plans and opportunities	Geographical Coverage (provinces)
Camfed: An international NGO that promotes education of girls by providing scholarships	Yes	DFID Financial Education Fund	Young women in rural areas	Current outreach is around 10,700 women trained in 8 districts in 3 provinces (Luapula 3, Northern 3 and Western 2)	Uses own materials and Zanaco's financial education materials  The delivery channels is schools and own developed networks of young women and peer educators	Zanaco	Continue financial education programmes beyond current funding from DFID FEF.	Luapula Northern Western
CHILDREN IN NEED FINANCIAL EDUCATION PROGRAMME								
Children International: An international NGO with a focus on children	Yes	Children International	Children	15,000 children in less privileged communities in Lusaka	Uses Aflatoun program	Ministry of Education, Zanaco, Basic Education Teachers Union of Zambia (BETUZ)		Lusaka
RESTLESS DEVELOPMENT PROGRAMME								
Restless Development (Formerly known as Students Partnerships Worldwide)	Yes Financial education integrated with Life Skills methodology delivered by Young Zambian peer educators)	Zanaco	Young people (11-29)	5,000 youths, 4,500 teachers in 13 colleges of education, 11 communities in Central & Copperbelt Provinces	Zanaco's financial fitness materials  Livelihood Quality Compendium (which takes financial education skills training to set up savings groups and small scale businesses	Zanaco; MoESVT, Ministry of Labour, Youth Sports and Gender; National Youth Development Council members	Provision of financial education in rural areas, colleges and teaching resource centres; TEVETA and Zambia National Service institutions (Youth Empowerment); Informal Sector Youth in Kabwe markets; linkage to private sector institutions; media campaign and Financial Education Competition	All provinces (except Southern)
JUNIOR ACHIEVEMENT PROGRAMME								
Junior Achievement	Yes	Barclays Bank, Stanbic Bank and Citi Group	Young people	Small scale, figures not provided	Financial education with entrepreneurship materials	Basic Education Teachers Union of Zambia (BETUZ)	Replicate, and develop on a larger scale, JA's financial training – adapt materials to fit target groups.	Presence in all provinces but main activity in Lusaka





### 3. Financial education initiatives implemented by regulators

BANK OF ZAMBIA SUPPORTED FINANCIAL EDUCATION INITIATIVES								
Organisation	Dedicated financial education programme	Source of funding	Target groups	Outreach and scale	Material development and delivery channels	Current strategic partnerships	Future plans and opportunities	Geographical Coverage (provinces)
Bank of Zambia	No	BOZ	General public	General public, figures not provided	Media (television, radio and print media), workshops, website, road shows, commercial shows	Banks	Co-leadership of implementation of the National Strategy on Financial Education	All provinces
PENSIONS AND INSURANCE AUTHORITY SUPPORTED FINANCIAL EDUCATION INITIATIVES								
Pensions and Insurance Authority	No	PIA	General public	General public, figures not provided	Media (television, radio and print media), commercial shows	Technical Advisory Group on Microinsurance	Invest in mass awareness of insurance, especially for the low-income markets  Work with insurance and pensions providers to provide financial education  Co-leadership of implementation of the National Strategy on Financial Education	All provinces
SECURITIES AND EXCHANGE COMMISSION								
Securities and Exchange Commission	No	FSDP	General public	General public, figures not provided	Radio and television and newspapers.  Engagement with universities.  Engagement with schools, through CDC-introduced capital markets into curriculum.  Commercial shows	CDC (introduction of capital markets into curriculum)	Work in collaboration with LuSE to develop and build upon existing tools to provide financial education relating to the capital markets.  Co-leadership of implementation of the National Strategy on Financial Education	All provinces





## Annex 3: Action plan

### 1. Management and coordination

1.1 Process management: Establishment of Financial Education Coordination Unit (FECU) and development of detailed management plan			
Activity	Lead implementing agency	Timeline (Months from launch date)	Partners
Set up of FECU	BOZ	6 months	<ul style="list-style-type: none"> <li>• SEC</li> <li>• PIA</li> <li>• GRZ</li> <li>• Financial Education Steering Committee (FESC)</li> </ul>
Develop detailed management plan for implementing strategy	FECU	9 months	<ul style="list-style-type: none"> <li>• FESC</li> </ul>
<b>MILESTONE 1:</b> FECU set up and detailed management plan developed within 9 months			

### 2. Stakeholder engagement

2.1 Stakeholder engagement: Initiating stakeholder participation			
Activity	Lead implementing agency	Timeline (Months from launch date)	Partners
Develop stakeholder engagement and communication strategy	FECU	9 months	FESC
Implement stakeholder engagement and communication strategy (including workshops, newsletters, website, meetings)	FECU	9 – 60 months	FESC
Build strategic partnerships with implementing partners	FECU	Ongoing	FESC
Secure funding for implementation of priority programmes	FECU	Ongoing	FESC
<b>MILESTONE 2:</b> Stakeholder engagement and communication strategy in place within 9 months			
<b>MILESTONE 3:</b> 30% of funding secured for priority programmes within 12 months; 60% within 24 months; and 100% within 36 months			
<b>MILESTONE 4:</b> Implementing partners in place for priority programmes within 18 months			





### 3. Monitoring and evaluation

3.1. Establishment and implementation of monitoring and evaluation system			
Activity	Lead implementing agency	Timeline (Months from launch date)	Partners
Develop management information system (MIS)	FECU	12 months	<ul style="list-style-type: none"> <li>Implementing partners</li> <li>Donors</li> </ul>
Train FECU and implementing partners on implementation of M&E toolkit and MIS	FECU	18 months	<ul style="list-style-type: none"> <li>Implementing partners</li> <li>Donors</li> </ul>
Implement M&E system	FECU	Ongoing	<ul style="list-style-type: none"> <li>Implementing partners</li> </ul>
Undertake and publish baseline surveys (FinScope and other survey)	FECU	15 months	<ul style="list-style-type: none"> <li>FinMark Trust</li> <li>World Bank</li> <li>Donors</li> </ul>
<p><b>MILESTONE 5:</b> MIS in place within 12 months  <b>MILESTONE 6:</b> Survey results published within 15 months  <b>MILESTONE 7:</b> M&amp;E system implemented within 18 months</p>			







## 4 Financial education programmes

### 4.1 Financial education for children

#### 4.1.1 Financial education through the school curriculum

Activity	Lead implementing agency	Timeline (Months from launch date)	Partners
Engage with, and seek agreement from, MoESVT and CDC <sup>52</sup> on integrating financial education into the school curriculum	<ul style="list-style-type: none"> <li>MoESVT</li> <li>CDC</li> </ul>	Done	<ul style="list-style-type: none"> <li>Donors</li> <li>FSDP Secretariat</li> <li>FSDP WG on Financial Education</li> </ul>
Identify and source funding for technical assistance in curriculum development	<ul style="list-style-type: none"> <li>FSDP Secretariat</li> </ul>	3 months	<ul style="list-style-type: none"> <li>MoESVT</li> <li>CDC</li> <li>Donors</li> <li>MoF</li> <li>MLGHEEEP</li> </ul>
Identify and engage experts or consultants to work with CDC and MoESVT in the development of the curriculum on financial education	<ul style="list-style-type: none"> <li>FSDP Secretariat</li> </ul>	3 months	<ul style="list-style-type: none"> <li>MoESVT</li> <li>CDC</li> <li>Donors</li> <li>FSDP Secretariat</li> <li>MoF</li> </ul>
Develop and integrate financial education into curriculum and develop teacher and pupil resources	<ul style="list-style-type: none"> <li>CDC</li> <li>MoESVT</li> </ul>	9 months	<ul style="list-style-type: none"> <li>Donors</li> <li>UNZA (School of Education)</li> <li>Donors</li> <li>UNZA (School of Education)</li> <li>Teacher training colleges</li> </ul>
Integrate financial education into teacher training programmes	<ul style="list-style-type: none"> <li>CDC</li> <li>MoESVT</li> </ul>	12 months	<ul style="list-style-type: none"> <li>Teacher training colleges</li> </ul>
Build capacity of and train teachers to effectively deliver financial education	<ul style="list-style-type: none"> <li>CDC</li> <li>MoESVT</li> </ul>	12 – 60 months	<ul style="list-style-type: none"> <li>Donors</li> <li>UNZA (School of Education)</li> <li>Teacher training colleges</li> <li>MLGHEEEP</li> </ul>
On-going monitoring and evaluation of financial education through the curriculum	<ul style="list-style-type: none"> <li>FECU</li> </ul>	12 – 60 months	<ul style="list-style-type: none"> <li>CDC</li> <li>MoESVT</li> <li>Schools</li> </ul>
<b>MILESTONE 8:</b> Financial education integrated into curriculum by Q1 2013			

<sup>52</sup> The Ministry of Education is currently reviewing school curricula; the review process is expected to be completed in 2012.





#### 4.1.2 Financial education through extra-curricular activities

Activity	Lead implementing agency	Timeline (Months from launch date)	Partners
Engage and negotiate with existing organisations carrying out financial education (e.g. Zanaco, Restless Development, JA, Camfed, Children International) to scale up extra-curricular financial education activities	<ul style="list-style-type: none"> <li>FECU</li> </ul>	9 months	<ul style="list-style-type: none"> <li>MoESVT</li> <li>Non-bank financial institutions</li> <li>Banks</li> <li>JA</li> <li>Camfed</li> <li>Children International</li> <li>Restless Development</li> </ul>
Engage and negotiate with relevant print and television media (e.g. Education Post; and television media which could promote children's interactive television programmes)	<ul style="list-style-type: none"> <li>FECU</li> </ul>	9 months	<ul style="list-style-type: none"> <li>Schools (private, public and community)</li> <li>Print and television media</li> </ul>
Develop plan for scaling up extra-curricular activities (including pilot projects)	<ul style="list-style-type: none"> <li>FECU</li> </ul>	18 months	<ul style="list-style-type: none"> <li>MoESVT</li> <li>Donors</li> <li>Non-bank financial institutions</li> <li>Banks</li> <li>JA</li> <li>Camfed</li> <li>Children International</li> <li>Restless Development</li> <li>Schools (private, public and community)</li> <li>Print and television media</li> </ul>
Build capacity of journalists and children's television presenters		18 months	
Develop appropriate financial education materials		18 months	
Implement pilots for identified initiatives		24 months	
Review pilot initiatives and roll out successful initiatives		42 months	
On-going monitoring and evaluation of financial education through extra-curricular activities	<ul style="list-style-type: none"> <li>FECU</li> </ul>	24 – 60 months	<ul style="list-style-type: none"> <li>MoESVT</li> <li>Donors</li> <li>Non-bank financial institutions</li> <li>Banks</li> <li>JA</li> <li>Camfed</li> <li>Children International</li> <li>Restless Development</li> <li>Schools (private, public and community)</li> </ul>
<p><b>MILESTONE 9:</b> Plan for scaling up financial education initiatives through extra-curricular activities developed by mid 2013</p> <p><b>MILESTONE 10:</b> Pilot financial education initiatives implemented and reviewed by mid 2015</p>			





## 4.2 Financial education for the youth

### 4.2.1 Financial education in universities, colleges and other learning institutions

Activity	Lead implementing agency	Timeline (Months from launch date)	Partners
<p>Secure formal agreements with universities, colleges and other learning institutions interested in integrating financial education into foundation courses</p> <p>Assess financial education needs for the youth in universities, colleges and other learning institutions</p> <p>Identify and source funding for experts</p> <p>Identify experts to work with the MoESVT, universities, colleges and other learning institutions in the development of modules on financial education for foundation courses</p> <p>Engage experts to develop financial education materials to incorporate in universities and colleges curricula, leveraging on existing financial education materials</p>	<ul style="list-style-type: none"> <li>FECU</li> </ul>	12 months	<ul style="list-style-type: none"> <li>MoESVT</li> <li>Universities</li> <li>Teacher training colleges</li> <li>TEVETA</li> <li>MLSYG</li> <li>Donors</li> <li>Non-bank financial institutions</li> <li>Banks</li> <li>Restless Development</li> </ul>
<p>Develop training programmes for lecturers and teachers</p> <p>Build capacity of lecturers and teachers to effectively deliver financial education</p> <p>Build and adapt existing materials and develop new materials and toolkits to be delivered through appropriate channels such as clubs, local media, social media and job portals</p>	<ul style="list-style-type: none"> <li>MoESVT</li> <li>CDC</li> </ul>	18 months	<ul style="list-style-type: none"> <li>MoESVT</li> <li>Universities</li> <li>Teacher training colleges</li> <li>TEVETA</li> <li>MLSYG</li> <li>Donors</li> </ul>
<p>Engage, negotiate and enter into formal agreements with organisations already carrying out financial education, or which could potentially do so, to scale up or initiate activities for the youth in learning institutions</p>	<ul style="list-style-type: none"> <li>FECU</li> </ul>	24 months	<ul style="list-style-type: none"> <li>Non-bank financial institutions</li> <li>Banks</li> <li>JA</li> <li>Camfed</li> <li>Children International</li> </ul>
<p>On-going monitoring and evaluation of financial education programmes for the youth in universities, colleges, and other learning institutions</p>	<ul style="list-style-type: none"> <li>FECU</li> </ul>	24 – 60 months	<ul style="list-style-type: none"> <li>Universities</li> <li>Colleges and other learning institutions</li> <li>NGOs</li> <li>MLSYG</li> <li>Non-bank financial institutions</li> <li>Banks</li> <li>Donors</li> </ul>

**MILESTONE II:** Financial education integrated into the educational and training programmes of universities, colleges, and other learning institutions by the end of 2013





#### 4.2.2 Financial education through youth development centres and other agencies

Activity	Lead implementing agency	Timeline (Months from launch date)	Partners
Engage and negotiate with youth development centres or organisations working with the youth  Secure formal agreements with organisations already implementing financial education programmes for the youth, or which could potentially do so, in youth development centres and other agencies (e.g. churches)	<ul style="list-style-type: none"> <li>FECU</li> </ul>	12 months	<ul style="list-style-type: none"> <li>NGOs</li> <li>MLSYG</li> <li>Non-bank financial institutions</li> <li>Banks</li> <li>National Arts Council (NAC)</li> <li>Churches and other faith based organisations</li> <li>Community leaders</li> </ul>
Assess financial education needs for the youth reached through youth development centres and agencies  Develop plan for providing and scaling up financial education programmes for the youth in youth development centres and other agencies	<ul style="list-style-type: none"> <li>FECU</li> <li>FECU</li> </ul>	18 months  18 months	<ul style="list-style-type: none"> <li>NGOs</li> <li>MLSYG</li> <li>Non-bank financial institutions</li> <li>Banks</li> </ul>
Build on and adapt existing financial education materials and develop new financial education materials for the youth in youth development centres and agencies	<ul style="list-style-type: none"> <li>FECU</li> </ul>	24 months	<ul style="list-style-type: none"> <li>NGOs</li> <li>MLSYG</li> <li>Non-bank financial institutions</li> <li>Banks</li> <li>Donors</li> </ul>
Implement pilot programmes for the youth in youth development centres and agencies (may include use of drama, local media, social media, financial education toolkits, training programmes and peer educators)  Review pilot programmes and roll out successful initiatives	<ul style="list-style-type: none"> <li>FECU</li> <li>FECU</li> </ul>	30 months  48 months	<ul style="list-style-type: none"> <li>NGOs</li> <li>MLSYG</li> <li>Non-bank financial institutions</li> <li>National Arts Council (NAC)</li> <li>Churches and other faith-based organisations</li> <li>Community leaders</li> <li>Banks</li> <li>Donors</li> </ul>
On-going monitoring and evaluation of financial education programmes for the youth in youth development centres and agencies	<ul style="list-style-type: none"> <li>FECU</li> </ul>	30 – 60 months	<ul style="list-style-type: none"> <li>NGOs</li> <li>MLSYG</li> <li>Non-bank financial institutions</li> <li>Banks</li> <li>Donors</li> </ul>
<p><b>MILESTONE 12:</b> A plan for developing and scaling up financial education initiatives for the youth in youth development centres and agencies developed by mid 2013</p> <p><b>MILESTONE 13:</b> Financial education pilot programmes for the youth in youth development centres and agencies are implemented and reviewed by the end of 2015</p>			





### 4.3 Financial education workplace programmes

Activity	Lead implementing agency	Timeline (Months from launch date)	Partners
Assess financial education needs for workplaces	<ul style="list-style-type: none"> <li>FECU</li> <li>ZIHRM and other training institutions (e.g. ZICA, ZIBFS)</li> </ul>	9 months	<ul style="list-style-type: none"> <li>Banks</li> <li>Non-bank financial institutions</li> <li>Industry associations</li> <li>Trade unions</li> <li>Private sector and public sector employers</li> <li>MLSYG</li> <li>International Labour Organisation (ILO)</li> <li>Professional bodies, e.g. ZICA, ZIHRM and ZIBFS</li> <li>Other relevant training institutions</li> <li>Employer associations</li> <li>Credit Reference Bureau</li> <li>Competition and Consumer Protection Commission (CCPC)</li> <li>Cabinet Office – human resource and public service management divisions</li> <li>Lusaka Stock Exchange (LuSE)</li> <li>Zambia Electricity Supply Corporation's (ZESCO) Managing Change in Attitudes Programme</li> <li>Donors</li> </ul>
Develop a plan for financial education workplace programmes		12 months	
Develop financial education toolkits and workplace financial education training programmes, leveraging on existing materials where possible, and train trainers and other relevant staff		18 months	
Scale up existing financial education workplace training programmes		24 months	
Pilot test of financial education toolkits and workplace financial education training programmes		24 months	
Evaluate the pilot financial education workplace programmes and roll out the successful ones		42 months	
On-going monitoring and evaluation of workplace financial education programmes	<ul style="list-style-type: none"> <li>FECU</li> </ul>	24 – 60 months	<ul style="list-style-type: none"> <li>ZIHRM</li> <li>ZICA</li> <li>Non-bank financial institutions</li> <li>Banks</li> <li>Industry associations</li> <li>Donors</li> <li>Private and public organizations</li> <li>Implementing partners</li> </ul>
<p><b>MILESTONE 14:</b> Plan for financial education workplace programmes developed by the end of 2012</p> <p><b>MILESTONE 15:</b> Financial education toolkits and workplace financial education training programmes piloted by the end of 2013</p> <p><b>MILESTONE 16:</b> Financial education workplace programmes evaluated by mid 2015</p>			





#### 4.4 Financial education programmes for small-scale farmers

Activity	Lead implementing agency	Timeline (Months from launch date)	Partners
Assess financial education needs for rural areas (rural groups, small-scale farmers etc)	<ul style="list-style-type: none"> <li>FECU</li> </ul>	18 months	<ul style="list-style-type: none"> <li>Ministry of Finance's Rural Finance Programme</li> <li>Zambia National Farmers Union</li> </ul>
Develop a plan for financial education programmes for small-scale farmers		24 months	<ul style="list-style-type: none"> <li>Agribusinesses and input suppliers</li> </ul>
Design and implement pilot rural financial education programmes, leveraging on existing financial materials and channels where possible		30 months	<ul style="list-style-type: none"> <li>Organised groups, e.g. ZNFU</li> <li>Banks</li> <li>Non-bank financial institutions</li> <li>Ministry of Agriculture and Livestock's extension support service</li> </ul>
Evaluate the pilot financial education programmes for small-scale farmers and roll out successful ones		48 months	<ul style="list-style-type: none"> <li>Sub-sector associations (e.g. cotton, tobacco, rice)</li> <li>Ministry of Community Development, Mother and Child Health (MCDMCH)</li> <li>Fertiliser Support Programme cooperatives</li> <li>NGOs working with small-scale farmers</li> <li>Donors</li> </ul>
On-going monitoring and evaluation of financial education programmes for small-scale farmers	<ul style="list-style-type: none"> <li>FECU</li> </ul>	36 – 60 months	<ul style="list-style-type: none"> <li>Implementing partners</li> <li>Donors</li> <li>NGOs</li> <li>Agribusiness</li> </ul>
<p><b>MILESTONE 17:</b> Pilot financial education programmes for farmers implemented by mid 2014</p> <p><b>MILESTONE 18:</b> Pilot financial education programmes for farmers evaluated by the end of 2015</p>			





4.5 Financial education programmes for MSMEs			
Activity	Lead implementing agency	Timeline (Months from launch date)	Partners
<p>Assess financial education needs for MSMEs</p> <p>Develop a plan for financial education programmes for MSMEs</p>	<ul style="list-style-type: none"> <li>FECU</li> </ul>	18 months	<ul style="list-style-type: none"> <li>Non-bank financial institutions</li> <li>Banks</li> <li>NGOs</li> <li>ZCSMBA</li> <li>ZACCI</li> <li>Donors</li> </ul>
<p>Design and implement pilot programmes for MSMEs leveraging on existing materials where possible; this will include facilitation of partnerships between MSME associations and financial education providers (financial institutions and NGOs)</p> <p>Evaluate pilot programmes for MSMEs and roll out successful ones</p>	<ul style="list-style-type: none"> <li>FECU</li> </ul>	<p>24 months</p> <p>42 months</p>	<ul style="list-style-type: none"> <li>Non-bank financial institutions</li> <li>Banks</li> <li>NGOs (Camfed, Restless Development)</li> <li>ZCSMBA</li> <li>ZACCI</li> <li>MSME umbrella associations</li> <li>Sub-sector associations</li> <li>Zambia Development Agency</li> <li>Citizens Economic Empowerment Commission</li> <li>Banks</li> <li>Non-bank financial institutions</li> <li>CCPC</li> <li>MLSYG</li> <li>MCDMCH</li> <li>Ministry of Commerce Trade and Industry</li> <li>ZICA</li> <li>Association of Certified Chartered Accountants (ACCA) Zambia</li> <li>Women's development organisations e.g. Women Entrepreneurs Development Association of Zambia (WEDAZ) and Women's empowerment groups under the MCDMCH</li> <li>Donors</li> </ul>
<p>On-going monitoring and evaluation of the effectiveness of financial education programmes for MSMEs</p>	<ul style="list-style-type: none"> <li>FECU</li> </ul>	24 – 60 months	<ul style="list-style-type: none"> <li>Implementing partners</li> <li>Donors</li> <li>Banks</li> <li>NGOs</li> </ul>
<p><b>MILESTONE 19:</b> Pilot financial education programmes for MSMEs implemented by the end of 2013</p> <p><b>MILESTONE 20:</b> Pilot financial education programmes for MSMEs evaluated by mid 2015 and successful ones rolled out</p>			





#### 4.6 Financial education through teachable moments

Activity	Lead implementing agency	Timeline (Months from launch date)	Partners
Engage and negotiate with organisations carrying out financial education that can potentially develop materials for teachable moments (marriage counseling, pre and post-natal clinics, retirement, social cash transfer programme etc)	<ul style="list-style-type: none"> <li>FECU</li> </ul>	18 months	<ul style="list-style-type: none"> <li>Non-bank financial institutions</li> <li>Banks</li> <li>Payment Service Providers</li> <li>NGOs</li> <li>Health care facilities</li> <li>MCDMCH</li> <li>Ministry of Health</li> <li>Community leaders</li> <li>Churches and other faith-based organisations</li> <li>CCPC</li> <li>Future Search</li> <li>Transport operators</li> <li>Donors</li> </ul>
Design and pilot materials for teachable moments, leveraging on existing materials where possible	<ul style="list-style-type: none"> <li>FECU</li> </ul>	24 months	<ul style="list-style-type: none"> <li>Non-bank financial institutions</li> <li>Banks</li> <li>Payment Service Providers</li> <li>NGOs</li> <li>Clinics</li> <li>MCDMCH</li> <li>Ministry of Health</li> <li>Community leaders</li> <li>Churches and other faith-based organisations</li> <li>CCPC</li> <li>Future Search</li> <li>Transport operators</li> <li>Donors</li> </ul>
Evaluate pilots and roll out successful ones	<ul style="list-style-type: none"> <li>FECU</li> </ul>	42 months	<ul style="list-style-type: none"> <li>Non-bank financial institutions</li> <li>Banks</li> <li>Payment Service Providers</li> <li>NGOs</li> <li>Clinics</li> <li>MCDMCH</li> <li>Ministry of Health</li> <li>Community leaders</li> <li>Churches and other faith-based organisations</li> <li>CCPC</li> <li>Future Search</li> <li>Transport operators</li> <li>Donors</li> </ul>
On-going monitoring and evaluation of financial education programmes through teachable moments	<ul style="list-style-type: none"> <li>FECU</li> </ul>	24 – 60 months	<ul style="list-style-type: none"> <li>Non-bank financial institutions</li> <li>Banks</li> <li>Payment Service Providers</li> <li>NGOs</li> <li>Clinics</li> <li>Churches and other faith-based organisations</li> <li>MCDMCH</li> </ul>
<p><b>MILESTONE 21:</b> Pilot financial education programmes through teachable moments implemented by the end of 2013</p> <p><b>MILESTONE 22:</b> Pilot financial education programmes through teachable moments evaluated by mid 2015 and successful ones rolled out</p>			







#### 4.7 Financial education through edutainment

Activity	Lead implementing agency	Timeline (Months from launch date)	Partners
Identify experts to work with media organisations in integrating financial education in appropriate television and radio programmes	<ul style="list-style-type: none"> <li>FECU</li> </ul>	12 months	<ul style="list-style-type: none"> <li>FECU/FSDP Secretariat</li> <li>Donors</li> <li>ZNBC</li> <li>Muvi TV</li> <li>Radio stations (community, local and national)</li> <li>Banks</li> <li>Non-bank financial institutions</li> <li>Financial sector associations (e.g. BAZ, IAZ, AMIZ)</li> <li>CCPC</li> <li>Financial sector associations</li> <li>Financial services regulators (BOZ, PIA, SEC)</li> <li>NAC</li> <li>Universities and colleges</li> <li>Ministry of Information, Broadcasting and Tourism (MIBT)</li> </ul>
Identify experts to develop capacity of the cultural section of the UNZA Language Department's Theatre for Development wing to deliver financial education at traditional and cultural ceremonies	<ul style="list-style-type: none"> <li>FECU</li> </ul>	18 months	<ul style="list-style-type: none"> <li>Universities and colleges</li> <li>UNZA</li> <li>NAC</li> <li>Drama groups</li> <li>Non-bank financial institutions</li> <li>Banks</li> <li>Donors</li> </ul>
Provide technical assistance to media organisations on integrating financial education in media programmes	<ul style="list-style-type: none"> <li>FECU</li> </ul>	18 months	<ul style="list-style-type: none"> <li>Non-bank financial institutions</li> <li>Banks</li> <li>Financial service industry associations</li> <li>Donors</li> <li>ZNBC</li> <li>Muvi TV</li> <li>Community radio stations</li> <li>Donors</li> <li>CCPC</li> <li>Financial sector associations</li> <li>Financial services regulators (BOZ, PIA, SEC)</li> <li>NAC</li> <li>Ministry of Information, Broadcasting and Tourism (MIBT)</li> </ul>
Financially support the design of pilot media programmes	<ul style="list-style-type: none"> <li>FECU</li> </ul>	15 months	<ul style="list-style-type: none"> <li>Media organisations</li> <li>Donors</li> </ul>
Implement pilot media programmes	<ul style="list-style-type: none"> <li>FECU</li> </ul>	18 months	<ul style="list-style-type: none"> <li>Media organisations</li> <li>Donors</li> </ul>
Evaluate effectiveness of the pilot media programmes and roll out successful ones	<ul style="list-style-type: none"> <li>FECU</li> </ul>	42 months	<ul style="list-style-type: none"> <li>FECU/FSDP Secretariat</li> <li>National Arts Council</li> <li>Donors</li> <li>ZNBC</li> <li>Muvi TV</li> <li>Community radio stations</li> <li>Non-bank financial institutions</li> <li>Banks</li> <li>Financial service industry associations</li> <li>Donors</li> </ul>
On-going monitoring and evaluation of the impact of financial education through edutainment programmes	<ul style="list-style-type: none"> <li>FECU</li> </ul>	18 – 60 months	<ul style="list-style-type: none"> <li>Implementing partners</li> <li>Donors</li> <li>Media organisations</li> </ul>

**MILESTONE 23:** Financial education media programmes launched for pilot testing by the end of 2013

**MILESTONE 24:** Financial education media programmes evaluated by mid 2015 and successful ones rolled out





4.8 Financial education website			
Activity	Lead implementing agency	Timeline (Months from launch date)	Partners
Identify experts to work with FECU in developing the website	<ul style="list-style-type: none"> <li>FECU</li> </ul>	12 months	<ul style="list-style-type: none"> <li>NGOs</li> <li>CPCC</li> <li>Banks</li> </ul>
Design and develop a website for consumers and stakeholders	<ul style="list-style-type: none"> <li>FECU</li> </ul>	24 months	<ul style="list-style-type: none"> <li>Non-bank financial institutions</li> <li>Website developers and internet service providers</li> <li>Financial services regulators</li> <li>Professional bodies</li> <li>Zambia Institute of Mass Communication</li> <li>Zambia Information and Communication Technology Authority</li> <li>Ministry of Transport, Works, Supply and Communications</li> <li>MESVT</li> <li>MIBT</li> <li>Donors</li> </ul>
Launch the website	<ul style="list-style-type: none"> <li>FECU</li> </ul>	24 months	<ul style="list-style-type: none"> <li>NGOs</li> <li>CPCC</li> <li>Banks</li> </ul>
Develop and roll out a campaign to drive traffic to the website	<ul style="list-style-type: none"> <li>FECU</li> </ul>	24 months	<ul style="list-style-type: none"> <li>Non-bank financial institutions</li> <li>Website developers and internet service providers</li> <li>Financial services regulators</li> <li>Professional bodies</li> <li>Zambia Institute of Mass Communication</li> <li>Zambia Information and Communication Technology Authority</li> <li>Ministry of Transport, Works, Supply and Communications</li> <li>MESVT</li> <li>MIBT</li> <li>Donors</li> </ul>
On-going monitoring and evaluation of effectiveness of the website for consumers and stakeholders	<ul style="list-style-type: none"> <li>FECU</li> </ul>	24 – 60 months	<ul style="list-style-type: none"> <li>Financial service regulators</li> <li>Donors</li> <li>Financial education implementing partners</li> </ul>
<b>MILESTONE 25:</b> Develop and launch the financial education website by the end of 2013			





# Annex 4: Gantt Chart

STRATEGY IMPLEMENTATION ASPECT	Activities	Milestone	'12				'13				'14				'15				'16				'17					
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
1. Strategy management and coordination	1.1 FECU set up and detailed management plan developed within 9 months	M1																										
	1.2 Stakeholder engagement and communication strategy in place within 9 months	M2																										
	1.3 30% of funding secured for priority programmes within 12 months; 60% within 24 months; and 100% within 36 months	M3																										
	1.4 Implementing partners in place for priority programmes within 18 months	M4																										
2. Monitoring and Evaluation	2.1 MIS in place within 12 months	M5																										
	2.2 Baseline surveys published within 15 months	M6																										
	2.3 M&E system implemented within 18 months	M7																										
3. Financial Education Programmes for children	<b>Financial education through curriculum</b>																											
	3.1 Financial education integrated into curriculum by Q1 2013	M8																										
	Financial education through extra-curricular activities																											
	3.2 Plan for scaling up financial education initiatives through extra-curricular activities developed by mid 2013	M9																										
4. Financial education for the youth	3.3 Pilot financial education initiatives implemented and reviewed by mid 2015	M10																										
	<b>Financial education in universities, colleges and learning institutions</b>																											
	4.1 Financial education integrated into the educational and training programmes of universities, colleges, and other learning institutions by the end of 2013	M11																										
	<b>Financial education through youth development centres and other agencies</b>																											
5. Financial education for adults	4.2 A plan for developing and scaling up financial education initiatives for the youth in youth development centres and agencies developed by mid 2013	M12																										
	4.3 Financial education pilot programmes for the youth in youth development centres and agencies are implemented and reviewed by the end of 2015	M13																										
	<b>Financial education workplace programmes</b>																											
	5.1 Plan for financial education workplace programmes developed by the end of 2012	M14																										
6. Cross cutting financial education programmes	5.2 Financial education toolkits and workplace financial education training programmes piloted by the end of 2013	M15																										
	5.3 Financial education workplace programmes evaluated by mid 2015	M16																										
	<b>Financial education programmes for small scale farmers</b>																											
	5.4 Pilot financial education programmes for small scale farmers implemented by mid 2014	M17																										
7. Financial education for MSMEs	5.5 Pilot financial education programmes for small scale farmers evaluated by the end of 2015	M18																										
	<b>Financial education programmes for MSMEs</b>																											
	5.6 Pilot financial education programmes for MSMEs implemented by the end of 2013	M19																										
	5.7 Pilot financial education programmes for MSMEs evaluated by mid 2015 and successful ones rolled out	M20																										
8. Financial education through teachable moments	<b>Financial education through teachable moments</b>																											
	5.8 Financial education programmes through teachable moments are implemented for pilot testing by the end of 2013	M21																										
	5.9 Pilot financial education programmes through teachable moments evaluated by mid 2015 and successful ones rolled out	M22																										
	<b>Financial education through appropriate media</b>																											
9. Financial education website	6.1 Financial education media programmes launched for pilot testing by the end of 2013	M23																										
	6.2 Financial education media programmes evaluated by mid 2015 and successful ones rolled out	M24																										
	<b>Financial education website</b>																											
	6.3 Develop and launch the financial education website by the end of 2013	M25																										

Note: The implementation period in the Gantt chart runs from quarter 1 of 2012 to quarter 1 of 2017. The timing of activities and milestones will be adjusted accordingly once the National Strategy has been launched and the start and end dates are determined.



## Annex 5: Logical Framework

Intervention logic		Objectively verifiable indicators of achievement	Sources and means of verification	Assumptions
<b>Overall goal</b>				
Financially educated population by 2030				
Strategic objective		Impact indicators	Sources and means of verification	Assumptions
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		% change population saving for improved well being (e.g. income smoothing, retirement); % change population borrowing for wealth creation and long-term assets (business, farm, education); % change population using financial products effectively; % change population seeking information from reliable sources; changed levels of indebtedness for all major target groups of the strategy; all indicators mapped by province and district, rural and urban, male and female. Increased funding to financial education activities. Increased diversity of financial education providers. Improved effectiveness of financial education providers in terms of reaching targets.	National surveys including repeat FinScope surveys.  Baseline, midterm review (MTR) of pilot initiatives and End of Strategy (EOS) Phase I (in year 2012, 2015 and 2017)  Financial education baseline survey in 2012. Other national supply side and national surveys such as Living Conditions Monitoring Surveys (LCMS), Labour Force survey, analysis of Census 2010.	Supply of appropriate financial services increases with demand created by the Strategy.  Consumer protection in place.
Components		Outcome indicators	Sources and means of verification	Assumptions
1	Financial education for children	Improved knowledge and skills of financial education of teachers.	Surveys in selected schools.	Ministry of Education, Science, and Vocational Training (MoESVT) agrees and incorporates financial education into curricula by 2012.
		Children have improved knowledge of financial products, basic financial terms, budgeting and money management.	Surveys in selected schools.	Teachers able and interested to teach financial education and have adequate materials, especially in rural schools.
		Children's confidence levels related to technology based approaches for financial storage and transactions improved.	Secondary data related to technology based financial services.	Girl children are positively encouraged to participate.
		Increase in numbers of children seeking financial information other than from their family.	Before and after extra-curriculum programme evaluations.	Programmes reach remote rural areas and the content is appropriate to areas where there is no access to formal financial services.
2	Financial education for the youth	Changes in financial knowledge and skills of lecturers, teachers, college and university students.	Pre and post financial education programme surveys in selected universities, colleges and other learning institutions.	Universities, colleges, training centres incorporate financial education into their curriculum.
		Changes in financial knowledge and skills of youth participating in financial education programmes.	Programme monitoring data – questionnaires before and after training.	
		Increase in % of young people using financial services such as opening bank accounts, buying insurance, saving for productive purposes.	Survey of selected participants of programmes – before, after and later.	
		Increased investments by youth in productive activities to improve earning ability – including education and business ventures.		Local partners available to implement youth development programmes especially in remote rural areas.
3	Financial education for adults	Improved financial knowledge, skills of adult participants (salaried and formally employed) in workplace programmes.	Questionnaires administered by programme providers, before, after and later.	Financial education providers provide appropriate financial education to target groups, especially the financially excluded and the indebted.
		Increase in numbers of people who participated in financial education programme now using financial services such as opening bank accounts, buying insurance, saving for productive purposes and retirement as a result of the programme.	End of programme evaluations - follow-up of participants. Compare with control group.	Availability of appropriate financial services, especially in remote rural areas.
		Increased investment in financial education by employers.	Reports from partners to FECU.	Financial education providers report to FECU and coordinate with it.
		Increased provision and diversification of financial sector products especially for the previously financially excluded.	Reports from partners to FECU.	
		Decreased use of loans for living expenses, and decrease in indebtedness.	Questionnaires administered by programme providers, before, after and later.	
		Increase in numbers of farmers who are planning for periods of shortage.	Questionnaires administered by programme providers, before, after and later.	





Expected results		Output indicators	Sources and means of verification	Assumptions
<b>1 Financial education for children</b>				
	To help children gain knowledge and understanding of financial matters, together with skills, confidence and responsible attitudes, as they move into adulthood.	Financial education integrated in school curriculum by mid 2014.	Curriculum Development Centre (CDC) report.	Curriculum review accepts financial education in school curriculum.
	<b>financial education through the school curriculum;</b>	Teachers' training materials developed. Numbers of new and existing teachers trained in financial education (basic, secondary,) and able to teach financial education by 2015.	Ministry of Education, Science and Vocational Training (MoESVT) teachers training college reports.	
		Number of students receiving financial education in school, by grade, by gender, by location in 2015.	MoESVT reports.	
	<b>financial education through extra-curricular activities.</b>	Pages of print dedicated to financial education for children. Hours of interactive TV programmes with financial education incorporated. Number of toolkits/games for financial education for use in extra- curricula activities by end of 2012.	Financial education providers reports.	
		Number of peer educators trained; number of school clubs formed; number of children participating in financial education extra-curricula activities, by gender, by location, year.	Financial education providers reports.	
<b>2 Financial education for the youth</b>				
	<b>To help the youth to gain knowledge and understanding of financial matters, together with skills, confidence and responsible attitudes, as they move into the workplace.</b>	Financial education integrated in appropriate curricula of core subjects used in universities, colleges by mid 2014.	MoESVT, colleges and university reports.	Private colleges and universities agree to participate in financial education strategy.
	Financial education in universities, colleges, trade schools and learning institutions	Number of lecturers and college teachers trained annually. Number of students receiving financial education in core subjects in colleges at tertiary levels (male, female, rural, urban). Numbers of students receiving financial education through clubs and associations using toolkits and other materials.  Number of students receiving financial education through job portals such as the one developed by the Ministry of Labour, Sports, Youth and Gender. Numbers of students participating in social media and local media e.g. college and university radio stations (e.g. Hone FM and UNZA radio).	MoESVT, colleges and universities reports.	Funding, availability of suitable financial education service providers
	Financial education in youth development centres and other agencies	Numbers of formal agreements with organisations interested in implementing financial education programmes for the youth in youth development centres and other agencies. Number of youth clubs and youth club members participating in financial education activities, listening to financial education radio programmes, accessing financial education print materials (urban, rural, male and female by age). Number of toolkits and relevant materials for youth, including print and radio for financial education developed and available for youth. Number of facilitators in youth programmes trained as trainers for financial education.	Monitoring reports from partners and service providers.	





Expected results		Output indicators	Sources and means of verification	Assumptions
<b>3</b>	<b>Financial education for adults</b>			
<b>3.1</b>	<b>Financial education in workplace programmes</b>	Number of toolkits available and disseminated.	Reports from financial education providers providing workplace programmes.	
	To address the financial needs of salaried employees with a view to enabling them to make more informed financial management choices and to avoid over-indebtedness.	Number of trainers and peer educators trained.	Reports from financial education providers.	Availability of partners.
		Number in workplace participating in financial education workplace programmes.	Pre - and post-training assessments provided by workplace programme providers.	Availability of partners.
<b>3.2</b>	<b>Financial education for Micro, Small and Medium Enterprises (MSMEs)</b>			
	To improve financial management of those employed in the MSME sector; at both a household and business level	Number of toolkits available and disseminated.	Reports from financial education providers providing workplace programmes (NGOs, industry associations, microfinance institutions and other financial institutions).	Availability of partners.
		Number participating in programmes (rural, urban, out of work, informal and formal).	Pre - and post-training assessments.	
<b>3.3</b>	<b>Financial education for small-scale farmers</b>			
	To assist small-scale farmers to plan ahead and to reduce their vulnerability to risks and shocks	Number of large agribusinesses and other relevant aggregators, and partners involved in delivery of financial education for farmers. Number participating in rural-based finance programmes that address their financial education requirements.	Reports from financial education providers providing rural finance programmes.	Availability of partners.
		Number of farmers trained in appropriate financial education.	Pre - and post-training assessments.	
<b>3.4</b>	<b>Financial education through teachable moments</b>			
	To take advantage of moments when people are more likely to be receptive to financial education to help them to gain relevant knowledge and skills in financial matters.	Partners participating e.g. banks, relevant government ministries and churches.	Reports from financial education providers undertaking pilot programmes for teachable moments.	Availability of partners.
		Numbers of relevant financial education materials developed and used (e.g. brochures, toolkits).		Availability of partners.
		Number of people receiving financial education through appropriate services at relevant teachable moments.		





Activities		Means or inputs	Sources and means of verification	Assumptions
<b>INSTITUTIONAL FRAMEWORK</b>				
<b>1</b>	<b>Management and coordination</b>			
	Set up institutional framework for strategy - establish FECU	Salaries and operational facilities available for coordination unit	Financial report - Bank of Zambia	Funds are available
	Develop detailed management plan for implementing strategy	Management plan in place	FECU report	
	Present to Financial Education Steering Committee (FESC) for approval	FESC approval	FECU report	
<b>2</b>	<b>Stakeholder engagement</b>			
	Launch of National Strategy	Radio, TV and print media	Reports from FECU	Funds are available
	Develop stakeholder engagement and communication strategy	Staff hours to produce stakeholder strategy document	Minutes of meeting	Stakeholder buy-in
	Securing funding for implementation of priority programmes	Meetings with financial education providers	Minutes of meeting	
	Financial education providers in place to implement priority programmes	Staff time to develop agreements with financial education providers	Agreements between main partners	Funding in place for priority programmes
<b>3</b>	<b>Monitoring and Evaluation System</b>			
	Develop Management Information System (MIS)	Consultants engaged	MIS complete	
	Train financial education providers, partners, and FECU using M&E Toolkit and MIS	Training completed for participants	Training report	
	Implement M&E system	FECU and financial education providers M&E capacity	FECU reports	Financial education providers provide adequate capacity for M&E
	Implement and publish surveys – (FinScope, baseline survey)	Consultants engaged, surveys, reports, stakeholder workshop		
	Implement and publish mid-term review and end of strategy evaluations	Consultants engaged, surveys, reports, stakeholder workshop		Funds are available





Activities		Means or inputs	Sources and means of verification	Assumptions
<b>PRIORITY PROGRAMMES</b>				
<b>1</b>	<b>Financial education for children</b>			
	Engagement with, and agreement by, relevant government ministries on integrating financial education into the school curriculum.	Meetings held with relevant government ministries.	FECU reports; minutes of meetings; technical assistance (TA) contract.	MoESVT willing to review curriculum and incorporate financial education in school curriculum.
	Identification and engagement of consultants to work with relevant partners in the development of the curriculum on financial education. Technical assistance hired to develop curriculum for different grades; number of meetings held with relevant stakeholders.	Technical assistance hired to develop curriculum for different grades; meetings held with relevant stakeholders	FECU confirm consultant in place and funds available.	Donor funds available to support CDC and MoESVT.
	Develop draft financial education curriculum.	Technical assistance	Draft curriculum agreed.	Financial education included in new curriculum.
	Consultative workshop with stakeholders.	Workshop and facilitators.	Commitments and disbursements made to activity.	
	Integrate financial education into teacher training programmes.	TA hired to assist to develop toolkits for teachers of financial education programmes for schools, colleges and universities.	Toolkits for schools and teachers developed.	
	Build capacity of and train existing teachers to effectively deliver financial education.	Trainers, training materials and inputs to train teachers and facilitators.	Teachers' teaching materials developed and in use in teacher training colleges; numbers existing teachers trained through MoESVT.	
	Engagement and negotiations with existing, and potential new, financial education provider organisations to scale up extra-curricular financial education activities.	Financial education providers.	Funds in place.	Financial education providers willing and able to scale up.
	Develop plan for scaling up extra-curricular activities.			
<b>2</b>	<b>Financial education for the youth</b>			
	Engagement with, and agreement by, relevant government ministries on integrating financial education into university and college curricula.	Meetings with relevant government ministries.	Reports.	
	Identification and engagement of consultants to work with relevant government ministries on the development of the curriculum on financial education. Technical assistance hired to develop curricula for different grades; meetings with relevant government ministries.	Technical assistance hired to develop curriculum for different grades; meetings with government ministries.	Commitments and disbursements made to activity.	
	Develop teaching materials for financial education.	TA to develop training materials or toolkits. Production of training materials.	FECU reports; minutes of meetings; TA contract.	
	Build capacity of and train lecturers and teachers to effectively deliver financial education.	Train facilitators for out-of-school and youth programmes.	Financial education providers reports to FECU.	
	Development of appropriate financial education materials for clubs and associations, leveraging on existing financial education materials.	Engagement and negotiations with existing financial education providers to scale up extra-curricular financial education activities.	Financial education providers reports to FECU.	Out-of-school and youth programmes already established by partners.







Activities		Means or inputs	Sources and means of verification	Assumptions
<b>PRIORITY PROGRAMMES CONTINUED</b>				
<b>3</b>	<b>Financial Education for adults</b>			
<b>3.1</b>	<b>Workplace programmes for financial education</b>			
	Development of a toolkit, leveraging on existing financial education materials, and training of trainers and peer educators	TA to undertake training needs assessment, develop financial education materials for adult programmes in the work place.	Training needs assessment completed. Commitments and disbursements made to activity.	Availability of partners and ability to take advantage of existing HIV/AIDS workplace programmes.
		Train facilitators, peer educators and build capacity of relevant professional bodies and institutions in the design and delivery of financial education workplace programmes and toolkits. Develop training materials.	Financial education providers reports to FECU.	Willingness of employers and partners (employers' associations, trades unions) to invest in financial education in the workplace.
<b>3.2</b>	<b>Financial education for small-scale farmers</b>			
	Development of training and other programmes for small-scale farmers and delivery through large agribusinesses and organised farming groups	TA to develop financial education materials for rural financial education programmes.	Commitments and disbursements made to activity.	Agribusinesses, input suppliers, relevant government ministries, and partners understand benefits of financial education for sector.
		Training facilitators and peer educators training materials produced.	Partners reports; minutes of meetings; TA contract.	Partners able and willing to include financial education in programmes.
<b>3.3</b>	<b>Financial education for MSMEs</b>			
	Financial education for MSMEs mostly in informal sector through microfinance institutions, associations and other groupings.	TA to develop materials for MSMEs. Training materials produced and facilitators and peer educators trained. Relevant partners in place.	Commitments and disbursements made to activity. Reports to FECU.	
<b>3.4</b>	<b>Financial education through teachable moments</b>			
	Financial education pilots through teachable moments	Technical assistance to develop financial education materials for relevant teachable moments.	Financial education providers reports to FECU.	
		Relevant partners.		
		Training materials produced and facilitators and peer educators trained.		
<b>3.5</b>	<b>Cross-cutting financial education programmes</b>			
	Develop financial education messages in relevant media, including TV, radio, print, drama, internet based media, social networking Develop a financial education website	TA to develop financial education messages in different media.	Commitments and disbursements made to activity.	Local partners available to lead on financial education in edutainment.
		Broadcasters - local and national, air-time. TV producers.	Financial education providers reports to FECU.	Financial resources regular and adequate.
		Design costs.		Journalistic capacity in financial education.
		Journalists with financial knowledge and skills.		TV stations agree to use materials and broadcast.
		Training of drama groups and playwrights to write dramas.		Availability of playwrights.
		Consultants to design, and FECU staff to manage, website.		





## Annex 6: Indicative budget

No.	Description	Year 1 ZMW	Year 2 ZMW	Year 3 ZMW	Year 4 ZMW	Year 5 ZMW	Total ZMW	Total US \$
<b>1</b>	<b>Financial Education Coordination Unit (FECU) costs</b>							
<b>1.1</b>	<b>Personnel</b>							
1.1.1	Programme Coordinator	500 000	550 000	600 000	650 000	700 000	3 000 000	600 000
1.1.2	Communication Officer	500 000	550 000	600 000	650 000	700 000	3 000 000	600 000
1.1.3	Monitoring, Evaluation & Research Officer	500 000	550 000	600 000	650 000	700 000	3 000 000	600 000
1.1.4	Programme Officer	500 000	550 000	600 000	650 000	700 000	3 000 000	600 000
	<b>Sub total – Personnel</b>	<b>2 000 000</b>	<b>2 200 000</b>	<b>2 400 000</b>	<b>2 600 000</b>	<b>2 800 000</b>	<b>12 000 000</b>	<b>2 400 000</b>
<b>1.2</b>	<b>Stakeholder engagement</b>							
1.2.1	Stakeholder workshops and meetings	300 000	300 000	150 000	150 000	150 000	1 050 000	210 000
1.2.2	Website development and maintenance	100 000	25 000	25 000	25 000	25 000	200 000	40 000
1.2.3	Publications (newsletters, reports etc)	150 000	150 000	150 000	150 000	150 000	750 000	150 000
1.2.4	Other communication costs	75 000	75 000	75 000	75 000	75 000	375 000	75 000
1.2.5	Steering Committee sitting allowances	25 000	25 000	25 000	25 000	25 000	125 000	25 000
	<b>Sub total – Stakeholder engagement</b>	<b>650 000</b>	<b>575 000</b>	<b>425 000</b>	<b>425 000</b>	<b>425 000</b>	<b>2 500 000</b>	<b>500 000</b>
<b>1.3</b>	<b>Capital expenditure</b>							
1.3.1	Vehicles	250 000	25 000	25 000	25 000	25 000	350 000	70 000
1.3.2	IT hardware, IT software, furniture and fittings	150 000	50 000	50 000	50 000	25 000	325 000	65 000
	<b>Sub-total – Capital expenditure</b>	<b>400 000</b>	<b>75 000</b>	<b>75 000</b>	<b>75 000</b>	<b>50 000</b>	<b>675 000</b>	<b>135 000</b>
	<b>Sub-total – FECU costs</b>	<b>3 050 000</b>	<b>2 850 000</b>	<b>2 900 000</b>	<b>3 100 000</b>	<b>3 275 000</b>	<b>15 175 000</b>	<b>3 035 000</b>
<b>2</b>	<b>Monitoring and Evaluation</b>							
2.1	Development of management information system	500 000	50 000	50 000	25 000	25 000	650 000	130 000
2.2	Training of FECU and implementing partners	150 000	100 000	100 000	50 000	50 000	450 000	90 000
2.3	Baseline and other surveys (includes cost for FinScope)	3 500 000	500 000	1 000 000	3 500 000	1 000 000	9 500 000	1 900 000
	<b>Sub total – monitoring and evaluation</b>	<b>4 150 000</b>	<b>650 000</b>	<b>1 150 000</b>	<b>3 575 000</b>	<b>1 075 000</b>	<b>10 600 000</b>	<b>2 120 000</b>
<b>3</b>	<b>Financial education programmes</b>							
<b>3.1</b>	<b>Financial education for children</b>							
3.1.1	Technical assistance	1 500 000	1 000 000	250 000	250 000	250 000	3 250 000	650 000
3.1.2	Materials	750 000	750 000	500 000	500 000	500 000	3 000 000	600 000
3.1.3	Piloting financial education initiatives	1 000 000	1 000 000	0	0	0	2 000 000	400 000
3.1.4	Rolling out financial education initiatives	0	0	2 000 000	2 000 000	1 750 000	5 750 000	1 150 000
	<b>Sub total – Financial education programmes for children</b>	<b>3 250 000</b>	<b>2 750 000</b>	<b>2 750 000</b>	<b>2 750 000</b>	<b>2 500 000</b>	<b>14 000 000</b>	<b>2 800 000</b>
<b>3.2</b>	<b>Financial education for the youth</b>							
3.2.1	Technical assistance	1 000 000	750 000	250 000	250 000	250 000	2 500 000	500 000
3.2.2	Materials	375 000	375 000	250 000	250 000	250 000	1 500 000	300 000
3.2.3	Piloting financial education initiatives	500 000	500 000	0	0	0	1 000 000	200 000
3.2.4	Rolling out financial education initiatives	0	0	1 000 000	1 000 000	1 000 000	3 000 000	600 000
	<b>Sub total – Financial education programmes for the youth</b>	<b>1 875 000</b>	<b>1 625 000</b>	<b>1 500 000</b>	<b>1 500 000</b>	<b>1 500 000</b>	<b>8 000 000</b>	<b>1 600 000</b>
<b>3.2</b>	<b>Financial education for adults</b>							
3.2.1	Technical assistance	1 500 000	1 000 000	250 000	250 000	250 000	3 250 000	650 000
3.2.2	Materials	750 000	750 000	500 000	500 000	500 000	3 000 000	600 000
3.2.3	Piloting financial education initiatives	1 000 000	1 000 000	0	0	0	2 000 000	400 000
3.2.4	Rolling out financial education initiatives	0	0	2 000 000	2 000 000	1 750 000	5 750 000	1 150 000
	<b>Sub total – Financial education programmes for adults</b>	<b>3 250 000</b>	<b>2 750 000</b>	<b>2 750 000</b>	<b>2 750 000</b>	<b>2 500 000</b>	<b>14 000 000</b>	<b>2 800 000</b>
<b>3.4</b>	<b>Cross cutting financial programmes</b>							
3.4.1	Technical assistance	1 000 000	500 000	500 000	250 000	250 000	2 500 000	500 000
3.4.2	Materials	750 000	750 000	500 000	250 000	250 000	2 500 000	500 000
3.4.3	Piloting financial education initiatives	1 250 000	1 250 000	0	0	0	2 500 000	500 000
3.4.4	Rolling out financial education initiatives	0	0	2 000 000	2 000 000	2 000 000	6 000 000	1 200 000
	<b>Sub total – Cross cutting financial education programmes</b>	<b>3 000 000</b>	<b>2 500 000</b>	<b>3 000 000</b>	<b>2 500 000</b>	<b>2 500 000</b>	<b>13 500 000</b>	<b>2 700 000</b>
	<b>Sub total – Financial education programmes</b>	<b>11 375 000</b>	<b>9 625 000</b>	<b>10 000 000</b>	<b>9 500 000</b>	<b>9 000 000</b>	<b>49 500 000</b>	<b>9 900 000</b>
<b>Grand total</b>		<b>18 575 000</b>	<b>13 125 000</b>	<b>14 050 000</b>	<b>16 175 000</b>	<b>13 350 000</b>	<b>75 275 000</b>	<b>15 055 000</b>





## Budget Notes:

1. This is an indicative budget for the implementation of the National Strategy on Financial Education for Zambia over the initial five-year strategic period.
2. The FECU costs have been developed with initial consultations and inputs from the three financial services regulators (BOZ, PIA and SEC).
3. The programmes costs have been developed taking into account existing market prices for some of the relevant services such as media as well as budgets and expenditures of some of the existing financial education initiatives.
4. The budget will be refined by FECU through further investigation of the financial requirements of the outlined financial education programmes, monitoring and evaluation costs as well as the core costs.
5. Not all non-core costs are expected to be channelled through FECU as donors or any funding organisation may support implementing organisations directly. The FECU will still play a coordination or fundraising role.





Bank Of Zambia

FSDP Secretariat | Bank of Zambia  
PO Box 30080 | Lusaka | Zambia 10101  
Telephone: +260 211 228888 | 228903-20  
Email: [fsdp@boz.zm](mailto:fsdp@boz.zm)