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Implemented by:



Public finance – Mozambique

"Financial literacy". Enlightenment through modern media.

What is a bank? Why is saving important? How do I handle my money? Many Mozambicans cannot answer these and similar questions. At the same time, a large part of the population has a mobile phone. Information is provided on financial services ("financial literacy") and access to financial services is facilitated by using modern communication, media as well as involving schools and traditional communication methods.

Context

Mozambique has recorded steady economic growth of 7 % on average for many years. Visitors find the capital city of Maputo, with over one million people, to be a vibrant, dynamic and aspiring city. Situated beside Delagoa Bay, the city is benefiting from the upswing. Yet the hustle and bustle as well as the business activity gloss over the poverty and the low level of education: Mozambique is still one of the five poorest countries in the world. The growth has yet to trickle down much to the population, most of whom (over 70 %) live in rural areas. There, barely one in every two people knows what a bank is. Loans are only available via traditional money lenders, and at horrendous rates. Throughout Mozambique, which is approximately 2.5 times the size of Germany, only about one in every five people even has access to savings, transfer or credit products. Nonetheless, almost 40 % of the population can use a mobile phone. Radio is even more widespread, while wealthier Mozambicans have televisions, a platform that exerts a strong influence on public opinion. Those who have neither a mobile phone nor a radio or television find out about information, news and facts directly from other people or in public places.

Project approach

Mozambique's government adopted its national 2016-2022 financial inclusion strategy in July 2016. This is an addition to the 2013-2022 financial sector strategy. KfW Development Bank will play a key role in these strategies. The government's strategy aims to open up access to financial services, further develop the financial infrastructure and protect consumers while providing them with basic financial education. The measures by the central bank, which it started carrying out in 2014, are expected to contribute to basic financial education

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DW Academy in Maputo. Quelle: DW

and help improve financial inclusion in various ways. With support from Sparkassenstiftung, World Savings Day was introduced for the first time in the capital of Maputo in 2014 and celebrated throughout the country in 2015.

Young people were given lessons in finance at over a hundred schools and awareness was raised of the importance of saving. The specially composed savings song *Vamos Poupar* and the personable *Moedinhas* mascot will also accompany the World Savings Day activities in the years to come.

DW Akademie is using its journalistic expertise to support the production of radio dramas in more than eight languages spoken in Mozambique in addition to Portuguese and the production of a film, which will be shown publicly in roughly 30 towns with a follow-on discussion. This way, people without a television can learn in an entertaining way about how to manage money and financial products properly. In this context, an emotional form of presentation was chosen with amusing, entertaining spots. These touch people, make a lasting impression and are therefore designed to have a long-lasting learning impact. Consequently, the population learns more about a topic that initially appears to be technically sophisticated and quite difficult to convey.

Basic financial education is a mammoth task that can only be mastered with the cooperation of many stakeholders. Other campaigns are planned at schools and in other areas together with the central bank with the aim of discussing the importance of saving with kids. . Aside from saving and being knowledgeable of financial products, securing savings deposits is also critical. KfW Development Bank is offering support to Mozambique's

central bank in the establishment of a deposit protection fund. All of the country's banks have already provided capital for the fund.

Impact

The programmes have been launched on a nationwide basis and reach the Mozambican population in all eleven of the country's provinces. World Savings Day has been met with considerable approval by the population. For this reason there are plans to repeat the event, in which all of the country's major financial institutions will again take part. The public's growing interest in basic financial education also shows that other campaigns will have to be carried out.



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