June 2013

FINANCIAL LITERACY & EDUCATION RUSSIA TRUST FUND

OECD/INFE peer review and regional reports

FINANCIAL EDUCATION IN AFRICA AND LATIN AMERICA

OECD/INFE PEER REVIEW AND REGIONAL REPORTS:
FINANCIAL EDUCATION IN AFRICA AND LATIN AMERICA

FOREWORD

The importance of financial education is recognised in many countries in Latin America and the Caribbean (LAC) and Africa, including low- and middle-income countries.

The OECD has undertaken in-depth studies of such provision in both regions, drawing on surveys of members and submissions to the OECD International Gateway for Financial Education, conference proceedings, regional contacts and wide-ranging desk research. Three common themes emerge from the two reports:

- Financial inclusion is low but improving, with innovations reaching out to the excluded (notably mobile banking in Africa and Conditional Cash Transfers in LAC).
- An increasing number of countries are making efforts to measure financial literacy across their population, and results indicate that financial knowledge and awareness are low.
- An increasing number of countries are seeking to develop national strategies for financial education. In this respect, learning from regional peers seems to be particularly important.

In Latin America, financial education is high on the policy agenda, and institutional cooperation amongst public authorities is common. Brazil has a fully implemented national strategy, while other countries are about to move to the implementation phase (notably Colombia and Mexico) or have already received government support for the design of a national strategy.

In Africa, South Africa has made a long-term commitment to financial education through a national strategy, but the majority of countries on the continent lack of strategic, co-ordinated approach to financial education. Funding for financial education and program delivery is often provided by international donors, NGOs, microfinance institutions or the private sector.

This publication collects evidence and policy analysis developed under the Russia/WB/OECD Trust Fund for Financial Literacy and Education, and highlights lessons learnt and the way forward at the regional level. Chapter 1 focuses on the characteristics and challenges of financial education initiatives in Africa. Chapter 2 – resulting from the collaboration of the OECD/INFE, the Financial Institutions Guarantee Fund of Colombia (Fogafin) and the Development Bank of Latin America (CAF) – reviews the development of financial education programmes and national strategies in LAC countries.

EXECUTIVE SUMMARY

This report provides an overview of the status of financial education programmes developed in Africa and in Latin America and the Caribbean, discusses their rationale, and offers guidance for policy makers.

Chapter one analyses the African situation. In Africa macroeconomic and social scenarios are not uniform across the continent but disparities, both within and between countries in terms of economic and human development, are common.

Yet, on average, many African countries are characterised by relatively low school enrolment ratios, highly informal labour markets, and high poverty rates. Moreover, the fraction of population having access to formal financial products is small in many African countries, with large proportions of individuals using only informal products and services, or being completely excluded from financial sectors. Low financial literacy is an important demand-side barrier to more effective financial inclusion. The available (limited) evidence suggests that financial literacy levels are quite low.

Against this backdrop, there is scope for improving the level of financial literacy among the most vulnerable parts of the African population. Well-designed financial education initiatives can reduce demand-side barriers to more effective financial inclusion and can empower vulnerable individuals economically, so that they can better manage household resources and develop income generating activities.

Indeed, in recent years several governments and financial regulators engaged in the development of financial education programmes in Africa. Notable examples of advanced programmes by public authorities and of national strategies have been found in Ghana, Namibia, South Africa and Uganda. Several other programmes have been implemented by a range of stakeholders, including NGOs, MFIs and financial institutions.

The financial education programmes identified typically aim at improving financial knowledge and skills, raising awareness of financial issues, and strengthening financial inclusion. They usually target vulnerable groups, including low-income people, women, and youth, and sometimes deliver financial literacy training in combination with access to financial products, or with training on other economic and life skills. A number of impact evaluations of programmes have been launched in recent years which should allow the identification of most efficient practices in the future.

Chapter two is dedicated to Latin American and Caribbean countries. Over the last decade, most economies in this area have displayed sustained growth and macroeconomic stability leading to the emergence of growing middle classes. Despite these advances, poverty and inequality levels remain high and financial exclusion still affects important sectors of both the urban and the rural population, which can hinder future economic and social development. Moreover, those who benefitted from economic growth need to know how to manage their finances and benefit from more developed financial markets.

Financial education policies can help policy makers in the region address both the needs of the growing middle classes, and be an important complement to financial inclusion and poverty reduction measures.

Accordingly, public authorities in the region have developed programmes that build on the complementarities between financial education, inclusion and the development of social capital. The recent example of financial education included within conditional cash transfer programmes is among the promising initiatives implemented. A regional survey of the public actors active in financial education and of the characteristics of existing programmes has permitted identifying innovative practices and relevant examples of inter-institutional co-operation, as well as a few well developed national strategies for financial education implemented with strong political support.

However, the research also finds that evidence of the needs of the region's population when it comes to financial literacy is not equally available in all economies, calling for increased efforts on measurement. This, together with more thorough impact evaluation of existing programmes, would help designing and implementing more effective financial education programmes and generate measurable results, whereby raising the profile of financial education policies.

TABLE OF CONTENTS

Tables

Figures

Boxes

Chapter 1

THE STATUS OF FINANCIAL EDUCATION IN AFRICA

by
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The report was prepared for the OECD-FSB Conference on Financial Literacy: Financial Education for All (27-28 October 2011, Cape Town, South Africa). It is based on desk and online research, on the contributions of national and international institutions involved in financial education in Africa, as well as on the work of the OECD International Network on Financial Education (INFE), and has been updated following conference discussions and feedback from national authorities and other stakeholders.

* This chapter was originally published as Messy, F. and C. Monticone (2012), "The Status of Financial Education in Africa", OECD Working Papers on Finance, Insurance and Private Pensions, No. 25, OECD Publishing.

I. INTRODUCTION

In 2008 the OECD created the International Network on Financial Education (INFE), bringing together high-level public officials from about 100 developed and developing countries to discuss and exchange issues, programmes, and good practices related to financial education. To date 19 African countries are members of the INFE: Cameroon, Cape Verde, Egypt, Ethiopia, Ghana, Ivory Coast, Kenya, Lesotho, Libya, Malawi, Mauritania, Morocco, Namibia, Nigeria, South Africa, Tanzania, Uganda, Zambia and Zimbabwe.

This report provides an initial overview of financial education programmes recently developed in Africa and of their rationale and objectives, and offers initial suggestions for policy makers and other stakeholders. This document was prepared for discussion during the OECD-FSB Conference on Financial Literacy: Financial Education for All (27-28 October 2011, Cape Town, South Africa) and has been updated following conference discussions and feedback from national authorities and other stakeholders.

In the context of this report, financial education is defined as in the OECD publication *Improving Financial Literacy. Analysis of Issues and Policies* (OECD, 2005a):

> "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 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 and protection."

This definition refers quite broadly to financial products, opportunities and risks. In relation to African countries and to developing countries, it can be interpreted in a flexible way, in order to take into account the importance not only of the informal sector, but also of in-kind household resources, alongside monetary ones.

This stock-taking exercise is based on desk and online research, as well as on the contributions of national and international institutions involved in financial education and on previous INFE work.

The report is structured as follows:

- Section 2 introduces the African socio-economic development context and provides evidence on financial inclusion and financial literacy. These factors highlight the importance of developing financial education in Africa;

- Section 3 summarises the main characteristics of the financial education initiatives identified in Africa (e.g., aim, stakeholders involved, funding sources, target population, delivery channel and content), highlighting some case studies;

- Section 4 reports the main findings obtained by selected evaluation exercises;

- Section 5 reviews in more detail the financial education initiatives by country;

- Section 6 concludes by offering preliminary guidance for policy makers.

- The Appendix contains additional relevant information concerning the African socio-economic development context (Appendix A) and financial inclusion data (Appendix B). A glossary is in Appendix C, and Appendix D contains a list of acronyms.

Acknowledgements

The working paper benefited from the help of the following country contacts, who reviewed parts of the report and provided additional material: Olivia Davids (Financial Services Board of South Africa), Nicholas Gyabaah (Ministry of Finance and Economic Planning of Ghana), Ingrid Goodspeed (National Treasury of South Africa), Simone Iltgen (GIZ), Japhet Katto and Ann Muhangi (Capital Markets Authority of Uganda), Aldrin Manyando (Ministry of Finance of Namibia), Wilson Mazimba (Bank of Zambia), Thato Mohasoa (Central Bank of Lesotho), Matu Mugo (Central Bank of Kenya), Polycarp Musinguzi (Bank of Uganda), Chisha Mwanakatwe (Bank of Zambia), Hastings Mzoma (Reserve Bank of Malawi), and Johannes Naanda (Namibia Financial Institutions Supervisory Authority, NAMFISA). Insightful comments and additional material were also provided by Karen Austrian (Population Council), Leslie Barcus (Microfinance Opportunities), Jessica Benjamin and Alyna Wyatt (Genesis Analytics), Jessica Massie (Microfinance Transparency), Gerda Piprek (MarketWorx), and Hidde van der Veer (Aflatoun).

II. BACKGROUND

Summary

The African situation is not uniform across the continent and disparities both within and between countries in terms of economic and human development are common. Yet, on average, many African countries are characterised by relatively low school enrolment ratios, highly informal labour markets, and high poverty rates.

The fraction of population having access to formal financial products is small in many countries, with large proportions of individuals using only informal products and services, or being completely excluded from financial sectors.

Low financial literacy is an important demand-side barrier to more effective financial inclusion. The very few existing measurement exercises highlight low levels of financial literacy. Other measurement initiatives are underway either under the initiative of national authorities, or as a part of the international measurement exercises promoted by the OECD and the World Bank.

Against this backdrop, there is scope for improving the level of financial literacy among the most vulnerable parts of the African population. Well-designed financial education initiatives can reduce demand-side barriers to more effective financial inclusion and can empower vulnerable individuals economically, so that they can better manage household resources and develop income generating activities.

This section introduces the African context and describes the extent of financial inclusion and financial literacy. These factors are then used to highlight the relevance of developing financial education in Africa.

Economic and social challenges

Africa's development situation is not uniform across the continent and there are notable between- and within- country differences. Yet, overall it can be considered challenging in social and economic terms. High poverty and low schooling rates are coupled with volatile and unequally distributed incomes, as evidenced in Appendix A. In such a context it is not surprising that many people experience difficulties in accessing financial services and in managing their scarce household resources effectively.

In addition, as is the case in several developing economies, in many African countries there are large shares of the population who are not only poor but also exposed to various constraints in managing their resources, as they live in risky environments with limited public, social and market opportunities to adequately protect themselves from these risks. This means they may not be adequately prepared to face natural, agricultural, health and security shocks as they often have to deal with droughts, floods, illness or loss of a family member, theft or damage to property/crop/livestock. Moreover, jobs and incomes in some African countries are subject to a high degree of uncertainty, given the breadth of the informal sector, and that only few have access to formal employment. Typically, incomes from informal jobs are not only low but also irregular, making it more difficult for households to smooth their consumption over time. In addition, more lenient regulation and consumer protection in relation to financial services expose individuals to a riskier environment too. Even when consumer protection legislation exists, lack of resources, institutional capacity, and enforcement powers often weaken its effectiveness (CGAP and WB, 2010).

Low but improving levels of financial inclusion[1]

In a context of extreme poverty and low schooling rates for large segments of the population, it is not surprising that in many African countries the percentage of the adult population that is economically marginalized and excluded from financial markets and services is remarkably high.

Three main sources provide data on the extent of people's access to banking in African countries: the FinScope surveys, the World Bank and Gallup (Table 1). A detailed description of the data sources is contained in Appendix B. Even though the results of the various sources are not entirely homogeneous for a number of countries, it is useful to report each of them to have the broadest possible geographical coverage. Aside from the discrepancies across data sources, the overall picture provided by Table 1 is that of a low level of banking, even though there is large heterogeneity between countries.

Two striking aspects emerge from the comparison in Table 1. First, it is difficult to obtain a comparable measure of financial inclusion for a large number of countries. The FinScope and Gallup surveys collected data with a common methodology across countries, thus allowing cross-country comparability, but are quite limited in their geographical coverage. On the contrary, the WB exercise collects figures for a much larger number of countries, but combines data obtained from potentially non-homogenous sources. Other methodological differences across the three sources that may account for the disparity in figures are discussed in Appendix B. Second, it is apparent that the availability of consistent evidence on financial access is quite limited, highlighting the need to collect more and better data.

Concentrating on the FinScope surveys allows us to both disentangle various 'degrees' of financial inclusion, and to assess within- and between-country variation in access. FinScope surveys present the so-called 'financial access strand', where the adult population is divided into four groups according to their use of different financial products (Table 2):

- *banked* individuals include adults who have/use at least one banking product issued by a bank regulated by the central bank (this group is not necessarily exclusive, as they may also use other formal or informal products);

- *formally served* individuals include adults who do not have/use any banking product but have/use other products issued by regulated non-bank financial institutions (e.g. regulated microfinance institutions, insurance companies, retail credit providers, remittance service providers, etc.);

[1] The INFE has adopted the following working definition of financial inclusion: "Financial inclusion refers to the process of promoting affordable, timely and adequate access to a range of regulated financial products and services and broadening their use by all segments of society through the implementation of tailored existing and innovative approaches including financial awareness and education with a view to promote financial wellbeing as well as economic and social inclusion".

- the *informally served* group includes adults who only have/use informal products, meaning financial products and/or services which are not regulated, e.g. cooperatives, farmers associations, savings clubs/groups, private money lenders, etc.;

- finally, the *financially excluded* group includes adults who do not have/use any financial product (even if they may rely on friends/family/employers for borrowing, or may save at home).

Table 1. Access to banking in selected African countries according to different sources

	FinScope	WB	Gallup		FinScope	WB	Gallup
Algeria		31		Libya		27	
Angola		25		Madagascar		21	
Benin		32		Malawi	19	21	11
Botswana	41	47		Mali		22	2
Burkina Faso		26		Mauritius		54	
Burundi		17	4	Morocco		28	
Cameroon		24	8	Mozambique	12	12	
Cape Verde		40		Namibia	45	28	
Central African Republic		19		Niger		31	1
Chad			7	Nigeria	30	15	23
Congo, Rep. of		27		Rwanda	14	23	16
Congo, Democratic Rep.			1	Senegal		27	6
Cote d'Ivoire		25	6	Sierra Leone		13	
Egypt		41		South Africa	63	46	49
Eritrea		12		Sudan		15	
Ethiopia		14		Swaziland		35	
Gabon		39		Tanzania	12	5	16
Gambia		21		Togo		28	
Ghana	34	16	19	Tunisia		42	
Guinea		20		Uganda	22	20	21
Kenya	23	10	29	Yemen		14	
Lesotho		17		Zambia	14	15	9
Liberia		11		Zimbabwe		34	28

Source: FinScope (various years); WB (20008); Gullup (2010). Percentage of the adult population accessing banking services. See Appendix B for a detailed description of the data sources.

Among the countries surveyed by FinScope, the share of adults having at least one banking product is below 15% in Mozambique, Tanzania, Rwanda and Zambia, is around 20-30% in Malawi, Uganda, Kenya, Nigeria and Ghana, and is above 40% in Botswana, Namibia, Swaziland, and South Africa (63%). Having non-bank financial products is not very common in general, except in Kenya and Botswana, where 18% of the adult population has no banking product but at least one other formal product, including savings through Savings and Credit Cooperative Societies (SACCOs), microfinance, short-term and long-term insurance, and funeral insurance. Overall, the fraction of formally served adults (holding banking and/or non-banking products) is, again, highest in Botswana, Namibia and South Africa and lowest in Mozambique and Tanzania.

Table 2. Degree of financial inclusion according to FinScope surveys

	Banked	Formal other	Informally served	Financially excluded
Botswana (2009)	41	18	8	33
Ghana (2010)	34	7	15	44
Kenya (2009)	23	18	26	33
Malawi (2008)	19	7	19	55
Mozambique (2009)	12	1	9	78
Namibia (2007)	45	2	1	52
Nigeria (2010)	30	6	17	46
Rwanda (2008)	14	7	27	52
South Africa (2010)	63	5	9	23
Swaziland (2011)	44	6	13	37
Tanzania (2009)	12	4	28	56
Uganda (2009)	21	7	42	30
Zambia (2009)	14	9	14	63

Source: FinScope (various years). Survey year in parenthesis. Percentage of the adult population.
Notes: Banked + Formal other = Formally served + Informally served = Financially included.

The size of the informally served population is quite large in Uganda (42%) and in Kenya, Rwanda, and Tanzania (around 25-30%), and is very small in Namibia, where most adults are either banked or excluded. Grouping together formal and informal financial access, which often overlap, results in more than 60% of the population of Kenya, Botswana, Swaziland, Uganda and South Africa (77%) being included. On the other side of the inclusion spectrum, the size of financial exclusion is close to 50% in Ghana, Nigeria, Namibia, Rwanda, Malawi and Tanzania, while it is highest in Zambia and Mozambique (78%).

Considerable between-country variation in financial access is coupled by large within-country heterogeneity.[2] Gender differences are present. Women are less likely to be banked and have a higher degree of exclusion. Differences are even more pronounced across the rural/urban population, with urban areas having the highest share of banked adults and rural areas displaying high financial exclusion. As expected, financial inclusion is remarkably different according to income source and occupational status. The highest/lowest share of banked/ excluded individuals is to be found among workers employed in the formal sector and receiving a wage or salary. The degree of formal financial inclusion decreases among individuals whose main income sources are farming and own businesses. They are also more likely to use informal products or to be excluded. Finally, exclusion is at its highest level among those who depend on odd jobs or other family members for financial support.

In addition to banking/transaction products and services, the access and use of formal insurance and saving products are also low in most African countries. As mentioned above, large shares of the population have to deal with high uncertainty concerning their labour incomes, agricultural resources, and health status. Moreover, low income per capita often implies not only that poor consumers cannot afford a high standard of living, but also that they do not have resources to buffer against adverse events or income shocks, preventing them from putting in place self-insurance mechanisms.

[2] However, this information was not available for all countries (FinScope, various years).

Both the share of adults who claim to be saving and the saving vehicles used vary considerably across the countries surveyed by FinScope. Among those who report to be able to save, many rely on informal saving products. Moreover, some people save in non-monetary forms (e.g., livestock), making the actual rate of saving potentially higher than the reported one.

In spite of the low overall level of financial inclusion, several countries made progress in financial inclusion in recent years. In almost all countries having multiple FinScope surveys (Kenya, Nigeria, South Africa, Tanzania, Uganda, and Zambia) the share of banked adults increased (with the exception of Zambia), and that of the financially excluded decreased. The development of mobile financial services has been one of the factors behind these improvements. According to "The Mobile Financial Services Development Report 2011" by the World Economic Forum (2011), the number of mobile accounts is above 10% of the adult population in Ghana, Kenya and Tanzania, while it is somewhat lower in South Africa and Uganda (and very limited – below 1% – in Nigeria). According to the report, initial mobile banking adoption has been mostly driven by the lack of alternatives (i.e., access to traditional financial services).

Limited but consistent evidence of low financial awareness and knowledge, and of non savvy financial behaviours

A range of elements account for high financial exclusion, including supply-side factors (e.g., banking terms and conditions, high fees, physical barriers, etc.) and various demand-side factors, such as low income, low financial literacy, and psychological and cultural barriers (Kempson, Atkinson, and Piley, 2004). In particular, financial literacy is relevant for financial inclusion because it can improve people's money management skills, it can enable them to compare financial products so as to choose the most appropriate for their needs, and increase their understanding of their rights and responsibility as consumers (OECD et al., 2009).[3]

So far there is very limited evidence of financial literacy levels in Africa. At the moment, there are no cross-country data available, but a few countries have started measuring it, or have plans to do so, either on their own initiative, or as a part of the international financial literacy measurement exercises promoted by the OECD and the World Bank, under the sponsorship of the Russian/World Bank/OECD Financial Literacy and Education Trust Fund.[4]

Country-level evidence about financial literacy is currently available for Kenya and South Africa. Evidence about Malawi, Namibia, Tanzania and Zambia will become available from the World Bank financial capability measurement exercise (under the support of the Russian Trust Fund). Moreover, the Bank of Uganda (through the FinLit Foundation) has planned a financial literacy measurement exercise in the country.

Atkinson and Kempson (2008) identify preliminary indicators of financial literacy in Kenya by analysing the 2006 FinAccess survey of Kenya. The study focuses on three main domains (i.e., day-to-day

[3] The OECD/INFE financial literacy measurement pilot defines financial literacy as "a combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial wellbeing" (Atkinson and Messy, 2012).

[4] The OECD/INFE created a questionnaire and the related methodology to measure financial literacy in an internationally comparable way. This questionnaire has been successfully piloted across 13 countries, including South Africa (OECD INFE 2011, Atkinson and Messy, 2012). Moreover, the World Bank is developing a survey instrument to measure financial capability in low and middle-income countries (Holzmann, 2011).

money management, planning for financial security, and risk and appropriate use of financial services) to measure financial literacy. Given that large sections of the population are poor and have limited access to financial services, the attempt of Atkinson and Kempson at measuring financial literacy focuses on behaviour and attitudes, rather than on financial knowledge. Their analysis indicates that many people in Kenya show difficulties in day-to-day money management and planning behaviour, although the authors note that scores based on behaviour may indicate not just an inability to make ends meet but also poverty and deprivation.

The Financial Services Board of South Africa (FSB) participated in the OECD INFE financial literacy measurement pilot (Atkinson and Messy, 2012). The results indicate that South Africans exhibit moderate to low levels of financial literacy on many indicators across four domains (knowledge and understanding, managing money, financial planning, and choosing financial products). In terms of financial knowledge, many respondents have problems in answering questions about interest rates and risk diversification. In terms of financial behaviour, many South Africans appear to have a responsible approach to financial management, but awareness and use of financial products is low and long-term planning is made difficult by the scarcity of resources to draw upon in case of emergency (Roberts and Struwig, 2011).

The importance of financial education for African countries

Large segments of the African population face a context characterised by limited access to education, labour markets with a high degree of informality, and high poverty rates. Moreover, the fraction of population having access to regulated financial products is small in many African countries, with large proportions of individuals using only informal products and services, or being completely excluded from financial sectors. The available evidence also suggests that financial literacy levels are quite low.

Against this backdrop, there is scope for improving the level of financial literacy among the most vulnerable parts of the African population. There are several reasons justifying the implementation of well-designed financial education initiatives in Africa, including the need for higher financial inclusion and appropriate use of financial products, as well as the need both to better manage personal /household resources, and to start and develop entrepreneurial activities.

First, financial education can help to reduce the demand-side barriers to financial inclusion. Improved financial literacy can increase awareness about products and services, as well as confidence and ability in using them. In turn, this can help to promote the demand for formal financial products and services. To be effectively included in financial markets, consumers need not only to have access to safe and regulated financial products, but also to be aware of their existence, understand their terms and conditions, and be able to compare products so as to choose the most appropriate to their needs. Moreover, consumers' lack of knowledge and experience with financial issues may put them in a disadvantaged position with respect to banks, microfinance institutions, and informal lenders, thus increasing the probability that they fall victim to fraud or abuse. In this respect, financial education can also foster effective financial inclusion by making consumers aware of their rights, so that they can better avoid scams and abuse from unscrupulous financial sector providers.

Second, financial education can empower consumers to better manage their personal and household resources, both on a day-to-day basis and over a long-term horizon. Given the little money available to poor households, it is important that they are able to budget and plan short-term expenses, avoiding borrowing to make ends meet and unnecessary spending. Moreover, as poor consumers often rely on highly uncertain income sources from the informal sector, they need to be able to plan and save in order to smooth their income fluctuations and to deal with unexpected personal or family expenses without falling into overindebtedness.

Third, financial education is also relevant for the small-scale entrepreneurial activities that often constitute an important source of revenues for poor households. Due to the relative scarcity of formal jobs, many individuals become own account workers, with sometimes a blurred distinction between personal and business finances. Greater financial literacy can empower vulnerable individuals to successfully manage and develop small-scale or micro-enterprises, improving their management skills and the appropriate use of financial products for their businesses.

Furthermore, improved financial literacy can potentially strengthen the efficiency of financial markets. Consumers who are better informed about financial risks and opportunities, and who are more aware of their own rights and responsibilities in relation to financial institutions can contribute to developing better functioning financial markets (alongside appropriate regulation and consumer protection). Moreover, by fostering long-term saving, financial education can promote the development of formal financial markets and infrastructure, ensuring that the financial sector makes an effective contribution to real economic growth.

III. CHARACTERISTICS OF FINANCIAL EDUCATION PROGRAMMES IN AFRICA

Summary

Given the challenges posed by low literacy and financial exclusion, over the last few years many governments and other stakeholders have engaged in the development of financial education programmes in Africa. Some countries have plans or are in the process of developing their National Strategies for Financial Education. In others, public authorities have implemented financial education initiatives at the national level, but not fully-fledged national strategies. Aside from nationally coordinated initiatives, a range of stakeholders, including NGOs, MFIs and financial institutions have implemented several scattered financial education programmes.

The financial education programmes identified in this working paper typically aim at improving financial knowledge and skills, raising awareness, and improving financial inclusion. They usually target vulnerable groups, including low-income people, women, and youth, and sometimes deliver financial literacy training in combination with access to financial products, or with training on other economic and life skills.

In recent years, governments and other stakeholders realised the challenges posed by low literacy and financial exclusion in Africa, and engaged in the development of financial education programmes (see Figure 1). Even though in many African countries financial education awareness at the policy level appears to be lower than in other regions of the world, it is growing rapidly. This section summarizes the main characteristics of the financial education initiatives identified in Africa and provides some examples.[5]

The state of development of financial education initiatives is varied across the continent. Kenya, Malawi, South Africa, Tanzania, Uganda, and Zambia have plans or are in the process of developing their National Strategies for Financial Education.[6] Ghana launched a National Strategy for Financial Literacy and Consumer Protection in the Microfinance Sector in 2009. In 2012 the Ministry of Finance of Namibia launched its Financial Literacy Initiative. In other countries – including Lesotho, South Africa and Zimbabwe – public authorities have implemented financial education initiatives at the national level (but

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[5] The stock-taking of programmes is based on desk and online research, as well as on the contributions of national public authorities and international NGOs involved in financial education. The stock-taking is as comprehensive as possible given the currently available information.

[6] The INFE High-level Principles on National Strategies for Financial Education (OECD INFE, 2012c; Grifoni and Messy, 2012) define a national strategy for financial education as "a nationally coordinated approach to financial education that consists of an adapted framework or programme, which:

- Recognises the importance of financial education - including possibly through legislation- and defines its meaning and scope at the national level in relation to identified national needs and gaps;
- Involves the cooperation of different stakeholders as well as the identification of a national leader or coordinating body/council;
- Establishes a roadmap to achieve specific and predetermined objectives within a set period of time; and,
- Provides guidance to be applied by individual programmes in order to efficiently and appropriately contribute to the national strategy."

not fully-fledged national strategies). Aside from nationally coordinated initiatives, a range of stakeholders, including NGOs, MFIs and financial institutions have implemented several scattered financial education programmes.

The number of programmes varies considerably across regions and countries. South Africa accounts for the highest number of initiatives identified, followed by Uganda. Broadly speaking, several programmes have been found in almost all Eastern African countries (i.e., Burundi, Kenya, Madagascar, Malawi, Mozambique, Rwanda, Tanzania, Uganda, Zambia, and Zimbabwe), and almost all Southern African ones (in Botswana, Lesotho, Namibia and South Africa). A few initiatives have also been identified in Western and Northern African countries (i.e., Burkina Faso, Egypt, Ghana, Mali, Morocco, Nigeria, and Senegal). On the contrary, financial education programmes appear to be missing in Central Africa.

A list of programmes with a summary of their main characteristics is reported in Table 4 in Appendix E.[7] The following paragraphs present financial education programmes in Africa according their aim, stakeholders involved, funding sources, target population, delivery channel and content. Section 4 looks at selected evaluations of these programmes.

Figure 1. Countries with financial education initiatives[8]

The map is as comprehensive as possible given the currently available information. It covers countries where initiatives have been planned, are underway, or have already been implemented, and it takes into account programmes by any stakeholders.

7 Table 4 provides a catalogue of programmes organized on the basis of the main stakeholder(s) and funder(s) of each initiative: public authorities; non-for-profit organisations, research institutions, and foreign development agencies; public/private or non-profit/private partnerships; and the private sector.

8 This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

Aim

The most frequent goals of the programmes surveyed are (i) to improve the financial knowledge and skills of the target populations so as to empower them from an economic point of view, (ii) to raise awareness of financial issues and/or of consumers' rights and responsibilities, (iii) to improve financial inclusion, by encouraging saving and access to formal financial products. Even when this last goal is not explicitly stated, it is apparent from the fact that many programmes target low income individuals or other vulnerable groups, or from the fact that they combine financial literacy training with access to saving products.

Stakeholders

While in Ghana, Kenya, Lesotho, Malawi, Namibia, South Africa, Tanzania, Uganda, Zambia, and Zimbabwe the government, the central bank or other financial supervisory bodies are involved in the development of coordinated financial education initiatives at the national level, or plan to do so, in many others the non-profit and the private sectors are the sole, or main, providers and sponsors.

Public sector initiatives are typically broader in scope than programmes implemented by NGOs and the private sector, and they tend to articulate their initiatives through several programmes and channels. For instance, the Financial Services Board (FSB) in South Africa, within its Consumer Education Initiative, conducts community outreach and awareness workshops, TV, radio, and road-shows.

Sometimes public and private bodies work in cooperation. For instance several awareness projects were jointly implemented in recent years by the FSB and the South African Insurance Association (SAIA). These initiatives included financial education for commuters and for consumers in shopping malls. In both cases the content was taken from consumer education booklets developed by the FSB, covering money management, debt issues, short-term insurance, and consumers' right and responsibilities.

It is apparent that in a sizeable number of programmes financial institutions are the sole or main stakeholder involved in the implementation of a financial education project. In particular, in Botswana, Burkina Faso, Mali, and Senegal we only identified financial education initiatives implemented by the private sector. Other examples include programmes by local bank/commercial MFIs (e.g., Postbank and Ubank in South Africa, Faulu in Kenya, Banque Populaire du Rwanda, Zanaco in Zambia, etc.) or international financial institutions (e.g., Citigroup, Visa, Barclays).

The involvement of the private sector in financial education initiatives is important, especially in projects aiming at improving access to financial products, as it can supplement public resources and shows engagement in terms of social responsibility. However, the strong presence of private financial institutions as direct providers of financial education raises some concerns about appropriateness and about potential conflicts of interest between education and marketing activities. Moreover, private sector initiatives are directly or indirectly motivated by profits, and their effectiveness is typically measured in terms of higher product uptake (e.g., more bank accounts or other products being opened, more transactions, etc.), and not necessarily in terms of improved financial knowledge and skills, or economic empowerment.

For these reasons, it is important that the role of financial institutions is channelled through self regulatory bodies, framed within quality standards and codes of conduct, or monitored/regulated by public authorities. For instance, the South Africa's Financial Sector Charter Council set Implementation

Guidelines for Consumer Education Standards, defining standards in terms of branding appropriateness (among others).[9]

Funding

Funding sources include local governments, central banks and other financial regulators, private sector institutions (single ones or associations of them), foreign governmental development agencies (i.e., USAID, DFID, the German Agency for International Cooperation, the Russian/World Bank/OECD Financial Literacy and Education Trust Fund), international organisations (i.e., European Union, Unicef), and private foundations.

A frequent source of funding is the Financial Education Fund (FEF) launched in 2008 by the UK Department for International Development (DFID). The FEF awards grants for financial education projects dedicated to low-income people and which must have an evaluation component. It funds a wide range of institutions, such as local and international NGOs, local banks/MFIs, and is supporting the Bank of Zambia in the development of its National Financial Literacy Strategy (FEF, 2012; Wyatt, 2011).

One example of a FEF-financed project is the *Faulu Kenya: Masomo 2B* programme, conducted by Faulu Kenya, a local MFI. The programme has a train-the-trainer component for Faulu field officers and community leaders, who in turn hold financial education workshops to clients and members of the public (Faulu Kenya, 2011a, 2011b).

In general, the presence of various funding sources, or of partnerships between different stakeholders, is important in improving the diversification of resources, therefore making more likely the continuation of a programme.

Target population

Many initiatives are intended for the general population, while others are targeted at specific sub-groups. Unsurprisingly, typical targets are the most vulnerable individuals, including one or a combination of the following groups: low-income people, un/underbanked individuals, women, youth/students, children, people living in rural areas and farmers. Notably, several programmes are directed at young people in general, and at young women in particular, as they are particularly vulnerable both in economic and health terms. Moreover, there are some train-the-trainer programmes devoted exclusively or in part to teachers/trainers/advisors of the above target groups.

The *Nakekela Imali! (Take care of your money!)* project is an example of training programme devoted to low-income people, targeting mineworkers at two South African mining houses. Mineworkers fall within the lowest living standard measures categories. The programme is led by Ubank, a commercial bank, with Innovations for Poverty Action (IPA) carrying out a randomized control evaluation. This programme consists of two-day on-site training workshops, where participants also receive training material to take home and share with their families (IPA, 2010; Blair and Poppleton, 2011).

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9 The South Africa's Financial Sector Charter requires financial institutions to commit to annually invest a minimum of 0.2% of post tax operating profits in consumer education and to direct 0.5% per annum of post tax operating profits to corporate social investment (CSI), where CSI projects may include financial literacy programmes. Moreover, the Financial Sector Charter Council developed Implementation Guidelines for Consumer Education Standards, requiring financial institutions to follow given standards (regarding physical accessibility, appropriateness, affordability, simplicity and non-discrimination) in their consumer education initiatives.

Delivery channel

Most programmes take the form of training courses or short workshops. Other delivery channels include printed material, multi-media (DVDs, CDs, radio or television broadcasts, newspapers, etc.), websites, road shows and other public events, and the provision of advisory services.

In some cases, financial education training is provided in conjunction with other types of training aimed at improving the economic empowerment of vulnerable groups and their overall decision-making capability. Additional forms of training typically include health-related issues (e.g. HIV/AIDS prevention and reproductive health), and business planning and entrepreneurial skills.

Financial education training is often also accompanied by printed material (booklets, manuals, log-books, etc.). Analogously, awareness campaigns often include the delivery of printed material in the form of magazines, leaflets, and the like. For instance, the consumer education campaign in Uganda promoted by the Financial Sector Deepening project Uganda (FSDU) included among its delivery channels posters, leaflets, flyers and the MoneyWorld newspaper (FSDU, 2007).

In a few countries financial education is provided in schools. In South Africa, financial literacy is integrated into certain school subjects such as 'Mathematical Literacy' and 'Economics and Management Sciences' in all grades. The Capital Markets Authority of Uganda carries out school seminars and competitions, and is working with national bodies responsible for education to introduce capital markets issues in secondary schools. In Ghana, the Ministry of Finance and Economic Planning is enhancing the financial literacy content of school syllabuses. In Zambia, the Ministry of Education, Science and Vocational Training is planning to integrate financial education into the national school curriculum. In addition to public initiatives, financial education is provided to school children also through NGOs and private sector's programmes. For instance, the Aflatoun curriculum is taught in some schools in Ghana and Uganda; the Savings Bank Foundation for International Cooperation (SBFIC) and MFIs deliver financial education in schools in Rwanda; Junior Achievement provides extra-curricular financial education training to school pupils in Nigeria, Uganda and Zambia; and the *Financial Fitness* programme by Zanaco in Zambia also includes extra-curricular financial education in schools.

Quite frequently, training is integrated in programmes providing access to financial products, such as saving accounts or microfinance. In a few programmes, the saving product is specifically designed to favour access of some groups (e.g., accounts for youth) or to try to exploit behavioural aspects to increase take-up of financial products (for instance, allowing the labelling of funds within a saving account in order to verify whether directing deposits to a specific goal induces higher saving).

Given that most programmes are directed at low income consumers, the use of websites to disseminate information is scarce. However, some public authorities have included consumer education information and materials (e.g., brochures) on their websites. These include, for instance, the Capital Markets Authority of Uganda, the Namibia Financial Institutions Supervisory Authority, and the Financial Services Board and the National Credit Regulator in South Africa.

Some initiatives are preceded by a train-the-trainer programme, directed at school teachers, microfinance institutions staff, consumer advisors, and so on. For instance, the project *Financial Education for Young Women in Rural Zambia* exploited the Camfed Association network of young women (Cama), present in Zambia and in other African countries, to develop cascade training. Sixteen core trainers were responsible for training 800 women and from them identified 160 peer educators who in turn trained a large number of other young women in one-day financial education workshops (FEF, 2012; Hamweemba, 2011).

Several awareness campaigns have been identified; they have been directed at the general population or at rather broad groups (such as consumers, workers, commuters) and typically have used media that can reach wide audiences (e.g., radio, TV, DVD, road shows, theatre performances). On a similar vein, a number of 'edutainment' initiatives (e.g. soap operas, movies, and radio dramas with an educational content) have recently been launched with the aim of reaching a large audience. The Kenyan soap opera *Makutano Junction* is an example. It is crafted as a development communication tool, highlighting health, environmental and social issues. Some episodes of series 9 and 10 also address financial education topics (FEF, 2012).

An important issue in the provision of training programmes, printed material and awareness campaigns is the language used to deliver financial education. This is crucial not only to avoid discrimination but also to improve the effectiveness of the learning effort. Several programmes do take this issue into account by using vernacular languages in delivering training and/or by printing booklets in several languages.

Content

In terms of contents, most financial literacy training courses focus on such issues as budgeting, saving and borrowing. Some initiatives, however, have a more specific content, regarding for instance pensions or insurance. A few programmes are mainly focused on consumer issues, including their rights and responsibilities, how to make complaints and obtain redress, etc.

It is not unusual for training programmes to adopt, or use material adapted from, standard financial literacy curricula developed by other organisations, typically international NGOs. Two examples of materials widely adopted are the Aflatoun Social and Financial Education Curriculum, targeted at children and youth, and the Global Financial Education Program, developed by Microfinance Opportunities and Freedom from Hunger and financed by Citigroup.

For instance, the Aflatoun curriculum is used in the project *Evaluating the Efficacy of School Based Financial Education Programme*, funded by the FEF in Ghana. The curriculum is delivered in some regions of Ghana by local NGOs. Innovations for Poverty Action carried out a randomized control trial evaluation of the Aflatoun curriculum and of an alternative financial education curriculum to assess their impact on the knowledge, attitudes and behaviours of children (FEF, 2012; IPA, 2011a).

A crucial aspect of programme success is that the content is both appropriate and relevant for the target audience. Especially when a standard curriculum is used, it is important that it is adapted not only to the financial literacy level of the trainees, but also to their general literacy and maths skills.

IV. EVALUATION OF FINANCIAL EDUCATION PROGRAMMES AND THEIR FINDINGS

Summary

As is the case in many regions of the world, relatively few financial education programmes in Africa have been formally evaluated. However, a number of impact evaluations of programmes have been launched in recent years providing valuable results.

Whilst a number of financial education initiatives have been identified in Africa, an impact assessment evaluation has been completed only for some of them, as with financial education programmes in many parts of the world.[10] A number of impact evaluations of programmes have been launched in recent years, providing valuable results. In this section, we briefly summarize the main findings obtained by a selection of completed evaluation exercises.[11]

Even though the limited evidence available at the moment does not enable thorough conclusions to be drawn, there is emerging evidence that some programmes produced promising results in terms of raising awareness of financial education issues, improving financial literacy and fostering sound financial behaviours. Further research is needed to explore whether these programmes would be effective on a larger scale and/or with other target groups.

In order to ensure the efficiency of their programmes and their fine-tuning overtime, stakeholders involved in the design and implementation of financial education programmes should embed programme evaluation in their initiatives, in order to increase programme effectiveness, identify areas for improvement and ensure a good use of resources.[12]

Ghana

ACDEP Financial Education Project (AFE) in Ghana

The project aimed at delivering training on financial literacy and capacity building to farmers in Ghana. Programme delivery involved the training of trainers and the subsequent training of target

[10] An additional small number of initiatives were conducting an evaluation at the time of writing, so we are not able to include their findings in this report.

[11] Given the variety of approaches taken to evaluation, we complement the short descriptions of the results with synthetic information on the methodology adopted for each impact assessment exercise, compiled in Table 5. We refer the reader to the evaluation reports cited for further insights.

[12] In this respect, the OECD INFE High-Level Principles for the Evaluation of Financial Education Programmes and the two dedicated guides provide useful guidance (OECD INFE 2010a, 2010b, 2012a). Moreover, the World Bank is designing an impact evaluation toolkit for financial education programmes in low and middle income countries with the support of the Russian/World Bank/OECD Financial Literacy and Education Trust Fund (Hinz, 2011; Yoong, 2011).

farmers. The evaluation has been carried out through a longitudinal survey of the same subjects one year and a half after the implementation.

The findings of the evaluation suggest that the initiative had a positive impact on the saving behaviour of participants, both in terms of personal and group savings. The percentage of farmers who opened personal savings accounts with banks, and the percentage of farmers who knew how much was in their accounts increased in the endline results with respect to baseline. Moreover, among programme participants who said they knew their groups' bank balances, the average savings per group was almost three times the baseline survey results; as the result for the comparison group was not significantly different from the baseline results, this supports the idea that the increase in savings by the group members is attributable to the financial education training they received (Morna and Anamoh, 2011).

An Opportunity for All: Financial Education in Africa

The programme tested the delivery of financial education via a multimedia video delivery channel (DVD played in banking hall for clients, and with portable DVD players for rural clients and communities) in Ghana, Malawi, Mozambique, and Uganda. The evaluation is based on a longitudinal study of 'treated' and 'control' groups observed over the course of the study by means of baseline and endline surveys, as well as transaction data collected by the banks.

The project aimed at achieving several objectives and the various country branches achieved them to different degrees, in part because some of them chose to focus more on some parts of the contents (e.g., in Uganda four of the nine modules focused on understanding financial products and features, while in Malawi several of the financial education units were targeted around mobile banking and familiarisation with technology). The objective of increasing the awareness of the target audience of the financial services available to them was met to a higher extent in Uganda than in the other countries. No country registered a substantial increase in the usage of savings accounts and insurance products with respect to the baseline (accounting for changes in the control group). The Malawi branches were more successful than the others at promoting better management of credit and increasing awareness of the dangers relating to multiple borrowing. Moreover, the survey data suggest that in Malawi (results not available for the other countries) the programme successfully encouraged diversification of asset storage away from cash, particularly through the use of ICT-based financial services (e.g., Smart Cards, ATMs and POS devices) (Pennington, Gustafson, and Ngo, 2011).

Evaluating the Efficacy of a School Based Financial Education Program

The project included two school-based financial education programs to which participating schools were randomly assigned. One treatment group consisted of schools enrolled in the Aflatoun program, teaching personal exploration, rights and responsibilities, saving and spending, planning and budgeting, and social and financial enterprise. The other treatment group consisted of schools receiving the Honest Money Box (HMB) program, which focused on the core financial education components of the Aflatoun program. Both treatment groups received saving boxes. A third group of schools received no treatment (control group).

The evaluation was carried out through a baseline and an endline survey. Students in HMB-assigned schools showed positive and significant increases in their overall attitudes toward savings, compared to students in Aflatoun and control schools. However, students in both Aflatoun and HMB schools showed positive impacts on (self-reported) savings behaviour compared to students in control schools: those students were more likely to save any money, and to save money at school (IPA, 2012a).

Kenya

Promoting Financial Capability in Kenya and Tanzania through Consumer Education and Protection Delivery

The project delivered financial education services through one-on-one counselling at two Consumer Advice Centres (CACs) in Nairobi, Kenya and Dar es Salaam, Tanzania. The evaluation established its baseline data from consumers on their first visit in the centres. This data was then combined with a post intervention questionnaire to establish to what extent consumers responded to the new knowledge gained from the services provided by the CACs.

In both Kenya and Tanzania, the share of respondents who report to save regularly and have an account at a bank or with an informal group increased. Similarly, the proportion of respondents who prepared monthly/weekly budgets, understood their importance, and stuck to them when spending increased. The results in terms of debt management are less encouraging. The share of respondents reporting to have paid all their loans without default increased in both countries, even though the number of those who have sometimes skipped their repayments appears to have increased in Tanzania (ESF Apex, 2012).

Safe and Smart Savings Products for Vulnerable Adolescent Girls in Kenya and Uganda

This is an ongoing project conducted in Kenya and Uganda by the Population Council. The programme targets young females living in urban slums and provides them with (i) weekly group meetings with their savings group and a female mentor in 'safe spaces'; (ii) training on financial education; and (iii) access to an individual savings account at local financial institutions (Faulu and K-Rep Bank in Kenya; FINCA and Finance Trust Bank in Uganda).

The pilot intervention in Kenya started in December 2008, and involved a quantitative evaluation including girls from each financial institution and a comparison group. Major findings from the pilot evaluation were positive, showing positive change in social networks and mobility, gender norms, financial literacy, use of bank services, saving behaviour, and communication with parents/guardians on financial issues. For instance, girls in 'treatment' groups were significantly more likely to have a long term financial goal compared to girls in the comparison group. Faulu girls were significantly more likely to have been to a bank, and K-Rep girls were significantly more likely to have used a bank's services than the comparison group. Girls in Faulu and K-Rep groups were at least three times more likely to be saving on a weekly basis and at least three times more likely to have saved any money in the previous six months than girls in the comparison group. Treated girls were at least twice as likely to have discussed money management issues with their parents, and Faulu girls were significantly more likely to correctly answer financial knowledge questions than girls in the comparison group (Population Council, 2011a).

A pilot programme has been carried out also in Uganda in November 2009-March 2010, with endline interviews taking place one year after baseline. Overall, the findings of the pilot evaluation are promising. In terms of financial behaviour, FINCA and Finance Trust girls were more likely to report that they had saved in the last six months with respect to baseline, with non-significant changes in the control group. Moreover, both FINCA and Finance Trust girls were more likely than the comparison group to have a savings plan and to have a budget, adjusting for age, religion, and baseline measures (Hallman, 2011; Population Council, 2011b).

Faulu Kenya: Masomo 2B

This programme was conducted by Faulu Kenya, a local MFI, and included financial education training for both Faulu clients and the general public. The evaluation aimed at gauging the effect of the programme in terms of knowledge, skills, attitude and behaviour regarding saving, investment, budgeting and debt management. Baseline and endline surveys of both clients and the general public have been complemented by the analysis of Faulu's administrative data on its client's savings and loans.

Comparing self-reported behaviour indicators for the 'treated' and 'control' groups before the training and one year afterwards, it appears that the training had a positive impact on households' propensity to use a budget plan, a savings plan, and a loan management plan (in all cases the improvement was larger among the treated than among the control group). However, results are mixed over a number of aspects. For instance, clients' knowledge of budgeting increased among the control group but decreases in the treatment. Moreover, according to the analysis of administrative savings account data the training does not seem to have changed clients' savings amounts. The evaluation report mentions a number of limitations that may have weakened the results. First, the control groups may have been exposed to financial education interventions on television, radio and by other institutions taking place in the same period as the Faulu project. Second, transaction analysis was carried out only for the savings held at Faulu, and not for all the savings held by one family at any financial institution, meaning that the evaluation did not capture adjustments in saving behaviour that may have taken place through other institutions (Faulu Kenya, 2011b).

South Africa

National Community Financial Education Workshops

The Financial Services Board (FSB) of South Africa carried out an evaluation of its National Community Financial Education Workshops. These were interactive workshops targeted at low income adults in rural areas. The content of the programme included various issues, both at a general and a more advanced level (i.e., budgeting; credit/debt; saving; insurance; pension, as well as financial management; where to find information; making complaints).

The evaluation was carried out at the end of the workshops and three months after, and consisted of a feedback questionnaire delivered to participants in person. A helpline was also offered. The evaluation highlighted that participants gained an understanding of the budget process, and that they improved their behaviour regarding budgetary issues.

Imali matters – Money Advice

The Imali Matters project tested the viability and benefit of face-to-face support to consumers in three walk-in centres located in Cape Town, Durban and Johannesburg. The impact assessment was carried out through a number of different approaches (e.g. paper-based baseline survey; data on knowledge and behaviour collected at Imali centres before the consultation process; telephone follow-up survey; focus groups).

A comparison of pre- and post-intervention survey results, focus group discussions and credit bureau data indicates an improvement in both financial knowledge and self-reported behaviour along a number of dimensions (e.g. budgeting, making ends meet, planning ahead, loans and borrowing, selecting financial products and finances in general). However, the impact assessment report acknowledges the difficulty of determining whether Imali had an impact on these indicators, or whether the effect was due to learning in conditions of financial distress. Overall, evidence of impact seems most pronounced with respect to reducing and managing debt, and increasing client confidence. The impact assessment also reports significant differences across offices, with the Cape Town and Johannesburg offices displaying better results in educating clients. On the one hand, it appears that these offices were more operationally efficient and were more focused on capacitating clients. On the other hand, the client base in Durban was noticeably poorer, making a fair comparison rather difficult (Eighty20 Consulting 2011b, 2011c).

Gender, Socioeconomic Status, and Youth HIV Risk and Enhancing the Economic, Health, and Social Capabilities of Highly Vulnerable Youth ("Siyakha Nentsha")

Both programmes were coordinated by the Population Council and targeted female and male youth living in poor, HIV-affected communities in the KwaZulu-Natal province in South Africa. The projects addressed youth vulnerabilities with training on life skills, financial literacy (budgeting, saving, planning, etc.) and HIV/AIDS prevention, treatment, and care.

The *Gender, Socioeconomic Status, and Youth HIV Risk* project was evaluated using a quasi-experimental design, where young men and women in the 16-24 age group were interviewed at baseline in 2005 and again two years later. Preliminary findings are encouraging in showing attitudinal and behavioural changes in financial matters (among others) among programme participants with respect to a control group. For instance, among young women 75 percent of participants had discussed financial decision-making two years after the training, while only 21 percent of non-participants had (up from 27 percent and 6 percent, respectively, at baseline). Overall, the effect of the training on the share of young people having discussed financial decision-making and on the share of young people using financial services from a bank was larger for the group of treated than for the control group – for both men and women. However, the effect of the training on the share of people having savings was larger for the treated than for the control only among young women, but not among men (Hallman et al., 2007).

The evaluation of the *Siyakha Nentsha* project was conducted through surveys before and after programme implementation in schools receiving the training versus a comparison school. The survey asked questions about families, schooling, work experience, attitudes and values, as well as health knowledge and behaviours. The financial education and career guidance offered by the programme appears to have had promising results. Compared to the control group, all *Siyakha Nentsha* participants were more likely than those in the control group to have improved budgeting and planning skills, and were more likely to have attempted to open a bank account. Moreover, among *Siyakha Nentsha* boys, those who received financial education were more likely to have reported undertaking an income-generating activity between survey rounds (Hallman and Roca, 2011).

Financial Literacy and Mineworkers: Nakekela Imali!

This evaluation tests the extent to which a two-day financial education workshop provided to mineworkers in South Africa impacts their financial knowledge and behaviour. Miners were randomly assigned to treatment and control groups taking into account their living arrangements, so as to allow the measurement of potential spill-over effects (i.e., miners shared apartments in the mines or in off-site accommodations). Self-reported data from baseline and endline surveys have been complemented by administrative data on absenteeism (collected by the mining houses) and on payments, savings and borrowing transactions (collected by the partner bank UBank on programme participants who are active clients).

Post-workshop feedback shows that participants value the content of the training and believe it will positively impact their financial decision-making. Preliminary findings from the endline survey data indicate that miners assigned to the workshops were more likely to have formulated a financial plan, created a household budget, and "invested" in their homes (i.e., via improvements and repairs). There is somewhat weaker evidence that 'treated' individuals had fewer impulse purchases that they regretted later on. Finally, the preliminary survey data analysis does not allow conclusions to be drawn about spill-overs or about the impact on key financial behaviours, such as saving and borrowing (IPA, 2012b).

Financial Freedom: Radio Financial Literacy Project

This project was developed by Bright Media for the South African Insurance Association (SAIA) and was funded by the Financial Education Fund (FEF) to deliver insurance education through a radio drama. The programme was broadcast through four radio stations, addressing audiences in four different languages and using the audience of a fifth station not broadcasting the drama as a comparison group. The programme also involved call-in sessions after each episode managed by experts proficient in the languages of the stations (with no mention of specific companies).

The impact of the project was measured through interviews before and after the broadcast. The findings suggest a positive impact of the radio drama on financial knowledge, confidence and self-reported behaviour (e.g. budgeting, saving regularly and paying bills on time). The identification of the impact of the programme was made more difficult by the fact that another financial literacy programme was broadcast in the same areas in the same period. However, the SAIA programme was mostly focused on insurance topics and the fact that the evaluation highlighted promising results in relation to insurance (e.g. awareness of insurance products at endline was significantly higher, with an increase in the desire to have short term insurance products with respect to baseline) lends support to the programme effectiveness (Pearson and Bruynse, 2011; SAIA and Bright Media, 2011b).

Postbank/Wizzit Financial Literacy Project

The project was conducted in 2009-2010 by a consortium led by Postbank, a division of the South African Post Office, and Wizzit Bank. The programme delivered one-day in-classroom financial literacy training to over 10,000 trainees in four regions of South Africa. The measurement of training impact focused only on banking (e.g. opening of bank accounts, number and value of withdrawals, use of more or less costly channels for purchases and withdrawals, etc.).

The available evidence indicates no banking behavioural change, as the training programme did not induce either more bank accounts being opened or improved use of existing financial services. The evaluation report mentions several reasons why this might have been the case. First, a one-off training covering a wide range of financial services and general matters is more likely to provide background understanding rather than bringing about behavioural change in one specific financial domain. Second, trainees were not consistent with the profile defined ex-ante. Training groups included many more unemployed and women than originally planned for, with trainees being too poor to engage with banking (InsightWorx, 2011).

Bubomi – Absa

The programme delivered classroom-based interactive workshops to low-income consumers to teach them how to better manage their financial affairs. An evaluation exercise was conducted to test the impact of the programme in a rural village area, comparing village residents who were (treatment group) or were not (control group) exposed to the training programme. The assessment was performed over four dimensions: perceived financial knowledge; financial confidence; financial attitudes; and financial management behaviour.

According to the evaluation findings, programme participants were, on average, statistically significantly more likely to display better perceived financial knowledge; be more confident when performing basic financial activities; display financial attitudes more oriented towards the long term and towards sound financial behaviour; and report to manage their finances more responsibly (Tustin, 2010).

Uganda

Uganda Microfinance Consumer Education Programme

The Uganda Microfinance Consumer Education Programme was delivered in 2005-2007 through mass media, MFIs and training institutions. Baseline and mid-term surveys (six months after the beginning of the program implementation) were undertaken in districts where the financial education campaign took place.

The mid-term survey reports an improvement in the awareness of the presence of financial institutions in the area and an increase in the number of respondents having a savings account. The research also reveals a shift in attitude in regard to consumers' rights and obligations, accompanied by an increasing demand for microfinance services in terms of short-term loans. Moreover, the percentage of respondents who belong to SACCOs doubled from pre-exposure to the mid-term study (REEV Consult International, 2007).

Starting a lifetime of savings

The project involved the delivery of two programmes through pre-existing youth clubs. Evaluation was carried out through a baseline and an endline survey. Upon completion of the baseline survey, 240 youth clubs were randomly assigned to one of four treatment groups: 1) financial literacy training; 2) club savings accounts; 3) financial literacy training and club savings accounts; 4) no treatment (control).

The endline survey included a series of questions assessing respondents' knowledge of financial concepts and regulated banks, as well as saving and borrowing behaviour. Both the 'Financial Education and Account', and the 'Financial Education' groups experienced significant increases in their financial knowledge and bank knowledge with respect to the comparison group, while the account-only group did not experience any change in knowledge with respect to the control. In terms of saving behaviour, the endline report shows an increase in the total amount saved among the 'Financial Education and Account' and 'Financial Education' groups with respect to the comparison group. All three treatment groups improved over the comparison group in the number of formal savings locations, and in the total number of savings locations reported. Finally, there was no detectable impact of the different treatments on borrowing behaviour, as measured by the number of borrowers, number of borrowing instances, or total amount borrowed (IPA, 2011c).

Tegerra Ssente Zzo (Understand your Money)

The project targeted 100 beneficiaries from a MFI, who used a log-book for six months to track their net worth and personal budget. Participants were also supported by a counsellor from their MFI through regular meetings.

The evaluation adopted a 'before and after' design in which a baseline questionnaire was administered to the beneficiaries and a control group of 50 customers at project inception. The questionnaire was then re-administered to the same project beneficiaries and to a new control group at the end of the project in order to investigate any recognizable changes. A number of indicators to track and measure anticipated changes in saving, expenditure, budgeting, and general loan management skills were collected. The comparison of the programme participants before and after the interventions reveals an improvement in their (self-reported) ability to budget, save and track expenses. However, the endline report acknowledges that the short project duration and the small number of beneficiaries limit the possibility to generalize results (FinLit Foundation, 2012; Research Moguls, 2012b).

Zambia

Camfed – Financial Education for young women

The project aimed at delivering financial education training to young women in rural communities through a cascade training model (where core trainers trained peer educators, who in turn trained community members). The process evaluation revealed that the cascade model was efficient to reach the target audience in a short period of time. Moreover, quarterly meetings among all Peer Educators within a district turned out to be useful for sharing knowledge, feedback, and training improvement.

Impact evaluation was carried out through a baseline and an endline survey administered to samples of 'treated' and 'control' women. The results show that trainees improved their knowledge, attitudes and behaviour in a number of aspects (i.e., saving, credit/borrowing, and banking), while in many cases comparison women did not report any significant change. However, the percentage of respondents who have opened a new savings account did not change significantly among either treatment or control groups. Anecdotal evidence indicates that in some of the districts where financial institutions are not available, the training made some women confident enough to start informal saving groups and to advocate the introduction of banking services in the area (Kasonka and Mutelo 2011).

V. FINANCIAL EDUCATION INITIATIVES BY COUNTRY

Summary

The state of development of financial education initiatives is quite heterogeneous across African countries.

The government of Ghana adopted a National Strategy for Financial Literacy and Consumer Protection in the Microfinance Sector in 2009, and is planning to enhance financial education in schools. Other programmes are implemented by NGOs, sometimes involving financial institutions.

In Namibia, the Ministry of Finance officially launched its Financial Literacy Initiative in 2012, and the Namibia Financial Institutions Supervisory Authority carries out a consumer education initiative.

The National Treasury of South Africa is coordinating the development of a national financial education strategy for South Africa. The Financial Services Board (FSB) has been involved in financial education activities since 2001 through its Consumer Education Initiative. The FSB has also participated in the OECD's international financial literacy measurement pilot survey and has conducted focus group research on consumers' knowledge of insurance. Also the National Credit Regulator (NCR) carries out a consumer education programme. Moreover, financial education is integrated in the school curriculum of some subjects in all grades. Several other financial education initiatives are carried out by NGOs and by the financial sector.

The Central Bank of Uganda is working with various stakeholders to develop a National Strategy for Financial Literacy and has promoted a financial literacy survey. The Capital Markets Authority has embarked on programmes to increase public awareness about capital markets. The Capital Markets Authority and the Central Bank partnered with the financial sector in the FinLit Foundation, carrying out other financial education programmes. Several other organisations from the non-profit and private sectors have implemented financial education initiatives.

The Central Bank of Lesotho carries out a consumer education initiative, and the Securities Commission of Zimbabwe is undertaking various investor education programmes. The Central Bank of Kenya, the Reserve Bank of Malawi, the Bank of Tanzania, and the Bank of Zambia are developing national strategies for financial education in their countries. Other countries featuring financial education initiatives include Botswana, Burkina Faso, Burundi, Egypt, Madagascar, Mali, Morocco, Nigeria, Rwanda and Senegal.

This section briefly describes the state of financial education in each surveyed country, based on information available. For every country, initiatives by national public bodies (e.g., governments, central banks or financial sector regulators) are described first. These are followed by NGOs' programmes, and then by private sector ones.

In some countries, public authorities took the lead by engaging in the development of national strategies for financial education, even though many of them have not been fully implemented (or fully designed) yet. In most countries financial education initiatives provided by public authorities, NGOs, and the private sector coexist.

Ghana

The government of Ghana together with its development partners launched an extensive Financial Literacy Program in 2008 to create awareness of financial topics. In January 2009, Ghana's National Forum on Microfinance adopted the National Strategy for Financial Literacy and Consumer Protection in the Microfinance Sector. The three main activities carried out include: a National Financial Literacy Week, road shows in rural areas, and the development of educational material on loans, saving, (micro) insurance and investment. One of the key activities of the National Financial Literacy Week is the organisation of National Quiz on Finance for Senior High Schools, testing Senior High School students' levels of literacy in Finance. In addition, the Ministry of Finance and Economic Planning is enhancing the financial literacy content of the Senior High School syllabuses, and is planning to do the same for Upper Primary and Junior High Schools curriculum.

Moreover, the Support Programme for Enterprise Empowerment and Development (SPEED) was set up in 2003 by the government of Ghana, the Bank of Ghana, the German Agency for International Cooperation (GIZ), and the Danish International Development Agency (Danida) to sustain private sector development. The SPEED programme undertook financial education initiatives including road shows and radio programmes, complemented by print media on savings, loans, investment, and insurance (MasterCard Foundation et al., 2011; SPEED Ghana, 2009).

The stock-taking exercise identified a few financial education programmes provided by Ghanaian and international NGOs and funded by the FEF. The *ACDEP Financial Education Project (AFE)* is coordinated by the Association of Church-based Development NGOs (ACDEP) and provides financial literacy training to small-scale farmers to help them access financial services and develop business plans for their cash-crop production. The programme involved the training of trainers and the subsequent training of target farmers, and covered topics such as setting financial goals; budgeting and managing money; loans and over-indebtedness; comparing savings services and making a savings plan; and insurance (Alebikiya, 2011; Morna and Anamoh 2010, 2011). The project *Evaluating the Efficacy of School-based Financial Education Programmes* assesses the effectiveness of two financial education school trainings (the Aflatoun Social and Financial Education Curriculum, addressing financial education as well as individual/community rights/responsibilities and social cohesion/group formation, and a financial education-only curriculum) on children's knowledge, behaviours and attitudes. The programme involves training and access to a saving scheme, and is delivered to primary school students in some schools in three districts (FEF, 2012; IPA, 2011a, 2012a).

Two other projects involve financial institutions to a great extent. *An opportunity for all, Financial Education in Africa* is coordinated by Opportunity International and is implemented by local commercial MFIs in Ghana, Malawi, Mozambique and Uganda. The project aims at increasing awareness and use of a range of financial services, as well as promoting a better management of credit/debt, via multi-media financial literacy training modules. Financial education is delivered to clients in banking halls and to rural communities by means of portable devices (FEF, 2012; Pennington and Gustafson, 2011; Pennington, Gustafson, and Ngo, 2011). The project *Savings Account Labelling and Financial Literacy Training for Susu Customers in Ghana* is implemented by a community development financial institution (Mumuadu Rural Bank) in partnership with Innovations for Poverty Action (IPA) to study the impact of financial literacy training and access to a financial product. Randomly selected customers of susu agents at Mumuadu Rural Bank are offered a savings product that allows the labelling of funds within an account, so that deposits can be directed to a specific goal, such as health, education or business savings.[13] In addition to the labelled accounts, a random selection of participants receives financial literacy lessons. IPA looks at how financial literacy education impacts the decision to open a labelled savings account, and which combination of account type and education results in higher take-up and larger and more frequent deposits (IPA, 2011b; Poverty Action Lab, 2011).

Kenya

The Central Bank of Kenya is taking steps to develop Kenya's National Strategy for Financial Education, in partnership with the Financial Sector Deepening (FSD) Trust. Several stakeholders, including the Central Bank itself, various Ministries, the FSD, NGOs, financial institutions, and other private sector companies joined the Financial Education and Consumer Protection Partnership (FEPP) to establish the foundations for a coordinated financial education programme in Kenya. Other initiatives implemented by public authorities include a pension education campaign carried out by the Retirement Benefits Authority (Kwena, 2009).

The FSD commissioned a review to gain a better understanding of the potential approaches that could be taken to measure financial literacy in a developing country where the vast majority of the population does not use formal banking services (Atkinson and Kempson, 2008). The report also provides preliminary indicators of financial literacy in Kenya by carrying out a secondary analysis of FinAccess 2006 data.

The World Bank developed the *Social Network, Financial Literacy and Index Insurance* project in Kenya and India with the goal to study the impact of financial literacy training on farmers' decision to purchase index-based weather insurance (see the glossary in Appendix C for details). As one of the reasons for low demand for this type of insurance may be the limited understanding of the product among potential consumers, the programme provides small-scale farmers with comic books explaining the workings of the insurance in an accessible and relevant manner (WB, 2012).

The project *Promoting Financial Capability in Kenya and Tanzania through Consumer Education and Protection Delivery* by Consumer International aims at improving the financial knowledge of consumer organisations that provide financial advisory services by training consumer advisors and establishing two Consumers Advisory Centres (one in Kenya and one in Tanzania) where consumers are offered one-to-one counselling and education on financial issues by trained financial advisors. The project also included an awareness-raising campaign through local radio stations and national TV (Consumers International, 2012; ESF Apex, 2011, 2012).

Microfinance Opportunities (MFO), in collaboration with the ILO Microinsurance Innovation and the Association of Kenyan Insurers, delivered insurance education through a radio campaign in 2010. The programme was based on a MFO curriculum, and aimed at increasing awareness and improving attitudes towards risk management and insurance (Microfinance Opportunities, 2011b).

Other financial education initiatives involve both non-profit organisations and the private sector. *Safe and Smart Savings Products for Vulnerable Adolescent Girls in Kenya and Uganda* is an ongoing

[13] "susu" agents are traditional savings collectors who collect daily small sums of money from their customers. Typically susu collectors return the funds to their customers at the end of the month in exchange for one day's worth of collections. As banks moved into rural areas, they have formalized susu collection, paying their agents on commission instead of charging customers a fee.

project conducted in Kenya and Uganda by the Population Council in collaboration with international NGOs (Microfinance Opportunities, MicroSave Consulting) and local banks/MFIs, and is funded by the FEF and the Nike Foundation. The programme targets young females, and aims at empowering girls from an economic point of view by providing (i) weekly group meetings with their savings group and a female mentor in 'safe spaces'; (ii) training on financial education; (iii) and access to an individual savings account with no opening balance or monthly fees at local banks (Faulu Kenya and K-Rep Bank in Kenya; FINCA-Uganda and Finance Trust Bank in Uganda). The financial literacy curriculum is an adaptation of the Global Financial Education Programme (GFEP) for young people and is differentiated for the 10–14 and 15–19 age groups. A number of delivery channels for financial education have been developed, including a simplified trainer's guide, a savings diary, and a self-facilitated workbook (Austrian, 2011; Hallman, 2011; Population Council, 2011a, 2011b).

Makutano Junction is a soap opera addressing financial education issues. It is (partially) funded by the FEF and is crafted by Mediae, a development organisation, as a development communication tool, highlighting health, environmental and social issues. Some episodes of series 9 and 10 also address financial education issues. At the end of each episode, the audience can send a text message in order to receive a leaflet on the content of that particular episode. The leaflets cover topics such as budgeting, savings, investments and debt management. When the episode is related to banking services, the leaflets also include an application allowing viewers to sign up at a specific bank (FEF, 2012).

The programme *Faulu Kenya: Masomo 2B* – described above – is funded by the FEF and implemented by the local MFI Faulu. The programme is supported by the Financial Education and Consumer Protection Partnership (FEPP), a public-private partnership. It has both a train-the-trainer and a training component, targeted at both clients and members of the public. Training is offered for a fee. In addition, Faulu developed financial education DVDs (in partnership with Mediae) and leaflets (Faulu Kenya, 2011a, 2011b).

Finally, some programmes involve mainly the private sector. Equity Bank and Equity Building Foundation delivered financial literacy training to youth and women micro-entrepreneurs in 2009-2010 (with the support of the MasterCard Foundation) (FSD Kenya, 2008). Moreover, Smart Youth Investments provides financial education online focusing on the youth. Since 2007, it has provided investor education to students in universities and colleges by allowing them to interact in an online simulator of the Nairobi Stock Exchange (Smart Youth Investments, 2012).

Lesotho

The Central Bank of Lesotho (CBL) has developed a consumer education initiative to ensure that consumers can make informed decisions about financial products and services, as well as identify and avoid scams. The programme is meant to sensitise the general public on a number of issues, including payment instruments, opportunities for investment, insurance, money lending, frauds, consumer rights and dispute resolution. The campaign involves other stakeholders (i.e., Government, non-for-profit organisations, and the private sector) and exploits various delivery mechanisms, such as radio and TV talk shows, media advertising campaign, "Consumer Tips" columns or sections in print and radio media, fact sheets (in both Sesotho and English), consumer brochures, as well as the CBL website.

Malawi

Consumer protection and education are among the main objectives of the Reserve Bank of Malawi (RBM) in relation to regulation and supervision of banking, pension, insurance, microfinance, and capital markets financial institutions. In 2010, the RBM laid the foundation for the development of a National Framework for Financial Literacy in Malawi, by convening a National Committee on Financial Literacy, comprised of Government ministries, academia, civil society, donor/development partners, and stakeholders from the financial sector. The National Strategy will target existing users of financial services, the unbanked, and students in primary, secondary and tertiary education. Moreover, the Bank is involved in the Financial Sector Technical Assistance Project (FSTAP) together with the Malawi Government, and development partners (the World Bank, DFID and USAID). One of the components of this project is to enhance financial education and consumer protection in Malawi.

Moreover, Malawi is among the countries included in the World Bank financial capability measurement project.

The project *An Opportunity for All, Financial Education in Africa* by Opportunity International – already described in the section about Ghana – is implemented also in Malawi by the Opportunity International Bank of Malawi (OIBM) (FEF, 2012; Pennington and Gustafson, 2011).

Morocco

In Morocco, the Bank Al-Maghrib plans to complement its financial inclusion strategy with financial education programmes.

The Mennonite Economic Development Associates (MEDA) implements the *YouthInvest* project financed by the MasterCard Foundation. Through the project, MEDA has been working in Morocco and Egypt to deliver training in the areas of financial literacy and life skills. Given the high rate of youth unemployment in both countries, the project aims to foster entrepreneurship and workforce readiness. One of the programmes within the *YouthInvest* project is called '100 Hours to Success', which provides training in life skills, financial skills and entrepreneurship to young people age 15-24, as well as access to a savings account (Harley et al., 2010).

The Casablanca Stock Exchange launched the programme *L'école de la Bourse* (the School of the Stock Exchange) to familiarize bank staff, as well as consumers at large, with financial products and the workings of the stock market (Casablanca Stock Exchange, 2010).

Namibia

In 2009 the Ministry of Finance initiated the Financial Literacy Initiative (FLI) with support of the GIZ, acting on behalf of the German Ministry for Economic Cooperation and Development. The Initiative is a platform that brings together stakeholders from the public and private sector, academia, civil society, and development partners to enhance financial education for individuals and micro-, small- and medium sized enterprises. In 2012 the FLI was officially launched and extended its educational campaign activities to the Coastal, Northern and Southern regions of the country. The main theme of the campaign covers financial matters around saving, budgeting and spending behaviour. It includes interactive approaches such as street theatre, TV and radio shows, cooperation with schools, workplace activities, and training for entrepreneurs, supported by print material such as posters, flyers, and/or booklets (Financial Literacy Initiative Secretariat and Embassy of the Federal Republic of Germany, 2012; Financial Literacy Initiative, 2012).

The Namibia Financial Institutions Supervisory Authority (NAMFISA)'s Consumer Education initiative was launched in 2008 to increase consumers' awareness about rights and responsibilities around financial products in order to improve their financial literacy. It delivers consumer education information through various modes of communication, including road shows; newspaper, magazine and radio adverts; work place and youth programmes.

Moreover, Namibia is among the countries included in the World Bank financial capability measurement project.

Nigeria

In Nigeria, financial literacy development is one of the objectives of the Financial System Strategy 2020 led by the Central Bank of Nigeria.

The country's interest in financial education issues is revealed also by the First National Symposium on Financial Literacy organized by the Development Initiatives Network to prioritise financial literacy within the financial markets regulatory framework (Central Bank of Nigeria et al., 2010).

The World Bank and the Central Bank of Nigeria, in collaboration with a local NGO, have developed an entertainment programme as a financial education tool with funding from the Russian/World Bank/OECD Financial Literacy and Education Trust Fund. The initiative aims at enhancing consumers' awareness and understanding of rights and responsibilities of financial institutions and consumers themselves through the movie 'The Story of Gold', where two identical twins receive the same financial endowment but live different financial lifestyles. The movie aims to teach low income individuals with limited formal education some concepts about financial planning, saving and responsible borrowing (Iarossi, 2011; WB, 2012).

Rwanda

The Savings Banks Foundation for International Cooperation (SBFIC) – a part of the German Savings Banks Finance Group – in collaboration with the Association of Microfinance Institutions in Rwanda (AMIR) launched a program of sensitizing children to making deposits and savings at an early age. The programme involved the training of 300 teachers in the country who can now educate children on saving matters and on financial education (AMIR, 2011).

Moreover, the Banque Populaire du Rwanda (BPR) launched a financial literacy programme, introducing financial education topics in the Urunana radio soap opera, developed by Urunana Development Communication, a local NGO specialised in development communication strategies. The soap is intended by BPR as a way not only to raise awareness of financial issues, but also to increase its brand visibility among the general and the unbanked population (Banque Populaire du Rwanda, 2011).

South Africa

The National Treasury of South Africa has recently developed a draft policy on financial education for South Africa which will be made available for public comment. The policy proposes that a coordinating body be established by the National Treasury to develop and coordinate the implementation of a national financial education strategy for South Africa under the guidance of the National Treasury.

The FSB undertook several financial literacy measurement initiatives to guide the development of the national strategy and of related legislation. The FSB participated in the OECD's pilot survey aimed at developing a questionnaire to gather internationally comparable data on financial literacy. Furthermore, the FSB has commissioned a national financial literacy baseline study, so that the information from this study can be used to draft a multi-year national financial education strategy. This study has been expanded to take into account the large informal sector in South Africa. The data has been collected and a report is expected in the first quarter of 2012. In addition, the FSB has conducted focus group research to determine consumer knowledge of long and short-term insurance as well as to find out through which means/channels they would best like to receive educational material. This study was undertaken in preparation for the introduction of micro-insurance legislation. The data for this study are being reviewed by the partners. Moreover, the Financial Services Board (FSB) has been involved in financial education activities since 2001 through its Consumer Education Initiative. This long-term initiative aims at providing education on saving and financial management, as well as what consumers should know about financial products and services, and ensuring consumers are cautious in purchasing financial products and know their rights and responsibilities. The initiative is carried out through a number of different channels, including community outreach and awareness workshops, TV, radio, and road-shows. The FSB has been actively involved with the Departments of Education in coordinating the production of curriculum-based teaching materials and initiating workshops for teachers to facilitate the use of the financial education teacher resources in the classroom.

The National Credit Regulator (NCR) carries out a parallel consumer education programme. This initiative consists of an awareness creation component and an education component. The awareness campaign is accomplished through print, broadcast, and electronic media. The education campaign is implemented by means of capacity building workshops with various stakeholders (i.e., industry, NGOs, trade unions, government departments, parliamentary constituency offices, and employers), who are trained so that they can advise and educate a wider audience.

Financial literacy is integrated in the school curriculum in all grades (1-12). It is not taught as a stand-alone subject, but it is included in the daily curriculum in a number of learning areas (e.g., Economic and Management Sciences, and Mathematical Literacy).

The World Bank and the National Debt Mediation Association (NDMA) have been involved in the design and evaluation of a pilot entertainment education initiative focusing on debt and over-indebtedness to be included in the soap opera *Scandal!* (Losse-Mueller and Zia, 2011; WB, 2012). Moreover, the World Bank is involved in the evaluation of one day-seminars based on the Old Mutual 'On the money' programme delivered to low-income people (WB, 2012).

NGO-provided initiatives include various programmes. Two of them are carried out by the Population Council, both with a financial education component: *Gender, Socioeconomic Status, and Youth HIV Risk*, and *Enhancing the Economic, Health, and Social Capabilities of Highly Vulnerable Youth* ("*Siyakha Nentsha*"). The first programme was coordinated by the Population Council and funded by UK DFID, USAID, UNICEF, and several private foundations. It took place in the KwaZulu-Natal province in 2004-2007 and targeted female and male youth aged 14-24 living in poor, HIV-affected communities. The project addressed youth vulnerabilities with a multi-dimensional programme featuring three components: (i) "safe spaces" and social network in order to reduce social isolation; (ii) financial literacy training on budgeting, saving, planning, etc.; (iii) knowledge of HIV/AIDS prevention, treatment, and care. The second programme was similar, but took place from 2007 onward (Hallman et al., 2007; Hallman and Roca, 2011).

Moreover, the non-for-profit organisation SaveAct provides support for the formation of saving and credit groups (SCGs) and delivers financial education and life skills training to group participants before they begin their first saving cycle (Barber, 2011).

A consortium consisting of the Department of Trade and Industry, Finmark Trust, African Bank and the Credit Information Ombudsman established the Money Advice Association, which is responsible for implementing the *Imali Matters Pilot Project*. The project delivered free and independent face-to-face counselling to consumers in three walk-in centres located in Cape Town, Durban and Johannesburg. It is financed by the FEF (Eighty20 Consulting, 2011a, 2011b, 2011c).

Public-private initiatives in South Africa include activities implemented by the FSB in collaboration with the South African Insurance Association (SAIA). These initiatives included financial education for commuters and for consumers in shopping malls. In the first case, the programme delivered financial literacy and consumer education messages via radio and TV screens at taxi ranks, by means of CD/tapes played in vehicles, in kiosks, and so on. In the second case, the project included the delivery of information and leaflets by trained staff in malls, as well as financial shows. In all cases the content was taken from consumer education booklets developed by the FSB, covering money management, debt issues, short-term insurance, and consumers' right and responsibilities (SAIA, 2008).

Two local financial institutions engaged in financial education projects funded by the FEF. First, the *Postbank financial literacy project* was conducted in 2009-2010 by a consortium led by Postbank, a division of the South African Post Office, and Wizzit Bank. The programme had the primary objective to improve financial access of those who are excluded or are marginally participating in the formal financial system by delivering one-day in-classroom financial literacy training to over 10,000 trainees in four regions of South Africa. Although the training material was neutral towards brands and broad-based (covering money management, saving, borrowing and risk management), Postbank and Wizzit branding was used (e.g., to advertise the programme) (FEF, 2012; InsightWorx, 2011). Second, the *Nakekela Imali! (Take care of your money!)* provides training workshops at two South African mining houses. The programme is led by Ubank and consists of two-day on-site training workshops, where participants also receive training material to take home and share with their families (IPA, 2010, 2012b; Blair and Poppleton, 2011).

Financial industry associations are involved in financial education to a large extent. For instance, SAIA is also sponsoring community consumer education workshops for low-income people, and the "Financial Freedom" radio dramas on financial literacy and insurance themes (partially funded by the FEF). Even though the contents of the radio broadcast are generic and non-branded, before and after each episode companies with relevant products are allowed to give a message and a toll free number to enable listeners to call and find out more about products on offer (Pearson and Bruynse, 2011; SAIA and Bright Media, 2011a, 2011b). The Banking Association of South Africa (BASA), in collaboration with the South African Savings Institute (SASI), launched the Teach Children to Save South Africa programme in 2008. Within the programme, volunteer bankers and financial sector professionals deliver one-hour savings lessons in grades 4-7 nationwide (BASA, 2011).

Among financial sector initiatives, Absa bank delivers the *Bubomi* financial literacy programme through classroom-based interactive workshops to low-income consumers to teach them how to better manage their financial affairs (Tustin, 2010). In addition, South Africa is one of the countries where the financial education initiatives of two large international financial corporations take place. First, Visa International implements road shows on the workings of debit cards, financial management issues, banking systems, etc. in Botswana, Kenya, South Africa, Uganda, Zambia (and in other non-African countries) (VISA, 2012). Second, Citigroup funded the Global Financial Education Program in South Africa and Morocco (among African countries), which included a financial literacy curriculum, developed by

Microfinance Opportunities and Freedom from Hunger, and awareness campaigns to disseminate the content of the curriculum (Citi Foundation, 2010).

Tanzania

The Bank of Tanzania is in charge of the Financial Literacy Strategy for Tanzania, to be implemented through the Financial Sector Deepening Trust (FSDT). Moreover, Tanzania is among the countries included in the World Bank financial capability measurement project.

Two other programmes developed by international NGOs take place in the country. The *Empowerment and Livelihood for Adolescents (ELA)* is implemented in Tanzania and Uganda by the Bangladesh Rural Advancement Committee (BRAC). It provides financial literacy training and other forms of training (e.g. income generation and life skills), as well as access to microfinance, to young girls living in villages (BRAC, 2009, 2010a, 2010b). The Consumers International's project *Promoting Financial Capability through Consumer Education and Protection Delivery* – described in the section about Kenya – is also implemented in Tanzania (Consumers International, 2012).

Uganda

The Central Bank of Uganda is working with various players in the financial industry to develop a National Strategy for Financial Literacy. A report "Towards an Effective Framework for Financial Literacy and Financial Consumer Protection in Uganda" was launched in 2011 to map current initiatives in the fields of financial literacy and financial consumer protection. The report provides a roadmap to strengthen collaboration and coordination between the various stakeholders to enhance financial literacy in Uganda (Bank of Uganda, 2011).

Moreover, the Central Bank of Uganda is financing the FinLit Foundation to carry out a financial literacy survey.[14] This survey is aimed to ascertain financial literacy needs and will be used to develop recommendations and strategies to enhance financial literacy in the country.

The Capital Markets Authority (CMA) has embarked on programmes to increase public awareness about capital markets. The CMA is working with the National Curriculum Development Centre and the Uganda National Education Board to introduce education on saving, investment and capital markets in secondary schools within the Entrepreneurship subject. Other initiatives to sensitise students on capital markets issues include school and university seminars, and inter university and secondary school competitions. Among the activities that CMA has carried out for a larger public are exhibitions and workshops for investors' awareness, workplace seminars and capacity building activities for financial journalists.

The Capital Markets Authority and the Central Bank of Uganda partnered with financial sector players (including the Uganda Insurance Commission, Uganda Insurers Association, Uganda Insurance Brokers Association, Uganda Bankers Association, and Association of Microfinance Institutions of Uganda, AMFIU) in the Financial Literacy Foundation (FinLit) Uganda. The FinLit Foundation aims at improving financial literacy and consumer protection and at increasing participation in savings and investments in financial markets. Aside from conducting the financial literacy survey, the FinLit carried out other projects. These include the personal finance log-book Tegerra Ssente Zzo; financial literacy clinics in the

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[14] The measurement project is financed through the Central Bank of Uganda Five Year Financial Market Development Plan funded by the World Bank through the Private Sector Foundation Uganda.

country's major towns; an annual Financial Literacy Week; and free publications on insurance, investing, saving and budgeting, capital markets, banking and loans. In particular, the *Tegerra Ssente Zzo (Understand your Money)* involved the delivery of a personal finance log-book to 100 low-income clients of a microfinance institution who used the log-book for six months to track their net worth and personal budget. Participants were given training on how to use it and were supported by a counsellor from their microfinance institution through regular meetings. During these meeting the counsellor would evaluate the consumers' financial situation with the aid of a software package and provide recommendations on improvement (FinLit Foundation, 2012; Research Moguls, 2012a).

Several organisations carried out awareness campaigns in Uganda. The USAID promoted a savings awareness campaign under its Rural Saving Promotion and Enhancement of Enterprise Development (Rural SPEED) project. The campaign took place in 2006 and included radio skits and ads, seminars, and live road shows promoting saving and the use of financial services (USAID, 2007). An awareness campaign is also the main delivery channel of the consumer education programme of the Financial Sector Deepening project Uganda (FSDU), established by the UK DFID. The FSDU campaign took place in 2007 and dealt with knowledge of consumer rights and responsibilities, and types of financial institutions and products (FSDU, 2007). The Association of Microfinance Institutions of Uganda (AMFIU) carried out a parallel campaign working with MFIs and other institutions, on financial literacy and on the rights and responsibilities of Savings and Credit Co-operatives (SACCOs) members (MasterCard Foundation et al., 2011).

Various other initiatives have combined financial education training with access to financial products. *Starting a lifetime of savings* is coordinated by IPA, in collaboration with local MFIs and NGOs. It promoted the saving behaviour of young people by delivering them a custom financial education curriculum and/or by encouraging them to access a youth group savings account (IPA, 2011c). Similarly, *AssetsAfrica* delivered financial education to poor people (together with other forms of training, including business planning and bookkeeping) and allowed them to access a saving account eligible for a matching upon reaching specific saving goals (similar to Individual Development Accounts, IDAs, in the US) (Chowa and Ansong, 2010). Finally, *Safe and Smart Savings Products for Vulnerable Adolescent Girls in Kenya and Uganda* by the Population Council combines financial education with access to individual savings accounts, as described for Kenya (Austrian, 2011; Hallman, 2011; Population Council, 2011a, 2011b).

Other projects implemented in the country include the *Adolescent Development Programme* (described in the section on Tanzania), and *An opportunity for all, Financial Education in Africa* (described in the section on Ghana). Further, the Private Education Development Network (PEDN) promotes youth empowerment through entrepreneurial, financial, and business skills programs in communities, primary and secondary schools (MasterCard Foundation et al. 2011).

Zambia

The development of a National Financial Literacy Strategy is led by the Bank of Zambia, in partnership with the Pensions and Insurance Authority and the Securities and Exchange Commission, and with the assistance of the UK DFID's Financial Education Fund (FEF). This strategy is being hosted under the Financial Sector Development Plan (FSDP) which is a comprehensive government plan aimed at strengthening and broadening Zambia's financial sector. The FSDP, whose Secretariat is domiciled at the Bank of Zambia, focuses on, among others, facilitating a dynamic and inclusive financial sector that supports all aspects of the economy. Moreover, the Ministry of Education, Science and Vocational Training, following input from the FSDP secretariat and related stakeholders, is revising the national school curriculum so as to incorporate financial education. The revised school curriculum is due to be piloted in 2012 with nationwide implementation in 2013. Finally, Zambia is among the countries included in the World Bank financial capability measurement project.

Financial education for young women in rural Zambia is another financial education programme financed by the FEF and implemented by the Camfed Association. It focused on empowering young women aged 16-35 years, across eight rural Zambian districts with economic independence and life choices through financial literacy training. The programme reached more than 10,000 young women over two years. Training was delivered by peer trainers from the Camfed Association network of young women (Cama), using a cascade training model (e.g., training a number of Core Trainers and Peer Educators, who in turn train other women directly in each district) (FEF 2012; Hamweemba 2011; Zivetz and Synovate, 2010).

Private sector initiatives include those of Zanaco bank. Zanaco has been implementing a financial education programme called *Financial Fitness* as part of its corporate social responsibility since 2008. The programme has three main target groups: children and youth; adults, including the bank's employees; and small and medium entrepreneurs. The programme for children is targeted at pupils in grades eight and nine in government schools, and is delivered as an extra curriculum activity. The delivery of financial education to adults is carried out mainly through mass media (radio and newspapers), while for Zanaco staff and SMEs it is delivered through training workshops on financial literacy and business management (Musona et al., 2011).

Zimbabwe

The Securities Commission of Zimbabwe (SECZ) is undertaking various investor education programmes designed to inform and sensitise the investing public on the workings of Zimbabwean capital markets. To date, the SECZ has been involved in various activities: it has partnered with the Ministry of Labour and Social Services in delivering consumer education programmes in schools, and it participates in various expo, workshops, conferences, and seminars throughout the country. Moreover, the SECZ is responsible for the development of financial literacy material (Career opportunities in capital markets; A guide to investing in capital markets; Capital markets in Zimbabwe). In addition, the SECZ is in the process of developing other financial literacy material targeting various groups.

Other countries

In Botswana, all initiatives found involve the private sector to some extent. Barclays Bank of Botswana launched a financial literacy campaign in 2010 consisting in training sessions for various low-income groups (Barclays Bank of Botswana, 2010). Moreover, Stanbic bank is collaborating with the Ministry of Education and the Botswana National Library Services to introduce financial literacy booklets, based on Stanbic Bank material, in secondary school curriculum (Standard Bank, 2008).

In Egypt the Population Council implements the programme *Ishraq: Bringing Marginalized Rural Girls into Safe Learning Spaces in Upper Egypt*, which is similar to the *Enhancing the Economic, Health, and Social Capabilities of Highly Vulnerable Youth* carried out by the same organisation in South Africa. The initiative consists of training on literacy and life skills for out-of-school and vulnerable girls in rural Egypt as a means to improving their educational, health, and social opportunities. The programme includes a financial literacy curriculum focused on basic skills related to earning, budgeting, and saving (Brady et al., 2007).

Microfinance Opportunities and the MasterCard Foundation collaborate with local microfinance and private sector institutions in Zambia and Malawi (among African countries) to implement the *Consumer Education for Branchless Banking (CEBB)* programme, using financial education to support branchless banking among low-income populations (Microfinance Opportunities, 2011a).

In some Western African countries (Burkina Faso, Mali, and Senegal) and in Madagascar the Coopération Monégasque (Monaco's development agency) finances training of MFIs staff through the Participatory Microfinance Group for Africa (PAMIGA). The objectives of the project include raising awareness of MFIs about consumers' protection through financial literacy training and supporting MFIs in the delivery of financial education to their clients (Direction de la Coopération Internationale, 2010).

Junior Achievement is a non-profit organisation funded by the private sector aiming to prepare young people to be economically active. Junior Achievement is operating in various African countries (e.g., Nigeria, Uganda, Zambia) teaching young people business skills and exposing them to the entrepreneurial world. Financial education is one of the subjects covered in these programmes, and is taught during regular school hours and in community centres (to reach out-of-schools youth) (MasterCard Foundation et al., 2011).

CARE Burundi carries out the programme *Ishaka: Courage for the future*, delivering financial education training to adolescent girls in urban and rural parts of the country within Village Savings and Loan Groups (VSLG). The project aims to educate girls to access safe savings and financial resources, and improve their life skills during the transitions from adolescence to adulthood. Training is delivered through girls' clubs by community volunteers trained by CARE. The training is based on a curriculum designed by Microfinance Opportunities and is reinforced through radio programs and comic books (Morcos and Sebstad, 2011).

The HSBC Global Education Trust and Students in Free Enterprise (SIFE) implemented various financial education programmes in 2005-2007 in some countries, including African ones (i.e., Egypt, Lesotho, Morocco, and South Africa). SIFE's network was used to deliver community projects providing financial literacy to a wide range of audiences (children, students, out-of-school youths, adults, female entrepreneurs, etc.) and through various channels (SIFE, 2008).

VI. CONCLUSIONS AND PRELIMINARY GUIDANCE

The African development situation is not uniform across the continent and disparities both within and between countries are common. Yet, many African countries are faced with numerous challenges in social and economic terms, including high poverty rates, low enrolment to primary education, and limited access to formal financial services and products.

These challenges make financial education in Africa particularly relevant, alongside other social and economic development policies, including especially financial inclusion and financial consumer protection interventions. Financial education is indeed crucial in empowering consumers to manage their resources efficiently in a context of scarce resources, and to profit successfully from entrepreneurial opportunities. Moreover, higher financial literacy can promote the demand for financial products and services, increasing awareness, confidence and ability in using them.

This stock-taking exercise has identified several financial education initiatives implemented in Africa, showing an uneven state of development. In a limited set of countries, public authorities are in the process of developing their national strategies for financial education, while in others public institutions have implemented various initiatives at the national level (but not fully-fledged national strategies). Aside from nationally coordinated initiatives, a range of stakeholders, including NGOs, MFIs and financial institutions have implemented several scattered financial education programmes.

Based on this first exercise, a number of general challenges concerning the development and the implementation of financial education programmes in Africa have been identified. In this respect, the OECD INFE work can offer preliminary guidance to help address these issues (see, in particular, the INFE High-level principles on National Strategies for Financial Education, OECD INFE 2012a).

Even though in some countries public authorities (governments and central banks) are engaged in the development of national strategies for financial education, a large number of initiatives – mostly implemented by non-for-profit organisations and the private sector – lack nation-wide coordination. Public institutions should be more involved in financial education and should seek to develop national strategies, in coordination with other relevant stakeholders. This would raise awareness on the importance of financial education for the population, avoid duplication of resources, allow better identification of needs and gaps in the population and ensure the promotion of efficient delivery practices. This process would also involve:

- better monitoring of the private sector involvement in developing and delivering financial education programmes across African countries;
- encouraging the measurement of financial literacy to better identify main policy priorities, target population and other needs (for example using the OECD and World Bank measurement tools);

- strengthening the introduction of financial education in schools wherever possible, especially given the large share of young people in the population (see the OECD INFE guidelines on financial education in schools, INFE, 2013a forthcoming, and OECD/INFE, 2013a);

- improving women's empowerment, including through financial education initiatives (Hung et al, 2012; INFE, 2013b forthcoming; OECD, 2012; OECD/INFE, 2013b);

- encouraging the systematic evaluation of programmes to improve their delivery and relevance (for example using the available evaluation tools developed by the OECD and the World Bank).

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APPENDICES – BACKGROUND INFORMATION

APPENDIX A – AFRICAN DEVELOPMENT CONTEXT

While recognising the differences in economic and social terms across and within African countries, it is useful to look at the continent's overall situation. Even though the economy of some countries or regions grew during the last few decades, the continent's average per capita Gross National Income (GNI) annual growth was very low for most of the 1980s and 1990s, with a recovery only in the early 2000s (UN, 2010). African economies suffered from the financial and economic crisis of 2008/09, but recovered from the slump with a 4.9% average rate of growth in 2010 (AfDB *et al*., 2011). The spell of growth contributed to poverty rates reduction, but it was not enough to make a significant impact. Various factors account for this. Much of Africa's growth originated from sectors weakly linked to the rest of the economy (such as oil and mineral), with little impact on the creation of jobs and the reduction of poverty. Moreover, significant income inequality implied that the benefits of growth were unequally distributed to the richest parts of the population and trickled down to the poorest only to a limited extent (AfDB *et al*., 2011). As a matter of fact, sub-Saharan Africa remains the poorest region in the world, with about half of its population living on less than $1.25 a day. In addition, many African countries are burdened by heavy debt loads, as evidenced by the 155 Paris Club restructurings of African countries' debt between 1980 and 2001, that is many more than for any other region (Sachs *et al*., 2004).

In addition to the macro-economic situation, the UN Millennium Development Goals Indicators provide useful statistics on human development (some of these statistics are collected in Table 3). On average Africa's population is very young, with about 40% of the population being younger than 16, and only about 3% older than 65 (UN, 2008). Even though Sub-Saharan countries considerably improved their enrolment rates in primary school, with an 18-percentage-point gain between 1999 and 2009, primary school enrolment remains among the lowest in the world (76.2% in sub-Saharan Africa vs. 89% in other developing countries), with girls displaying lower enrolment ratios than boys. The enrolment ratio of girls to boys in sub-Saharan Africa is relatively high in primary education (92%), but it becomes smaller in higher grades (79% in secondary education, and 63% in tertiary, UN, 2011)[15].

Analogously, wide gaps remain in women's access to paid work (however, this is true to some extent for other regions of the world too). This gap is more pronounced in Northern Africa, where the share of women in non-agricultural paid employment is less than 20%, than in sub-Saharan Africa, where it is more similar to other developing regions (around 33%). Another frequently observed feature of African countries' labour markets is the size of the informal sector. The percentage of own-account and unpaid family workers in total employment – taken as a measure of "vulnerable employment", characterized by informal working arrangements, lack of adequate social protection, low pay and difficult working conditions – is very high in sub-Saharan Africa (around 75%). This is much higher for women (84%) than for men (69%).

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15 Note that cross-regional differences in the ratios of girls to boys in education are not exclusively explained by the differences in ratios of girls to boys in the population of the same age. For instance, the ratio of girls to boys aged less than 15 is around 0.94-0.98 in most regions in the world (with the exception of eastern Asia where it is less than 0.90) (UN, 2008).

Sub-Saharan Africa remains the region in the world with the highest HIV incidence. The incidence rate was 0.57% in 1999 and 0.4% in 2009, meaning that four adults out of 1,000 were newly infected that year (leading to a total of 1.8 million new infections in the region in 2009).

Table 3. Various development indicators

	% of people living on less than \$1.25 per day (a)	Enrolees of primary school (per 100 children of the same age) (b)		Ratios of girls to boys in tertiary education (c)	Proportion of own-account and contributing family workers in total employment		Share of women in wage employment (d)	HIV incidence rates (e)
	2005	2009		2009	2009		2009	2009
		Boys	Girls		Men	Women		
World	-	90.6	88.8	1.08	48.9	51.8	39.6	0.06
Developing regions	26.9	90	87.9	0.97	56.9	63.8	33.8	0.08
Northern Africa	2.6	96	92.4	0.98	29.1	46.5	18.8	0.01
Sub-Saharan Africa	50.9	78	74.5	0.63	69.1	84.2	32.6	0.40
Latin America and the Caribbean	8.2	95.1	94.9	1.26	31.6	33.2	43	0.04
Eastern Asia	15.9	94.1	97.3	1.03	48.1	55	41.7	0.01
Southern Asia	38.6	92.6	89.1	0.74	74.4	83.4	19.4	0.02
South-Eastern Asia	18.9	95	93.9	1.09	58.8	65.4	37.6	0.04 (f)
Western Asia	5.8	91	85.5	0.87	25.4	40.6	18.7	<0.01
Oceania	-	-	-	0.86	73.4	83.5	36.2	-
Caucasus and Central Asia	19.2	93.2	92	1.07	42.9	44.4	45.2	0.03
Developed Regions	-	95.3	96.3	1.3	10.7	8.5	48.3	0.03

Source: UN (2011)

Notes:

(a) 2005 Purchasing Power Parity

(b) Primary- and secondary-level enrolees of official primary school age per 100 children of the same age

(c) Gross enrolment ratios

(d) In the non-agricultural sector

(e) HIV incidence rates (number of new HIV infections per year per 100 people aged 15-49

(f) South-eastern Asia and Oceana

APPENDIX B – DATA ON FINANCIAL INCLUSION IN AFRICA

Data sources description

The FinScope surveys are an initiative of the a FinMark Trust, a not-for-profit trust registered in South Africa and established in March 2002 with initial funding from the UK DFID (FinScope, various years). The surveys are nationally representative of the adult population and collect information on the use of financial services – formal and informal – as well as attitudes, behaviour, quality-of-life factors and consumption patterns. South Africa was the first to implement FinScope in 2002 and has been running annual surveys ever since. Botswana, Kenya, Nigeria, Tanzania, Uganda and Zambia have results for two waves, while Ghana, Malawi, Mozambique, Namibia, Rwanda and Swaziland collected only one cross-section (not considering initial pilot studies). Only the most recent results for each country are presented here. The surveys follow a standardized approach, even though there are some small methodological differences (e.g. while in most cases the target population is aged 18+, for some countries it is 16+). In each country the questionnaire is modified to keep into account local financial markets conditions (e.g., terminology describing informal products, such as informal saving clubs, etc.). The surveys are typically funded by combinations of international organisations, foreign development agencies, local public authorities and private financial institutions. Even though the surveys do not provide a clear distinction between holding formal financial products and actually using them, they allow to distinguish the extent of financial access to banking and non-banking, and to formal and informal financial products.

The World Bank report "Finance for All" contains a composite measure of access to financial service for a very large number of countries, combining household survey data with own estimates (WB, 2008). Finally, a 2009 Gallup survey reports the percentage of adults having a bank account in 18 sub-Saharan African countries (Gallup, 2010).

Comparison of the FinScope, Gallup and World Bank data on financial inclusion

Various methodological differences may account for the disparity in figures across the three sources (FinScope, various years; Gallup, 2010; WB, 2008). Based on the information available from the three sources, we attempt a discussion of their differences.

The FinScope and Gallup surveys collected data with a common methodology across countries, thus allowing cross-country comparability, but have a limited geographical coverage. On the contrary, the WB exercise collects figures for a much larger number of countries, but combines data obtained from potentially non-homogenous sources (i.e., household surveys – collected with potentially different methodologies – for the countries where such surveys are available, and estimates for the countries where national surveys are missing).

FinScope surveys measure the proportion of the adult population having or using a banking product; the Gallup survey measures the proportion of the adult population having a bank account; the WB data are taken from Honohan (2007) and combine different definitions of financial access according to country availability: the figure represents the proportion of households / adult population having a bank account where this figure is available, or an estimate of the above figure based on the number of accounts in banks and MFIs. Moreover, there are other potential reasons why the results provided by the three sources diverge. Most survey data used by the WB report are based on surveys collected in the early 2000s, while FinScope data are more recent (most of them refer to 2008-2010) and the Gallup survey refers to 2009. This would suggest that WB figures should be lower than FinScope and Gallup ones. Some WB figures are based on household access rather than individual access. It is reasonable to expect the proportion of households with an account to be larger than the proportion of adults with an account. Finally, some WB estimated figures take into account the proportion of adults holding accounts at microfinance institutions, savings and credit cooperatives, credit unions, etc. This is likely to make the WB figures larger than the FinScope ones, which are based on bank products only.

Other data sources

Other sources provide indications of the extent of bank access in some macro-regions. The Central Bank of the West African States (Banque Centrale des Etats de l'Afrique de l'Ouest, BCEAO) estimates that than 10% of the total population of the West African Economic and Monetary Union (Union Economique et Monétaire Ouest-Africaine, UEMOA) has access to financial services provided by banks and microfinance institutions (BCEAO, 2009). The Bank of Central African States (Banque des États de l'Afrique Centrale, BEAC) indicates that also in the Economic and Monetary Community of Central Africa (Communauté Économique et Monétaire de l'Afrique Centrale, CEMAC) the average rate of access to banking is below 10% (BEAC, 2011).

APPENDIX C – GLOSSARY

African regions: According to the United Nations classification of countries by major area and region of the world, Africa is divided into the following five regions: Eastern Africa, Middle Africa, Northern Africa, Southern Africa, and Western Africa. The same source designates sub-Saharan Africa as all of Africa except northern Africa, with the Sudan and South Sudan included in sub-Saharan Africa. The list of countries belonging to each region can be found at:
http://esa.un.org/unpd/wup/CD-ROM_2009/WPP2009_DEFINITION_OF_MAJOR_AREAS_AND_REGIONS.pdf

Challenge fund: a grant aimed at projects or companies that have the potential to overcome a particular challenge.

Index-based insurance: whether indexed risk management products represent a newly developed alternative to the traditional crop insurance programs for smallholder farmers in the emerging markets. These products are based on local weather indices, ideally highly correlated to local yields. Indemnifications are triggered by pre-specified patterns of the index, not by actual yields. This reliance on factors beyond the control of farmers reduces the occurrence of moral hazard and adverse selection. It also eliminates the need for field visits, which speeds up claim settlement and significantly reduces costs (http://www.un.org/esa/sustdev/publications/innovationbriefs/no2.pdf).

Living standard measures: the Living Standards Measure is marketing research tool in Southern Africa developed by the South African Advertising Research Foundation. It divides the population into 10 groups, from 10 (highest) to 1 (lowest). It is based on access to services and durables, and geographic indicators as determinants of standard of living. (http://www.saarf.co.za/LSM/lsms.htm).

Own account workers: own-account workers are those workers who, working on their own account or with one or more partners, hold the type of job defined as a self- employed job, and have not engaged on a continuous basis any employees to work for them during the reference period (http://stats.oecd.org/glossary/detail.asp?ID=1986).

Poverty rate: absolute poverty refers to being unable to afford basic human needs. It is usually measured with respect to a set standard which is consistent over time and between countries. For instance, the World Bank defines extreme poverty as living on less than US $1.25 (PPP) per day. Relative poverty views poverty as socially defined and dependent on social context. Usually, it is measured as the percentage of population with income less than some fixed proportion of median income (e.g., 50% or 60% or less of the median household income in the country in a given year).

Quasi-experimental design: experimental design where the assignment of the subjects to treatment/control groups is not random.

Treatment/control groups: in the design of experiments, the treatment group includes the experimental units (e.g. individuals, household, villages, etc.) receiving a “treatment” (policy, intervention, programme, etc.). The units in the control group do not receive the treatment.

APPENDIX D – LIST OF ACRONYMS

ACDEP	Association of Church-based Development NGOs (Uganda)
AfDB	African Development Bank
AFE	ACDEP Financial Education project
AMFIU	Association of Microfinance Institutions of Uganda
AMIR	Association of Microfinance Institutions in Rwanda
ATM	Automated Teller Machine
BASA	Banking Association of South Africa
BCEAO	Banque Centrale des États de l'Afrique de l'Ouest / Central Bank of West African States
BEAC	Banque des États de l'Afrique Centrale / Bank of Central African States
BOZ	Bank of Zambia
BPR	Banque Populaire du Rwanda
BRAC	Bangladesh Rural Advancement Committee
CAC	Consumer Advice Centre
CBL	Central Bank of Lesotho
CEEB	Consumer Education for Branchless Banking
CEMAC	Communauté Économique et Monétaire de l'Afrique Centrale / Economic and Monetary Community of Central Africa
CGAP	Consultative Group to Assist the Poor
CMA	Capital Markets Authority (Uganda)
CSI	Corporate social investment
DFID	Department for International Development (UK)
ELA	Empowerment and Livelihoods for Adolescents
FE	Financial Education
FEF	Financial Education Fund of the UK DFID
FEPP	Financial Education and Consumer Protection Partnership (Kenya)
FINCA	Foundation for International Community Assistance
FLI	Financial Literacy Initiative (Namibia)
FSB	Financial Services Board (South Africa)
FSD	Financial Sector Deepening trust (Kenya)

FSDP	Financial Sector Deepening Plan (Zambia)
FSDT	Financial Sector Deepening Trust (Tanzania)
FSDU	Financial Sector Deepening project Uganda
FSTAP	Financial Sector Technical Assistance Project (Malawi)
GFEP	Global Financial Education Program
GIZ	Gesellschaft für Internationale Zusammenarbeit (German Agency for International coorparetion)
GNI	Gross National Income
HMB	Honest Money Box (Aflatoun)
ICT	Information and Communications Technology
IDA	Individual Development Account
ILO	International Labour Organization
INFE	International Network on Financial Education
IPA	Innovations for Poverty Action
LSM	Living Standard Measure (South Africa)
MEDA	Mennonite Economic Development Associates
MFI	Microfinance Institution
MFO	Microfinance Opportunities
NAMFISA	Namibia Financial Institutions Supervisory Authority (Namibia)
NCR	National Credit Regulator (South Africa)
NDMA	National Debt Mediation Association (South Africa)
NGO	Non-Governmental Organisation
OECD	Organisation for the Economic Co-operation and Development
OIBM	Opportunity International Bank of Malawi
PAMIGA	Participatory Microfinance Group for Africa
PEDN	Private Education Development Network (Uganda)
POS	Point of sale
RBM	Reserve Bank of Malawi
ROSCA	Rotating Savings and Credit Association
Rural SPEED	Rural Savings Promotion and Enhancement of Enterprise Development (Uganda)
SACCO	Savings and Credit Cooperatives
SAIA	South African Insurance Association
SASI	South African Savings Institute
SBFIC	Savings Bank Foundation for International Cooperation (Germany)

SCG	Saving and Credit Group
SECZ	Securities Commission of Zimbabwe
SIFE	Students in Free Enterprise
SPEED	Support Programme for Enterprise Empowerment and Development (Ghana)
TOT	Training-of-Trainers
UEMOA	Union Economique et Monétaire Ouest-Africaine / West African Economic and Monetary Union
UN	United Nations
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
VSLG	Village Savings and Loan Groups
WB	World Bank

APPENDIX E – TABLES

Table 4. Financial education initiatives in Africa

Programmes are listed by stakeholder type and then in alphabetical order by country

Programme	Country	Aim	Main coordinator / stakeholder	Partner(s)	Funder(s)	Target population	Delivery Channel	Content	Evaluation	Time frame
PUBLIC SECTOR INITIATIVES										
National Strategy for Financial Literacy and Consumer Protection in the Microfinance Sector	Ghana	Create awareness of financial topics	Ministry of Finance and Economic Planning			Various	Main activities: a Financial Literacy Week, road shows in rural areas, educational material on loans, saving, (micro) insurance and investment			2008/ 2009
Support Programme for Enterprise Empowerment and Development (SPEED) Ghana	Ghana	Promote financial literacy	Support Programme for Enterprise Empowerment and Development (SPEED) Ghana	Joint programme of the Government of Ghana, Bank of Ghana, German Agency for International Cooperation (GIZ), Danish International Development Agency (Danida)		Low education, working informally, young, women.	Road shows (in collaboration with MFI network Ghamfin and Ministry of Finance and Economic Planning); radio programmes; print media; training for MFI staff	Savings, loans, investments, insurance, micro-insurance; consumer rights and responsibilities		2003-

Programme	Country	Aim	Main coordinator / stakeholder	Partner(s)	Funder(s)	Target population	Delivery Channel	Content	Evaluation	Time frame
National Strategy for Financial Education (in progress)	Kenya		Central Bank of Kenya	Financial Sector Deepening (FSD) Trust; Financial Education and Consumer Protection Partnership (FEPP)						
Pension education campaign	Kenya	Raise awareness about pension issues	Retirement Benefits Authority (RBA)		RBA	Workers	Multi-media campaign: TV, print, magazines, radio, etc.; retirement planning seminars; road-shows etc	Benefits, time management, attitudes to retirement, investment and personal financial management, health issues in retirement		
Consumer education	Lesotho	Allow consumers to make informed decisions about financial products and services, as well as identify and avoid scams	Central Bank of Lesotho	Government, non-for-profit organizations, and the private sector		All consumers	Radio and TV talk shows, media advertising campaign, "Consumer Tips" columns or sections in print and radio media, fact sheets (in both Sesotho and English), consumer brochures, CBL website	Payment instruments, opportunities for investment, insurance, money lending, frauds, consumer rights and dispute resolution		

Programme	Country	Aim	Main coordinator / stakeholder	Partner(s)	Funder(s)	Target population	Delivery Channel	Content	Evaluation	Time frame
National Framework for Financial Literacy (in progress)	Malawi		Reserve Bank of Malawi (RBM)	National Committee on Financial Literacy (ministries, academia, civil society, donor/development partners, financial sector)		Existing users of financial services, the unbanked, and students in primary, secondary and tertiary education				2010-
Consumer Education Initiative	Namibia	Increase awareness about rights and responsibilities around financial products in order to improve financial literacy and capability.	Namibia Financial Institutions Supervisory Authority (NAMFISA)		NAMFISA	Users/ potential users of non-bank financial services	Consumer education information dissemination through road shows; website; newspaper, magazine and radio adverts; work place and youth programmes	N/a		2008 -
Financial Literacy Initiative	Namibia	Enhance financial education for individuals and micro-, small- and medium-sized enterprises	Ministry of Finance		Gesellschaft für Internationale Zusammenarbeit (GIZ)		Interactive approaches such as street theatre, TV and radio shows, cooperation with schools, workplace activities, and training for entrepreneurs, supported by print material			2009-

Programme	Country	Aim	Main coordinator / stakeholder	Partner(s)	Funder(s)	Target population	Delivery Channel	Content	Evaluation	Time frame
Consumer Education Initiative	South Africa	Raise awareness, enhance knowledge, provide confidence, change behaviour, reinforce inclusion	Financial Services Board (FSB)		FSB	Various	Various channels, including community outreach and awareness workshops, teacher training materials, TV, radio, website, and road-shows	General financial issues; budgeting, credit, saving, insurance, pensions, right to redress; day-to-day fin management, where to find information, making complaints, ownership and use of fin services	National Community Financial Education Workshops have been evaluated	2008/09
Consumer education programme	South Africa	Consumer education and awareness	National Credit Regulator (NCR)		NCR		Awareness campaign: print, broadcast, and electronic media. Education campaign: capacity building workshops with various stakeholders, who are trained so that they can advise and educate a wider audience. Consumer education information on the website	N/a		
Financial education in schools	South Africa		Departments of Education	FSB		All school grades (1-12)	It is not taught as a stand-alone subject, but it is integrated into the daily curriculum in various learning areas.	Debt management, savings, budgeting, credit, caution against scams, insurance, retirement, investment, resource, rights and responsibilities.		

Programme	Country	Aim	Main coordinator / stakeholder	Partner(s)	Funder(s)	Target population	Delivery Channel	Content	Evaluation	Time frame
Financial Literacy Strategy for Tanzania (in progress)	Tanzania		Bank of Tanzania	Strategy to be implemented through the Financial Sector Deepening Trust (FSDT)						2009-
National Strategy for Financial Literacy (in progress)	Uganda		Central Bank of Uganda							2011-
Investor education	Uganda	Sensitize the public on capital markets issues to promote their development	Capital Markets Authority (CMA)		Capital Markets Authority (CMA)	Investors / public / students	Seminars and competitions in schools, exhibitions, and workshops. Investor education information on the website			
National Financial Education Strategy (in progress)	Zambia	Stimulating and coordinating the existing fragmented education programmes conducted by various stakeholders across the country	Bank of Zambia (BOZ) - implemented through the Financial Sector Development Plan (FSDP)	Pensions and Insurance Authority (PIA) and the Securities and Exchange Commission (SEC)	Financial services regulators (BOZ, PIA and SEC; the Government; the Financial Sector Development Plan (FSDP); the private sector; donors (including FEF)	Primary Audience – Zambian population; Secondary Audience – the financially excluded	In development	In development		

Programme	Country	Aim	Main coordinator / stakeholder	Partner(s)	Funder(s)	Target population	Delivery Channel	Content	Evaluation	Time frame
Investor education	Zimbabwe	Inform and sensitise the investing public on the workings of Zimbabwean capital markets.	Securities Commission of Zimbabwe (SECZ)	Ministry of Labour and Social Services		Schools and general population	Consumer education programmes in schools; expo, workshops, conferences, and seminars; financial literacy printed material			
INITIATIVES BY THE NON-FOR-PROFIT SECTOR										
Financial education program	Burkina Faso, Madagascar, Mali, and Senegal	Raise awareness of MFIs about financial education, help MFIs to improve financial education of their customers	Participatory Microfinance Group for Africa (PAMIGA)		Coopération monégasque	MFI staff and clients	TOT (MFI staff) + training of clients	N/a		2010
Ishaka: Courage for the Future	Burundi	Economic and social empowerment of poor, adolescent girls	CARE	Microfinance Opportunities (MFO)	Nike Foundation	Urban and rural girls ages 14-22	Training delivered through girls clubs; linked to CARE's self-managed village savings and loan programme	MFO curriculum		
Ishraq: Bringing Marginalized Rural Girls into Safe Learning Spaces in Upper Egypt	Egypt	Improve the educational, health, and social opportunities of vulnerable rural girls	Population council	Caritas; Centre for Development and Population Activities; National Council for Childhood and Motherhood; Save the Children	Netherlands Embassy; UK DFID; UN Children's Fund/Egypt; private foundations	13-15 year-old out-of-school girls in rural Upper Egypt	Training on literacy and life-skills, including financial literacy	Earning, budgeting, saving, banking/post-office services, and financial negotiations		2001-

Programme	Country	Aim	Main coordinator / stakeholder	Partner(s)	Funder(s)	Target population	Delivery Channel	Content	Evaluation	Time frame
ACDEP Financial Education Project (AFE)	Ghana	Enhance the use of business plans; Increase the use of financial services (mainly savings and cash-crop loans); Compare the effectiveness of different training approaches	Association of Church-based Development NGOs(ACDEP)	Engineers Without Borders (EWB) and the Ministry of Food and Agriculture	FEF	Small-scale farmers.	Group / Peer-to-Peer training on financial education, capacity building and business skills; Video	Setting financial goals; managing your money; loan compared to self-financing ; the danger of over-indebtedness and loan default; comparing savings services; insurance; financial negotiation; budgeting; making a savings plan	Concluded	2010-2011
Evaluating the Efficacy of School Based Financial Education Program	Ghana	Promote personal growth, financial knowledge, and savings, and allow access to a saving scheme; Evaluate the effectiveness of different curricula	Aflatoun and Innovations for Poverty Action (IPA)	Netherlands Development Organization (SNV), Women and Development Project (WADEP), and other local implementing partners	FEF	Primary school students aged 9 – 14 in 135 schools in three Ghanaian governmental districts	Training + access to a saving scheme	Aflatoun Social and Financial Education Curriculum	Concluded	2010 - 2011
Makutano Junction	Kenya	Increase financial education and awareness	Mediae	Content Development: Financial Sector Development Trust (FSDT), Microfinance Opportunities, Microsave, Faulu Bank Kenya, Family Bank	FEF (series 9 and 10)	General Kenyan public, with a specific focus on people living in rural and peri-urban areas	'Edutainment' initiative integrating the FE messages into two seasons of a TV soap opera + interactive SMS to receive leaflet on episode topic + possibility to sign up at a bank	Information about financial management. The leaflets include more information on budgeting, savings, investments and debt management.	Preliminary results	2009-2011

Programme	Country	Aim	Main coordinator / stakeholder	Partner(s)	Funder(s)	Target population	Delivery Channel	Content	Evaluation	Time frame
Radio campaign on insurance education	Kenya	Increasing awareness and improving attitudes towards risk management and insurance	Microfinance Opportunities (MFO)	ILO microinsurance Innovation Facility, Association of Kenyan Insurers, and radio producer			Radio shows (story + expert + SMS competition)	Risk management and insurance (based on MFO curriculum)		2010
Social Networks, Financial Literacy and Index Insurance in India and Kenya	Kenya and India	Examine role of financial education on farmers' decision to purchase index-based weather insurance	World Bank	FDS-Kenya; Equity bank, APA Insurance, Coffee farmers cooperative societies, IPA	Russian/World Bank/OECD Financial Literacy and Education Trust Fund	Rural small-scale farmers	Comic books	Index-based insurance	Randomized control trial evaluation planned	2011-2012
Promoting Financial Capability in Kenya and Tanzania through Consumer Education and Protection Delivery	Kenya and Tanzania	Improve capacity, quality and outreach of consumer advisors	Consumers International	Consumer Information Network, Youth Education Network in Kenya and Tanzania; Consumers Advocacy Society in Tanzania	FEF	Consumer advisors (Target clients: low-Income consumers, with an emphasis on young people and women)	One-to-one counselling and coaching from financial advisors through Consumer Advisory Centres (CAC) and mass media (local radio stations and national TV)	Consumer Protection; Financial Services; Budgeting; Savings; Debt Management	Concluded	2010-2011

Programme	Country	Aim	Main coordinator / stakeholder	Partner(s)	Funder(s)	Target population	Delivery Channel	Content	Evaluation	Time frame
The Story of Gold	Nigeria	Enhance consumers' awareness of right and responsibilities and of financial education concepts; assess whether entertainment can be used to improve financial literacy	World Bank and Central Bank of Nigeria	Credit Awareness Nigeria	Russian/World Bank/OECD Financial Literacy and Education Trust Fund	Low income	Movie / edutainment	Story of identical twins who receive the same financial endowment but live different financial lifestyles	Randomized evaluation to take place in 2012/2013	2011-2013
Gender, Socioeconomic Status, and Youth HIV Risk	South Africa	Equip youth with skills to better manage personal and family resources and access existing livelihood / training opportunities and financial services; and HIV/AIDS prevention	Population council	Various partners	UK DFID, UNICEF, USAID, private foundations	Young (14-20 and 21-24 years old)	Provision of network ('safe spaces') and training on financial education and health	Young people were taught how to budget, save, plan for the future, identify safe and appropriate income-generating opportunities, and access social benefits	Concluded	1/2004 - 12/2007
Enhancing the Economic, Health, and Social Capabilities of Highly Vulnerable Youth ("Siyakha Nentsha")	South Africa	Enhance adolescents' capabilities integrating financial literacy, HIV/AIDS and reproductive health education	Population council	Isihlangu Health and Development Agency, kwazulu-Natal Department of Education, University of kwazulu-Natal, NGOs et al	DFID, Economic and Social Research Council (ESRC) and a private foundation	Students (grades 10-11, in poor, HIV/AIDS-affected communities)	Training in classrooms during school hours	Self-awareness, human rights, HIV and AIDS, reproductive health, the value of planning for the future, saving money, accessing banks, job readiness and basic principles of starting a business	Concluded	11/2007 -

Programme	Country	Aim	Main coordinator / stakeholder	Partner(s)	Funder(s)	Target population	Delivery Channel	Content	Evaluation	Time frame
Life Skills Training (LST) and Financial Education Training (FET)	South Africa	Provide basic social and financial literacy skills to savings group members and improve their planning ability	Saveact			Vulnerable groups	Training (and access to saving and credit groups)	Financial planning; money management; saving and credit groups and other financial products		
Imali Matters - Money Advice Association	South Africa	Consumer education and awareness	Money Advice Association (Department of Trade and Industry, Finmark Trust, African Bank, Credit Information Ombudsman)	African Bank, The Credit Information Ombud, Finmark Trust, Department of Trade and Industry (DTI)	FEF and African Bank	Low-income consumers in urban areas	Free independent money advice (generic recommendations)		Concluded	8/2009 – 11/2011
Scandal!	South Africa	Pilot entertainment education as a delivery tool for improving financial capabilities in South Africa and evaluate the effectiveness of this method	World Bank and National Debt Mediation Association (NDMA)	Storyline developed by the production company of Scandal!, the NDMA, and entertainment education expert. WB for the evaluation	Russian/World Bank/OECD Financial Literacy and Education Trust Fund	Low income	Entertainment education on debt and over-indebtedness to be included in the soap opera Scandal!	Debt aspects of financial capability including sound financial management, getting into debt and getting out of debt		2011-2012
Empowerment and Livelihood for Adolescents (ELA)	Tanzania and Uganda	Empower adolescent girls in rural setting	Bangladesh Rural Advancement Committee (BRAC)			Adolescent girls	Adolescent Clubs; Training on life kills, income generation skills (including financial literacy); Access to Microfinance	Savings, budgeting, financial services, financial negotiation and earning money		2008-2010

Programme	Country	Aim	Main coordinator / stakeholder	Partner(s)	Funder(s)	Target population	Delivery Channel	Content	Evaluation	Time frame
Assetsafrica	Uganda	Increase saving	Center for Social Development (Washington University in St. Louis)	International Care and Relief Uganda (NGO)	N/a	Young (15-30 years old) in rural area	Training on financial education, health and business planning, and access to an asset building programme	Financial education (making deposits and withdrawals, reading bank statements, and understanding interest and fees), plus business planning and bookkeeping, training on management of specific assets, training in HIV/AIDS prevention and management.	Evaluation for the overall project, no separate FE evaluation	2003-2006
Starting a lifetime of savings	Uganda	Provide financial education and test specialized youth saving account	Innovations for Poverty Action	FINCA Uganda (MFI/NGO) to develop youth saving account + Straight Talk Foundation (NGO) and the Church of Uganda to provide access to youth clubs	FEF	Young	Financial education training and/or access to a saving account (special youth group savings account, without fees and simple account opening procedures)	The curriculum was developed in partnership with Straight Talk Foundation based on the Your Future, Your Money curriculum from the Global Financial Education Program.	Concluded	2009-2011
Various programmes	Uganda	Promote youth empowerment	Private Education Development Network (PEDN)		N/a	Children and youth	Training programs (Aflatoun curriculum, Young Entrepereurs Programme, YEP!, etc.) In communities, primary and secondary schools	Business, personal development, financial education and entrepreneurial skills		2004-

Programme	Country	Aim	Main coordinator / stakeholder	Partner(s)	Funder(s)	Target population	Delivery Channel	Content	Evaluation	Time frame
Uganda Microfinance Consumer Education Programme	Uganda	Raise awareness of consumer's right, obligations and choices	Financial Sector Deepening project Uganda (FSDU)	Ministry of Finance and Economic Development; NGO (Straight Talk Foundation, Communication for Development Foundation Uganda); Association of Microfinance Institutions in Uganda (AMFIU); USAID-Rural SPEED Project	UK DFID	Low-income consumers	Awareness campaign (print +radio programs and spots, community dramas) + TOT (MFI staff) + training (community education by Financial Extension Workers)	Knowledge of consumers' rights and responsibilities; Types and uses of different financial products; Differences between various types of financial institutions and groups	Mid-term evaluation available	2005-2007
Rural SPEED Savings awareness campaign	Uganda	Promoting saving and the use of financial services	USAID	Financial institutions, microdeposit taking institutions, MFIs, SACCOs	USAID	Rural	Awareness campaign: radio skits and ads, posters, seminars and live road shows.	Reasons to save, saving methods and the benefits of saving		5/2006 - 7/2006
Camfed Zambia: Financial education for young women in rural Zambia	Zambia	Increase young women's financial literacy and empower them with financial skills	Camfed	Bank of Zambia, Zanaco, other local banks, local authorities	FEF and Camfed	Rural young women	Cascade training: TOT + training (1-day workshop)	Savings, credit, financial entitlements and control of household resources, drawing on GFEP curriculum	Concluded	2009 - 2011
INITIATIVES BY PUBLIC/PRIVATE AND NON-FOR-PROFIT/PRIVATE PARTNERSHIPS										
Financial education booklets	Botswana		Ministry of Education and Botswana National Library Services / Stanbic bank		Stanbic bank	Secondary school students	Booklets	Money and Banking, Saving and Investing, Personal Finance and Introduction to Business Finance. Curriculum developed by Stanbic bank		

Programme	Country	Aim	Main coordinator / stakeholder	Partner(s)	Funder(s)	Target population	Delivery Channel	Content	Evaluation	Time frame
HSBC Financial Literacy Programme	Egypt, Lesotho, Morocco, South Africa		HSBC and Student in Free Enterprise (SIFE)		HSBC	Various (Children, youths, young adults, university students, adults, seniors, out-of-school youths, physically and mentally challenged individuals, entrepreneurs)	SIFE teams deliver projects in their communities through training, interactive activities, printed material, multimedia)	Various (budgeting, saving, investing, borrowing, entrepreneurship...)		2005-2007
Savings Account Labelling and Financial Literacy Training for Susu Customers in Ghana	Ghana	Study the impact of a new savings product with labelling feature interacted with financial literacy education on take-up and saving amount	Mumuadu Rural Bank (Community Development Financial Institution)	Innovations for Poverty Action (evaluation)	N/a	Customers of informal financial services (susu)	Training (six x 15-minutes) interacted with saving account with labelling (allowing the labelling of funds within an account to direct deposits to a specific goal)	N/a		2009 - 2010

Programme	Country	Aim	Main coordinator / stakeholder	Partner(s)	Funder(s)	Target population	Delivery Channel	Content	Evaluation	Time frame
An opportunity for all, Financial Education in Africa	Ghana, Malawi, Mozambique, Uganda	Awareness of financial services; increase the use of savings accounts and insurance, promote better management of credit; encourage asset storage away from cash	Opportunity International	Local MFIs(commercial microfinance banks)	FEF	Low-income / Limited access to financial services	Multi-media financial literacy training delivered in banking halls via screens (or DVD players for rural populations). Supporting materials included comic strips and board games.	N/a	Concluded	2009 - 2011
Safe and Smart Savings Products for Vulnerable Adolescent Girls in Kenya and Uganda	Kenya and Uganda	Empower girls, reduce their risk and vulnerability, give them independence in both financial and health decisions, and provide access to a saving account	Population council	Microsave, Faulu Kenya, Finance Trust, FINCA-Uganda, K-Rep Bank, Microfinance Opportunities, Microsave Consulting	FEF and Nike Foundation	Adolescent girls	Network ('safe spaces') + Training on financial education and health + saving account for adolescents	Financial education curriculum includes budgeting, savings, and setting financial goals and is differentiated for 10–14 and 15–19 years old.	Concluded evaluation for pilot in both Kenya and Uganda	2008 - 2012
Faulu Kenya: Masomo 2B	Kenya	Provide financial education and training	Faulu Kenya	The FEPP is supporting Faulu Kenya to undertake the financial education programme	Faulu and donors (including FEF). In addition, Faulu charges a fee for its training	MFI clients and low-income population (both rural and urban)	TOT (Faulu field officers and community leaders) + training of clients and members of the public + DVD in banking halls + print material	Financial education curriculum called ELEWA PESA adapted from GFEP materials	Concluded	2009 - 2011

Programme	Country	Aim	Main coordinator / stakeholder	Partner(s)	Funder(s)	Target population	Delivery Channel	Content	Evaluation	Time frame
Consumer Education for Branchless Banking (CEBB)	Malawi, Zambia	Support branchless banking	Microfinance Opportunities	Local MFIs and private sector institutions	Master Card Foundation	Low-income / youth, women and the unbanked,	Radio, print media, and direct training			
Youthinvest / 100 Hours to Success	Egypt and Morocco	Foster entrepreneurship and workforce readiness	Mennonite Economic Development Associates (MEDA)	Local MFIS and NGOs	Master Card Foundation	Young people aged 15-24	Financial literacy and life skills training; access to savings and loans products; job placement mentorship	Training in financial literacy and life skills (using the GFEP);		2008-2013
Various programmes	Nigeria, Uganda, Zambia	Prepare young people to be economically active	Junior Achievement (JA) Nigeria		Various private sector sponsors	School-age youth	JA staff trains teachers and volunteers to teach the curriculum during regular school hours and to out-of-schools youth in community centres	Financial education and entrepreneurial skills		1999-
Financial literacy in schools	Rwanda	Sensitise children to saving	Savings Banks Foundation for International Cooperation (SBFIC)	Association of Microfinance Institutions in Rwanda (AMIR)	Savings Banks Foundation for International Cooperation (SBFIC)	School children	TOT and training in schools			10/2010 -

Programme	Country	Aim	Main coordinator / stakeholder	Partner(s)	Funder(s)	Target population	Delivery Channel	Content	Evaluation	Time frame
Awareness initiatives for commuters and mall shoppers	South Africa	Raise awareness of financial issues	Financial Services Board (FSB) /South African Insurance Association (SAIA)	SAIA/FSB	SAIA/FSB	Commuters / Consumers in shopping malls	Awareness campaign at taxi ranks, and bus and train stations (kiosks, screens, radio broadcast, CDs) / Mall stands + theatre performances in malls	Content based on FSB LSM 1-3 booklets on: money management, debt and credit insurance, short-term insurance, rights and responsibilities of consumers		2007-2008
Postbank / Wizzit Financial Literacy Project / Money Fo' Sho	South Africa	Improve financial inclusion and decision-making capability	Postbank	External contractors for financial literacy training and for evaluation	FEF	Un/ underbanked / Low-income and Postbank clients	TOT + training (1-day workshop - picture based learning through community based peer-to-peer training workshops)	Managing money (budgeting and transacting); saving money; borrowing money; and managing risk (understanding insurance, funeral policies and the like).	Concluded	9/2009 - 4/2010
South Africa Old Mutual Financial Education Study	South Africa	Encourage use of formal insurance products	World Bank	Old Mutual South Africa; J-Pal	Russian/World Bank/OECD Financial Literacy and Education Trust Fund	Member of burial societies and women's development groups	Seminars	Old Mutual "On the money" curriculum (saving, financial planning, budgeting, debt management, investing)	Randomized control trial evaluation planned	2011-2012
Financial Literacy and Mineworkers: Nakekela Imali!	South Africa	Provide financial education	UBANK	Innovations for Poverty Action (evaluation) + Ikhumiseng Consulting delivering training	FEF and Ubank	Low-income (mineworkers)	Training (two-day workshop) + manuals and a filing system for basic household budgeting	The workshop covers savings and budgeting, and provides tools and guidance to participants on how to evaluate the range of financial products to which miners are often exposed.	Preliminary results	2009-2011

Programme	Country	Aim	Main coordinator / stakeholder	Partner(s)	Funder(s)	Target population	Delivery Channel	Content	Evaluation	Time frame
Global Financial Education Program	South Africa and Morocco		Microfinance opportunities + Freedom from Hunger	Citigroup	Citigroup	All	Awareness campaign: television, video, radio, print, music, dance, drama, meetings among village savings and loan associations	Budgeting; debt management; savings; bank services; financial negotiations		
Starting a lifetime of savings	Uganda	Provide financial education and test specialized youth saving account	Innovations for Poverty Action	FINCA Uganda (MFI/NGO) to develop youth saving account + Straight Talk Foundation (NGO) and the Church of Uganda to provide access to youth clubs	FEF	Youth (members of youth clubs)	Financial education training and/or access to a saving account (special youth group savings account at FINCA, without fees and simple account opening procedures)	The curriculum was developed in partnership with Straight Talk Foundation based on the Your Future, Your Money curriculum from the Global Financial Education Program.		2010-2011
Various programmes	Uganda	Address widespread financial illiteracy and encourage financial markets participation	Financial Literacy Foundation (partnership of Capital Markets Authority, Bank of Uganda, Uganda Insurance Commission, Uganda Insurers Association, Uganda Insurance Brokers Association, Uganda Bankers AMFIU)	Private partners for implementation	Members, FEF and private sponsors	All	Personal finance log-book (Teggera Essente Zzo - see below; Financial Literacy Week, including financial training sessions and workshop; financial literacy clinics in regional capitals; booklets.	Various		

Programme	Country	Aim	Main coordinator / stakeholder	Partner(s)	Funder(s)	Target population	Delivery Channel	Content	Evaluation	Time frame
Tegerra Ssente Zzo (Understand your Money)	Uganda	Increasing ability to prepare and use budgets; to analyze basic financial information; to manage savings; Using personal finance counselling to help indebted customers	The Financial Literacy Foundation (FinLit Foundation)	Private partners for implementation	Members, FEF and private sponsors	100 microfinance institution clients	Personal finance log-book and counselling		Concluded	2011
AMFIU consumer education	Uganda	Promote standards of transparency for MFIs and help consumers become more informed	Association of Microfinance Institutions of Uganda (AMFIU)		European Union (ACP-EU Co-operation)	MFI staff and clients	TOT (MFI staff and others) + theatre performances	N/a		
PRIVATE SECTOR INITIATIVES										
Financial literacy campaign	Botswana		Barclays Bank		Barclays Bank	Low-income	Training	Budgeting, savings, types of loans, future financial needs		2010 -
Visa road shows	Botswana, Kenya, South Africa, Uganda, Zambia		Visa		Visa	All	Road shows (theatre performances)	Benefits of getting a debit card; financial management i.e. Budgeting; safety and security of banking systems		2005 -

Programme	Country	Aim	Main coordinator / stakeholder	Partner(s)	Funder(s)	Target population	Delivery Channel	Content	Evaluation	Time frame
Equity Group Foundation Financial Literacy	Kenya	Expand financial education to youth and women	Equity Group Foundation		Mastercard Foundation	Youth and women micro-entrepreneurs	Training	Curriculum developed by Microfinance Opportunities;		2009-2010
Financial education for youth	Kenya	Foster youth's financial literacy and ability to invest	Smart Youth Investments Ltd.			Youth / Students	Investment Challenge (online competition simulating the Nairobi Stock Exchange) and Young Investors Club	Earning, Savings, Debt Management, Budgeting, Spending, and Investing/		2007 -
Bourse de Casablanca, Ecole de la Bourse	Morocco	Familiarize the public with the stock exchange and financial products	Bourse de Casablanca		Bourse de Casablanca	All	Training	N/a		2010
Urunana soap opera	Rwanda	Encourage good money management and saving; Create awareness of the benefits of financial planning; Brand the BPR	Banque Populaire du Rwanda	Urunana Development Communication	Banque Populaire du Rwanda	All	Radio soap opera (Urunana soap opera)	Budgeting saving; bank services; debt management		
Various initiatives	South Africa	Improve general level of understanding of financial issues and financial services	South African Insurance Association (SAIA)	Various companies implementing the programmes	Mainly SAIA	Low-income populations and teachers in low-income areas	Financial literacy training and material for teachers / Community consumer education workshops	Content based on FSB booklets 1-3 + SAIA consumer education material		2007-2008

Programme	Country	Aim	Main coordinator / stakeholder	Partner(s)	Funder(s)	Target population	Delivery Channel	Content	Evaluation	Time frame
Financial Freedom / Money on air radio education programme	South Africa	Highlight the value of insurance to low-income individuals	South African Insurance Association (SAIA)	Bright Media	FEF + financial institutions	Low Income Individuals with Living Standards Measures (LSMs) 1- 7 in South Africa	Four radio dramas (before and after an episode companies have the possibility to give a message and a toll free number to enable listeners to call and find out more - product neutral)	General financial literacy, as well as insurance literacy around specific relevant short-term insurance products / the use for insurance and the difference between life and short-term insurance	Concluded	2009-2011
Teach Children to Save South Africa (TCTS SA)	South Africa	Create awareness about the value of money and foster a culture of saving among children	Banking Association of South Africa (BASA)	South African Savings Institute (SASI)	Banking Association of South Africa (BASA)	Pupils in grades 4 to 7 nationwide	One-hour lessons delivered by volunteer bankers and financial sector professionals	Reasons to save; Budgeting to save; Understanding the difference between a need and a want; and Where to save. Since 2009 a chapter on Islamic finance was included		2008 -
Bubomi	South Africa	Improve basic financial management skills	Absa Bank		Absa Bank	Mostly LSM 1-5	Interactive workshops	Individual and family needs and wants; spending patterns and budgeting; saving and planning for the future; understanding the banking system and why bank costs should be paid, as well as rights and duties of bank customers	Concluded	2008-

Programme	Country	Aim	Main coordinator / stakeholder	Partner(s)	Funder(s)	Target population	Delivery Channel	Content	Evaluation	Time frame
Financial Fitness	Zambia		Zanaco		Zanaco	Children and youth; adults; small and medium entrepreneurs	Delivered through the school system as an extra curriculum activity; mass media and workshops for adults and SMEs	The topics of children's curriculum include: money, banking, saving, interest, budgeting, using ATMs, using cheques, borrowing, and managing debt. Topics for adults include: financial planning, borrowing, credit awareness, saving, investment, banking, insurance, wealth building, planning for retirement and estate management.		2008-

Note:

- PUBLIC SECTOR INITIATIVES collects initiatives that are exclusively designed and implemented by public authorities (however, this only includes initiatives already implemented or underway, not plans about developing financial literacy frameworks);
- INITIATIVES BY NON-FOR-PROFIT SECTOR/RESEARCH/INTL. ORG.: collects initiatives undertaken by non-for-profit organisations (whose main -albeit not only- sources of funding are public bodies), by research institutions, international organisations, and foreign development agencies;
- PARTNERSHIPS: collects initiatives of public/private or non-profit/private partnerships. In particular, this parts includes initiatives jointly implemented by public and private institutions; initiatives of the private sector (including commercial MFIs) funded by foreign development agencies; and initiatives implemented by NGOs and funded by private institutions;
- PRIVATE: collects initiatives implemented and funded completely by the private sector.

Table 5. Programme evaluation methodology

		DESIGN			DATA COLLECTION METHOD						ANALYSIS		
Name	Country	WHEN (e.g. Before-After)	WHO (e.g. Treatment -Control)	Assignment to Treatment	Survey data	Survey: Longitudinal - Cross section	Survey: Obs	Focus Groups	Administrative data	Other method	Univariate-Multivariate Analysis	Notes	References
ACDEP Financial Education Project (AFE)	Ghana	Before and after (one and a half years later)	Treatment and control	n/a	Yes	Longitudinal (drop-out rate was 12% among treated and 18% among control)	TB: 1822; TA: 1601; CB: 331; CA: 270.	No	No	No	Comparison of treated/control before/after; Some univariate analysis (e.g. by educational level)	Some of the results reported compare baseline and endline data averaging over treatment and control respondents.	Morna and Anamoh (2011)
An Opportunity for All: Financial Education in Africa	Ghana, Malawi, Mozambique, and Uganda	Before and after (one year later)	Treatment and control	n/a	Yes	Longitudinal (drop-out rate was 24% in Uganda, 30% in Malawi, 36% in Ghana; 51% in Mozambique)	In the order of 300-400 at baseline in all countries (see reference for details)	Initial client needs assessment through focus groups	No	No	Comparison of treated/control before/after; univariate analysis by age, gender, urban/rural; multivariate regressions		Pennington, Gustafson, and Ngo (2011)

		DESIGN			DATA COLLECTION METHOD						ANALYSIS		
Name	Country	WHEN (e.g. Before-After)	WHO (e.g. Treatment -Control)	Assignment to Treatment	Survey data	Survey: Longitudinal - Cross section	Survey: Obs	Focus Groups	Administrative data	Other method	Univariate-Multivariate Analysis	Notes	References
Evaluating the Efficacy of School Based Financial Education Programs with Children	Ghana	Before and after	Two treatments and one control	Random	Yes	Longitudinal (drop-out rate was 1.3% among control and 1.4% and 1.5% among the two treatment groups)	45 control school, 45 schools in each of two treatments (students: 3636 treated, 1727 control)	Focus groups for designing the survey instrument	Saving records though saving boxes	No	Comparison of outcomes with control and baseline; multivariate regressions	Self-reported data is not cross-referenced with 'administrative' data from the saving boxes records. Tables with regressions are in an appendix not reported.	Innovations for Poverty Action (2012a)
Promoting Financial Capability in Kenya and Tanzania through Consumer Education and Protection Delivery	Kenya	Before and after (baseline collected upon first visit to the advisory centre, followed by post intervention questionnaire)	Treated (consumers who visited the advisory centres)	Voluntary	Yes	Longitudinal (Drop-out rate 18% in Kenya and 12% in Tanzania)	Kenya: TB=275, TA=225; Tanzania: TB=207, TA=182)	No	Yes	No	Before/after comparisons		ESF Apex (2012)

		DESIGN			DATA COLLECTION METHOD						ANALYSIS		
Name	Country	WHEN (e.g. Before-After)	WHO (e.g. Treatment -Control)	Assignment to Treatment	Survey data	Survey: Longitudinal - Cross section	Survey: Obs	Focus Groups	Administrative data	Other method	Univariate-Multivariate Analysis	Notes	References
Safe and Smart Savings Products for Vulnerable Adolescent Girls in Kenya and Uganda	Kenya and Uganda	Before and after (one year later)	Treatment and comparison	n/a	Yes	Longitudinal (Drop-out rate in Uganda 22% among treated, 34% among control)	Kenya: n/a. Uganda: TB=1061, TA=829; CB=503, CA=330	n/a	n/a	n/a	Multivariate analysis comparing treated with control, controlling for age and baseline differences		Austrian (2011b) for Kenya; Hallman (2011); Population Council (2011) for Uganda
Faulu Kenya: Masomo 2B	Kenya	Before and after (one and a half years later)	Treated and control	n/a	Yes	Longitudinal for clients and cross-section for general public (Drop-out rate: 33% among clients, 23% among general public)	Clients: TB=368 TA=266; CB=367 CA=229; General public: TB=315 TA=271; CB=315 CA=217)	Yes	Yes (only for clients, not for general public)	Focus groups with opinion/ community leaders	Comparison of treated/control before/after		Faulu Kenya (2011b)
National Community Financial Education Workshops	South Africa	Before and after (three months later)	Treated	Voluntary	No	-	-	No	No	Feedback questionnaires; helpline	-		OECD INFE (2009)

		DESIGN			DATA COLLECTION METHOD						ANALYSIS		
Name	Country	WHEN (e.g. Before-After)	WHO (e.g. Treatment -Control)	Assignment to Treatment	Survey data	Survey: Longitudinal - Cross section	Survey: Obs	Focus Groups	Administ rative data	Other method	Univariate-Multivariate Analysis	Notes	References
Imali matters – Money Advice	South Africa	Before and after	Treated	Voluntary	Yes (paper -based baselin e; teleph one follow-up)	Longitudinal	TB: ? TA: 165	Yes	Yes	No	Before/after comparisons		Eighty20 Consulting (2011a, 2011b, 2011c)
Gender, Socioeconomic Status, and Youth HIV Risk	South Africa	Before and after (two years later)	Treated and control	Non-random (quasi-experimenta l)	Yes	Longitudinal	n/a	Yes	No	No	Comparison of treated/control before/after		Hallman et al. (2007)
Enhancing the Economic, Health, and Social Capabilities of Highly Vulnerable Youth ("Siyakha Nentsha")	South Africa	Before and after	Treated and control	Exogenous assignment of schools to treatment	Yes	Longitudinal	n/a	Yes	No	No	Comparison of treated/control before/after		Hallman and Roca (2011)
Financial Literacy and Mineworkers: Nakakela iMali	South Africa	Before and after	Treated and control	Random	Yes	Longitudinal	About 1100 at baseline and endline	No	Yes	No	Multivariate regressions		Innovations for Poverty Action (2012b)

		DESIGN			DATA COLLECTION METHOD						ANALYSIS		
Name	Country	WHEN (e.g. Before-After)	WHO (e.g. Treatment -Control)	Assignment to Treatment	Survey data	Survey: Longitudinal - Cross section	Survey: Obs	Focus Groups	Administrative data	Other method	Univariate-Multivariate Analysis	Notes	References
Financial Freedom: Radio Financial Literacy Project	South Africa	Before and after	Treated and control	Exogenous assignment of radio stations to treatment and control	Yes	Longitudinal	TB=480, CB=120; 487 at endline	Yes (listening groups)	No	No	Comparison of treated/control before/after	Only the project completion report is available at the moment, not the impact assessment report	Pearson and Bruynse (2011); SAIA and Bright Media (2011a, 2011b)
Postbank/Wizzit Financial Literacy Project	South Africa	Before and after	Treated vs. Treated + control	Participation to training is voluntary	Yes (only for a description of trainees)	-	-	Yes	Yes (Longitudinal, T+C = 10985)	No	Assessment based on administrative data. Comparison of transaction data treated vs. all treated+control in the treated regions before/after.	Only Postbank data used or evaluation, not Wizzit.	InsightWorx (2011)
Bubomi – Absa	South Africa	After	Treated and control	Participation to training is voluntary	Yes	-	TA=393, CA=473	Yes	No	No	Comparison of treated/control after treatment		Tustin (2010)
Uganda Microfinance Consumer Education Programme	Uganda	Before and after (six months later)	n/a	n/a	Yes	n/a	Endline: 1047 households	No	No	Key informants interviews	Comparison before/after	The report describes results of the mid-term survey and to some extent compares baseline and mid-term	REEV Consult International (2007)

		DESIGN			DATA COLLECTION METHOD						ANALYSIS		
Name	Country	WHEN (e.g. Before-After)	WHO (e.g. Treatment -Control)	Assignment to Treatment	Survey data	Survey: Longitudinal - Cross section	Survey: Obs	Focus Groups	Administrative data	Other method	Univariate-Multivariate Analysis	Notes	References
Starting a lifetime of savings	Uganda	Before and after	Treated (3 groups: treatment A, treatment B, and treatment A+B) and control	Random	Yes	Longitudinal (attrition: less than 6% in all treatments)	baseline (all treatments): 2810	Yes	No	No	Comparison of treated/control at endline; multivariate regressions	Tables with regressions are in an appendix not reported	Innovations for Poverty Action (2011c)
Tegerra Ssente Zzo (Understand your Money)	Uganda	Before and after	Treated and control	Exogenous assignment to treatment	Yes	Treated: longitudinal; the control group was different at baseline and endline	T: 100; C: 50	Yes	No	No	Comparison of TB, TA, CA	The programme was a pilot	FinLit Foundation (2012); Research Moguls (2012a, 2012b)
Camfed – Financial Education for young women	Zambia	Before and after	Treated and control	Participation to training is voluntary	Yes	Cross-sectional	TB: 394; TA: 346; CB: 428; CA: 374.	Yes	No	Yes	Comparison of treated/control before/after		Hamweemba (2011); Kasonka and Mutelo (2011)

Legend: T = treated, C = control, B = before, A = after, TB = treated before, TA = treated after, CB = control before, CA = control after. n/a: information not available.

Chapter 2

FINANCIAL EDUCATION IN LATIN AMERICA AND THE CARIBBEAN: RATIONALE, OVERVIEW AND WAY FORWARD

This chapter is the result of the collaboration between the OECD and its International Network on Financial Education (INFE), the Central Bank of Colombia, the Financial Institutions Guarantee Fund of Colombia (Fogafin) and the Development Bank of Latin America (CAF), ahead of the Colombia-OECD-World Bank International Conference on financial education "*Progress of Global Policies and Practices and Latin American Experience*" that took place in Cartagena, Colombia on 31 October-1 November 2012.

It is still under review by INFE Latin American and Caribbean members, and it is presented here in a preliminary version.

CHAPTER DEVELOPED IN CO-OPERATION WITH

Banco de la Republica (the Central Bank) of Colombia (BRC): created in 1923 by Act ("Ley") 25, the BRC is the highest Colombian monetary, foreign exchange and credit authority. Its main objective consists of ensuring price stability in coordination with a general macroeconomic policy leading to output and employment growth. Among other functions, the Bank is responsible for the issue of currency, and it acts as a "banker of banks", designs and decides upon the treatment of the foreign exchange rate policy, is in charge of administering the national reserves, and it promotes the country's scientific, cultural and social development policy.

The Financial Institutions Guarantee Fund (Fogafin): was created by Act ("Ley") 117 de 1985 for the purpose of protecting the confidence of both depositors and creditors in registered financial institutions, by preserving economic equilibrium and equity and preventing shareholders and administrators from obtaining unjustified benefits whether economic or of any other nature likely to harm financial institutions.

Development Bank of Latin America (CAF): it was established in 1970 and currently includes 18 Latin American, Caribbean and European countries, as well as 14 private banks from the Andean region. Its objective consists of promoting a sustainable development model through credit operations, non-reimbursable funds, while supporting the technical and financial structuring of projects of the Latin American public and private sectors.

Process

This joint analysis is the result of the collaboration between the OECD and its International Network on Financial Education (INFE), the Central Bank of Colombia, the Financial Institutions Guarantee Fund of Colombia (Fogafin) and the Development Bank of Latin America (CAF).

The first draft of this chapter was prepared ahead of the 10th meeting of the OECD International Network for Financial Education (INFE) held in Cartagena, Colombia in October 2012, and submitted to INFE members for comments at the 11th meeting of the INFE held in Prague, Czech Republic, in May 2013. Final comments from INFE Latin American and Caribbean members might still be received by the end of June 2013.

The chapter was prepared by **Ms. Nidia García Bohórquez** (Specialised Analyst, Department of Economic and Financial Education, BRC), **Mr. Andrea Grifoni** (Policy Analyst, Financial Affairs Division, OECD), **Mr. Juan Carlos López Mora** (Professional of Corporate Affairs and Institutional Communication, Fogafin) and **Ms. Diana Margarita Mejía Anzola** (Senior Specialist of the Department of Public Policies and Competitiveness, CAF)[16].

The analysis benefitted from the important inputs and review of **Ms. Flore-Anne Messy** (Principal Administrator, Financial Education, OECD and Secretary of the International Network on Financial Education) and of **Ms. Adele Atkinson** (Policy Analyst, OECD).

Scope

Given the presence of common challenges and policy developments in the region, the chapter tries to encompass, whenever possible, all Latin American and Caribbean economies: South America, Central America and the Caribbean.

The main sources of information are data gathered through global stocktaking exercises and surveys conducted within the OECD/INFE (notably on National Strategies for Financial Education, and Measurement of Financial Literacy), and the survey[17] conducted by the Central Bank of Colombia, Fogafin and CAF (from now on "the regional survey"). The regional survey was conducted in July 2012 between public financial institutions and industry associations in Latin America, and saw the participation of 28 institutions[18] from sixteen countries: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Mexico, Nicaragua, Paraguay, Peru, Dominican Republic, Uruguay and Venezuela. These sources were complemented by additional desk research conducted by the authors.

16 . This paper does not necessarily reflect the views of the OECD or those of its member governments, Development Bank of Latin America, Central Bank of Colombia and Fogafin.

17 . See the survey questionnaire in Annex 2.

18 . Central Bank of Argentina; Association of Private Banks of Bolivia; Securities and Exchange Commission of Brazil (CVM); Central Bank of Brazil; Central Bank of Chile; Central Bank of Colombia; Fogafin Colombia; Stock Market Self-regulator of Colombia (AMV); Federation of Colombian Insurers (Fasecolda); Central Bank of Costa Rica; Banking Authority of Ecuador; Deposit Insurer of Ecuador; Central Bank of El Salvador; Central Bank of Guatemala; Deposit Insurer of Mexico; Central Bank of Mexico; National Commission for the Protection of Users of Financial Services of Mexico; Ministry of Finance Mexico; Central Bank of Nicaragua; Central Bank of Paraguay; Institute of Peruvian Studies (Proyecto Capital); Superintendency of Banks, Insurance and Private Pension of Peru; Central Bank of Peru; Central Bank of the Dominican Republic; Central Bank of Uruguay; Deposit Insurer of Uruguay; Central Bank of Venezuela, and Deposit Insurer of Venezuela.

I. INTRODUCTION

There is growing global awareness of the need to promote positive changes in economic behaviour and in the financial literacy levels of individuals and households. Such awareness is a consequence of several factors including economic challenges, strong evidence of low financial literacy levels and of their adverse effects on individuals and households (OECD 2005a). The cost of these issues for the economy, together with increasing risks shifted from governments onto individuals and the emergence of increasingly sophisticated financial markets and products have certainly contributed to awareness.

Policy makers now recognise the need to address shortcomings in financial literacy levels through financial education programmes and wider initiatives such as national strategies for financial education (Grifoni and Messy 2012; OECD/INFE 2012). Financial education has become a policy priority for public institutions globally as well as for international organisations, multilateral institutions and fora such as the OECD, the World Bank, the G20, the Association of Asia Pacific Economic Co-operation (APEC), and the Association of South-East Asian Nations (ASEAN).

Financial education is defined as:

> *the process by which financial consumers/investors improve their understanding of financial products, concepts and risks 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* (OECD, 2005a)

This definition can be broadly interpreted to take into account the varying needs of individuals in different socio-economic contexts. Financial education starts with very basic notions, such as the characteristics and use of financial products, progressing to more advanced ones, which deal with the knowledge of financial concepts, the development of skills and attitudes for the management of personal finance that ultimately encompass positive behavioural change.

Financial education can empower individuals and allow them to better manage personal and household finances and resources. In Latin America, this applies both to the emerging or consolidating middle classes, who might need to better manage their finances over longer time horizons, and to the poor and to the financially excluded.

The benefits of financial education can also spill over into the wider economy. Financial education can promote in the population the necessary competencies to make informed and appropriate decisions, as well as enabling them to defend their rights as financial consumers. Moreover, financially literate citizens will have a greater capacity to understand economic and social policies adopted within their economies. This "civic" aspect of financial literacy, seen as an important component of human capital, is stressed by policy makers in emerging economies, such as those of Latin America[19]. This is based on the

19. Evidence gathered through stock takes undertaken by the OECD International Network for Financial Education (INFE) in preparation of the work on National Strategies for Financial Education (Grifoni and Messy 2012).

idea that more educated and informed consumers will take better financial decisions throughout their life, which, as a whole, will favour the stability and development of the financial system.

However, financial education is a necessary but not sufficient process to empower financial consumers, and is often part of a trilogy of policy that provide the framework to the participation of individuals in the financial marketplace, centred on financial education, financial inclusion and financial consumer protection.

Financial education can contribute to reduce the demand-side barriers to financial inclusion. Improved financial literacy can increase both awareness and understanding of financial products and services, and as such promote demand of financial products and their effective use. When it comes to financial consumer protection, financial education can provide individuals with the awareness of their rights and understanding of financial entities' obligations that are both an important complement to financial markets regulation and public interventions in this sector.

II. THE LATIN AMERICAN AND CARIBBEAN CONTEXT AND THE RATIONALE FOR FINANCIAL EDUCATION POLICIES

This chapter presents an assessment of the general economic trends experienced in the region. This is characterised by overall macroeconomic stability, GDP growth, emerging middle classes, but persisting strong inequalities. It will then address the growing levels of financial inclusion and the low levels of financial literacy among the general population and among specific target groups in particular. It will finally explain how the combination of these factors has initiated a growing interest in financial education amongst policy makers in the region and encouraged their participation in international fora.

A. The regional context: economic outlook, social inequalities, access to education.

In the last decade, Latin America and the Caribbean have shown encouraging figures in terms of economic growth. The region displayed noteworthy resilience in the recent global economic crisis, performing well relative to economies elsewhere in the world and reversing the immediate downturn fairly quickly (OECD 2011; OECD/Economic Commission for Latin America and the Caribbean, 2012). Moreover, in contrast with previous international crises, on this occasion Latin American and Caribbean financial systems have held up remarkably well and have not experienced negative effects in the quality of loans, solvency or market liquidity, thanks to improved prudential regulation and supervision already in place at the onset of the crisis (OECD 2011).

This has allowed governments to design and implement a series of ambitious public policies aimed at locking-in economic advancements and supporting sustainable long-term development goals. These efforts have reduced poverty and inequality to historically low levels for the region.

A positive economic outlook...

The region has experienced good economic performance in the last decade. The forces that supported the recent positive results were macroeconomic stability, high growth rates, better educational results, a more inclusive labour market and expanded protection networks, particularly those related to conditional cash transfers (CCTs)[20] (see section III.D).

Likewise, inflation rates in the countries of the region have, with a few exceptions, decreased significantly in the last two decades, favouring macroeconomic stability and stabilising the purchasing power of individuals.

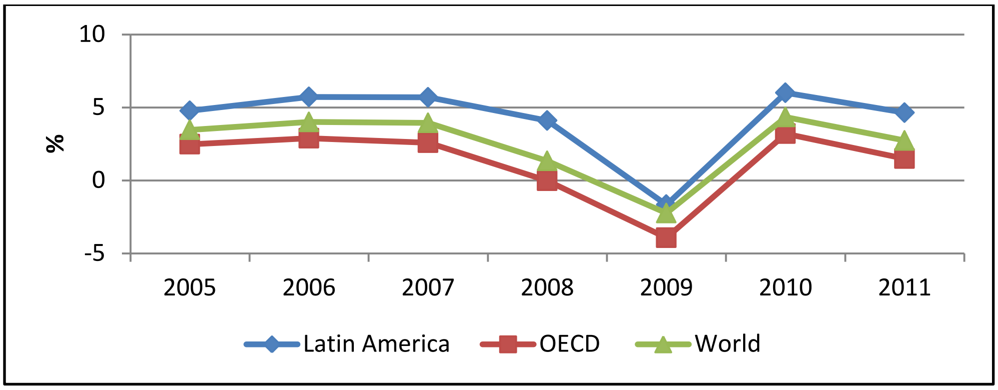
A comparison with the rest of the world underlines the positive results achieved by these economies. Since 2003 the GDP of Latin America and the Caribbean has grown above that of OECD countries[21], while

20. This paper will use the most common definition of these programmes, Conditional Cash Transfers (CCTs), notwithstanding the fact that many programmes now are implemented through bank transfers or pre-paid cards and have as such lost the “cash” component (see section III.D).

21. Chile and Mexico, as Latin American OECD members, are common to both groups.

at the same time, during the beginning of the global economic crisis (between 2008 and 2009) the slowdown of economic expansion was less than that evidenced by the developed countries. The regional gross domestic product (GDP) growth of Latin America is above the global average (see Figure 2).

Figure 2. GDP growth (annual percentage)



Source: compiled by authors with data from the World Development Indicators (World Bank 2011). Chile and Mexico, as Latin American OECD Members, are common to all three groups.

The region has also displayed an improvement in terms of gross capital formation[22] as a percentage of GDP: while OECD economies presented a gross capital formation of 17.1% in 2009, Latin America and the Caribbean achieved 20.1%. For the year 2010 the trend was maintained and the results were 17.9% and 21.7%, respectively. The good performance of the region can also be corroborated by analyzing the gross savings rate[23] as a percentage of GDP which grew from 18.5% in 2009 to 19.3% in 2010 globally.

...but persisting inequalities.

Despite these positive trends in growth and macroeconomic stability, Latin America and the Caribbean is still the most unequal region in the world (United Nations Development Programme 2010). This is reflected in several indicators such as income per capita, access to infrastructure and basic services and, in general, in the components of the human development index (HDI)[24].

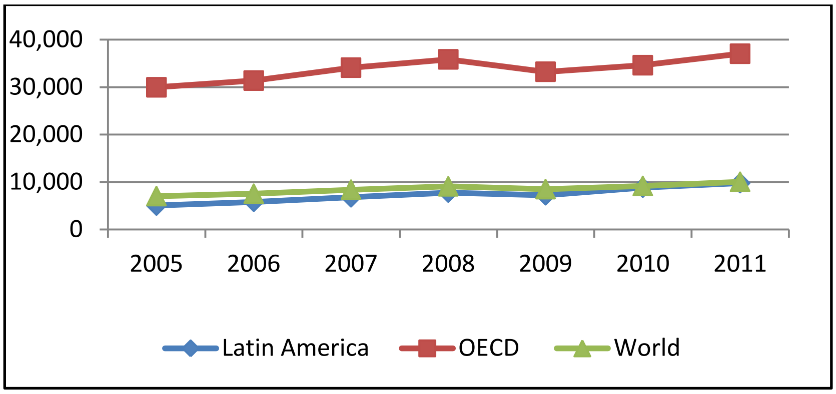
GDP per capita, despite improvements since 2002, is still low compared with the average of OECD member countries (above 30.000 USD). The GDP per capita of Latin America and the Caribbean, at 8.822 USD, represents a little more than one quarter of this average and is lower than the global average, which for the year 2010 was 9.928 USD (Figure 3).

22. Gross capital formation includes the disbursements in respect of additions to the fixed assets of the economy plus the net variations in the level of inventories.

23. Gross saving is calculated as the national gross income minus total consumption plus net transfers.

24. The Human Development Index is a way of measuring development through a composite index combining indicators of life expectancy, educational attainment and income. It is a single statistic that takes into account both social and economic development. See http://hdr.undp.org/en/statistics/hdi/

Figure 3. GDP per capita (current US$)



Source: compiled by authors with data from the World Development Indicators (World Bank 2011). Chile and Mexico, as Latin American OECD Members, are common to all three groups.

The human poverty index (HDI)[25], of the region is 31.4%, including 12.3% of people in conditions of extreme poverty (representing 70 million indigent people in absolute terms). Despite the reduction of the poverty indexes inequality, measured in terms of the Gini index, is still high. The countries of the region present Gini indices[26] between 45 and 60, while OECD countries are located, on average, at approximately 33.

Poverty and inequality in the region remain high: close to one third of the population is poor (OECD, 2011d; World Bank, 2011). The main challenge of the region is, therefore, achieving a reduction of social inequalities (OECD, Economic Commission for Latin America and the Caribbean, 2012) in parallel with economic growth and development, through an effective reduction of income concentration and the achievement of better results in terms of the components of the HDI.

In this context, the capacity of the poor to take advantage of new opportunities depends critically on their skills, including financial literacy (OECD 2010). Financial education is one of the policy tools currently developed by Latin American governments in order to develop necessary skills among their population.

Education: performance and access

Performance in education and access to the formal educational system in the region display an overall positive trend. The scores of the region in the OECD Programme for International Student Assessment (PISA)[27] have improved slightly over the past ten years, with the gap with OECD economies

25 . The Human Poverty Index (HPI) represents the extent of poverty in a country. It uses indicators of the most basic dimensions of deprivation: a short life, lack of basic education and lack of access to public and private resources.

26 . Gini index measures the extent to which the distribution of income or consumption expenditure among individuals or households within an economy deviates from a perfectly equal distribution. A Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality.

27 . The PISA programme (Programme for International Student Assessment) began in 2000. It aims to assess the capacity of students to use their knowledge and experience in “real world” situations. The emphasis of the test is on understanding concepts and mastering skills in three areas: mathematics, reading and sciences. Around

reducing from 23% to 19,5% between 2000 and 2009[28]. It is encouraging to note that in various countries the improvement is due mainly to better scores of lower-scoring students and of girls (OECD/ECLAC 2012), showing a reduction in inequality.

Regarding access, there are clear positive trends across all levels of education. Economic growth and stability determined an increase in the educational coverage and government spending on schools, leading to substantial advances particularly in primary education. Moreover, following increases in access and enrolment rates (see Figure 4), more than half of the university students are the first member of their family to attend university. This will likely help boost socio-occupational mobility.

However, important challenges remain in the extension of these advances to secondary and tertiary education, and in the need to improve quality, efficiency and performance of the region's educational systems. This becomes particularly relevant as growth and the associated impact on the economic and social structures have implied an increase in demands for access to higher education. In particular, income-based differences remain strong. The increase in secondary education between 1990 and 2006 was substantial, going from 27% to 51% of young people between 20 and 24 years of age having completed secondary education. However, strong income inequalities are still present, with the first income quintile (lowest income) displaying around a quarter of the percentage found in the last quintile (highest income).

Therefore, in this domain as well, the region is still one of the most unequal in the world, both in terms of access and in terms of the quality of education services received. Despite a decline in the transmission of socio-economic inequalities in educational outcomes in some countries (especially in Brazil, Chile and Mexico), the persistent segmentation of access to good quality education services means that the region's education systems still tend to maintain inequalities in income (OECD 2010).

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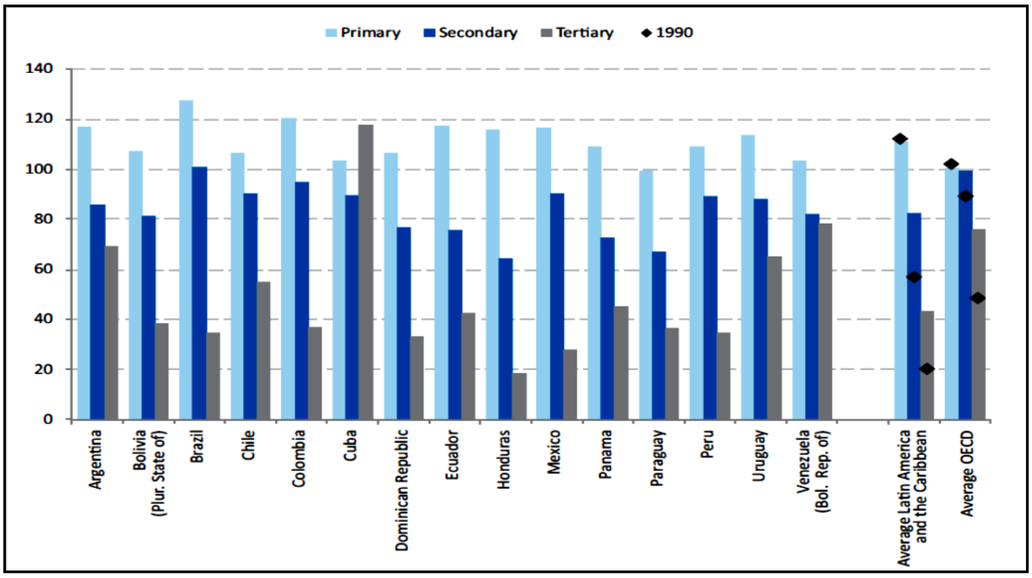
470 000 students from 65 countries completed the fourth edition of the test in 2009. For more information visit www.oecd.org/pisa/

28 . The comparison is possible for the Latin American countries that participated both in 2000 and 2009: Argentina, Brazil, Chile, Mexico and Peru.

Figure 4. School enrolment rates[29]



Source: Institute for Statistics, UNESCO (2011).

B. Low but improving levels of financial inclusion and access

The OECD/INFE defined financial inclusion as:

the process of promoting affordable, timely and adequate access to a wide range of regulated financial products and services and broadening their use by all segments of society through the implementation of tailored existing and innovative approaches including financial awareness and education with a view to promote financial wellbeing as well as economic and social inclusion.

The use of financial services and products is a driver for economic growth in both advanced and emerging economies, supporting poverty alleviation, social progress and sustainable development.

For Latin American and Caribbean economies in particular, financial inclusion is a particularly important priority. Higher financial inclusion is indeed expected to have a positive effect on inequality and poverty reduction, as well as on economic growth. Typically, it is considered that an increase of 10% in the access to financial services has the effect of a reduction of 0.6 points in the Gini inequality coefficient (Honohan, 2007), and an increase of 10% in private credit reduces poverty by close to 3% (Clarke, Xu and Zou, 2003; Honohan, 2007).

29 . Gross enrolment rate is calculated as the total number of students (of any age) enrolled over the total number of children in the official age group corresponding to the level of education. The current rate corresponds to the most recent year available for the countries in the sample. In Argentina, Brazil, Chile, Ecuador, Honduras, Peru and Uruguay this year is 2008, in Bolivia and Panama, 2007, in Peru, 2006, in the Dominican Republic, 2004. The average for Latin America and the Caribbean is 18 countries (the 15 aforementioned countries plus Costa Rica, El Salvador and Jamaica). The higher rates of enrolment for Latin America, relative to those of the OECD may reflect a greater incidence of late entry into school and/or may include students over the standard age group.

Initiatives to increase levels of financial inclusion require improved access to products, through appropriate, affordable and accessible supply of products and strong demand for and appropriate use of those products.

Access to the financial services in general, and to credit in particular, is low in Latin America. The fundamental reasons are believed to lie in an institutional framework that does not promote competition or financial development. High levels of inefficiency and high margins for financial intermediaries further dissuade traditional banks from serving geographically dispersed populations or to those with the lowest income levels. Financial inclusion strategies have therefore so far often focused on reducing these supply side barriers to access.

However, available evidence suggests that financial inclusion processes can further benefit from a financial education component. As such the provision of financial education is becoming increasingly associated with these inclusion initiatives[30], in the region and worldwide.

The CAF Economic and Development Report (2011) made a substantial contribution to the evidence available on access to financial services through a survey undertaken in 2010 in seventeen cities of Latin America (Buenos Aires, Córdoba, La Paz, Santa Cruz, Río de Janeiro, São Paulo, Bogotá, Medellín, Quito, Guayaquil, Lima, Arequipa, Panama City, Caracas, Maracaibo, Montevideo and Salto)[31]. It is worth noting that the survey captures access in urban areas, which is likely to be higher than average access (in particular if compared to rural and remote areas)[32].

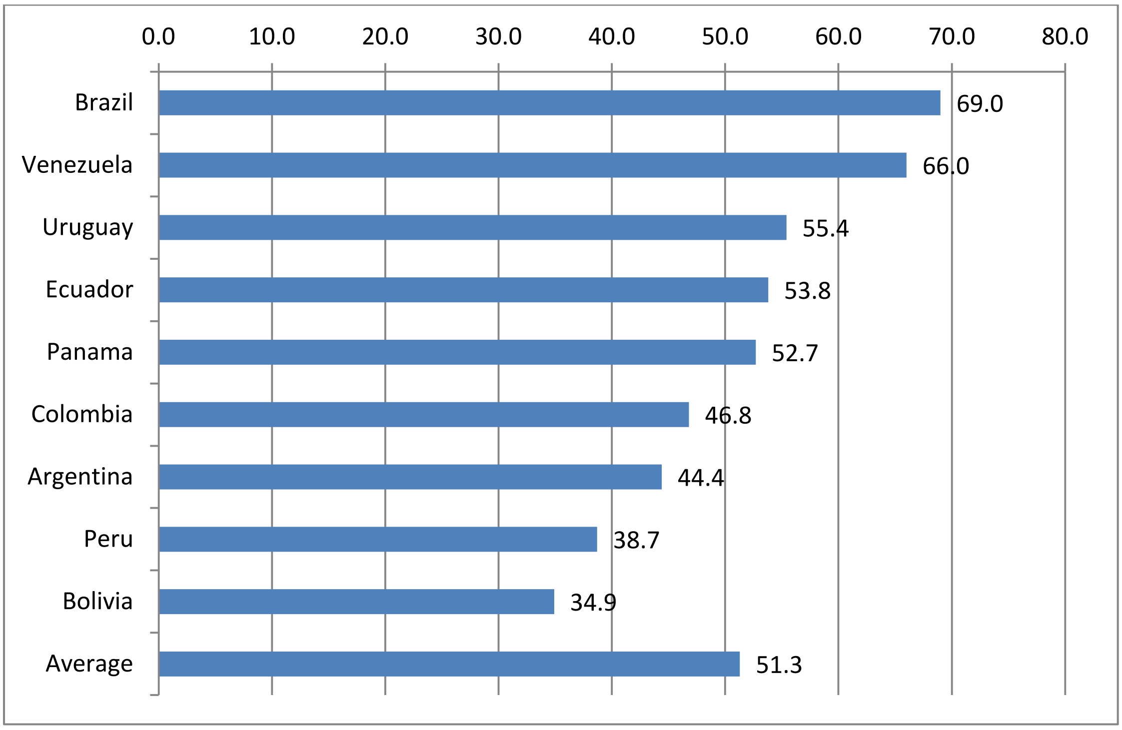
According to this survey, on average 51% of the households of the sample had an account in some type of financial institution (not necessarily regulated) (Figure 5). Other data show that only 39% of adults in Latin America and the Caribbean had an account in a formal financial institution, a figure that contrasts with a global average of 50% (Demirguc-Kunt, Asli and Leora Kappler, 2012).

30. See the examples of the Mexican National Strategy for Financial Education and the case of Peru (section III.A)

31. The survey was conducted on 600 households by city between 25 and 65 years of age, interviewed in their homes. The sample was stratified by geographic area in each city and included high and medium-high income sectors as well as lower income sectors.

32. Levels of access found by CAF in the two most populous city for each country are indeed higher than the levels identified for each country by the Global Financial Index Database (Findex). Findex is a World Bank project funded by the Bill & Melinda Gates Foundation to measure how people in 148 countries - including the poor, women, and rural residents - save, borrow, make payments and manage risk.

Figure 5. Percentage of households who possess at least one bank account in main cities of selected Latin American countries



Source: CAF (2011)

Table 6 describes access to financial services in 17 cities. Cities such as Santa Cruz and Lima are located well below the sample average, while Caracas, Quito and São Paulo have the highest access levels. It is worth noting the low levels of knowledge of bank accounts opening requirements. Almost 40% of those who do not have an account state that they do not know the requirements to obtain one. As expected, this is also inversely related to the level of use of financial services: in the cities where few households have a bank account, the knowledge of bank account opening requirements tends to be lower.

Table 6. Households that have an account in a formal financial institution (percentage)

	Have an account at a financial institution	Do not have an account and does not know the requirements for opening an account
Buenos Aires (ARG)	42.1	34.1
Cordoba (ARG)	46.5	39.5
La Paz (BOL)	35.7	45.7
Santa Cruz (BOL)	34.1	43.6
Río de Janeiro (BRA)	65.6	26.4
Sao Paulo (BRA)	72.5	19.8
Bogota (COL)	51.6	31.1
Medellin (COL)	41.9	44.5
Guayaquil (ECU)	36.9	23.6
Quito (ECU)	70.7	43.5
Panama City (PAN)	52.7	31.3
Arequipa (PER)	38.9	47.8
Lima (PER)	38.4	49.4
Montevideo (URU)	55.4	55.6
Salto (URU)	55.4	52.3
Caracas (VEN)	81.6	13.0
Maracaibo (VEN)	50.4	47.6
Average	51.2	38.2

Source: CAF (2011)

Table 7 shows the percentage of households that do not have an account and the reasons reported (multiple choice questionnaire). Data show that the most important reasons not to open one are associated with perceived lack of sufficient income or lack of a stable job and, to some extent, mistrust in financial institutions. There is also an important group stating that they do not realise the advantages of having an account or are not aware of the requirements.

Table 7. Reasons given for not having a bank account

(percentage)

	Not enough money	No job	Prefer to have money in different form	Does not trust financial institutions	Does not see benefits	Does not satisfy requiremen ts	Interest rates are very high
Buenos Aires (ARG)	53.8	21.1	19.1	15.2	7.6	17.2	1.7
Cordoba (ARG)	55.0	17.9	4.6	7.8	22.8	10.7	1.6
La Paz (BOL)	72.9	16.6	16.3	16.8	12.6	12.1	8.2
Santa Cruz (BOL)	56.9	9.5	20.3	15.4	5.4	8.5	10.0
Río de Janeiro (BRA)	54.6	19.5	12.7	4.9	17.1	13.2	12.2
São Paulo (BRA)	51.2	14.0	5.5	1.8	28.7	13.4	14.6
Bogotá (COL)	62.7	24.4	15.3	16.7	19.5	9.1	9.4
Medellin (COL)	75.1	30.5	35.8	5.9	28.7	11.2	4.7
Guayaquil (ECU)	82.5	27.1	16.2	22.3	19.4	10.9	3.7
Quito (ECU)	71.4	18.3	19.4	34.9	13.1	13.1	6.3
Panama City (PAN)	68.6	27.6	19.2	6.5	2.7	14.6	7.7
Arequipa (PER)	56.6	13.8	31.5	19.9	2.5	4.7	9.9
Lima (PER)	59.1	21.0	23.2	21.6	14.3	8.7	16.5
Montevideo (URU)	69.5	15.8	10.9	10.5	7.5	9.0	1.1
Salto (URU)	74.7	13.6	7.9	1.9	7.9	14.3	2.3
Caracas (VEN)	74.3	37.6	30.3	21.1	19.3	20.2	0.0
Maracaibo (VEN)	78.8	21.2	19.8	20.1	1.4	8.5	2.7
Average	65.8	20.6	18.1	14.3	13.6	11.7	6.6

Source: CAF (2011)

In almost all countries surveyed, there is a positive correlation between access to financial services and family income. However, there is no equal positive correlation between the use of financial services[33] and income.

This is confirmed by research conducted internationally (Demirguc-Kunt, Asli and Leora Kappler, 2012) finds that per capita income explains close to 70% of the variation in the percentage of adults who possess an account in a formal financial institution among the world's economies. This suggests that beyond the relationship between average GDP per capita and access, there are also other key factors that determine the level of access to and use of financial services, including financial literacy.

Access by population subgroups and product category

There are indeed other powerful factors that can explain these variations. Evidence from analysis of the Global Financial Inclusion Database (Findex)[34] and from the financial literacy measurement conducted in Peru using the OECD/INFE instrument (Prialé Reyes et al., 2011)[35], shows that differences in financial access are related to the level of income and other characteristics such as gender, educational level and geographic location.

Income is a strong determinant of financial access. 21% of the individuals who belong to the lowest income quintile in Latin America and the Caribbean have an account in a formal financial entity, while the percentage of individuals in the highest quintile with an account totals 61%.

However, gender, educational level and age also accounts for the differences evidenced in financial access in the region. There are significant gender disparities in financial inclusion. 35% of women in the region have a bank account, while in the case of men this percentage totals 44%. Globally, these percentages are 47% for women and 55% for men. The SPS survey shows that in Peru women were noticeably less likely than men to hold a payment product (45% vs. 53%).

The educational level also helps to explain the variation in the use of formal accounts. In Latin America and the Caribbean those people with tertiary education are more than twice as likely to have a bank account in comparison with those who only have primary education. In Peru, the use of payment products varies from 36% among people who have not completed secondary education and increases to 74% for those beyond secondary.

Likewise, age is also an important characteristic in the financial access of individuals. Young Latin Americans (15-24 year old age group) are less than half as likely to have an account as those between 25 and 64 years old. This is further confirmed by the SPS survey: use of payment products ranges from 38% for people aged 18-29 to 60% for those aged 60 and more. Geographical location is also relevant: 43% of the people who have a bank account in the region live in urban zones, while 35% live in rural zones. These percentages contrast with the global averages of 60% and 44%, respectively.

Strong variations can also be found on the basis of the product category analysed. The CAF EDR survey (CAF, 2011) investigates the access of households to financial services such as savings and credit.

33. Use is measured on the basis of use of payment, saving and insurance products reported by households in the CAF 2010 survey.

34. Analysis carried out by Demirguc-Kunt *et al.* (2012).

35. The study was conducted by the Peruvian financial superintendency (Superintendencia de Banca, Seguros y AFP) and Universidad del Pacifico.

Despite the low percentages of the population possessing an account in a financial institution, the results of the survey show that more than 53% of households report having some kind of savings. Less than 40% of these households hold savings in the formal financial system, while more than 80% state that they use an alternative mechanism such as cash, durable goods or informal savings schemes.

In contrast with these high savings percentages (formal and informal), the use of credit products is low and includes both formal and informal credit sources. The CAF survey indicates that, on average, only 19% of those interviewed state that they currently use credit. The predominant financing source is the financial system (for 65% of those who have credit), but other formal (government credit, credit obtained through the employers, commercial houses and NGOs) and informal sources also stand out. With regard to the latter, the survey shows that a large percentage of households (21% of those who have credit) report receiving financing from family and friends, moneylenders and pawnshops.

By countries, Brazil and Uruguay appear as those with greatest access to bank accounts and credit instruments, while Argentina and Venezuela show the greatest gaps, especially in credit access. In Bolivia, with a significant development of micro-finance, the use of formal credit products appears significant (more than 80% of consumers accessing credit), despite Bolivia being the country with the lowest per capita income of the sample considered in the CAF survey.

Table 8 shows the fraction of households that have never requested a loan and the reasons for not having done so. On average, approximately 64% of the surveyed households have never requested a loan, pointing to limitations of income and wealth as the main reason. 70% of them have not done so because they do not like to go into debt and approximately 23% are not aware of the requirements to open an account.

Table 8. Households that have never requested a loan and reasons for not having done so (percentage)

	Has never applied for a loan	Reason for not applying:		
		Borrowing is risky and/ or does not like	Does not have sufficient income or collateral	Unbanked and does not know the requirements to open a bank account
Buenos Aires (ARG)	78.5	80.0	25.7	22.7
Cordoba (ARG)	71.5	66.6	31.0	24.2
La Paz (BOL)	57.4	77.9	27.6	34.7
Santa Cruz (BOL)	59.2	69.4	22.7	34.7
Río de Janeiro (BRA)	77.0	69.3	17.7	10.6
São Paulo (BRA)	61.0	73.3	16.2	7.7
Bogota (COL)	56.6	66.7	12.6	21.1
Medellin (COL)	71.0	54.4	33.3	25.6
Guayaquil (ECU)	75.5	74.5	30.2	16.3
Quito (ECU)	57.5	73.0	27.9	17.0
Panama City (PAN)	65.3	68.1	24.1	17.9
Arequipa (PER)	50.8	66.9	25.9	35.2
Lima (PER)	67.5	74.5	29.4	34.2
Montevideo (URU)	39.3	74.7	25.3	35.6
Salto (URU)	46.4	75.7	26.7	25.9
Caracas (VEN)	62.6	51.4	40.6	3.5
Maracaibo (VEN)	88.0	48.7	28.2	22.6
Average	63.8	68.5	26.2	22.9

Source: CAF (2011)

Key elements

Combining the results of the OECD/INFE measurement in Peru, the CAF survey, Findex, as well as Xu and Zia (2012), key features of access to financial services in the region can be summarised as follows:

- The most widely used financial products are savings accounts, which, in the majority of cases, are opened as a requirement of the employer to deposit salary payments.

- There is an association between income and education levels and access to the products offered by the formal financial system. In effect, as income and the level of education increases, so does access.

- Credit users are typically male, heads of households, people between 30 and 49 years of age, salaried and independent workers, those with higher income levels and higher levels of education.

- The population groups with the greatest level of exclusion levels in the use of credit are: women that are not heads of households, youth, pensioners, students, people with lower income and education levels, and the rural population.

- Most people have a reluctant relationship with banks and do not fully appreciate the benefits associated with holding a bank account or other financial products. In general, there is a relatively high level of distrust of the population towards the banking system, with people turning mainly to their friends and family for financial advice.

Improving financial inclusion is a multidimensional concept that includes better access, better products and services, and better use. But better access and better alternatives do not automatically translate into more effective use. Financial education is a key element for improved financial inclusion, since, besides facilitating the effective use of financial products, it can help people to develop the abilities to purchase and select the most appropriate products for their needs and it empowers them to exercise their rights and responsibilities as financial consumers.

C. Low levels of financial literacy

The measurement of financial literacy levels is a necessary step for countries seeking to design and implement financial education programmes in an efficient manner and to evaluate their impact. This can be achieved only if policy makers and programme designers possess a clear picture of the level of financial knowledge and understanding of the population and behaviours and attitudes with regard to finances, allowing them to develop evidence-based, effective financial education programmes and/or strategies.

Available evidence is not sufficient to allow a fully fledged diagnosis of the needs and gaps in financial literacy within Latin America. Due to the lack of baseline surveys in each country, several programmes have been developed without an evidence-based identification of the needs of the population or of the target group. This has led to the development of initiatives without a clear segmentation of audiences and as such to potential duplication of efforts and diminished effectiveness of programmes.

However, it is worth highlighting that things are improving, thanks to policy makers increasingly adopting good practices developed globally and cases of co-operation between economies in the region and international organisations.

The situation in Latin America

Even though regionally comparable surveys are not yet available, a body of evidence allows the identification of general trends in the levels of financial literacy and priority policy areas. Countries for which more information is available in this respect, and which will be used in the following section, are Brazil, Chile, Colombia, Costa Rica, Guatemala, Mexico and Peru[36].

Financial knowledge

In general, there is widespread ignorance on the part of the population regarding basic financial concepts such as inflation, interest rate, relationship between risk and reward, and the general functioning of capital markets.

- Less than half of the population understands the term “interest rate” and is capable of carrying out basic calculations of simple or compound interest rate (surveys of Colombia, Guatemala, Mexico and Peru).

- The concept of inflation is also not understood by the majority of the population, and an even lower percentage of those surveyed are capable of calculating the variations in the purchasing power of an amount of money determined by inflation (surveys of Colombia, Guatemala and Mexico).

- A little more than half of those surveyed understands the relationship between risk and return; however, less than half have a good grasp of the relationship between risk and the diversification of investments (surveys of Colombia, Mexico and Peru).

- Those with higher income have a greater knowledge of financial matters (surveys of Colombia and Peru).

- On average, women have a lower level of financial knowledge than men (Hung, Yoong and Brown, 2012; OECD 2013).

- Nevertheless, women are mainly responsible for household budgets, and appear to be better at short term money management. Women also display a greater risk aversion than men (Atkinson and Messy, 2012; Hung, Yoong and Brown, 2012; OECD 2013).

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36 . Surveys on financial education and access of Brazil (Pesquisa Nacional: Grau de Educação Financeira da População Brasileira; Banco Central do Brasil, CVM, Previdência Social, Susep and BM&F Bovespa, 2008); Chile (in Xu, L. and B. Zia, 2012); Colombia (Central Bank and DANE, 2012); Costa Rica (Acceso a Servicios Financieros en Costa Rica, Asociación Bancaria Costarricense, 2010); Guatemala (Primera encuesta nacional de cultura económica y percepción bancaria de Guatemala, CABI, 2010); Mexico (Encuesta Nacional de Inclusion Financiera, CNBV INEGI 2012; 2012 Mexico Financial Capability Measurement, World Bank CNBV Condusef, in Holzmann et al., 2013) and Peru (Prialé Reyes et al., 2011).

Financial attitudes and behaviours

- In Brazil and Peru between 70% and 80% of those surveyed indicate that they have control over their financial management.

- Savings and investments

  - The majority of the region population does not save for retirement. Among those who save, most have high incomes. Lower income segments of the population typically save through informal products.

  - In general, investment in shares is more common among men, people with higher income, younger people and those with a higher education level.

- Credit

  - The non-payment of debt increases as the income level of the population diminishes (surveys of Brazil, Peru and Mexico). In general, people with lower incomes ask family and friends for money, while people with middle and high incomes go to financial institutions.

Box 1.The OECD/INFE Measurement Survey: Peru and the British Virgin Islands

In order to support policy makers and programme designers, in 2008 the OECD/INFE created the INFE Expert Subgroup on the Measurement of Financial Literacy and Inclusion. The Subgroup developed a survey instrument[37] that can be used to capture the financial literacy and inclusion of the population irrespective of their background or socio-economic situation and of the levels of financial markets development of country. INFE members inputted into the design of the survey, and then piloted it in the first internationally comparable measurement of financial literacy. This has enabled individual countries to understand gaps and needs of their population and as such better design and implement financial education programmes. It also provides important data that the OECD will use to inform its future policy output.

The questionnaire was piloted in the course of 2010/11 in 14 countries[38], from different continents and displaying different levels of economic and financial markets development. The Pilot had three main objectives: measure financial literacy and provide national benchmarks, describe levels of financial literacy of different socio-demographic groups to identify both needs and gaps and explanatory variables, and finally compare levels of financial literacy across the 14 countries (Atkinson and Messy, 2012). Within Latin America and the Caribbean, Peru and the British Virgin Islands were members of the Pilot exercise.

In **Peru**, the Superintendency of Banks, Insurance and Private Pensions (SBS) in co-operation with the *Universidad del Pacifico*, undertook the survey in 2011. The main objectives were the understanding of the use of financial products by Peruvian households and individuals and the establishment of a baseline against which measuring future improvements. It was focused mainly on 6 target groups: students, single workers, married workers, self-employed workers, workers approaching retirement age and retirees.

The survey results allowed Peruvian authorities to identify the main needs of the population in terms of financial education, to assess the effectiveness of current policies and to set evidence-based policy recommendations (Prialé et al, 2011). The results of the survey, jointly published by SBS and the *Universidad del Pacifico*, highlight in particular that:

- the results confirm the importance of the programme implemented by SBS to train teachers in order for them to disseminate financial education among the student population, and call for an extension of the scope and coverage of such activities;
- the government should promote more competitive financial markets and products in order to encourage people to save. This, it is noted, becomes even more important in a small and open economy like Peru, which boasts an annual growth of GDP of 6%;
- the efforts aimed at improving financial literacy must be co-ordinated with those aimed at financial inclusion.

In the **British Virgin Islands** the Financial Services Commission conducted the survey in the framework of its Financial Literacy Programme that aims to create a financially literate BVI public by educating them on the basics of finance and how to manage their money. The findings of the survey have been instrumental in identifying areas in which BVI consumers have shown more vulnerability, and will be used to fine-tune the content of Money Matters BVI in areas such as money management, choosing financial products and planning for the future (British Virgin Islands Financial Services Commission, 2011).

Other institutions have carried out the survey since 2011. In **Jamaica**, the Financial Services Commission (FSC) has completed conducting the first baseline survey of the financial literacy levels of its population using the OECD/INFE questionnaire. The FSC hopes that the results of the survey will lay the path for the development of a national strategy for financial education and will help the FSC to gather stakeholders from the public and private sector around this effort.

37 . The questionnaire has been designed to be used in face-to-face or telephone interviews, and includes good practice questions drawn from existing financial literacy questionnaires. Core questions within the survey cover financial knowledge, behaviour and attitudes relating to various aspects of financial literacy (such as budgeting and money management, short and long term financial plans, and financial product choice). The questionnaire also allows interviewers to gather socio demographic details of the participants, such as age, gender and income. OECD/INFE (2011a); OECD/INFE (2011b).

38 . The countries participating to the Pilot were: Albania, Armenia, Czech Republic, Estonia, Germany, Hungary, Ireland, Malaysia, Norway, Peru, Poland, South Africa, United Kingdom, and British Virgin Islands.

D. The increasing interest in financial education policies

Macroeconomic stability and GDP growth support policy maker's endeavours to address persisting inequalities affecting Latin American economies and have created space to develop public policies that could consolidate a stable middle class (OECD, 2011).

Despite the bright economic outlook of the region, a reduction in inequalities will not be achieved solely through economic growth. Effective policies can counter inequality, and a regional analysis confirms that policies aimed at reducing inequality can foster poverty reduction. An examination of the links between poverty and income growth in Latin America and the Caribbean during the past decade confirms that, although per capita household income growth accounts for 83% of poverty reduction variation in the region, the remaining variation is significantly related to inequality reduction policies (OECD, 2009).

Since the early 2000s, economic growth has been accompanied by innovative social policies that contributed to a decline in inequality and poverty in most countries in Latin America. At the same time, this has favoured the emergence of middle class, potentially a key player for a new phase of development in the region. But these new opportunities come also with new risks, which need to be mitigated, and needs which have to be addressed by public policies.

Among the policy tools chosen, financial education is playing an increasingly important role. Governments see financial education policies as both timely and relevant as they can address both the needs of the growing middle classes and those of the poor sectors of the population, while at the same time having a positive effect on the participation of individuals and households in financial markets and in general on economic development.

This interest is reflected in the participation of fourteen Latin American and Caribbean economies in the OECD International Network for Financial Education (INFE)[39], to which they contribute with successful examples of policy design and implementation, and from which they learn about international good practices identified globally. Latin American and Caribbean economies also co-operate with the OECD on financial education issues through an additional channel: the regional network of Central Banks (see Box 2).

39 . See Annex 1 for more information about the scope and objectives of the OECD/INFE and a full list of Latin American and Caribbean regular and affiliate members.

Box 2. The special partnership between the OECD and the Association of Latin American Central Banks (CEMLA)

The signing in November 2012 of a Memorandum of Understanding between the OECD and the Centre for Latin American Monetary Studies (Centro de Estudios Monetarios Latinoamericanos, CEMLA) formalised the existing fruitful co-operation on financial education policies between the two organisations.

CEMLA is a regional association of central banks from Latin American and Caribbean countries and several of the world´s leading economies[40]. Since its inception in 1952, its main objective has been to enhance co-operation among its members in order to promote a better knowledge of monetary, financial and economic issues in general. As a natural extension of its nature and objectives, CEMLA has embarked in the field of financial education.

CEMLA and the OECD began their collaboration through the organisation of regional conferences on financial education: in Peru (2010), Paraguay (2011) and in Suriname (2012). The success of these events, which have advanced the policy dialogue on financial education in the region, as well as the feedback from CEMLA members and the increasing interest in this area expressed by policy makers and central banks in Latin America and the Caribbean, has led to the development of a more formal relationship and co-operation.

This strengthened partnership, through the Memorandum of Understanding signed by CEMLA Director-General Guzman and the OECD Deputy-Secretary General Tamaki, provides an institutional framework for the exchange of financial education material and related good practices, the sharing of international good practices on financial education and inclusion, and the development of joint research. Furthermore, the instrument will allow the sharing of advice and guidance by the OECD with CEMLA and its member institutions on financial education and inclusion programmes in Latin American and the Caribbean. Those will include financial education programmes in schools, the measurement of financial literacy, the evaluation of financial education programmes and the setting up of national strategies.

The two organisations will also set up a regional annual roundtable of central banks, based on the one created by the OECD in Asia[410]. These roundtables on the role of central banks in financial literacy and inclusion will provide high-level central banks representatives from Latin America and the Caribbean to gather among peers and discuss recent trends in financial education policies as well as challenges and good practices in their implementation.

40 . Central Banks from the following countries are CEMLA Associate members: Argentina, Aruba, Bahamas, Barbados, Belize, Bolivia, Brazil, Cayman Islands, Chile, Colombia, Costa Rica, Cuba, Curacao and Saint Maarten, Dominican Republic, Ecuador, El Salvador, Eastern Caribbean Central Bank, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Paraguay, Peru, Suriname, Trinidad and Tobago, Uruguay, Venezuela. For more information visit http://www.cemla.org/

41 The OECD set up in 2010 this regional co-operation forum. The first one was organised in Bangalore in 2010 in co-operation with the Reserve Bank of India, the second one was organised in Jakarta in 2011 in co-operation with Bank Indonesia, the third one was held in Cebu, Philippines, in 2012 in co-operation with Bangko Sentral ng Pilipinas (BSP), and the fourth one in Delhi in 2013 with the Reserve Bank of India.

Figure 6. Participation of Latin American and Caribbean economies in the OECD/INFE[42]

The map shows Latin American and Caribbean countries that are members of the OECD/INFE.

[42] This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

III. FINANCIAL EDUCATION POLICIES AND PROGRAMMES IN THE REGION

This chapter addresses the most recent developments in the area of financial education policies and initiatives in the region. The analysis is based on a survey conducted specifically for this chapter, and on existing data collected within the scope of activities of the OECD/INFE and the World Bank.

Few countries in Latin America and the Caribbean have formulated a National Strategy for Financial Education, but at the same time many have developed initiatives and programmes –with some interesting innovations such as the use of financial education in Conditional Cash Transfers programmes (CCT). This rich body of experience still lacks widespread and robust evaluation processes, although efforts are underway in this regard.

For the purpose of identifying the main financial education initiatives implemented in the region and their characteristics, in July 2012 the Central Bank of Colombia, Fogafin and CAF developed and conducted a survey[43] (“the regional survey”) with the participation of 28 institutions[44] from sixteen countries: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Mexico, Nicaragua, Paraguay, Peru, Dominican Republic, Uruguay and Venezuela.

The regional survey aimed to identify the main players active in financial education, the presence of measurement surveys, the target audiences selected, delivery tools, existence of financial education programmes in schools, evaluation of programmes, and finally the development of national strategies for financial education.

A. National Strategies for Financial Education

Brazil has a fully implemented National Strategy, whereas Colombia, Mexico, Peru and el Salvador are designing or are about to implement one.

The survey conducted by the OECD/INFE to lay the ground for the analysis of national strategies (Grifoni and Messy 2012) and the regional survey found that other economies in Latin America display elements of a national strategy. Notably, 81% of the institutions surveyed have put in place some form of co-operation with other public institutions in order to better implement financial education programmes.

43 . See the survey questionnaire in Annex 2.

44 . Central Bank of Argentina; Association of Private Banks of Bolivia; ‘Securities and Exchange Commission of Brazil (CVM); Central Bank of Brazil; Central Bank of Chile; Central Bank of Colombia; Fogafin Colombia; Stock Market Self-regulator of Colombia (AMV); Federation of Colombian Insurers (Fasecolda); Central Bank of Costa Rica; Banking Authority of Ecuador; Deposit Insurer of Ecuador; Central Bank of El Salvador; Central Bank of Guatemala; Deposit Insurer of Mexico; Central Bank of Mexico; National Commission for the Protection of Users of Financial Services of Mexico; Ministry of Finance Mexico; Central Bank of Nicaragua; Central Bank of Paraguay; Institute of Peruvian Studies (Proyecto Capital); Superintendency of Banks, Insurance and Private Pension of Peru; Central Bank of Peru; Central Bank of the Dominican Republic; Central Bank of Uruguay; Deposit Insurer of Uruguay; Central Bank of Venezuela, and Deposit Insurer of Venezuela.

In terms of some of the main steps of the preparatory phase of a national strategy[45], half of the countries responding to the questionnaire identified relevant data on financial literacy (even if these are not always nationally representative) but just 19% conducted mapping activities to have a full picture of the programmes already in place.

The results of the regional survey show that the institutions responsible for the development of national strategies are: central banks, superintendencies, education and finance/economy ministries, deposit insurance companies, and governmental agencies. In addition, the existing or developing national strategies are often part of more holistic approaches aimed at financially empowering consumers through other measures such as access to financial services and financial consumer protection.

Existing institutional co-operation

In 81% of the surveyed countries there are inter-institutional alliances for the development of financial education programmes. These are predominantly among public sector institutions and involve the private sector to a lesser extent.

The cases of Brazil, Mexico and Peru stand out. In Brazil co-operation occurs in the framework of a fully implemented national strategy for financial education allowing the coordination of initiatives and a joint effort between the public and private sectors. In Mexico, cooperation occurs within the Financial Education Committee that was created in 2011 precisely to organize and align the financial education efforts and to develop a national strategy for financial education. In Peru, the co-operation between the government and the private sector takes place in the framework of financial education projects related to the Conditional Cash Transfer (CCT) programme Juntos, in which the private sector plays an important role in the implementation.

45. As identified by the OECD/INFE High-level Principles on National Strategies for Financial Education (OECD/INFE, 2012).

Box 3. OECD/INFE High-level Principles on National Strategies for Financial Education

The High-level Principles (OECD/INFE, 2012) were developed by the OECD/INFE following a thorough a consultative process. The Principles acknowledge that there is no one-size-fits-all path to the development and implementation of a national strategy, and that national circumstances must be fully taken into account in deciding over the scope of the strategy, its sequence of implementation, and whether financial education should be addressed as part of wider frameworks aimed at increasing financial inclusion or consumer protection.

As described in the first section of this chapter, the Latin American economic and social context is typically characterised by strong economic growth, rising middle classes and efforts aimed at poverty reduction. **Latin American INFE members** designing or implementing their national strategies were as such well positioned to bring to the discussions useful experiences of initiatives that are part of wider frameworks and need to take into account particular social and economic challenges. This certainly contributed to the development of a policy instrument that can serve as an overarching guidance applicable to both developed and emerging markets.

Mexico strongly supported not only the development of this instrument in the INFE, but also its international recognition during the Mexican Presidency of the G20. This lead to the endorsement by G20 Leaders, at the Los Cabos Summit in June 2012. This approval further confirmed the wide scope of application of the High-level Principles and their importance as an overarching policy instrument for countries interested in implementing national strategies for financial education (G20, 2012). Asia Pacific Economic Co-operation (APEC) Ministers[46] of Finance also recognised the importance of the High-level Principles, and welcomed their development and implementation (APEC, 2012a).

The High-level Principles are articulated around five sections, each addressing specific steps in the preparation and implementation of such endeavours.

- Definition, scope and purpose
- Preparation of the National Strategy: defining its scope and purpose through assessment, mapping and consultation
- Governance mechanism and the role of main stakeholders in the National Strategy
- Roadmap of the National Strategy: key priorities, target audiences, impact assessment and resources
- Implementation of the National Strategy: delivery mechanisms and evaluation of programmes.

National Strategies: case study[47]

Brazil

Brazil officially established a national strategy for financial education, Estratégia Nacional de Educação Financeira (ENEF), in 2010. The main drivers of the country's national strategy are: economic growth and the consolidation of a middle class in the country, coupled with surveys portraying low levels of knowledge of financial matters and evidence of non sustainable household consumption/savings ratios.

46 . Latin American Members of APEC are: Chile, Mexico and Peru.

47 . For a global analysis of these developments please see Grifoni, A. and F. Messy (2012), to be updated in the course of 2013.

In recent years, Brazil has lifted millions of citizens out of poverty[48]. These economic and social changes determined a national strategy that aims both at financially empowering middle classes, notably through a focus on investor education and an important role played by the Securities and Exchange Commission of Brazil (Comissão de Valores Mobiliários - CVM), and through teaching basic financial education to lower income families, such as the beneficiaries of the federal income transfer programme Bolsa Familia.

The country’s authorities, and specifically a committee representing the four financial regulators (Comitê de Regulação e Fiscalização dos Mercados Financeiro, de Capitais, de Seguros, de Previdência e Capitalização - COREMEC), put the national strategy under the responsibility of a Working Group (WG) coordinated by the Brazilian CVM. The Working Group also included the central bank, the Secretaria de Previdência Complementar (SPC) and Superintendência de Seguros Privados (SUSEP).

The WG issued an action plan with detailed targets, priority goals and areas, funding needs and solutions, governance structure as well as monitoring and evaluation of the strategy implementation. The action plan defined the goals of the strategy within three tiers of action based on the OECD definition of financial education: information, instruction and orientation. The WG continued its mission during 2008/9 with a mapping of the financial education initiatives already active within the country and with the measurement of the financial literacy levels of the Brazilian population.

Following this thorough preparatory phase, the national strategy was officially established by Presidential Decree in 2010 (Brazil Presidency of the Federative Republic, 2010) under the responsibility of CONEF, a committee comprising the four regulators and representatives from the Ministries of Justice, Education, Finance and Social Security and a few high-level representatives from the private sector. There are four non-governmental representatives within CONEF, elected by the eight government members for the period 2010-13. These are the association of capital market agencies, the stock-exchange self-regulating body, the confederation of the insurance industry, and the federation of banks. CONEF is presided over on a six-months rotating basis by five institutions (central bank, which also acts as permanent executive secretariat, SUSEP, the Ministry of Finance, CVM and the National Superintendency of Complementary Social Security PREVIC).

Stakeholders in Brazil have been involved in several ways. During the design phase, private sector representatives collaborated to draft chapters of the strategy, and public authorities held a consultation with NGOs and consumer associations. Stakeholders also play a major role in the implementation of the strategy: private sector institutions created the National Association for Financial Education (ABEF) in order to assist public authorities in the nationwide implementation of financial education in the formal school curriculum (see Box 5). Under the agreement with CONEF, ABEF receives annual guidelines, prepares and submits a work plan to the government for evaluation and then implements the content of the guidelines, under the monitoring of public authorities.

Monitoring and evaluation have been incorporated in the strategy from the design phase, and the most important programme, namely the nation-wide introduction of financial education in schools, has been piloted on a smaller scale and evaluated in order to test the curriculum itself, teaching methods, and potential impact on the community, including parents. The results of such evaluation have encouraged CONEF to pursue the planned introduction throughout the country (see Box 5).

48. Fifty million people joined the first three economic classes from the bottom two in the period 2003-09 (Fundação Getúlio Vargas, 2010).

Colombia

The Colombian National Strategy for Economic and Financial Education (EFE) found its rationale in the scarcity of households' basic competencies on financial decision-making, evidenced by surveys, and in the need to rationalise several initiatives already in place within the economy but lacking orientation, co-ordination and resources. The decision to adopt a national strategy, from the perspective of public authorities, was therefore both a response to a lack of leadership and a means to effectively impact on the daily life of Colombians, and to provide them with the tools to support their financial and economic decisions.

An additional driver for the design of the strategy is the increasing level of access to financial services in the country, which creates both opportunities and risks for consumers. In this context, a national strategy for financial education has become of increasing relevance, according to Colombian authorities, due to its potential impact on economic growth and wellbeing, and to complement financial regulation policies, notably consumer protection regulation (Salamanca Rojas, 2012).

The design and implementation of the national strategy was facilitated by a legislative provision included in the 2009 Financial Reform mandating the development of financial education programmes "with regards to financial products and services offered" by financial entities supervised by the Financial Superintendency.

The political support for the development of the national strategy certainly benefitted from the release in 2010 of a joint proposal for implementation of a national strategy (Colombian Ministry of Public Finance et al, 2010) by several Colombian institutions: Ministry of Public Finance, the Ministry of Education, the Central Bank, FOGAFIN, Fondo de Garantías de Entidades Cooperativas (FOGACOOP), and Autorregulador del Mercado de Valores (AMV). The joint proposal set the background with a snapshot of the Colombian situation, collecting evidence from surveys conducted by public and private entities, and explaining the theoretical justifications for action. It then elaborated a plan for implementation with clear objectives.

This plan identified several objectives. Some goals were operational, such as the need to generate consensus, construct a solid institutional arrangement, identify sources of financing and target audiences. Other goals identified areas for policy intervention, such as the incorporation of financial education in formal education curricula.

The formal approval came within the framework of the Development Plan 2010-2014 (Colombian National Planning Department, 2010) that establishes that the government and the central bank will implement, with the participation of the private sector, a national strategy that will entail the co-ordination between the Finance and Education Ministries as well as other public authorities.

Given the analysis performed and the objectives identified by the institutions behind the 2010 proposal, the Decree of the Ministry of Finance formally approving the development of a national strategy focuses primarily on the institutional architecture and the establishment of a "national administrative system for financial education". This notably entails the creation of a Commission for Financial Education charged with the definition and the co-ordination of objectives within this system and with representatives from all the supervisory authorities, the central bank, the ministry of finance and the ministry of education (represented at director and minister level).

Such high-level Commission will then be responsible for the policy proposals, the recommendation of implementation mechanisms, the co-ordination of the activities of both public and private institutions, and the creation of ad hoc sub-committees with specific responsibilities.

El Salvador

In El Salvador the national strategy for financial education (Programa de Educacion Financiera de El Salvador) was designed in 2008 as a collaborative initiative between the central bank, three financial supervisors (Superintendencia del Sistema Financiero, Superintendencia de Valores and Superintendencia de Pensiones) and the deposit insurance institute (Instituto de Garantia de Depositos). The establishment of the strategy was considered important in light of the new range and increased sophistication of products made available to citizens of the country following globalisation and financial innovation. An additional motive was the need to rationalise existing programmes under a single framework in order to increase the efficiency of the resources spent and co-ordinate their sector coverage.

The institutional part of the initiative recognised from the very start the need to involve the private sector in a co-ordinated fashion and align its efforts with those of the public authorities active in financial education and of the government.

The official document (El Salvador Central Bank et al, 2010) outlines the strategy's mission: the promotion of knowledge of product and services and their benefits/risks/costs and the strengthening of the understanding of financial services leading to better financial decision-making and ultimately better lives. It also describes the components of the strategy divided along policy areas (from savings and credit to investments and pensions) and the disaggregation of the population into different target groups to better fine-tune tools and content of financial education programmes and initiatives

The document also portrays the roadmap for the implementation of the strategy, outlining a first phase during which activities will be primarily directed at students, professionals and the sector of the general public that has access to mass media, and a full roll-out phase in which the coverage will be increased through the use of more target-specific tools.

Mexico

In Mexico the development of the national strategy found its basis in the need to complement nationwide financial inclusion initiatives that had been designed to increase the proportion of the population having access to and using financial services. Notwithstanding substantial results obtained in terms of access and product offering, public authorities lead by the Ministry of Finance and Public Credit (Secretaría de Hacienda y Credito Público, SHCP) realised that long-term financial education policies had become necessary in order to complement those efforts and spread the responsible use of financial services.

The need to complement financial inclusion policies has been confirmed during the preparation of the national strategy on financial education. Mexican authorities analysed, among other sources of evidence, the requests for information submitted by consumers associations and individuals to public authorities over the course of several years: this showed a greater and diversified demand for information on the part of financial customers which was a consequence of the legal and regulatory reforms enacted to strengthen financial inclusion and consumer protection. Furthermore, the National Survey of Financial Inclusion (ENIF) conducted in 2012 shows a low level use of formal financial services.

An additional driver behind the design of the strategy was the need to provide financial education to those outside the scope of the financial inclusion strategy. As such, the financial education strategy has a broader coverage and also addresses the needs of people on higher incomes, with more sophisticated financial and education needs.

The preparatory phase of the national strategy has included a mapping exercise that, through the analysis of already existing initiatives, allowed Mexican authorities to identify specific policy issues to address, notably the importance of supporting citizens in their approach to the retirement saving system as well as to the insurance sector, as well as the need to develop financial education initiatives for financially excluded population based on their needs.

Among the objectives of the Mexican national strategy are better use of personal and household budgets, increased savings rate thanks to better use of existing formal saving products (including the use of long term savings and investment products), the inclusion of financial education in schools and enabling consumers to be better equipped when dealing with financial services providers.

As another step in the preparation of the national strategy, in May 2011 it was created the Financial Education Committee[49] as a coordination body with the objective of aligning the financial education efforts of public and private entities. The Committee is chaired by the Ministry of Finance and Public Credit, which has taken the lead in the financial inclusion and financial education efforts. The Committee is integrated by public financial and educational authorities, national development banks, other public entities, and representatives from the private and social sectors. The design of the Committee was explicitly linked to the recommendations of the OECD in this respect, to which Mexico positively contributed with its presence in the INFE Expert Subgroup on National Strategy for Financial Education, through a representative from the National Commission for the Retirement Savings System (CONSAR).

The aim of the Committee is threefold. It allows the establishment of a permanent co-ordination system, it has to develop and follow up the strategy, and it will be responsible for collecting and analyzing data regarding measurement of financial literacy.

There are four main elements in the Mexican roadmap:

1. The definition of a framework to increase coverage reaching all population segments as well as the co-ordination among financial supervisors, regulators, private sector and other institutions.

2. The development of programmes and policies based on the needs of the population.

3. Measurement, follow-up and evaluation of financial education actions and programmes and of the financial capabilities of the population.

4. Implementation of different communication channels to distribute financial education information, and on the provision of information on how to act in case of abuse by financial intermediaries.

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49 . See official communiqué of the Presidency of the Republic, available (in Spanish) at: http://www.presidencia.gob.mx/2011/05/se-instalo-el-comite-de-educacion-financiera/

Peru

Under the scope of a National Financial Inclusion Strategy, Peru is currently working on the design of a National Financial Education Strategy. The Superintendence of Banks, Insurance and Private Pension Funds (SBS) has implemented different programmes on financial education. These initiatives are expected to be integrated with other initiatives undertaken by other public and private sector institutions into a national financial education strategy.

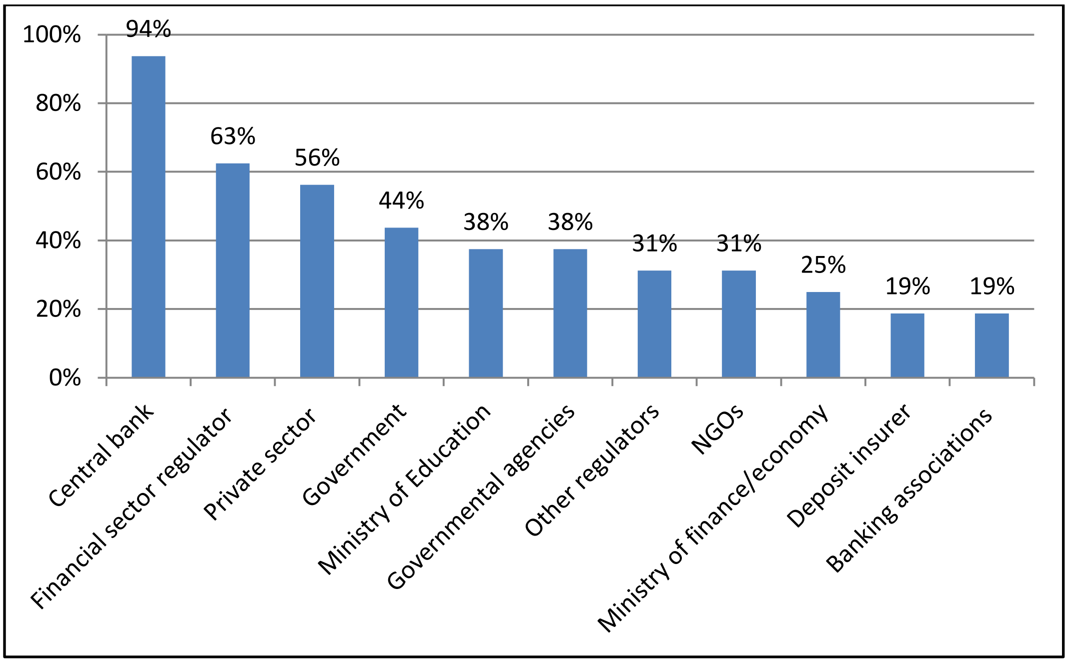
The collaboration agreement signed in 2007 between SBS and the education authorities has facilitated the implementation of the existing financial education initiatives in the country. Since 2007, SBS has implemented with success a nation-wide programme on financial education targeting high school students. This programme includes a train-the-trainers component aimed at improving financial literacy levels of high school students by focusing on the capacity development of public school teachers. The success of the program has made possible the incorporation of financial education topics into the national curriculum, with the approval of the ministerial law drafted by the Ministry of Education in 2008.

Moreover, Peru was the first country in Latin America that conducted a baseline financial literacy level survey using the OECD/INFE survey (see Box 1), and is currently performing an impact evaluation to assess the impact its teacher training programme in high school students, following the Recommendations of the OECD/INFE High-level Principles on National Strategies for Financial Education (OECD/INFE, 2012).

B. Numerous initiatives in the region

Existing financial education programmes and active institutions

Figure 7. Main promoters of financial education in Latin America



Source: Survey conducted by the Central Bank of Colombia, Fogafin and CAF.

All the seventeen countries responding to the regional survey, even those currently not having a national strategy, have financial education initiatives in their jurisdictions. This demonstrates the growing importance of this issue in Latin American countries.

The survey identifies the public sector as the main actor. Within the public sector, the leadership of the central banks stands out. In 94% of countries surveyed (Fig. 7) they are the main promoters of financial education followed by financial regulators.

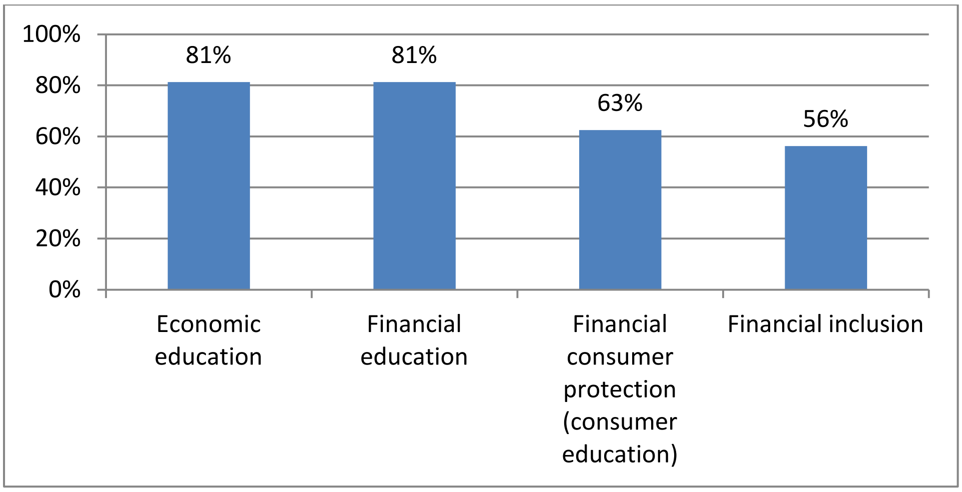
This reflects trends identified globally by the OECD/INFE (Grifoni and Messy, 2012). In the absence of clear mandates on financial education, central banks tend to act as leaders in this field, considering their resources, expertise, credibility and responsibilities. Moreover, central banks are often assigned supervisory functions over the banking sector, which can be crucial when faced with the need to engage with private financial institutions.

Despite this important role of the public sector, countries also acknowledge the presence of several initiatives conducted by NGOs and the private sector: this occurs in 31% and 56% of the countries, respectively (Fig 7).

The content and targets of financial education programmes

The financial education programmes implemented in Latin America are especially oriented towards economic and financial education: this is the case for 81% of those analysed through the regional survey (notably when led by central banks). 63% are also directed at the promotion of consumer protection, while 56% seek to promote mainly financial inclusion.

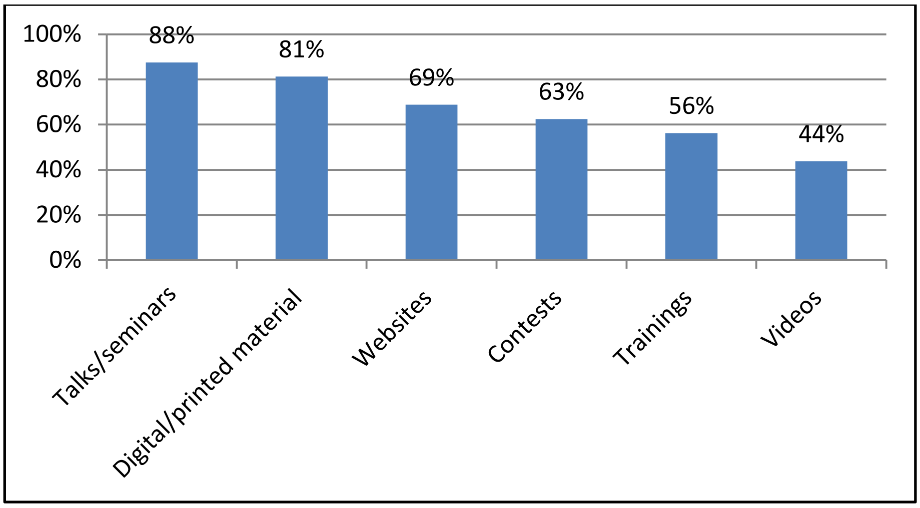
Figure 8. The focus of financial education programmes



Source: Survey conducted by the Central Bank of Colombia, Fogafin and CAF.

Delivery tools

Figure 9. Programmes' delivery channels



Source: Survey conducted by the Central Bank of Colombia, Fogafin and CAF.

There are five main channels to deliver financial education in the region (see Fig. 9): talks at seminars and events (88%), distribution of educational material (81%), websites (69%), contests (63%), and training programmes (56%).

In some cases public institutions have developed interesting *edutainment*[50] solutions. For instance, in Guatemala the Central Bank presents theatre plays during the Economic-Financial Education Festival. In Peru, the SBS together with Agrorural, an agency of the Ministry of Agriculture, has targeted more than 1.8 million residents in rural communities by using messages aired on local rural radios; moreover, radio soap operas and stories are designed by the Institute of Peruvian Studies Capital Project, for women who receive conditioned cash transfers from the Programme Juntos. In the Dominican Republic, a microfinance institution (Banco Adopem) has developed a soap opera, and in Colombia two radio programmes include financial education, 1) "Live Safely" from Fasecolda and 2) "That talk was not lost: stories of financial education" from Fogafin. In addition, it is worth mentioning the examples of Mexico with its Interactive Museum of Economics (MIDE) and Colombia with the Central Bank's interactive monetary exhibition.

These programmes are very innovative in their delivery mechanisms and content, but often do not identify specific target audiences. 63% of the countries identified the public in general as the target audience of financial education initiatives, which may hamper the provision of a clear and adequate message suited to the characteristics of recipients.

In practice, institutions are identifying specific target audiences, particularly through programmes in schools: 81% of the countries state that they have programmes focused on secondary education, 63% do so via university and technical training programmes, and 50% have programmes focused on primary education.

50. The term edutainment refers to entertainment that has a high educational content.

C. Financial education in schools

The introduction of financial education in schools is increasingly recognised as one of the core elements of national strategies and as the most efficient way to reach an entire generation. Moreover, due to the length of the curriculum, usually stretching over several years, this is a very effective way to spread a sound financial culture and to create the conditions for positive spillovers on the broader community including parents.

The OECD/INFE has recognised the importance of this policy tool and has developed analysis of existing school programmes and learning frameworks, as well as guidelines on the introduction of financial education in schools and on the design of curricula (see Box 4).

Box 4. INFE Guidelines on Financial Education in Schools approved by APEC

The INFE Guidelines for financial education in schools (OECD 2013 forthcoming), complemented by Guidance on Learning Frameworks, are aimed at providing policy makers with high-level non-binding international guidance to assist them in designing, introducing and implementing effective and efficient financial education programmes in schools.

The Guidelines indicate that financial education should be integrated into school curricula as part of a wider co-ordinated national strategy involving the community, should be targeted at every child within the jurisdiction and should be preceded by an assessment of the status and level of financial literacy of young people. They also recommend the involvement of the Ministry of Education and education stakeholders. Moreover the Guidelines suggest flexible modalities capable of adapting to national and local circumstances.

This important policy tool has recently been supported by the Ministers of Finance of the Asia Pacific Economic Co-operation (APEC 2012a: APEC 2012b), which includes **Chile**, **Mexico** and **Peru** among its members. At their August 2012 meeting in Russia, the Ministers encouraged, as one of the first priorities of National Strategies for Financial Education, "the development of appropriate programmes to enhance the financial knowledge and skills of future generations through financial education in school".

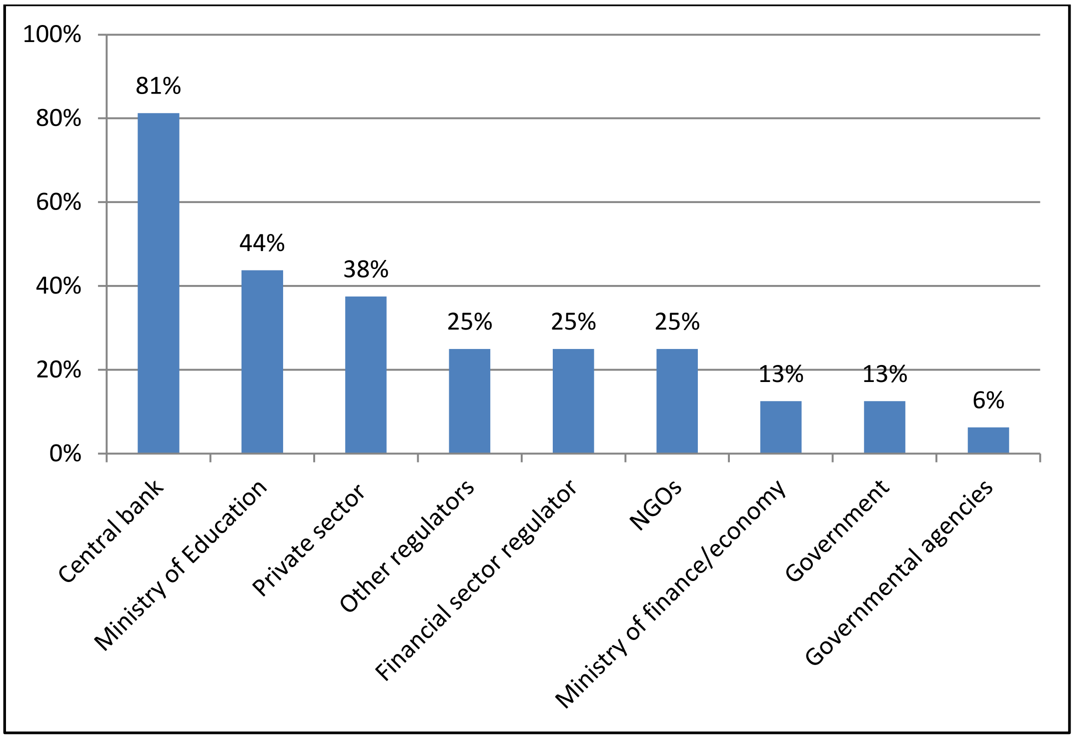
APEC Finance Ministers recognise financial education in schools as a critically important part of education in the 21st century, welcome the INFE Guidelines and encourage their use in APEC economies, notably through the establishment of tailored and dedicated learning frameworks and through the participation of APEC economies to Financial Literacy option within the OECD Programme for International Students Assessment (PISA) (OECD, 2013).

In the region, programmes introducing financial education in schools are still instigated mostly by central banks. In the countries where such initiatives are present, the institutions developing these programmes are central banks (81%), education ministries (44%) and the private sector (38%).

The importance of financial education programmes in schools for Latin American policy makers is confirmed also by their participation in the Financial Literacy Option of the OECD Programme for International Students Assessment (PISA) (OECD, 2013). PISA tests the attainment of 15-year-olds in mathematics, reading and science across 65 countries. The introduction of a financial literacy assessment has created a unique international benchmark on the level of financial literacy of young people. This rich body of data is enabling detailed investigations of the main factors associated with financial literacy levels of youth and will help to identify policy measures that can be employed to improve levels in the future.

Colombia participated in the financial literacy option in 2012, and Brazil, Chile and Peru are expected to participate in 2015.

Figure 10. Financial Education in schools; main promoters in the region



Source: compiled by authors. Source: Survey of financial education in Latin America

These initiatives are not part of tailored national frameworks such as national strategies in 50% of the countries. However, 37% of respondents stated that initiatives in schools are implemented as part of a plan to move towards national strategies. In the case of Mexico, it is important to mention that in the recently launched National Development Plan (2012-2018), that will guide the government actions in this period, one of its action lines is to strengthen the inclusion of financial education in basic and medium education programs[51].

[51]. See http://pnd.gob.mx/

Box 5. Financial education in schools: the case of Brazil

Providing financial education in the formal school sector is one of the main policies of the Brazilian national strategy for financial education. In 2010 Brazil introduced a pilot programme in 891 schools in six states, involving around 26.000 students, to test the effectiveness of the financial education programme and of the curriculum before implementing it at the national level. The associations representing financial sector institutions have been involved in the implementation of the programme in schools through the creation of the Brazilian Association for Financial Education.

The pilot programme also tested the provision of financial education through an integrated approach whereby financial literacy case studies were incorporated into mathematics, language/literature, science and technology and other disciplines.

As recommended by the OECD, the purpose and content of the Brazilian framework for financial education was determined by an assessment of the needs of the target audience. Surveys indicated that a significant portion of the Brazilian population lacks the expertise to properly manage personal finances, and it possessed low levels of savings and investment compared to consumption. This determined a financial education curriculum that stresses personal financial management as well as the impact of individual actions on the economy.

The Brazilian framework notes that financial education should not simply be informative but it should guide individuals as they consume, save and invest in a responsible and conscientious manner, providing a more secure basis for the country's development (COREMEC, 2010). Brazilian authorities stress that financially educated people are better prepared to fulfil not only individual but also collective outcomes, contributing to a more solid basis for the development of the country.

D. Conditional cash transfer programmes

Latin America has often been a pioneer in the field of public policy, especially in social sectors. Among the best examples are programmes that provide conditional cash transfers (CCTs) to poor households as an incentive to adopt certain patterns of behaviour that would improve their living conditions, opportunities and social capital (OECD 2012a). These programmes consist of monetary grants that some governments deliver directly to households in conditions of poverty or vulnerability, depending on compliance with a series of requirements such as children's attendance in school (primary and secondary), as well as nutritional and health controls of small children and pregnant women.

The development of the first CCTs at the end of the 1990s was aimed at reducing extreme poverty, as well as guaranteeing basic living conditions to sectors of the population, through an income transfer that would also contribute to the generation of human capital. There are at least seventeen CCT programmes in the region serving close to 27 million families (111 million people), a figure equivalent to 21% of the population of the region (Maldonado et al, 2011).

CCT programmes seek, mainly, to increase available income and favour the accumulation of human capital to break the inter-generational poverty cycle. The monetary transfer seeks to comply with the first objective, while the conditionalities aim at the second, encouraging changes in households' behaviour while generating positive externalities for society. Even though the impact on overall poverty levels is relatively small, these programmes have a large impact on the poverty gap, which measures how far incomes lie below the poverty line: this was for example reduced by 18% in Brazil (OECD Development

Centre Paper, 2010). This has contributed to a reduction in inequality, which fell for example by 20% in Brazil and Mexico since the beginning of the programmes.

In the beginning, to achieve their first objective, the CCT programmes sought to streamline the consumption process through financial inclusion, but governments realised that this was also an opportunity to provide the most vulnerable population with access to the formal financial system, a path that would allow the parallel reduction of poverty levels and increased family incomes thanks to credits for productive projects. Even though the importance of cash payments in the CCT programmes is undisputable, especially in remote areas, the high administrative costs associated with such a delivery tool have determined a general shift to payment mechanisms employing mainly two strategies: i) payment with prepaid electronic cards, that the beneficiaries can use in ATM machines, authorized stores and non-bank correspondents,[52] and ii) the deposit of the transfer to savings accounts with the provision of a debit card.

CCT programmes offer an exceptional opportunity for promoting financial inclusion, given the target population (Marulanda et al, 2012). According to Maldonado *et al.* (2011), of the total beneficiaries in the region, 17% receive cash transfers (thirteen programmes); 56%, do so through a prepaid card (nine programmes); and the remaining 28% receives payment in a deposit account (seven programmes). In other words, in nine programmes there is some modest move towards financial inclusion (electronic card) and in seven there is deeper inclusion (deposit account) which can enable access to a greater supply of financial services for the beneficiaries.

However, it should be stated that the delivery of money with the intermediation of a bank, the use of prepaid cards, or the opening of savings accounts do not imply per se a financial inclusion process. These mechanisms have certainly exposed recipient households to the formal financial sector, but this alone cannot guarantee effective financial inclusion, which requires not only the access to financial services but also their real effective use. The latter implies finding mechanisms that allow households to make use of the financial services offered by formal banking, like deposit accounts, micro-credits and insurance.

In the region this was made more difficult by the lack of knowledge of the population with regard to the use and characteristics of financial products and more generally due to low literacy levels of the target population. Target groups belong to marginalised and vulnerable sectors of the region's population. These characteristics must be fully taken into account when designing interventions, as low financial literacy levels are often coupled with "self-generated myths, rumours and lies regarding the financial services that the banks provide" (Maldonado *et al.* 2011). It is therefore fundamental to address the lack of general and of financial literacy, as it dramatically increases the distance between target groups and the formal financial sector.

Given the characteristics of the target groups, in order to act on demand-side factors and increase the effectiveness of these programmes, some CCT initiatives have developed complementary programmes, most of them focused on stimulating inclusion through a financial education component. Of the seventeen countries[53] with CCT programmes in the region, nine (Argentina, Brazil, Colombia, Costa Rica, Chile, Ecuador, Mexico, Paraguay and Peru) provide programmes in financial education. The delivery

52 . Non-traditional authorised distribution channels such as stores, retailers, supermarkets and drugstores that provide access to basic financial transactions.

53 . Argentina, Bolivia, Brazil, Colombia, Costa Rica, Chile, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Panama, Paraguay, Peru, Dominican Republic and Uruguay.

formats (brochures and leaflets in bank branches, courses and workshops or videos and one-to-one guidance) vary by periodicity, depth and duration.

Annex 3 provides the main characteristics of financial education programmes in the framework of CCT. Fifteen financial education programmes have been developed in the framework of nine CCT initiatives in the region. In general, eight are related to the use and management of financial services to facilitate the use of prepaid and debit cards delivered with the programmes. Of these, two are aimed at promoting access to bank credit and saving products (“Crediamigo”, of Brazil, and “Programa Ahorro”, of Chile).

The seven remaining financial education programmes focus on management of personal finance and entrepreneurship, with five of them offered specifically as part of a financial inclusion strategy and two more focused on entrepreneurship and business management modules (“Human Development Credit”, of Ecuador, and “Juntos Savings Promotion”, of Peru). The two remaining cases were carried out in Mexico and Costa Rica separately from inclusion programmes. In Mexico, financial education was offered to the adult beneficiaries of the CCT programme, while in Costa Rica it was addressed to students of the family beneficiaries of the CCT enrolled in secondary education.

Some authorities are undertaking quantitative evaluations of financial education initiatives linked to CCT (see also next section III.E). Elsewhere evaluation has been mostly qualitative, mostly due to the fact that financial education programmes are still being rolled out. The emerging results suggest that programmes have been satisfactory, but programme developers and public authorities are currently implementing more thorough evaluations in order to better test the impact of such programmes.

E. Evaluation

The evaluation of financial education programmes is a fundamental tool to measure the effectiveness and the impact of these initiatives, in order to make better use of existing resources, fine-tune content and adapt delivery tools according to different target audiences[54].

Box 6. Characteristics of an effective financial education programme [55]

Globally, impact evaluations of financial education programmes have been carried out on programmes targeted at dissimilar audiences, employing different forms of delivery and providing varying depth of content and duration. The results of these studies are varied, but in general evidence indicates that financial education programmes that have resulted most effective comply with some of these conditions: they are designed considering their audience (Varcoe et al., 2005; and Mandell and Klein, 2007), take into account behavioural elements (Varcoe et al., 2005; and Hung and Yoong, 2010), make use of innovative delivery channels (Tufano et al., 2010; Spader et al., 2009; Carlin and Robinson (2010); Walstad et al., 2010), consider the spillovers of education among peers (Duflo and Saez, 2003), are directed to entrepreneurs (Klinger and Schündeln, 2007; Berge et al., 2011; Giné and Mansuri, forthcoming), are either a complement to a financial inclusion programme or are directed to the banked population (Karlan and Valdivia, 2010; Drexler, Fischer and Schoar, 2011).

54. Given the challenges associated with the evaluation of financial education programmes, the OECD and the World Bank have developed instruments and tools to help policy makers and programme designers in these endeavours. Please see the instruments developed by the OECD and the World Bank in the framework of the Russian Trust Fund on Financial Literacy and Education, available at: http://www.finlitedu.org/evaluation/

55. The INFE/OECD High-level Principles on National Strategies for Financial Education also include guidance on delivery methods, training and tools, which can help policy makers and programme designers in implementing more effective financial education programmes.

The existing evidence regarding the impact of financial education in the region still is scarce. Despite available international good practices and tools for the evaluation of programmes and examples of its benefits both in the use of resources and in the impact on target audiences, the number of initiatives that include evaluation in their design or implementation is very low. This might also be detrimental to political support for these initiatives.

There are however a few notable exceptions (see Annex 4). One case in particular stands out: Brazil is the first country where, in the framework of the Russian Trust Fund, an experimental large scale evaluation (World Bank, 2012) has been applied to a financial education programme for young people in the context of formal education. In other countries such as Colombia and Argentina there have also been evaluations of economic and financial education programmes for students, although they have used non experimental methodologies. In the three evaluations of programmes of financial education in schools in the region it is found that the financial education improves the knowledge and attitudes of the students (see Annex 3).

The evaluation carried out in Brazil is the first to find significant positive impacts on knowledge and behaviours of students. The results proved that the programme reached its objectives. This, and a careful design which considers the characteristics of the audience and takes into account behavioural and education theories, make it a model initiative for other countries of the region and of the world interested in developing financial education programmes in the context of formal education.

Other rigorous evaluations have been carried out in Peru and the Dominican Republic to programmes focused on bank clients. The evaluation carried out in the Dominican Republic shows the benefits of fine-tuning the provision of financial education to the specific needs of the audience: the evaluation demonstrated that a simplification of the message through easily understandable financial rules is more effective in improving the financial behaviour of small entrepreneurs compared with more traditional forms of training, which proved less effective (see Annex 3).

Finally, two ongoing evaluations are worth mentioning. The one carried out on the savings culture promotion programme "Bank of Opportunities"(Banca de las Opordunidades[56]*)*, is going to provide important for other financial education initiatives that are being developed based on the existing CCT programmes in nine countries of the region (see section III.D). The impact evaluation of the financial education radio programme "Live Safely" of Fasecolda[57] evaluates the effect of the programme on the risk management skills[58] of the listeners, and will contribute to increase the understanding of the *edutainment* effect in the context of the financial education in Latin America.

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56. This impact evaluation is being carried out by Fedesarrollo and it is financed by the Banco de Comercio Exterior de Colombia S. A. (Bancoldex).

57. This impact evaluation is being carried out by the Universidad de los Andes.

58. The programme has the purpose of generating awareness regarding the risks and teaching the listeners about the different financial instruments that exist to face the emergencies, at the same time that it seeks to explain the functioning of the insurance, their concepts, the different coverage, the fundamental elements at the time of reading the insurance policy and the rights and duties of the insurance financial consumer, this with the purpose of having people make informed decisions at the time of administering their risks (Fasecolda, 2012).

Box 7. "Familias en acción" and the promotion of savings among poor families in Colombia[59]

"Familias en acción" (families in action) is a Conditional Cash Transfer programme consisting of cash transfers to low-income families conditional on children attending school and meeting basic preventive health care requirements. Targeting children's health and education is the essence of the long-term poverty alleviation objective, but this programme also offers a unique opportunity to increase financial education and financial inclusion of recipients.

On this basis, the Government of Colombia decided, in 2008, to pay cash transfers into savings accounts and to launch at the same time a pilot programme of financial education for the promotion of savings behaviour within the formal financial system. This was undertaken in order to evaluate the results before extending the programme to all beneficiaries. To this effect, the government randomly selected twelve municipalities within three different regions, including three controls. This covered a total of 48,212 beneficiaries divided in three treatment groups, receiving financial education accompanied by a monetary incentive (E+I), only financial education (E), only the monetary incentive (I) and one control group (C), receiving neither of the two.

The monetary incentive was awarded through a quarterly draw in each of the treatment municipalities. The winning beneficiary was awarded a prize with a value equivalent to ten times his average savings balance of the previous quarter (with a cap at USD 2,500). The financial education component aimed at the transmission of financial knowledge to mothers and in particular of messages that would support the programme's general objectives, supporting long-term behavioural change. This was delivered through two textbooks and six workshops (to be held over 6 months for a total of around 15 hours).

The results of the 2010 evaluation of the programme show encouraging results:

- Beneficiaries declare that the possibility of leaving part of the monetary transfer in the formal account is "very likely" as money is safer and they can earn interest. When asked about the goal of saving, beneficiaries mentioned their children's future needs (paying for education in particular), the ability to deal with emergencies, or eventually begin a business or purchase home appliances.
- The average balance within savings accounts increased in each of the treatment groups (E+I, E and I), although in a marginal manner.
- Following access to banking services in the framework of the programme, the treatment groups increased its use of the savings account and kept higher balances. All beneficiaries (E, I, E+I) increased their savings, but those displaying the highest increases are the beneficiaries of both the monetary incentive and financial education (E+I).
- The pilot showed that the number of transactions carried on within the savings account (which the programme aimed to increase) was also influenced by factors not addressed by the programme such as limited coverage of businesses accepting card payments, prevalence of withdrawals from ATM machines and as such limited interactions with the bank branches, and limited use of business networks affiliated to the banks.

Among the lessons that can be drawn from this evaluation, the most important is certainly that offering a saving product is not enough to actually increase savings among the target group and to allow beneficiaries to move from an informal to a formal saving culture. The characteristics of the account, its costs, the means to make use of funds, the incentive and the amount of information and education provided to users are all important and have an impact on the saving culture.

Building on these preliminary results, the Government decided to conduct additional evaluation in order to understand further what has proved most effective, before extending this programme nationally.

[59] Authors' summary of Marulanda et al, 2012.

IV. LESSONS LEARNT AND WAY FORWARD

This chapter has highlighted the characteristics of financial education programmes in Latin America and the Caribbean and the challenges faced by governments and programme designers and put them into a regional context. More importantly, the analysis of recent developments and trends has shown that these programmes are likely to become increasingly relevant to policy makers and ultimately to citizens in these economies.

The economic and social conditions differ strongly among Latin American and Caribbean economies, but it is possible to identify some common trends that characterise countries in the region and their financial literacy needs. All of the sixteen countries that participated in the regional survey organised by the Central Bank of Colombia, the Financial Institutions Guarantee Fund (Fogafin) and Development Bank of Latin America (CAF), reported the existence of financial education initiatives in their jurisdictions. Financial education programmes are widespread and seen as an important tool by governments and public institutions. There are also several innovative examples in which financial education is effectively provided together with financial inclusion and consumer protection within programmes that aim more specifically at poverty reduction. Preliminary evidence suggests that these initiatives look promising and display positive results notably where access to products and services is combined with financial education and awareness programmes.

The chapter finds that financial education is acquiring a high profile as a policy priority in Latin America and the Caribbean. It also identifies promising initiatives like CCT programmes complemented by financial education components. These could in the future be expanded to cover the majority of CCT beneficiaries thereby reaching out to a large section of the region’s population. However, the design and implementation of programmes and national initiatives could further benefit from relevant international good practices and instruments. Building on existing successful initiatives in the region, financial education provision could be further strengthened through the development of evidence-based policies and programmes, thanks to the development of baseline surveys of financial literacy and impact evaluation, and through the development of strategic alliances at both national and regional levels.

It is therefore possible to identify key policy guidance aimed at increasing the relevance and the impact of financial education in the region, based on the OECD/INFE High-level Principles on National Strategies for Financial Education (OECD/INFE, 2012).

In the first place, the regional survey found room for improvement with regards to the development of national financial education policies. There is one fully implemented national strategy for financial education (Brazil) and two at a very advanced state of design about to be implemented (Colombia and Mexico). More countries could benefit from national strategies as they clearly place financial education amongst the top priorities of governments and authorities, provide efficient structures for the co-operation among public entities and the private sector, establish a clear roadmap and objectives and allow for a more effective use of resources.

However, the regional survey also shows that some form of institutional co-operation among public authorities is present in 80% of responding economies. This goes hand in hand with a predominant role played by public entities in the promotion of financial education initiatives: this element, although not sufficient in itself for the design and implementation of fully fledged national strategies, lays the foundations for the development of more of these endeavours in the short and medium term. Economies in the region should build on the existing forms of institutional co-operation in order to design and implement nationally co-ordinated approaches to financial education: in order to do so, countries should look to international good practices and in particular to existing efficient national strategies in the region.

Secondly, as described by the regional survey and confirmed by the further analysis carried out for this chapter, national financial literacy measurement and thorough evaluation of financial education programmes are often not given the necessary priority. Public authorities in the region should recognise the importance of measurement and evaluation to design and implement evidence-based policies and programmes[60]. Measurement would in particular permit a clearer identification of target audiences and specific needs of sectors of the population and would allow checking progresses against a baseline survey. Evaluation would help understanding which programmes, delivery tools and approaches work better and as such increase the overall effectiveness of public policies on financial education.

Furthermore, there is certainly room for improvement in the definition of the role and forms of involvement of the private sector in financial education and in the development of public-private alliances. Despite the presence of several institutional alliances within the public sector, co-ordination with the private sector is still missing in many cases, with a few notable exceptions (Brazil, Mexico). With the adequate development of codes of conduct[61] and clear sharing of responsibilities, private financial institutions can provide both resources and expertise to support public policies in this domain, and can serve in some cases as a national network to reach every area of the country and ensure effective implementation[62]. Representatives from the private sector should ideally be involved in the design phase of programmes and policies, always under public leadership, in order to ensure a clear sharing of responsibilities.

Finally, public institutions in the region should continue to take into account the specific needs of the financially excluded and of the rural population and address those when designing financial education policies and programmes[63]. Much of the available information from surveys of financial literacy and access is gathered from the urban population, which also tends to be more financially literate and included. Further investigation is therefore required to understand which programmes and policy solutions might better meet the needs of rural sectors of the population. The provision of financial education through innovative delivery channels, such as CCT programmes, is a first encouraging step in

60 . See the OECD/INFE High-level Principles on National Strategies, “Assessment of the needs of the population and main policy issues” in section II “Preparation of the National Strategy” and “Impact and process evaluation of programmes” in section V “Implementation of the National Strategy”

61 . The OECD/INFE is currently working on the development of international codes of conduct for the involvement of the private sector in financial education (International Guidelines for the Involvement of Private and Other Non-Public Stakeholders in Financial Education).

62 . See the OECD/INFE High-level Principles on National Strategies, “Co-ordination and the roles and responsibilities of various stakeholders - Private sector and financial service providers” in section III “Governance mechanisms and the role of main stakeholders”

63 . See the OECD/INFE High-level Principles on National Strategies, “Target audiences” in section IV “Roadmap of the National Strategy”

the right direction, but more evidence should be gathered on their impact. Public authorities should address the need to reach out to rural populations in order to better understand their financial literacy needs and craft dedicated evidence-based policy solutions which would better impact on their financial and social inclusion.

ANNEX 1: OECD/INFE AND LATIN AMERICAN PARTICIPATION

The INFE was created by the OECD in 2008 to enhance and promote awareness on the importance of financial education worldwide, strengthen information sharing and policy dialogue, collect evidence and data and develop analytical work, set standards and policy instruments. The Network brings together high-level public officials from more than 220 public institutions from over 100 countries, going far beyond the OECD membership.

Through formal biannual meetings, the ongoing collaboration between members and the establishment of special Expert Subgroups to address specific policy objectives, the Network has substantially advanced the analytical framework and policy discussions on financial literacy, especially with regards to:

- the introduction of financial education programmes into schools;
- the development of methodologies for assessing the efficiency of financial education programmes;
- the development of an international approach for measuring financial literacy and inclusion;
- data collection and analysis, also through the contribution to the OECD PISA (Programme for International Student Assessment),
- the empowerment of women through financial awareness and education;
- the development of national strategies for financial education;
- the importance of investments and savings;
- the development of pensions awareness.

There are currently 14 members from Latin America and the Caribbean that are currently participating in the OECD/INFE (see table below).

Latin American and Caribbean Members of the International Network on Financial Education (INFE) [64]	
Argentina	Central Bank of the Republic of Argentina
Brazil	Brazilian Ministry of Social Security and Labour, National Secretariat for Pension Funds Brazilian Ministry of Education Central Bank of Brazil Comissão de Valores Mobiliários do Brasil Superintendência de Seguros Privados do Brasil (SUSEP)
Chile	Superintendencia de Valores y Seguros (SVS) Ministry of Finance of Chile Servicio Nacional del Consumidor (SERNAC), Ministry of Economy, Development and Tourism of Chile
Colombia	Banco de la República - Central Bank of Colombia Fondo de Garantías de Instituciones Financieras - FOGAFIN
Ecuador	Superintendencia de Compañias del Ecuador Superintendencia de Bancos y Seguros (SBS)del Ecuador
Guatemala	Superintendencia de Bancos of Guatemala
Jamaica	Financial Services Commission
Mexico	Ministry of Finance and Public Credit of Mexico National Commission for the Retirement Savings System (CONSAR) Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros (CONDUSEF) Banco de México Comisión Nacional de Seguros y Finanzas (National Insurance and Bond Commission) Ministry of Agriculture of Mexico
Paraguay	Banco Central del Paraguay
Peru	Superintendency of Banks, Insurance and Private Pension of Peru (SBS)
Trinidad and Tobago	Central Bank of Trinidad and Tobago Trinidad and Tobago Securities & Exchange Commission
Uruguay	Central Bank of Uruguay
Venezuela	Central Bank of Venezuela
Virgin Islands (BVI)	Financial Services Commission of the British Virgin Islands (BVI)
Associate members	Latin American Development Bank of Latin America (CAF)

64 . As of December 2012.

Representatives of Latin American and Caribbean institutions provide important inputs into the work of the INFE, through active participation to plenary meetings and sharing of their national experiences during the frequent data collection exercises performed within the network. Latin American and Caribbean representatives also make an important contribution to the work of the INFE Expert Subgroups. The INFE Expert Subgroups from the creation of the INFE to date have been: Evaluation of Financial Education Programmes, Measurement of Financial Literacy, Financial Education in Schools, National Strategies for Financial Education, Empowering Women through Financial Education and Awareness, the Role of Financial Education in Financial Inclusion, and the more recently created Subgroup on Financial Education for Long-term Savings and Investments that has met in Cartagena at the 10^{th} INFE meeting for the first time. These groups, whose creation is decided by the INFE Advisory Board and whose work is supported by the OECD Secretariat, meet biannually to share national experiences, analyse topical developments in the field of financial literacy and education and contribute to the development of analytical work, to the standard setting activities of the OECD and to the drafting of policy instruments in the field of financial education.

INFE members can also participate to ad hoc analytical projects. This is notably the case for Argentina, Brazil and Mexico that, as Latin American G20 members, will contribute to the drafting of a forthcoming OECD/G20 Russian Presidency country report on National Strategies for Financial Education.

The participation and contribution of Latin America and Caribbean economies to OECD/INFE activities also involves the implementation of the analytical and standard-setting tools developed by the Network. Two examples are provided in the chapter: the use of the OECD/INFE survey for the measurement of financial literacy, and the implementation of OECD/INFE recommendations on financial education in schools.

ANNEX 2: CAF-CENTRAL BANK OF COLOMBIA-FOGAFIN REGIONAL SURVEY

Institution: ...

1. Are there currently any financial education programmes in your country?

a. Yes

b. No

2. What institution is the main promoter of financial education in your country? (various options can be selected)

a. Government

b. Central bank

c. Deposit insurers

d. Superintendence(s), which one(s)?

e. Governmental agencies, which one(s)? _________

f. Education Ministry

g. NGO, which one(s)? _________

h. Private sector, which one(s)? _________

i. Ministry of finance/economy

j. Others, which one(s)? ___________

3. Are there financial literacy surveys in your country? (various options can be selected)

a. Yes, of measurement of financial literacy of the population

b. Yes, regarding FE programmes carried out in your country

c. No

If your answered a. or b., please provide us with the name of the survey, the institution that carried it out and if possible attach relevant documentation or contact information.

4. Are there legislative provision that regulate the development of financial education programmes in your country?

a. Yes, which one(s)?

b. No

c. Do not know

FINANCIAL EDUCATION PROGRAMMES

5. At present, does your institution develop financial education programmes?

a. Yes

b. No

If you answered b. please go to question 11.

6. Are the financial education programmes developed by your institution particularly dedicated at promoting (various options can be stated)

a. economic education

b. financial education

c. financial inclusion

d. protection to the financial consumer

e. Others, which one(s)? ___________

7. Are there for of co-operation to develop financial education programmes between your institution and some entities of the public or private sectors?

a. Yes

b. No

If you answered a. please explain

8. At what specific group of the population are the financial education programmes of your institution aimed at? (various options can be selected):

a. Primary education students

b. Secondary education students

c. Technical or university education students

d. Primary or secondary schools teachers

e. Employees of the financial system

f. Public in general

g. Specific target groups

h. Mothers who are household heads

i. Vulnerable population, which one(s)?

j. Others, which one(s)? _________

9. What mechanism does your institution employ in the delivery of these financial education initiatives? (various options can be selected):

a. Websites
b. Information in mass media (radio, press and television)
c. Direct promotion in schools or universities
d. Social networks
e. Others, which one(s)?

10. Of the following options, which ones does your institution currently offer? (various options can be stated)

a. General talks regarding personal economy or finance
b. Training programmes (periodic training in economic matters, or personal finances)
c. Website on economic and financial education
d. Economy or finance contests
e. Educational material in economy or finances, printed or digital (brochures, books, etc.)
f. Videos regarding basic economy or finances
g. Others, which one(s)? ___________

FE PROGRAMMES IN SCHOOLS

11. Which institutions develop financial education programmes in the schools of your country? (various options can be selected)

a. Government
b. Central bank
c. Deposit insurer
d. Superintendence(s), which one(s)?
e. Governmental agencies, which one(s)? _________
f. Education Ministry
g. NGO, which one(s)? _________
h. Private sector, which one(s)? _________
i. Ministry of finances/economy
j. Others, which one(s)? ___________

12. Is financial education in schools part of a national financial education strategy?

a. Yes (please explain)
b. No (In process)
c. Do not know

13. Does your institution carry out financial education programmes in schools?

a. Yes

b. No

c. In process

EVALUATION OF THE FE PROGRAMMES

14. Which one of the following institutions carries out or has carried out the evaluation of financial education programmes? (various options can be stated)

a. Government

b. Central bank

c. Deposit insurer

d. Superintendence(s), which one(s)?

e. Governmental agencies, which one(s)? _________

f. Education Ministry

g. NGO, which one(s)? _________

h. Private sector, which one(s)? _________

i. Ministry of finance, economy or hacienda

j. Others, which one(s)? ___________

15. Does your institution carry out any type of evaluation of financial education programmes?

a. Yes

b. In process

c. No (If you answered c. please go to question 19)

16. What is the sector that is the origin of the resources destined to finance the evaluation of the financial education programmes of your institution? Please indicate the percentage:

a. Public sector

b. Private sector______%

c. Multilateral entities______%

d. International organisms ______%

e. Others, which one(s) ______%

17. The evaluation of the programmes was planned:

a. Jointly with the design of the programme

b. During the development of the programme

c. After the development of the programme

18. What is the scope and purpose of that evaluation? (various options can be selected):

a. Monitoring (coverage of programme with regard to the number of participants)
b. Evaluate the satisfaction of the participants
c. Evaluate the mechanisms developed to implement the programme
d. Evaluate the methods used by the programme facilitators
e. Evaluate the impact of the programme using a control group (for example: expand the knowledge of the participants, change their behaviour, etc.)
f. Evaluate the potential impact of the programme on a global level (for example: financial inclusion, penetration of the financial services, etc.)
g. Respond to a policy objective (for example: justify the relevance of the programme)

19. What have been the results of these evaluations?

NATIONAL STRATEGY FOR FINANCIAL EDUCATION

20. At present, does a national FE strategy exist or is one being developed in your country?

a. Yes, it already exists
b. Yes, it is being developed
c. No (If you answered c, please go to the contact data)

21. What are the main entities responsible for the development of the national financial education strategy? (various options can be stated)

a. Government
b. Central bank
c. Deposit insurer
d. Superintendence(s), which one(s)?
e. Governmental agencies, which one(s)? _________
f. Education Ministry
g. NGO, which one(s)? _________
h. Private sector, which one(s)? _________
i. Ministry of finance, economy or hacienda
j. Others, which one(s)? ___________

22. What entity is in charge of coordinating/leading the national financial education strategy?

23. The national FE strategy in your country, originates from a public policy that would seek to promote (various options can be stated):

a. financial literacy

b. financial inclusion

c. financial consumer protection (consumer education)

d. Other(s), which one(s)? ___________

24. What are the main objectives of the national financial education strategy in your country?

25. What is the target audience of the national financial education strategy?

a. All the population

b. Specific segments of the population, which one(s)?___________

ANNEX 3: FINANCIAL EDUCATION PROGRAMMES LINKED TO CCT

Country	CCT Programme	Additional components		
		Financial inclusion	Financial education	
			Account usage and transactions	Personal finance and/or entrepreneurship
Argentina	Asignación Universal por Hijo (AUH)		Yes; in 2005, on-site workshops regarding the use of cards and ATM machines.	
Brazil	Bolsa Familia (BF)	Crediamigo	Yes, in the second phase of the bank inclusion project, and focused on the beneficiaries with bank accounts, who are sent information by mail describing the advantages of receiving money in their bank accounts. Currently, and in association with the Caixa Económica Federal, there are briefings and visits aimed at the beneficiaries for the purpose of expanding their understanding of the formal financial system and encouraging them to open a bank account.	Yes; at the end of 2009 (third phase) a booklet was published regarding the importance of the good management of the financial resources of the household. It included matters such as: balances of income and expenses, budget, savings, intelligent purchases, insurance, bank loans and savings accounts.
Colombia	Familias en Acción (FA)		Yes; initially Acción Social promoted a series of videos that taught the beneficiaries the proper use of the BanAgrario card in ATM machines and authorized supermarkets.	
		Mujeres Ahorradoras en Acción (Women as active savers)		Yes; the training was carried out for groups of thirty people through one-day 8 hours workshops, with activities directed by a trainer or facilitator covering personal as well as financial aspects employing an entertaining and educational methodology. The training and the programme material explain basic concepts of the financial system, banking and savings. The training includes seven modules: Gender equity; Local context; Business management; Finances and management of money; Entrepreneurial mentality; Solidarity and entrepreneurship, and developing a business plan.
		Promotion of the savings culture in poor families		Yes; financial training on knowledge, abilities and attitudes through six monthly workshops during six months. The subjects of the workshops are: budget, savings, debt, transfers and insurance.

Country	CCT Programme	Additional components		
		Financial inclusion	Financial education	
			Account usage and transactions	**Personal finance and/or entrepreneurship**
Costa Rica	Avancemos			Yes; Avancemos does not include among its objectives the financial training of its beneficiaries, but by 2007, the Education Ministry promoted a series of training workshops for secondary school student beneficiaries of the programme.
Chile	Chile Solidario (CHS)	Savings Programme	Yes; since 2011 training was included for a pilot beneficiary group of the Savings Programme through home visits where the characteristics, benefits and components of various savings account options are explained, as well as interest rates, costs, permitted operations and conditions.	
Ecuador	Bono de Desarrollo Humano (BDH)		Yes; at the beginning of 2009 education campaigns began regarding the use of cards.	
		Human Development Credit		Yes; in the framework of the Bono de Desarrollo Humano programme training is provided for the target population. It is divided into two modules: one of financial literacy and the other of specific training. The financial literacy module covers investment, savings, expenditures and credit aspects. The second module seeks to improve the productivity of the business of the beneficiaries.
Mexico	Oportunidades		Yes; the Oportunidades programme holds informative conferences on how and where to use the cards for the beneficiaries of the programme.	Yes; financial education workshops and materials offered by Bansefi. The subjects discussed during the course were: financial planning, financial services, savings, credit administration and remittances.
Paraguay	Tekoporâ		Yes; days of directed financial literacy campaigns where the beneficiaries were taught how to use the card and ATM machines.	
Peru	Juntos	Savings promotion programme with the beneficiaries of Juntos	Yes; a training workshop was recorded and made available on the website of the Juntos programme, regarding the use of the cards. At the same time, regional teams were trained to instruct the zone coordinators and the local managers, who should replicate what they learned with the leading mothers of each village.	Yes; in the framework of the programme "Promotion of savings with the beneficiaries of Juntos" three training workshops were held with the objective of teaching the beneficiaries how to generate or execute entrepreneurial projects. The programme has three financial education modules: The financial system; Financial services, and a rural agricultural productive development programme.

Source: Compiled by the authors on the basis of information by Maldonado *et al.* (2011)

ANNEX 4: SELECTED EXPERIENCES OF EVALUATION OF FINANCIAL EDUCATION PROGRAMMES IN THE REGION

Impact evaluations of Financial education programmes in Latin America					
Programme	**Study**	**Method**	**Sample**	**Intervention**	**Impact**
Pilot programme of Financial education in the schools of Brazil in the framework of the National Strategy of Financial Education	World Bank (2010), Impact Evaluation of Brazil's School-Based Financial Education Programme , http://www.finlitedu.org/evaluation/wb/pilots/brazil1/	Controlled social experiment (random assignment)	891 schools and nearly 26.000 students in five Brazilian states of São Paulo, Río de Janeiro, Ceará, Tocantins, Minas Gerais and Distrito Federal.	Treatment: the schools receive material and training for teachers regarding financial education.	+ On the financial knowledge, attitude and behaviour of the students. + On the financial behaviour of the parents of the treated students: financial planning and savings rate.
Pilot programme of Economic and financial education in public schools of Colombia "Finances for Change"	García N. (2011), El impacto de la educación económica y financiera en los jóvenes: el caso de Finanzas para el Cambio (The Impact of Economic and Financial Education on Young People: the Case of Finanzas para el Cambio), Borradores de Economia, Colombian Central Bank.	Propensity score matching method.	16 schools and 1.518 students of secondary from Medellín and Cartagena.	Treatment: the schools receive material and training for teachers regarding economic and financial education.	+ On the economic and financial knowledge of the students. < > On the financial abilities, attitudes, capacities and behaviours of the young people.
Financial education programmes in the framework of the training programmes of the Banco Adopemde República Dominicana	Drexler, A., Fischer G., and Schoar A., 2011, "Keeping it Simple: Financial Literacy and Rules of Thumb"	Controlled social experiment (random assignment)	1.193 bank clients of Adopem in Santo Domingo.	Comparison between treatment and controls Treatment 1: traditional financial education training. Treatment 2: financial education training based on "the golden rules".	+ For the EFE programme based on "the golden rules", a positive effect was found on the financial management practices of the small entrepreneurs. < > For the traditional EFE programme no impact was found.
Business training program offer by the NGO	Klinger B. and Schündeln M. (2011) "Can Entrepreneurial	Regression discontin	655 male and female entrepreneurs	Two rounds: 1) Training program to refine	+ Training program has significant effect on starting a new business

Impact evaluations of Financial education programmes in Latin America					
Programme	**Study**	**Method**	**Sample**	**Intervention**	**Impact**
TechnoServe in El Salvador, Guatemala, and Nicaragua during 2002–05.	Activity be Taught? Quasi-Experimental Evidence from Central America", World Development Vol. 39, No. 9.	uity, based on applicati on scores	with small firms in Guatemala, Nicaragua, and El Salvador	business plan, for accepted applicants 2) Cash prize of $6,000-$15,000 to most successful participants in training	or expanding an existing business + Winning cash prize increases probability of starting a business much more for females than for mal
+ indicates a positive impact/change , < > indicates no impact/change					

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The Russia Financial Literacy and Education Trust Fund was established in 2008 at the World Bank with funding provided by the Ministry of Finance of the Russian Federation. The work supported by the Trust Fund is jointly managed by the World Bank and the Organisation for Economic Co-operation and Development (OECD) and is directed toward improving public policies and programs to enhance financial knowledge and capabilities in low- and middle-income countries. This effort has focused on the review of national strategies for financial education, the development of methods for the measurement of financial knowledge and capabilities, methods for evaluating the impact and outcome of programs, and research applying these methods to programs in developing countries. The products of this program of work can be found at the Trust Fund website at:

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