

A successful Financial Literacy Partnership between **Zambia & Germany**

Bank of Zambia

| German Sparkassenstiftung for International Cooperation



2012 – 2020



Strengthening of Financial Education in Zambia



Introduction

More than 18,000 youths and adults in Zambia have over the last eight years benefitted from highly interactive and experience based financial inclusion trainings. The trainings have been provided under the collaboration of the German Government supported German Sparkassenstiftung for International Cooperation ([DSIK](#)) and the Bank of Zambia ([BoZ](#)).

The trainings have been lauded by trainees, trainers and other stakeholders for their fine results. One of the trainees



says: 'the training helped me identify areas needed to improve as a farmer like record keeping, reinvestment to expand the farming business and land utilization' another trainee noted: 'this training made me start analyzing my gifts... I'm now working using my own hands feeding my fish in fishponds and processing fish and chickens using a smoker'.

Trainers and cooperating partners have also seen the benefits and noted as follows: 'Seeing people responding positively to saving and generally improving their quality of life or making impact to others, gives me joy'. A Co-operating partner has noted the impact of the DSIK/BoZ collaboration in '...spreading financial literacy activities throughout the country as well as supporting the increase of financial inclusion levels in Zambia from 59.3% to 69.4% between 2015 and 2020.



History of the German Sparkassenstiftung and Sparkassen (Savings Banks)

The first Sparkassen (in German-speaking countries savings banks are called Sparkassen) was founded over 200 years ago in Germany. They work as commercial banks in a decentralized structure. Each Sparkasse (savings bank) is independent, locally managed and concentrates its business activities on customers in the region in which it is situated. In general, Sparkassen are not profit oriented. Shareholders of the savings banks are usually single cities or numerous cities in an administrative district. As banks under public law, Sparkassen have a public mandate which requires that they serve their local stakeholders and local communities. ([History](#))

Since their founding, the Sparkassen have developed from microfinance institutions for small and medium sized enterprises (SMEs) and people with low incomes into the largest financial group in Europe and the market leader in Germany, successfully combining a high level of professionalism with a strong social mandate.

The Sparkassen-Finanzgruppe (Savings Banks Finance Group) ([Link](#)) founded the Deutsche Sparkassenstiftung für internationale Zusammenarbeit e.V. (German Sparkassenstiftung for International Cooperation -DSIK {formerly known as SBFIC}) in 1992, thus extending the social mandate of the savings banks to developing countries and emerging economies, too.



Background

Sparkassenstiftung (DSIK) has been delivering services locally and internationally in line with its mission: **“Think globally, act locally, cooperate internationally”**. Since 2012, Zambia has been a beneficiary of this support. In Zambia, a series of financial sector reforms commenced in the mid-2000s. The Financial Sector Development Plan (FSDP) was developed and implemented from 2004 – 2015. The FSDP was succeeded by the National Financial Inclusion Strategy (NFIS), launched in 2017 and will run up to 2022 guided by the National Financial Sector Development Policy (2017 – 2022). The NFIS was developed by the Zambian Government together with the World Bank with the involvement and cooperation of the BoZ and other financial sector stakeholders. The country’s financial sector reforms are a part of the Vision 2030 strategy which has the main goal of making Zambia a prosperous middle-income nation by the year 2030.

Another guiding tool of the country’s financial inclusion agenda is the National Strategy on Financial Education for Zambia (NSFE), launched under the FSDP in 2012 and continued under the NFIS (2017 – 2022). Under the FSDP, the BoZ was assigned the role of coordinating and implementing NSFE programmes through the Financial Sector Development Unit (FSDU) under the Non-Bank Financial Institutions Supervision Department.



FinLit Publications in local languages produced by BOZ /DSIK in 2014



The Partnership between Bank of Zambia (BoZ) and Sparkassenstiftung (DSIK)



16.11.2017: Signing MoU for 2nd Main Phase: Mr. Stefan Henkelmann, Dr. Bwalya Ng'andu & Ms. Freda Tamba.

In line with the BoZ 2016 - 2019 Strategic Objective no. 3: To “Increase formal Financial Inclusion by 16% in order to contribute to enhanced living standards”, the BoZ and the DSIK in 2012 signed the first Memorandum of Understanding (MoU). The main aim of this MoU is aligned to the NSFE’s main objective: “For the Zambian population to have improved knowledge, understanding, skills, motivation, and confidence to help them secure positive financial outcomes for themselves and their families by 2022”.

The Orientation Phase of the MoU covered the period May 2012 - October 2014 while the first Main Phase covered November 2014 to October 2017, followed by the 2nd Main Phase from November 2017 to December 2020. [Link](#)



Strategic objective of the co-operation

The DSIK/BoZ cooperation is aimed at providing fundamental knowledge on financial services and thus improve the use of financial services and products with the overall strategic objective being: “to alleviate poverty by enabling additional parts of the population to participate in economic activities by having (intellectual and physical) access to finance”.

In the spirit of promoting financial and vocational education as well as to increase access to finance, the



BoZ and DSIK have been working with other key partner/ stakeholder institutions to enhance financial literacy in Zambia. Some of the principal partners include: The Ministry of Finance, Ministry of General Education, the Pensions and Insurance Authority (PIA), the Securities and Exchange Commission (SEC), and the Bankers Association of Zambia (BAZ), among others.

Working in partnership with multiple stakeholders has brought about benefits that include: maximizing the availability of resources, avoiding unnecessary duplication of sensitization efforts, achieving greater outreach, and ensuring that those who engage in financial education use consistent messages.

Since 2014, the DSIK have contracted and seconded experts to support the implementation of the National Strategy on Financial Education project, mainly to the annual Financial Literacy Week activities in March and the World Savings Day in October. These events have also been complimented by the annual Investor Week and the Insurance Week, both held in pursuit of increasing financial literacy levels in the country.



Bank of Zambia support



Bank of Zambia

The BoZ has provided administrative support for the project. Among key deliverables for the bank to the project are the following:

- Actively perform its role according to the foreseeable National Financial Inclusion Strategy, particularly to support and host the appropriate unit to support the collaboration with the DSIK.
- The BoZ has provided competent counterparts to the seconded experts, from the professional steering and coordinating perspective and to facilitate the implementation of the recommendations of the experts as agreed by both parties and to achieve the set indicators.
- Provide complimentary support such as office space, furniture, equipment and communication /administration support to facilitate the work of the seconded experts according to BoZ policies for the smooth implementation of the project.

Delivery channels of financial inclusion training

Under the DSIK – BoZ collaboration, highly interactive Business Games Trainings ([Link](#)) and experience - based learning programmes for financial education have been used as delivery channels through various platforms, including the following:

1. Micro Business Game ([MBG](#))

- The MBG is a three day highly interactive training for micro entrepreneurs and for all people who want to learn in practice how the success and sustainability of start-ups and small businesses can be improved. The objectives of the game include:

- Gaining basic business skills and an understanding of the factors that influence business success;
- Understanding the meaning of entrepreneurial thinking and acting;
- Learning how to further develop very small and small enterprises and discover challenges and opportunities on the way forward; and,
- Understanding basic accounting and controlling principles and apply simple financial tools.



7/2018: MBG-Training in Mufulira



3/2019: FBS Training in Chisamba

2. Farmers Business Game ([FBG](#)) -

The FBG is a three day highly interactive training for smallholder farmers, emerging farmers and agricultural entrepreneurs who want to improve their skills for successful and sustainable farm management. The main objectives of the FBG include:

- Obtaining knowledge of crop selection and different cropping systems,
- Gaining an understanding of sales and customer relationship management;
- Defining, managing and analysing financial statements to increase bankability and thereby secure future financing options; and,
- Making a reasonable plan of costs and investments for the small-scale farm.

3. Savings Game (SG) - The Savings Game is a two-day highly interactive training tool for private households, youths and adults as well as small family businesses. The overall objective of the Savings Game is to provide the learner experience of how to manage a household budget and to accumulate savings effectively and applying an experience-based approach.



2/2020: Savings Game Training in the Bank of Zambia

The Savings Game has also been rolled out in workplaces to assist employees manage their finances, e.g. in the Bank of Zambia, German Embassy, Security and Exchange Commission, Natsave.

4. Business Simulation Trainings for Marketeers – The three-day training for Marketeers is based on the aims and objectives of the Micro Business Simulation Game training targeting, especially the women marketeers. In 43 trainings, conducted through the Zambia Federation of Associations of Women in Business (ZFAWIB), more than 700 marketeers have been trained.



5. Simulation Game Trainings for Refugees: Through a DSIK partner institution, the New Apostolic Church Relief Organization (NACRO), refugees from DRC, South Sudan, Burundi and other African countries have been trained in Zambia's Luapula Province - next to the DRC boarder - in the FBS as a starting point for a new life.

At a macro level, millions of other people have been reached indirectly and directly by the technical and financial support delivered through the mass media and person-to-person financial literacy programmes. These have mainly been done through the annual Financial Literacy Week (FLW) and the World Savings Day (WSD). Awareness campaigns have also been extended to the print, electronic and social media platforms in Zambia covering the topics of banking, insurance, pensions and capital markets.

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Achievements

From 2012 to 2020 DSIK and BoZ initiatives have been segmented into specific/ key result and verification areas. The following are some of the outcomes that have been recorded in line with the indicated result areas in the MoU between BoZ and DSIK:

1. Under the Framework of the National Strategy on Financial Education for Zambia components relating to adults' programmes for Micro Small and Medium Enterprises (MSMEs) education being developed and implemented, the following results are noted:



9/2019: Certification Course for FBS-Trainers

1.1. Training of Trainers: Over the past eight (8) years , more than 160 local individuals have been certified as Trainers for the Micro Business Simulation (MBS) , Farmers Business Simulation (FBS) and the Savings Games (SG). Over the same period , through the network of trainers, we have reached over eighteen thousand (18,000) individuals

1.2. Business Games Trainings: More than 18,000 individuals participated in 814 MBS, FBS and the Savings Game Trainings in all Provinces of Zambia, far exceeding the targets. [Impact](#)

Evaluation is key to achieve our Goals Evidence* of the Impact of Financial Literacy Activities



35 years is the mean age of MBS participants



20% of former MBS participants increased their profits.



94% of MBS participants are very happy with the post-training follow-up.



17% more participants owned a bank account after the MBS



424% was the increase of farmers keeping records of their budget after the FBG



11% of former MBS participants and
10 % of former FBS participants...



...increased the number of employees with a regular salary

*Data from DSIK Evaluation Survey 4/2020 (sample size 420 former participants of Business Simulation Game Trainings)

1.3. MFI Management Game Trainings:

senior and middle managers from the Bank of Zambia, commercial banks and microfinance institutions (MFIs) have received 6days training to understand how the performance of a Microfinance Institution can be improved through best management practices. [Link](#)



1.4. TV Soap or Telenovela ([Link](#)): (13 episodes) on a juice making project based on the concepts of the MBS was produced and aired on Zambian national television.

1.5. Participation in radio shows at WSD and FLW and on financial literacy topics: During the Financial Literacy Week (FLW) and World Savings Day (WSD) activities, use of the mass media to disseminate financial education messages was critical. Literacy campaign teams utilised available media, including community radio stations to reach out with the prepared financial education messages.

1.6. An Interactive/ live Radio Programme 'Shansha Wikute': based on the Marketeers Business Simulation was produced and aired several times for 13 weeks on Millennium Radio in English and local languages (combined). The programme was extended by another 5 episodes to include Insurance concepts in collaboration with the Pensions and Insurance Authority. Millennium Radio offered to air free repeat programmes of the 13 episodes of Shanshawikute to increase coverage, beyond what had been paid for.

1.7. Savings Bus: Together with AB-Bank Zambia two Savings Buses were designed and bought to educate students and adults in financial literacy and promote and teach about mobile banking. They visit schools and public places in remote areas where no banks or MFIs are.



2. Under the result area of a collaboration with the Financial Education Coordination Unit (FECU) at the Bank of Zambia, being supported in its efforts to coordinate and implement the National Strategy on Financial Education (NSFE), the following outcomes were achieved:



2.1. The annual Financial Literacy Week (FLW) was initiated in 2012 and by 2013 was implemented in all the 10 provinces of Zambia. From then to 2020, the event has been commemorated annually.

2.2. Commemoration of the World Savings Day at national level started in 2015, to complement the Financial Literacy Week. Other activities that came on board were participation in Provincial Agricultural and Commercial Shows in all ten provinces of Zambia as well as occasionally participating in private and public sensitization events organized by the Government and private sector institutions across the country.



7/2019 at Lusaka National Museum

2.3. Lusaka National Museum Literacy Programme: Together with the Bank of Zambia, Sparkassenstiftung introduced financial literacy to students from all over Zambia, invited by the Lusaka National Museum.

2.4. Radio Quiz Shows: for youth about the importance of savings and how to improve youth's entrepreneurial skills were held in October 2019 and 2020 during the week before the World Savings Day. The picture (on the left) shows the winners of the quiz show in the BoZ Governors' office in Dec 2019 (Image on cover).

2.5. Kids MBA Programme: In 2020, the national theme for Financial Literacy Week (FLW) was "Learn, Earn, Save, Invest: Be Money Smart to live a better life" DSIK partnered with the KIDSMBA programme as an effort to inculcate not only savings to the children but earning the resources to be saved. The Kids MBA which is endorsed by the Association of Business Executives (ABE) is a sixteen (16) module programme that opens up the concept of self-employment and business management to young people aged 11 -15 years from all walks of life



2.6. In the development of tools to further financial inclusion awareness, print (e.g. brochures and posters) and audio-visual materials (e.g. video documentaries and clips) were produced under five key themes of Saving, Loans, Investment, Insurance and Micro-Insurance. To ensure the sensitization programmes had a wider reach, most of the materials translated into local languages as used on the national broadcasting channels.

3. Bank of Zambia technically supported: Local and international experts trained staff of Bank of Zambia and other FI in Supervision of FI, Project Management, Monitoring & Evaluation, Product Development and Marketing.

4. Formal financial inclusion increased: under the Bank of Zambia 2016 - 2019 Strategic Objective No. 3: To "Increase formal Financial Inclusion by 16% in order to contribute to enhanced living standards", the collaboration has contributed to numerous successes that include the following:

4.1. In collaboration with Sparkassenstiftung and other stakeholders, the BoZ conducted a FinScope Survey (an internationally recognized research tool developed by the FinMark Trust to address the need for credible financial sector information. It is aimed at providing strategic information regarding market opportunities, challenges and financial services) whose findings were disseminated in December 2020.

The Survey findings revealed that financial inclusion increased to 69.4 percent in 2020 from 59.3 percent in 2015. The level of formal financial inclusion also rose to 61.3 percent from 38.2 percent. This growth was mainly attributed to the substantial increase in the uptake of mobile money services to 58.0 percent from 14.0 percent;

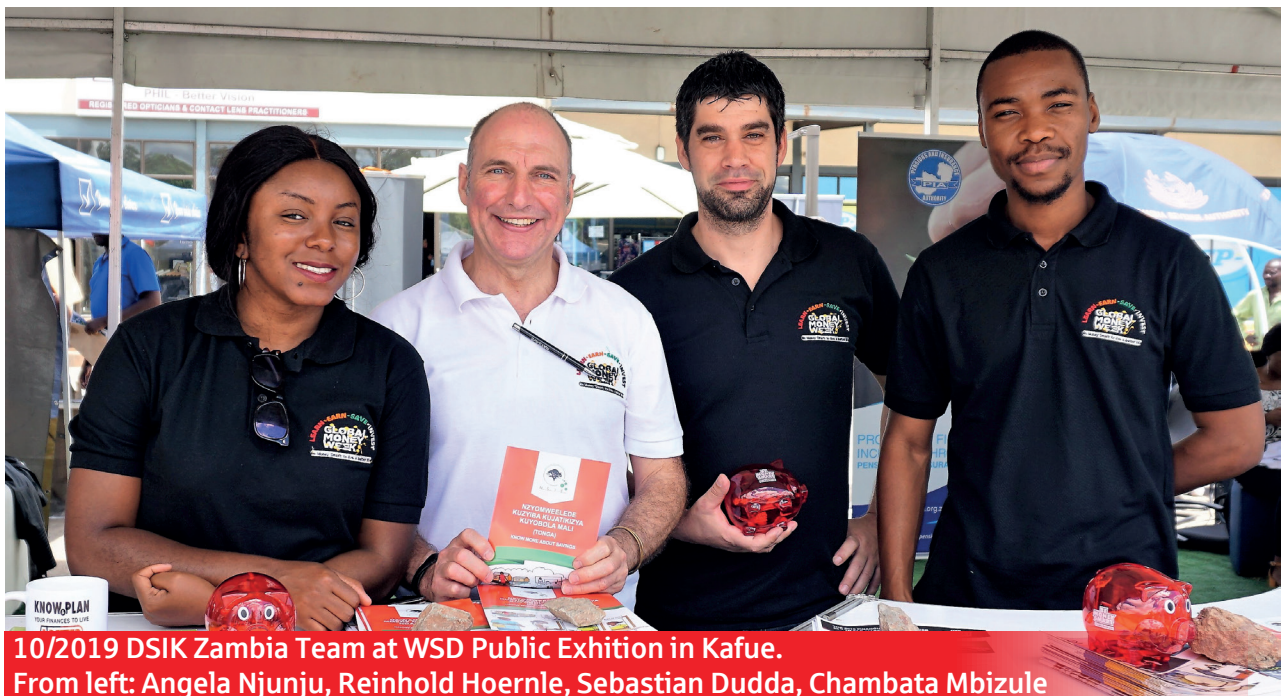
4.2. The development, launch (in July 2012) and the implementation of the National Strategy on Financial Education (NSFE) for Zambia. This led to the establishment of the Financial Education Co-ordination Unit at BoZ;

4.3. Inclusion and enhancement of Financial Education in the Zambian School curriculum in collaboration with the Ministry of General Education and other financial sector stakeholders;

4.4. Received awards in the excellence of implementing financial inclusion and literacy programmes from the Child and Youth Finance International (CYFI) “Global Money Week” programme, currently being overseen by the Organisation for Economic Cooperation and Development (OECD);

4.5. Coordination national awareness programmes for consumers through road shows, as well as print and electronic media, mainly through the annual Financial Literacy Week and the World Savings Day; and,

4.6. Hosting the Governor’s annual financial literacy awards to recognise excellent institutional and individual performance in the financial inclusion space in Zambia.



www.sparkassenstiftung.de
www.sparkassenstiftung-southernafrica.org



German-Sparkassenstiftung-Southern-Africa



Reflections/ Voices of Partners, Trainers and Trainees



Ms Freda Tamba

Ms Freda Tamba is Director – Non-Bank Financial Institutions Supervision (NBFIS) at the Bank of Zambia (BoZ) - a lead Partner Institution. Ms Tamba is satisfied with phase one of the project. She says: “The DSIK project facilitated financial education through hands-on micro business and farmers’ business simulation trainings to more than 18,000 Zambians countrywide, including women and youth. The impact of these trainings was assessed to be very positive and contributed to improved livelihoods of the training participants.”

“We are looking forward to continued collaboration with the DSIK. This will help the BoZ and the Government of the Republic of Zambia achieve the National Financial Inclusion Strategy (NFIS) target of 80% financial inclusion by 2022.”

Mr Caster Mulamfu, a Senior Teacher Training Officer under the Ministry of General Education of Zambia Institute for Special Education, he has participated in trainings of more than 500 people that included women and youths.

Mr Mulamfu is upbeat about the new phase of the DSIK project. He says: “The need for training is ever increasing and the requests are many, quiet a lot should have been done in 2020 but due to COVID-19, most trainings could not be undertaken. The battle is not far from being won in breaking the barriers of financial literacy. Your efforts are not in vain and definitely have not gone unnoticed”.



Mr Caster Mulamfu,



Ms Tausi Nasamu

Another Trainer, **Ms Tausi Nasamu** of Agora Microfinance Zambia who has been involved in DSIK work for the last six years has participated in training over 20 different groups in financial education using the Savings Game tool, says: “I facilitated at trainings with my colleagues and we trained BoZ employees, Zambia Police Service, women groups, church groups, students and many more, even going as far as Namibia for trainings”.

How does she feel about the DSIK work? “It is always exciting to experience new challenges with the different groups. Seeing people responding positively to saving and generally improving their quality of life or making impact to others, gives me joy”.



Ms. Mulemwa Moongwa

Ms. Mulemwa Moongwa has served as Project Coordinator for the national financial literacy campaigns since inception in 2013. She is currently the longest serving Contractor of the DSIK in Zambia and works at the Secretariat as Coordinator for both the Financial Literacy Week and the World Savings Day. She says: “the growth of these activities from concept to the largest multistakeholder initiatives that bring together over one hundred and twenty (120) entities from the public and private sectors to spread financial literacy concepts across the country is unbelievable. Working with Sparkasse models has helped in growing the Savings movement in Zambia.

Mr Prince Zuze Manico is a farmer and a miner who participated in the FBS training in Mufulira in the Copperbelt Province of Zambia. Mr Manico says the training helped him identify areas needed to improve as a farmer like record keeping, reinvestment to expand the farming business and land utilisation. He says: “Attending the course opens other opportunities such as the importance of banking or savings, management of farming as a business and benefits of planting more than one crop”.



Mr Prince Zuze Manico



Ireen Nyembezi Nyirenda

Ireen Nyembezi Nyirenda of Tawanda Investments Limited is a 2017 graduate of the MBS and has been practicing her newly gained knowledge in: Sales Estimates, Organisational Structure/ Staffing, Borrowing from Banks, Salaries and Motivation of Staff, Profit Plan, Cash flow Plan and Investment.

Ms Nyirenda sees the DSIK training as an opportunity for entrepreneurs to analyse their businesses and “align them to the current global dispensation in these covid-19 times where there is so much uncertainty in every business sphere globally”. She concludes: “this training made me start analysing my gifts and to start small. I’m now working using my own hands feeding my fish in fish ponds and processing fish and chickens using a smoker”.

Mr Leonard Mwanza, Chief Executive Officer of the Bankers Association of Zambia (BAZ) has for the past 9 years been engaged in work with the DSIK, including co-ordination of the annual Financial Literacy Week campaigns, the BoZ Governors awards, commemoration of the World Savings Day and participating as a trainee on various workshops.

He notes success highlights, including spreading Financial Literacy Week activities throughout the Country, development of affordable and accessible savings products and supporting the increase of financial inclusion levels from 59.3% to 69.4% between 2015 and 2020. He looks forward to more collaboration on FLW activities and the WSD commemoration as ‘we push towards Financial Literacy Levels of 80% by 2022’. BAZ is currently the appointed Financial Literacy co-ordination institution in Zambia.



Mr Leonard Mwanza

Successful Financial Literacy Partnership Zambia & Germany – The Future



5/2019: Teams of BoZ Financial System Development Unit and DSIK at a Planning Workshop. from left: Chambata Mbizule, Kennedy Mukuka, Reinhold Hoernle, Musapenda J. Phiri, Marvin Ilunga, Angela Njunju, Sebastian Dudda, Kabinda Kawesha, Banji Milambo

The successful project “Strengthening of Financial Education in Zambia” in partnership with the Bank of Zambia ended on 31st Dec 2020. In order to achieve sustainability, to continue the successful and impactful collaboration with the BoZ and all the other partners and to follow Sparkassenstiftung's long-term approach, Deutsche Sparkassenstiftung for International Cooperation (DSIK) in Zambia registered as Sparkassenstiftung Zambia Limited in September 2020.

Under the new project “Strengthening small-scale Entrepreneurship in Southern Africa”, activities will be extended to Namibia, Zimbabwe and Malawi. The German technical and financial support to Zambia, mainly for the micro, small and medium enterprises (MSMEs) will therefore continue for the time being - at least until 31st July 2023. [Activities](#)

2012 - 2020 in Pictures





Our Partners

Members of the Zambia Financial Literacy Working Group



DSIK Partners 2014-2020



Thank you for your cooperation



Office of Sparkassenstiftung Zambia Limited:
c/o Bank of Zambia, (NBFIS)
Financial Sector Development Unit (FSD),
Bank Square, Cairo Road, Lusaka, Zambia

Office of Sparkassenstiftung Southern Africa:
Plot No. 5, Mwaimwena Road, off Beit Road,
Rhodespark Area, Lusaka, Zambia