

## **Denny H Kalyalya: Build your future - be money smart**

Speech (virtual) by Dr Denny H Kalyalya, Governor of the Bank of Zambia, at the Launch of the 2022 Financial Literacy Week, 21 March 2022.

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### **SALUTATIONS**

- All Senior Governmental officials
- Chief Executive Officers of Financial Sector Regulators – PIA and SEC
- All Chief Executive Officers of Financial Services Providers
- All Cooperating partners
- Invited Guests
- Ladies and Gentlemen

### **Good morning**

I am delighted to welcome you all to this year's launch of the public awareness campaign for the Financial Literacy Week activities, which will run from 21-27 March 2022. The commemoration of the Financial Literacy Week commenced yesterday with a live nationwide television broadcast by the Honourable Minister of Finance and National Planning, Dr. Situmbeko Musokotwane. The commemoration will continue with a number of activities in all the 10 provinces of our country, including public exhibitions, debates, media programmes, an innovation challenge and visits to financial institutions and selected government agencies.

This year's theme "**Build your Future: Be Money Smart**" is anchored on the importance of planning for one's future through making prudent and well-informed financial decisions now. The theme prompts all Zambian citizens, particularly young people, to own the responsibility of securing their financial future.

The Financial Literacy Week activities continue to focus on young people in primary, secondary and tertiary institutions to help future adult generations are appropriately equipped to make sound financial decisions for their financial well-being.

**Ladies and Gentlemen**, Zambia's commemoration of Financial Literacy Week is undertaken under the auspices of the Global Money Week, which is an annual global awareness-raising campaign on the importance of financial education for children and youth. This year's commemoration of Global Money Week and Financial Literacy Week is particularly special in that this year marks the 10th anniversary of the Global and local annual campaigns.

In the last 10 years, the campaigns have been targeted at creating awareness amongst children, youth and adults on the need to acquire the knowledge, and skills about personal financial management. With the acquired knowledge, they can have the confidence and motivation to make sound financial decisions and use appropriate financial services. This knowledge is expected to translate to improved financial well-being, and resilience of our citizens, and enable them to contribute to national development through improved productivity as well as job and wealth creation.

**Invited Guests**, as we look back on the last 10 years of the commemoration of Financial Literacy Week and recognize its contribution to financial education, allow me to mention a few milestones that have been achieved:

- In 2012, Zambia launched its first ever National Strategy on Financial Education (phase I) which clearly identified children, youths, adults, Small Medium Enterprises and Small holder farmers as target groups. The main goal was to have a financially educated Zambian population by 2030;
- In 2017, the National Financial Inclusion Strategy was launched. The main goal of the Strategy was to achieve universal access to and usage of a broad range of quality and affordable financial services that meet the needs of individuals and enterprises and targets overall financial inclusion of 80% of the adult population by 2022;
- In 2017, under the National Strategy on Financial Education (phase I) financial education was integrated into both primary and secondary school curriculum;
- In 2019, phase II of the National Strategy on Financial Education was launched, to address the gaps identified under phase I; and
- Through the financial literacy campaigns, the number of financial services accounts designed for children increased to more than 20 compared to only 3 at the beginning of 2013.

We strongly believe that the formulation and implementation of these national Strategies have provided a robust framework that facilitates effective stakeholder engagement between the Government, financial sector regulators, financial service providers and the general public. This collaboration has resulted in increased public awareness of the availability of financial products and services across the country, therefore contributing to the increase in overall financial inclusion in Zambia from 37.3% in 2009 to 69.4% in 2020.

As financial sector regulators and services providers, we are obliged to disseminate information about the different types of services and products that are available to the public as well as some of the risks that maybe associated with them.

This information helps individuals and businesses to increase their awareness on the number of ways to save and invest their financial resources, as well as how to manage their financial affairs safely in an increasingly digitized environment.

**Ladies and Gentlemen**, technology and innovation in the financial sector has played a major role in raising the level of financial inclusion in the country over the last five years. According to the FinScope 2020 Survey, while overall financial inclusion increased to 69.4 percent, from 59.3 percent in 2015, formal financial inclusion rose significantly to 61.3 percent from 38.2 percent.

This was largely due to the uptake of mobile money, which went up exponentially by 58.4 percent from 14.0 percent.

**Invited Guests**, the use of digital financial platforms for the payment of retail and public services, including Government services has significant benefits to consumers and service providers alike. Digital platforms facilitate relatively safe, efficient and

convenient service delivery and allows for tracking of financial transactions. With regard to Government related services, the use of digital platforms is expected to enhance revenue collection and contribute positively to the national Treasury. This notwithstanding, the rise in the use of Digital Financial Services has also introduced significant risks for individuals as well as for financial service providers. To address these risks, there is greater need to enhance cyber security and raise awareness about fraud to secure higher uptake and protect the consumers of digital financial services.

**Ladies and Gentlemen**, it is a well known fact that the Covid 19 pandemic has affected millions of people worldwide in the last three years, and Zambia is no exception. While the significant adverse impacts of the pandemic on global economic growth are subsiding, the pandemic is still a risk for future economic growth and consequently financial inclusion.

I therefore encourage everyone to get vaccinated and continue adhering to health guidelines as prescribed by the authorities in order to protect ourselves and our communities.

**Ladies and Gentlemen**, the contribution of the financial sector towards the attainment of Vision 2030 and its underlying principles is being undertaken through the implementation of the National Financial Sector Development Policy, the National Financial Inclusion Strategy, the Rural Finance Policy and Strategy, the Capital Markets Development Plan and the National Strategy on Financial Education.

These financial sector strategies aim to broaden and deepen the types of financial services in the banking, capital markets, microfinance, insurance and pensions sectors as well as to promote financial inclusion. As financial sector regulators, we have vested interest in ensuring that the financial sector is innovative, responsive to demand for financial services and that it supports Zambia's economic growth, while maintaining stability. It is essential therefore, that the financial sector continues to expand its portfolio of products and services by leveraging reforms, digital innovations and targeted outreach.

In this regard, I wish to urge all stakeholders in the financial ecosystem to collaborate and contribute to the financial inclusion agenda through the development of appropriate infrastructure, provision of affordable customer centric products, delivery of financial literacy and promotion of consumer protection for the underserved population, particularly in rural areas.

**Invited Guests**, it is important to note that as part of the implementation of the National Strategy for Financial Education, the Financial Literacy Awards are held in October every year to recognize efforts made by individuals and institutions to reach out to the public through financial literacy awareness initiatives. I therefore encourage you to submit your financial literacy activities and initiatives to the Financial Literacy Working group for consideration for this year's awards.

In conclusion, I would like to thank the Working Group under the National Strategy on Financial Education Phase II for the organization of the Financial Literacy Week. In particular, the Ministry of Finance and National Planning Financial Education Team, financial sector regulators, (Pensions and Insurance Authority and the Securities and

Exchange Commission), the Bankers Association of Zambia, our collaborating partners DSIK (the German Sparkassenstiftung) Zambia, Financial Sector Deepening Zambia and all other stakeholders who have continued to support the Financial Literacy Week commemorations every year.

The Bank of Zambia remains committed to supporting this national event and we encourage all financial institutions and stakeholders to participate in the FLW activities across the country.

**MAY GOD BLESS US ALL.**