



External Relations Department

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National Financial Literacy Program milestones achieved: SBP

The National Financial Literacy Program (NFLP) of the State Bank of Pakistan (SBP) completed its third year at the end of FY20 with all the targets surpassing for the fiscal year, despite the outbreak of COVID-19 pandemic since March 2020.

In order to address the challenge of financial exclusion, the Government of Pakistan adopted a National Financial Inclusion Strategy (NFIS) in 2015. The NFIS aims to enhance formal financial access to 50 percent of the adult population by 2020. Accordingly, with the core objective to enhance access to finance in the country and encourage usage of formal banking channels, the State Bank of Pakistan took the lead in implementing the measures suggested vide the NFIS and incorporated the same in its Strategic Vision 2020. Among other measures, one major initiative was the launch of NFLP.

NFLP is SBP's flagship program that is focused on imparting basic financial education to unbanked/underserved segments of population especially the women and youth. Keeping in view the diversity and literacy level of target audience, the NFLP program has been segmented into two components, National Financial Literacy Program for Adults (NFLP-A) and the National Financial Literacy Program for Youth (NFLP-Y). The objectives of this program are to i) Provide financial education to around 2.6 million beneficiaries over five years, 1 million through NFLP-A and 1.6 million through NFLP-Y; ii) have gender mix of 50:50; and iii) to open bank or mobile accounts of the beneficiaries.

Under NFLP-A, despite the prevailing pandemic of COVID 19, 250,000 participants were given financial education during FY20 against the target of 226,000 beneficiaries, through almost 10,000 classroom sessions and 300 street theatre programs. This comprised of 70% participants located in rural area with significant improvement in female participation (42% in FY19 to 57% in FY20). The number of participants who opened a bank or mobile account at the end of the session, also showed remarkable improvement from 53% in FY19 to 83% in FY20. Since the initiation of NFLP-A in August 2017, more than 600,000 adults have been imparted financial education.

Under NFLP-Y, since its inception in Oct 2018, around 300,000 students have been trained against a target of 240,000 students by end March 2020. This program envisages to impart financial education to three age groups 9-12 years, 13-17 years and 18-29 years across 45 selected districts of Pakistan.

In addition to the above and to supplement the message of financial literacy, various other initiatives have been taken under NFLP which include: i) country-wide media campaigns to sensitize the masses about the program; ii) setting up of a dedicated toll-free helpline for public queries; iii) launch of dedicated website (financialeducation.pk) to provide information on basic financial concepts, program schedule and other routine updates; iv) MoUs signed



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with important stakeholders to collaborate under NFLP; and v) comprehensive booklet for general public was published covering the content in narrative form titled 'sikka baqaida'.

Financial inclusion has always been a challenge for Pakistan keeping in view the socio-economic demographics, low income levels, cultural barriers, gender inequality, low literacy levels and presence of informal economy prevalent in the country. The level of financial inclusion in Pakistan up until 2015 was one of the lowest in the world as only 16 percent of the adult population had a bank account and the account ownership was even lower for women at 11 percent. Now, unique account ownership in the country has increased to 66 million with 60% active accounts by December 2019. The target of 50 percent accounts has been accomplished well before the deadline of 2020.

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