Regional Study on Financial Education in the East African Community

Final Report, 2016

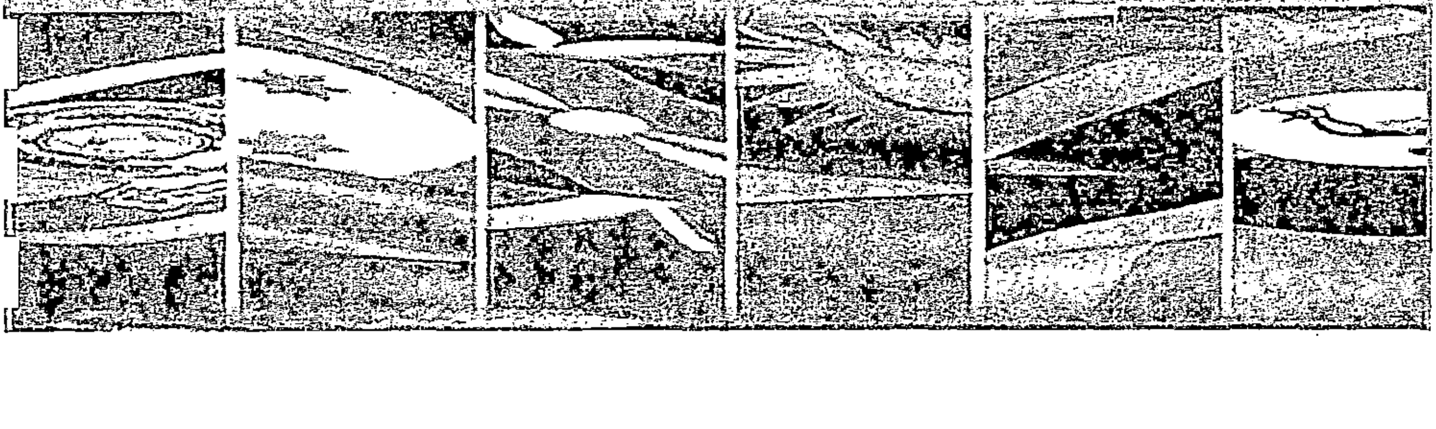


Table of Contents

LIST OF ABBREVIATIONS AND ACRONYMS

AAIR	Action Aid International Rwanda
AFD	Agence Française de Développement
AFR	Access to Finance Rwanda
AIESEC	Association Internationale des étudiants en sciences économiques et commerciales
AK	Akazi Kanoze
AMFIU	Association of Microfinance Institutions Uganda
AMIR	Association of Micro Finance Institutions in Rwanda
ASSAR	Association des Assureurs du Rwanda
ATM	Automated Teller Machine
AWF	A Working Future - Uganda
BBC	British Broadcasting Corporation
BIFSIR	Building an Inclusive Financial Sector in Rwanda
BNR	Bank National du Rwanda
BOU	Bank of Uganda
BOT	Bank of Tanzania
BRB	Bank de la Republique du Burundi (BRB)
CBR	University of Rwanda, College of Business and Economics
CMA	Capital Markets Authority
CYFI	Child Youth Finance International
DFID	Department for International Development
EAC	East African Community
EAC - FSDRPI	EAC Financial Sector Development and Regionalization Project I
EDC	Education Development Center Inc.
FCL	FRIENDS Consult Ltd
FE	Financial Education
FL	Financial Literacy
FMCR	Fonds de Micro-Credit Rural (FMCR)
FSD	Financial Sector Deepening
FVA	Faith Victory Association
GADC	Gulu Agricultural Development Co. Ltd
GDP	Gross Domestic Product
GEEP	Global Financial Education Program
GIZ	Deutshe Gesellschaft fur Internationale Zusammenabeit (Giz) GmbH
HMO	Health Maintenance Organization

ICT	Information Communications Technology
IDA	International Development Association
IEC	Information, Education and Communication
IIU	Institute of Insurers Uganda
ILLP	Integrated Improved Livelihoods Program
INFE	International Network on Financial Education
IRA	Insurance Regulatory Authority of Uganda
KGAS	Keeping Girls At School
KII	Key Informant Interviews
M&E	Monitoring and Evaluation
MFI	Microfinance Institution
MFO	Microfinance Opportunities and Freedom from Hunger's
MFSC	Microfinance Support Centre
MINECOFIN	Rwanda Ministry of Finance and Economic Planning
MSME	Micro, Small and Medium Enterprises
NCDC	National Curriculum Development Centre
NFES	National Financial Education Strategy
NFIS	National Financial Inclusion Strategy
NGO	Non-governmental Organization
NSSF	National Social Security Fund
OECD	Organisation for Economic Co-operation and Development
OIBR	Opportunity International Bank of Rwanda SA
PCV	Peace Corp Volunteers
PEDN	Private Education Development Network
PSPF	Public Service Pension Fund
RBA	Rwanda Banker's Association
RICEM	Rwanda Institute of Cooperatives, Entrepreneurship and Microfinance
RIM	Reseau des Institutions de Microfinance au Burundi
RNP	National Postal Authority
ROSCA	Rotating savings and credit association
RSSB	Rwanda Social Security Board
RWF	Rwanda Francs
SACCOs	Savings and Credit Cooperative Organization
SBFIC	Savings Banks Foundation for international Cooperation
SME	Small and Medium Enterprises
STRYDE	Strengthening Rural Youth Development through Enterprise
TIVET	Technical Institutional Vocational Education Training
TOR	Terms of Reference

TOT	Trainer of Trainers
TVET	Technical Vocational Education Training
UBA	Uganda bankers Association
UCSCU	Uganda Cooperative Savings and Credit Union
UIA	Uganda Insurers Association
UIBF	Uganda institution of Banking and Finance
UMA	Uganda Manufacturers Association
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Program
URBRA	Uganda Retirement Benefits Regulatory Authority
Urwego	Urwego Community Banking SA
US	United States
USAID	United States Agency for International Development
USD	United States Dollar
USE	Uganda Securities Exchange
VSL/ VSAL	Village Savings and Loans
VSLAS	Village Savings and Loans Associations
WfWI	Women for Women International

1. BACKGROUND OF THE STUDY

Previous studies such as Besley and Prat, (2005) posits that access to financial education programs form a large barrier to improving people's knowledge in financial literacy. Evidence from both developing and developed countries indicates that many individuals lack knowledge of where to get trustworthy and impartial advice about financial issues (Lusardi and Mitchell, 2006; OECD, 2008; James, 2009, Lusardi et al, 2010). For example, in the United States of America, where households have a wide array of financial products, low levels of financial literacy prevents consumers from making good decisions on financial products (OECD, 2008; James, 2009, Lusardi et al, 2010).

Studies Kefela (2010), postulates that's financial knowledge is directly correlated with self-beneficial financial behaviour and goes ahead to suggest that financial education should take a wholesome perspective to include the fundamentals of finance since without understanding the basic finance principles, financial education would be inadequate. Kefela posits that 'participants who are less financially literate are more likely to have problems with debt, are less likely to save, are more likely to engage in financial planning and are less likely to plan for investment, retirement" (2010, p.205).

Hogarth and Beverly (2003) in their study "Financial Practices Index" based upon self-beneficial financial behaviour in cash-flow management, credit management, savings and investments found a positive relation between literacy scores and "Financial Practices Index" with scores of young adults who lack basic financial literacy indicating to have poor financial decision-making ability as well as increased levels of debts (Norvilitis *et al*, 2006).

Other related studies Yoong, (2010); Stango & Zinman, (2009); Hastings & Tejeda-Ashton, (2008); Lusardi & Mitchell, (2008); van Rooij, *et al*, (2007) have also shown that consumers with higher levels of financial literacy are better able to manage their money, participate in the stock market and perform better on their portfolio choice This observation not only show the influence of financial literacy on improving financial inclusion but also promotes Moreover, individuals with greater financial knowledge are more likely to accumulate wealth (Lusardi & Mitchell, 2006).

Literature also indicates that the more numerate and financially literate are also more likely to participate in financial markets and invest in stocks (Kimball and Shumway 2006; Christelis, Jappelli, and Padula 2010; van Rooij, Lusardi, and Alessie 2011; Yoong 2011; Almenberg and Dreber 2011; Arrondel, Debbich, and Savignac 2012). Studies have also suggested that those who are more financially literate are also more likely to undertake retirement planning, and those who plan also accumulate more wealth (Lusardi and Mitchell 2007a, b, 2011a, and b). This last finding has been replicated in many other datasets and for additional sub-groups of the population in the U.S. (Lusardi and Mitchell 2008, 2009, 2011d), as well as internationally (Lusardi and Mitchell 2011c). It is also robust to the measure of financial literacy used (basic versus sophisticated financial knowledge; Lusardi and

Mitchell 2009, 2011d), how planning is measured (Lusardi and Mitchell 2007a, 2009, 2011b; Alessie, van Rooij, and Lusardi 2011), and which controls are included (van Rooij, Lusardi, and Alessie 2011).

There are numerous opportunities available in the Eastern African region financial sector which comprise but not limited to; Capital Markets and Stock Exchange, East African integration, Use of technological products like Mobile Money Transfer, Internet Banking, Foreign banking institutions and international business companies' entrance into the financial sector and opportunities in banking trade finance. Captive insurance, pension and fund management of equity and trusts, provision of microfinance and micro insurance are also areas with vast opportunities. However, FSDRP II, (2012) study posits that it would be impossible to seize these opportunities given the low-level utilisation of formal financial services without deployment of financial education initiatives and reconstruction of the financial sector policy framework

Despite the significance of the above proposition, literature and data on Africa's financial literacy programs is scanty, with little evidence of any studies specifically evaluating the financial literacy programs amongst the East African community Partner States .This study seek to build a solid ground for policy makers to formulate policies on financial literacy as challenged by FSD (2008) to address financial literacy needs of the general population. This study seeks to address this knowledge gap by establishing the financial literacy levels amongst the population in EAC region and proposing strategies to bridge this identified lacuna.

2. RATIONALE OF THE STUDY

Initiatives by individual partner states such as Tanzania's and Rwanda's national financial capability survey 2013 and 2012, respectively and subsequent FinScope Surveys, Kenya's financial access survey 2013;2014;2015, Uganda FinScope Survey 2012 2013, and Burundi's National Financial Inclusion Survey in 2012 are commendable, however, these initiatives are partner state's specific . Significant observations from these surveys are limitation of the surveys' scope on financial literacy. For instance, FinScope surveys main focus was on financial inclusion, whilst FinAccess surveys broader objectives were financial accessibility. It's the hypothesis of this study that financial literacy study and strategies should have preceded these initiatives. This proposition is informed by earlier studies such as Lusardi & Mitchell, (2006) that highlights the influence of financial literacy on improving financial inclusion promoting individuals with greater financial knowledge.

Despite the significance of the above proposition, literature and data on Africa's financial literacy programs is scanty, with little evidence of any regional comparative studies specifically evaluating the financial literacy and strategies at EAC regional perspective. First, this study seeks to address this knowledge gap by establishing the financial literacy levels amongst the population in EAC region and propose strategies to bridge this identified lacuna.

Secondary, the main objectives of establishment of the East African Community Common Market is provision for "Four Freedoms", namely the free movement of goods; labour; services; and capital, which will significantly boost trade and investments and make the region more productive and prosperous. Continued operationalisation of common market has catalysed financial services sectors with financial service providers expanding into the region. Cross listing across the region's capital markets and securities has offered investment opportunities for the regional residents. Studies as Lusardi & Mitchell, (2008) and Rooij, et al., (2007) have a shown that consumers with higher levels of financial literacy are better able to manage their money, participate in the stock market and perform better on their portfolio choice.
Lastly, the study believes that the findings will build a solid ground for policy makers to formulate regional focused policies and strategies on financial literacy as challenged by FSD (2008) in addressing financial literacy needs of the regional residents.

It's in light of this, that the East Africa under Community Financial Sector Development and Regionalization Project I (EAC - FSDRPI) commissioned a study to assess the level of financial literacy of the population in the EAC Partner States with a view to identify potential needs and gaps in in relation to specific aspects of financial literacy so as to facilitate for a structured financial literacy program to support the development of larger financial sector through the establishment of a single market in financial services, increase financial inclusion and to reduce poverty among EAC Partner States. The following methodologies (table below) were employed to the study's objectives.

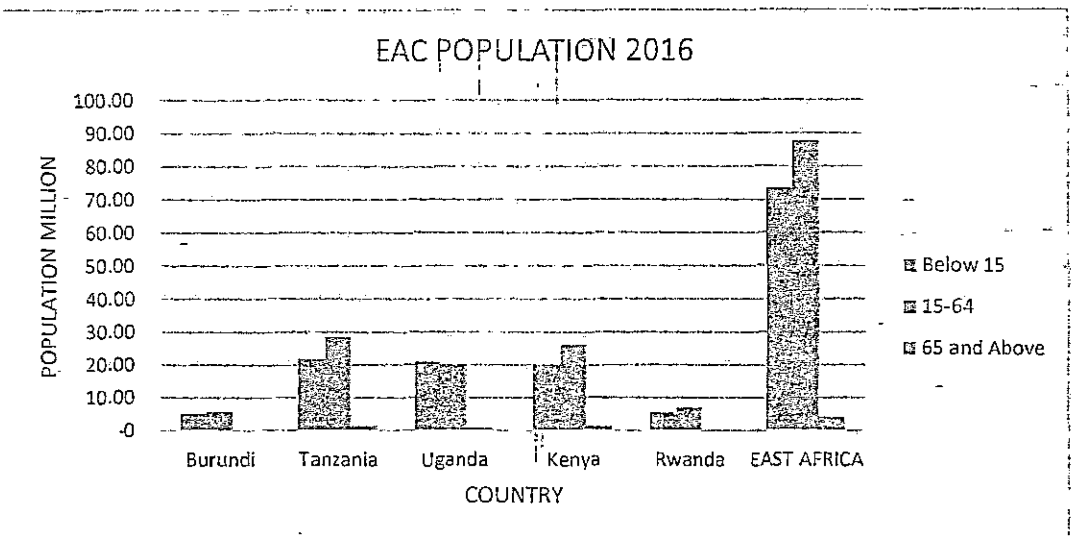
	Scope of the Study (TORs)	Methodology	Data Collection Tool	Work-flow
i	Take stock of financial education interventions already being undertaken at Partner State level and determine the gaps that exist that will aid the EAC financial sector harmonization process.	Survey / KIIs / Documentation review	Questionnaire, KIIs interview guide	a. Collection of secondary data [regionally] from a representative member state's national sample in order to situation analysis showing preliminary findings of financial education initiatives in EAC, methodology and approach, and work-plan. Findings will be incorporated in the draft/inception report
ii	Determine the differences in money culture, language and behaviour across Partner States and establish the impact on uptake of regionalized financial services. Establish how behavioural factors and other factors such as socio-economic and cultural backgrounds, life events and skills influence rational decision making that influence financial knowledge in the region.	Survey	Questionnaire	b. Collection of primary data [regionally] using survey from a representative member state's national sample in order to address scope of assignment ii. And ii.
iii	Assess the variation in information needs that arise from differences in prior experience, language and cultural background, current financial situation and competing demand for consumers in as far as they pose a challenge to the development and delivery of relevant information to customers.	Survey / Key Informants interviews / Documentation review	Questionnaire, KIIs interview guide	
iv	Develop strategies for accurately presenting information to consumers/investors in the face of the growing diversity in financial service providers and distribution channels. This will be with a view to enabling financial service providers to avail consumers' information that accurately represents features, risks and returns associated with their products and services and demonstrate integrity and good faith by offering services and products appropriate to the customers' financial needs. This is also with a view to ensuring that information overloads are avoided and financial education should be differentiated from advertising. The strategies should also be broken down into subsectors (e.g. banking, insurance, capital markets, pensions), by country and by gender.	Key Informants interviews / Documentation review	KIIs Interview guide	c. Data capture and primary analysis of data collected from the field survey, employing approved data management and processing techniques and software. d. Modelling the data so as to identify the most important issues that provide critical information in order to address scope of assignment iv. to ix. First draft report findings will include the following: • Situational assessment • Culture, attitude and behaviour to financial services and education assessment • Monitoring and evaluation framework • Proposed levels of intervention for private and public sector actors
v	Advise on the appropriate level of intervention for both the private sector and the public sector on both development and	Key informants interviews / Documentation review	KIIs Interview guide / Stakeholder consultation	

	Scope of the Study (TORs)	Methodology	Data Collection Tool	Work-flow
	implementation of the regional/national strategies		workshop	• Proposed institutional arrangements and milestones • Sectorial regional financial education framework • Financial education regulation assessment • Financial literacy and consumer protection assessment • Assessment of current financial literacy program impact e. Conducting dissemination activities with priority target audiences at regional stakeholder workshop. Feedback from stakeholder workshop will be documented and incorporated in the final report.
vi	Developing a framework for monitoring and evaluation of the financial education program on financial literacy in the region	Key informants interviews / Documentation review	KIIs Interview guide / Stakeholder consultation workshop	
vii	Advise on institutional arrangements for implementing the strategy including the definition of regional milestones	Key informants interviews	KIIs Interview guide / Stakeholder consultation workshop	
viii	Develop a regional financial education framework covering banking, insurance, capital markets, pensions and microfinance/SACCOS.	Key informants interviews and literature review	KIIs Interview guide / literature review notes / Stakeholder consultation workshop	
ix	Advise on the regulation of financial education in East Africa	Key informants interview	Interview	
x	Review and advice on the adequacy of financial education/consumer protection provisions in the relevant laws.	Key informants interviews and literature review	Interview and literature review notes	

3. EAC PARTNER STATES' BACKGROUND

EAC Partner States' Population

The population in East Africa is 165 million people with those under 15 years being 73 million accounting for 44% of the total population, Uganda at 50% and Burundi at 46% account for the countries in EAC with the youngest population. The EAC Partner States have a very young population mainly concentrated in the rural areas; therefore the design of any financial strategy should be cognizant of this fact and skew financial education initiatives to children and youth segments in rural areas.



Source: World Bank, UNDP

Presented below is individual make up of population in the member EAC Partner States;

KENYA; as of 1 January 2016, the population of Kenya was estimated to be 47 588 092 people. This is an increase of 2.46 % (1 143 013 people) compared to population of 46 445 079 the year before. In 2015 the natural increase was positive, as the number of births exceeded the number of deaths by 1 143 013. Kenya population density is 82.0 people per square kilometre as of January 2016. Density of population is calculated as permanently settled population of Kenya divided by total area of the country. Total area is the sum of land and water areas within international boundaries and coastlines of Kenya: 20 084 554 young people under 15 years old, 26 226 273 persons between 15 and 64 years old and 1 277 264 persons above 64 years old.[1]

TANZANIA; as of 1 January 2016, the population of Tanzania was estimated to be 51 726 028 people. This is an increase of 2.00 % (1 015 230 people) compared to population of 50 710 798 the year before. In 2015 the natural increase was positive, as the number of births exceeded the number of

[1] World Bank, UNDP

deaths by 1 042 107. Tanzania population density is 54.6 people per square kilometre as of January 2016. 21 723 380 young people under 15 years old; 28 494 317 persons between 15 and 64 years old and 1 508 848 persons above 64 years old.

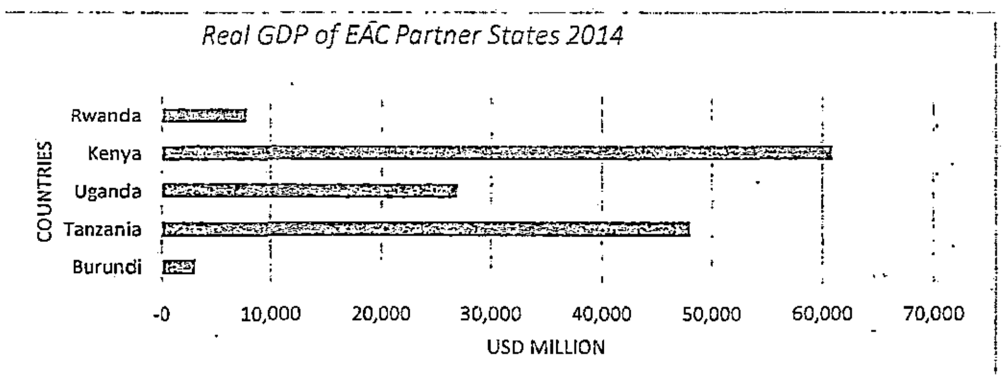
UGANDA; National Population and Housing Census 2014 revealed a total population of 34.9 million, an increase of 10.7 million from the 24.2 million given by the 2002 Census. Most of the Census Population (99 percent) was enumerated in private households. The Census covered a total of 7.3 million households with 34.4 million inhabitants. This gave an average household size of 4.7, similar to the household revealed by the 2002 Census. The Census revealed a Sex Ratio of 94.5 males per 100 females, down from 101.9 in 1969. The Sex Ratio has shown a declining trend throughout the post-independence period.

RWANDA; as of 1 January 2016, the population of Rwanda was estimated to be 12 792 002 people. This is an increase of 2.79 % (347 452 people) compared to population of 12 444 550 the year before. In 2015 the natural increase was positive, as the number of births exceeded the number of deaths by 334 261. Rwanda population density is 485.6 people per square kilometre as of January 2016. 5 482 780 young people under 15 years old, 6 999 783 persons between 15 and 64 years old and 309 566 persons above 64 years old.

BURUNDI; as of 1 January 2016, the population of Burundi was estimated to be 11 286 017 people. This is an increase of 3.46 % (377 648 people) compared to population of 10 908 369 the year before. Burundi population density is 405.5 people per square kilometre as of January 2016. 5 187 505 young people under 15 years old, 5 818 958 persons between 15 and 64 years old and 279 555 persons above 64 years old.

GDP of EAC Partner States

The East African Community (EAC) countries' economic growth performance during the past decade has been impressive at 6.2 percent; the EAC's (unweighted) average growth rate in 2004–13 is in the top one-fifth of the distribution of 10-year growth rate episodes experienced by all countries worldwide since 1960. Such performance is even more remarkable taking into account that the past decade encompasses the global economic and financial crisis that began in 2007.



Source: World Bank

East Africa's growth accelerated in 2014 to more than 7%, from below 5% in 2013. It is projected to decelerate to 5.6% in 2015 and accelerate again to 6.7% in 2016.[2] East Africa recorded the highest increase in foreign direct investment in 2014. Kenya, Rwanda, Tanzania and Uganda kept up their relatively high growth. As these countries have small mining sectors and their manufacturing is also not very large, or has declined as a percentage of GDP, their growth is more driven by services and construction. But countries are achieving growth with different degrees of sectoral transformation. In 2015, it is projected that Rwanda will record the highest economic growth rate of 7.5 percent followed by Tanzania, Kenya, Uganda and Burundi with 7.4, 6.5, 6.3 and 4.7 percent, respectively.

The dominant sector in all the Partner States in 2014 was agriculture, followed by wholesale and retail trade and manufacturing. Kenya, revised up its GDP by 25 per cent to USD 53.4 billion (KShs 5.39 trillion) in 2013 after rebasing, from USD 42.6 billion (KShs4.30 trillion) previously. Tanzania's GDP has expanded by 32 per cent after the state rebased its calculation to incorporate new sectors in the economy, including big discoveries of natural gas. The country's GDP stood at USD 41.33 billion (TShs 90.55 trillion) in 2013 after the rebasing, up from a previous estimate of $28 million (TShs 61.33 trillion).

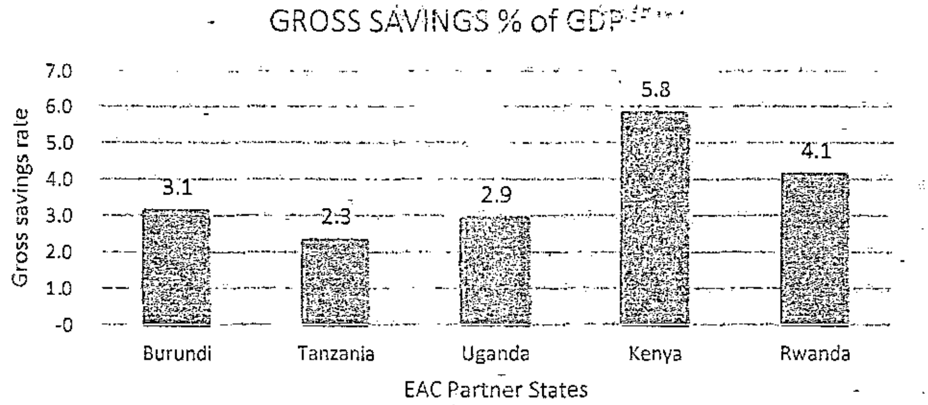
On the other hand, Uganda's GDP stood at $24.69 billion (UShs 83.08 trillion) at the end of the 2013/14 financial year after the rebase. Uganda economic growth for 2014/15 was 5.0 per cent, a slight improvement compared to the growth rate of 4.8 per cent in 2013/14. Following the rebasing of the economy, Uganda's debt to GDP ratio fell from 39.8 % to around 29.2%, while tax to GDP ratio declined from 13% to 11.8% at the end of FY 2013/14. The ratio of public expenditure to GDP fell from 19.7 % to 17.5%. Subsequently, the country's GDP rose from USD 21.4 billion (UShs 60 trillion) in 2002 to USD 24.2 billion (Ush68.4 trillion) at the end of the 2013/14 financial year, measured against 2009/10 data, according to latest figures published by the Uganda Bureau of Statistics (UBOS).Total public debt stood at USD 7 billion (UShs 23.55 trillion) at the end of FY 2013/14 compared with USD 6.4 billion (UShs 21.53 trillion) recorded by the close of FY 2012/13.

The Rwandan economy recovered in 2014 from the economic slowdown in 2013. The real GDP grew by 7.8% in 2014-Q3 higher than 6.1% and 7.5% achieved in Q2 and Q1 of 2014 respectively. The notable growth was attributed to the high growth in service sector (+10%), followed by Agriculture sector (+6%) and the Industrial sector (+4%). the export sector recorded moderate performance with formal exports value increasing by 4.7% standing at USD 599.8 million (RWF 469.04 billion) from USD 573 million (RWF 448.09 billion) in 2013, while the volume increased by 5.1%. Formal imports increased by 6.8% in value and by 3.7% in volume. Consequently, trade deficit widened by 7.5% from USD 1,674.38 million (RWF 1.31 trillion) to USD 1,799.54 million (RWF 1.41 trillion) and import cover by exports slightly declined to 25.0% from 25.5% registered in 2013. Including informal cross-border trade, exports covered 29.2% of imports from 30.1% in the previous year.[3]

[2] African Economic Outlook 2015, Economic Sector Survey for Kenya 2015, World Bank,

[3] Monetary Policy and Financial Stability Statement, 17th February 2015 National Bank of Rwanda

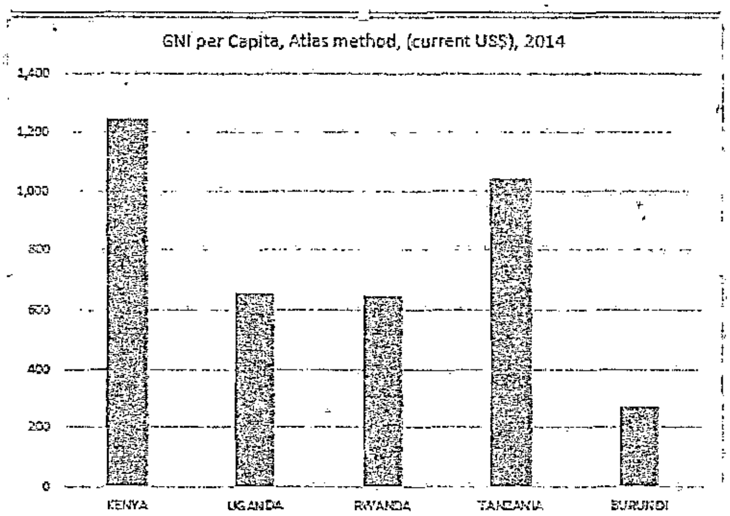
Gross Savings (% of GDP)[4]



Source: World Bank

Kenya's economy is the largest followed by Tanzania. Kenya has the highest gross savings (%of GDP) followed by Rwanda. Despite Tanzania's economy being the second largest in EAC, it has the lowest gross savings (%of GDP).

Gross National Income



Average EAC GNI per Capita US$ 774 or US$ 2.12 per day. Kenya US$ 3.4 per day, Tanzania US$ 2.9 per day, Uganda and Rwanda US$ 1.8 per day, Burundi US$ 0.7 per day.

Partner State	Gini coefficient
	2005-2014
Kenya	47.7
Tanzania (United Republic of)	37.8
Rwanda	50.8

[4] Gross savings are calculated as gross national income less total consumption, plus net transfers.

Uganda	44.6
Burundi	33.3

Source: UNDP

The table above shows income inequality in the EAC Partner States. Tanzania and Burundi have the lowest levels of income inequality, whereas Rwanda has the highest rate of income inequality.

Literacy Rates, 2014 (%)

Partner State	Adult	Youth	Male	Female
Burundi	85.62%	87.61%	88.20%	83.10%
Tanzania	80.32%	87.31%	84.80%	75.90%
Uganda	73.90%	87.00%	80.80%	66.90%
Kenya	77.90%	83.90%	81.10%	74.90%
Rwanda	70.50%	80.37%	73.20%	68.00%
EAST AFRICA	77.65%	85.24%	81.62%	73.76%

Source: UNDP

EAC Average literacy rate 78%. EAC Average 22% of population, 37 million persons are illiterate. Greater literacy among youth and male gender.

ICT growth can be an enabler to reach a large number of people with financial education messages.

- Internet penetration EAC 29.4% (2015), Kenya 69.6%, Uganda 32.1%, Rwanda 25.4%, Tanzania 14.9%, Burundi 4.9%. This is relative to the World 46.5% internet penetration. The EAC regional internet penetration rate is close to the Africa penetration rate 28.6%.[5] Growth of internet has been fuelled by access through mobile phones and tablet devices.
- Mobile phone penetration for the World is 63%, Africa 67%, and in the EAC region Kenya 80.5%, Rwanda 77%, Tanzania 65%, Uganda 44%, Burundi 31%. Smartphone penetration increasing due to youth usage and proliferation of handsets less than US$50. By 2020 55% of handsets expected to be Smartphones in Sub-Sahara Africa (SSA).[6] Growth in mobile phone penetration and money transfer services, as well as products like micro-loans and mobile savings have increased financial inclusion in EAC.
- According to Nielsen Emerging Markets Insights report Radio penetration in Africa is 87%.

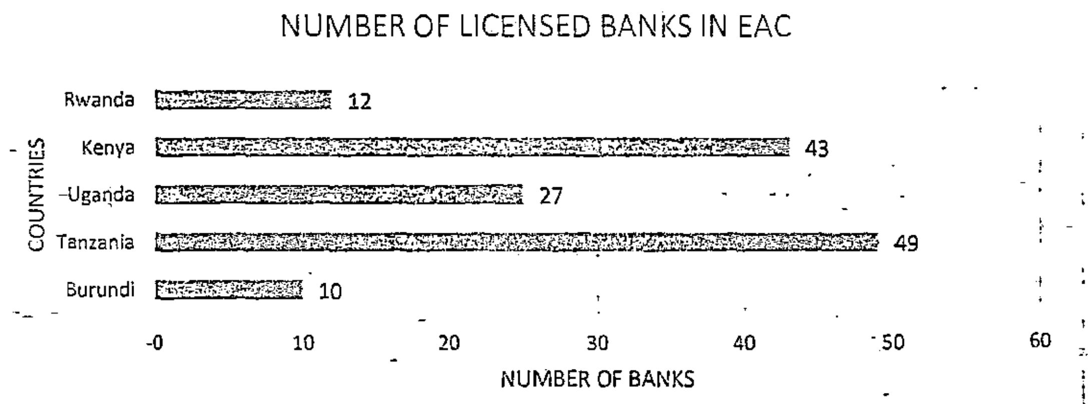
Banking in EAC Partner States

Rwanda, by far the smallest banking market in the region, saw profits more than double through 2014, up 145%. Profits growth in other markets was also impressive, with Tanzania up 29% and Uganda 26.5%. Kenya, being the largest market, reported the slowest growth in the region, at 15.5%. Profits growth was solid despite lower margins in three of the four East African markets. The average 17.3% rise in banking assets across east Africa proved to be a strong driver. In addition, Uganda and

[5] Internet World Statistics, Usage and Population, http://www.internetworldstats.com/stats1.htm

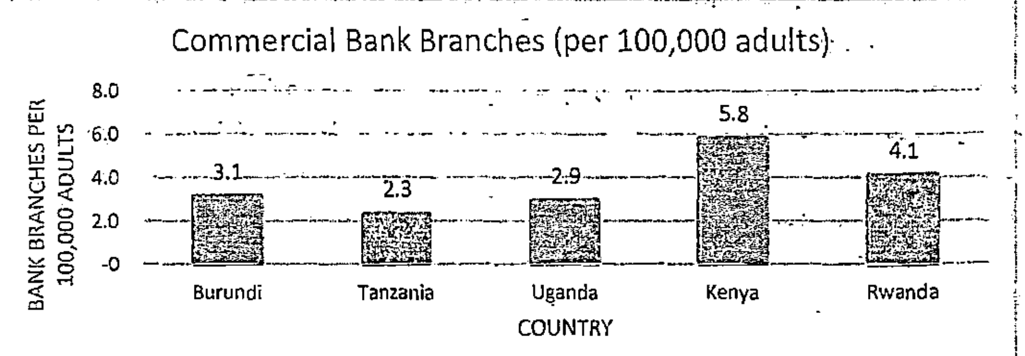
[6] The Mobile Economy, 2016, GSM Association

Kenya experienced sharply rising impairments, while lower nonperforming loans were reported in Tanzania (albeit after a spike in 2013).[7]



Source: CBK, BOT, BOU, BNR, WORLD Bank

The banking sector dominates financial services in terms of size and reach. The top ten banks control over 50% of the banking sector's total assets, loans and deposits. The introduction of agency banking in Kenya and Rwanda has increased banking presence in rural areas. The banking sector remains largely concentrated in the urban areas. The table below illustrates number of bank branches per 100,000 people. Tanzania despite having more banks in EAC, Kenyan banks have a greater reach in terms of them being spaced out in the country. While as Rwanda which has few licensed banks, it has more branches per 100,000 people than the other three member states with the exception of Kenya.



Source: World Bank

A. ***Kenya;*** During the period ending June 30, 2015, the Kenyan banking sector comprised 43 commercial banks, 1 mortgage finance company, 12 microfinance banks, 8 representative offices of foreign banks, 14 money remittance providers, 86 foreign exchange bureaus and 3 credit reference bureaus. The Banking Sector registered improved performance in the period ending June 30, 2015 as shown below: Assets increased to USD 35.28 billion (KSh 3.6 trillion) from USD 34.8 billion (KSh 3.0 trillion) in June 30, 2014. Loans and advances grew to USD 20.58 billion (KSh 2.1 trillion) compared to USD 19.72 billion (KSh 1.7 trillion) as at June 30, 2014. The deposit base

[7] EY-sub-Saharan-Africa-banking-review 2015

expanded to USD 25.48 billion (KSh 2.6 trillion) an increase from USD 24.36 billion (KSh 2.1 trillion) reported in June 30, 2014. Profit before tax was USD 751.66 million (KSh 76.7 billion) compared to USD 823.6 million (KSh 71.0 billion) reported in the period ending June 30, 2014. The banking sector gross loans and advances rose from USD 20.88 billion (KSh 1.8 trillion) in June 2014 to USD 21.56 billion (KSh 2.2 trillion) in June 2015 translating to a growth of 22.1 percent. Customer deposits were the main source of funding for the banking sector, accounting for 71.5 percent of total liabilities. The deposit base increased by 10.5 percent from USD 20.88 (KSh 2.1 trillion) in June 2014 to USD 25.48 (KSh 2.6 trillion) in June 2015 mainly attributed to branch expansion, remittances, and agency banking. The deposit accounts increased by 24.9 percent from 25.3 million accounts in June 2014 to 31.6 million in June 2015.[8]

B. ***Tanzania:*** Between 2010 and 2014, bank assets grew at a cumulated average growth rate of 33.4%. Banking sector assets increased 16% in 2014, slightly higher than 2013's 14%, but well below the four-year CAGR of 33.4%. Loans and advances outpaced overall asset growth, rising 49.1% during the same period. Net profits (after tax) rose at a CAGR of 38.5% between 2010 and 2014, which was faster than asset growth. This was driven by solid net interest income growth of 51.2%. Bad debts rose considerably slower during this period, up 25.6%. Of the 49 registered banks, 34 reported profits during the year, with the remaining 15 banks declaring losses. Deposits growth was marginally weaker than asset growth, up 29.9%. Customer deposits increased 15% in 2014, up from 12% in 2013. Banks were therefore able to increase their loan-to-deposit ratios and deploy more deposits to loans. Two large banks still dominate the deposit market, accounting for 38% of total deposits, while large banks collectively account for 80% of total bank deposits. The share of total assets by medium-sized banks increased to 27% (25% in 2013 and 23% in 2012). NBFI's share of total assets has remained flat at 4% in 2014 (3% in 2012 and 4% in 2011). Regional and small banks' share of total assets increased to 3% in 2014 (2% in 2013, 2012 and 2011). [9]

C. ***Uganda:*** Rapid growth strongly supported bank earnings, which rose 26.4% during the year, only trailing Rwanda. This means each 1% rise in GDP sees a 4.3% rise in net profits after tax. Of the 27 registered banks, 18 reported profits and 6 reported losses. Asset growth was slower than profits growth, at 12%, despite stronger loans and advances growth of 16%. Profits were higher due to a substantial fall in bad-debt provisions and losses (down almost 70% from 2013's levels). Deposits growth was in line with loans growth, resulting in a flat loan-to-deposit ratio of 47.8%. The banking system remained safe and sound. The banks' total assets grew by 15.9 percent from USD 7.36 billion (UShs 18.6 trillion) in June 2014 to USD 6.26 billion (UShs 21.6 trillion) as at June 2015. Total gross loans increased by 19.7 percent from USD 3.48 billion (UShs 8.8 trillion) to USD 3.045 billion (UShs 10.5 trillion) during the same period while the non-performing advances to total advances ratio improved from 5.8 percent in June 2014 to 4.0 percent in June 2015.

[8] Central Bank of Kenya 2015 Annual report
[9] Bank of Tanzania 2015 Annual report

Customer deposits grew by 16.48 percent during the year from USD 4.91 billion (UShs 12.4 trillion) to USD 4.21(UShs 14.5 trillion). 10

The total assets of banking sector registered higher growth in 2014 compared to 2013. This was mainly due to an increase in loans and advances of 14 percent to USD 2.79 billion (USh.9.4 trillion) in the year to December 2014, which was more than double the growth of 6.2 percent in the previous year. The banking sector maintained adequate capital to withstand shocks as at December 2014. The aggregate core capital and total capital/RWA ratios stood at 19.7 percent and 22.2 percent respectively, well above the statutory minimum requirements of 8 percent and 12 percent respectively as at December, 2014. Commercial bank liquidity improved during 2014. The nominal amount of liquid assets grew by 18.4 percent from USD 1.45 billion (USh.4.9 trillion) to USD 1.72 billion (USh.5.8 trillion) in 2014. The increase in liquid assets was largely due to the rise in holdings of government securities. Bank of Uganda continues to closely monitor liquidity risk in the banking sector with the rolling out of the Liquidity Coverage Ratio (LCR). The total shareholders' equity of the banking system grew by 17.2 percent from USD 861.8 Million (USh.2.9 trillion) in December 2013 to USD 1.01 Billion (USh.3.4 trillion) in December 2014 mainly due to an increase in retained reserves of 28. 3 percent during the year 2014.

D. ***Rwanda:*** Rwanda's banks grew profits 146% during 2014, substantially outperforming its neighbours, albeit off a small base — the country's banking market is just 0.6% of South Africa's when measured in assets. Even by regional terms, Rwanda makes up only 4.2% of total banking assets. Profits account for an even smaller share of regional totals, amounting to 3.3% of the east region's earnings. Deposits growth was in line with assets growth, with customer deposits up 27%.[11]

In 2014, the banking industry, which dominates the financial sector, grew by 19.3% in assets, with high capital adequacy ratio (CAR) of 24.2% above the minimum requirement of 15% and improved asset quality as the Non-Performing Loans ratio (NPL) declined to 6.0% end December 2014 from 6.9% end December 2013. The sector also remains profitable as net profit in 2014 increased by 54.3% and Return on assets and on equity stood at 1.9% and 10.9% respectively. On the other hand money market rates (repo, T-bills and interbank rates) declined standing at 2.8%; 4.9% and 4.7% at end December 2014 from 4%; 5.6% and 5.6% recorded at end 2013 respectively. Deposit rates stabilized around 8.2% in 2014 from 9.9% in 2013, while lending rate slightly reduced to an average of 17.2% in 2014 from 17.3% in 2013.[12]

E. ***Burundi:*** Burundi's banking sector comprises of 10 licence commercial banks as at the year 2015, with two regional banks from Kenya, KCB and DTB as well as a West African bank from

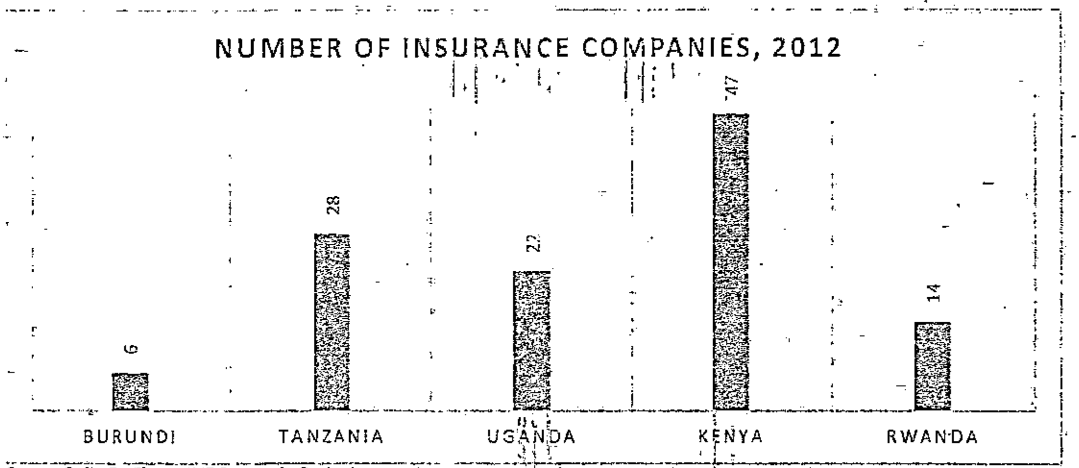
[10] Bank of Uganda 2015 annual report
8. Bank of Uganda 2014 Supervision report
[11] National Bank of Rwanda 2014 report

[12] Monetary Policy and Financial Stability Statement, 17th February 2015, National Bank of Rwanda

Nigeria, Ecobank. The banking sector total assets stood at USD 471.8 million (FBU740.5 Billion), deposits US$350.6 million (FBU550.2 Billion) and loans, US$ 226.8 million (FBU 355.9 Billion) as at 2008[13]. The banking sector is concentrated with the three largest banks, BCB, BANCOBU and IBB controlling 76% of total sector assets, 74% of loans and 79% of deposits. The government is a majority shareholder in two of the largest banks BCB and BANCOBU that control 50% of total sector assets.

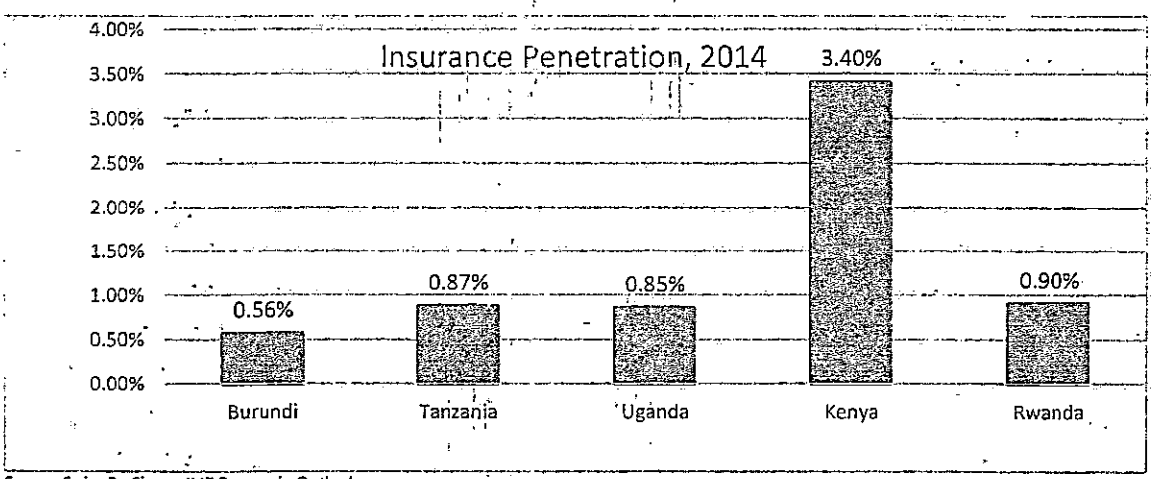
- Insurance Sector in EAC Partner States

The total number of insurance companies in the EAC is 117 as of 2012 with Kenya having the most number of insurance companies at 40%, followed by Tanzania with 24% and Burundi with the least at 5%.



Source: Swiss Re Sigma, IMF Economic Outlook

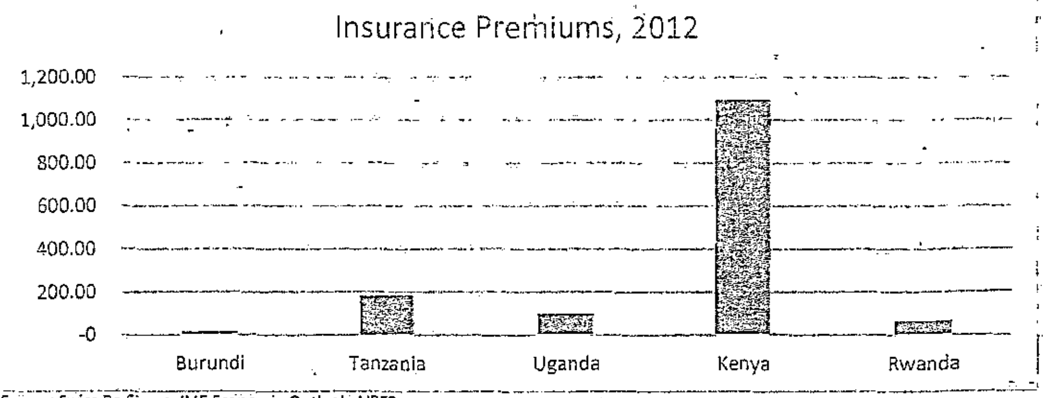
Insurance penetration in the EAC still remains low at a regional average of 1.09%, with Kenya's being the highest at 3.4%, Rwanda (0.90%), Tanzania (0.87%), Uganda (0.85%) and Burundi (0.56%).



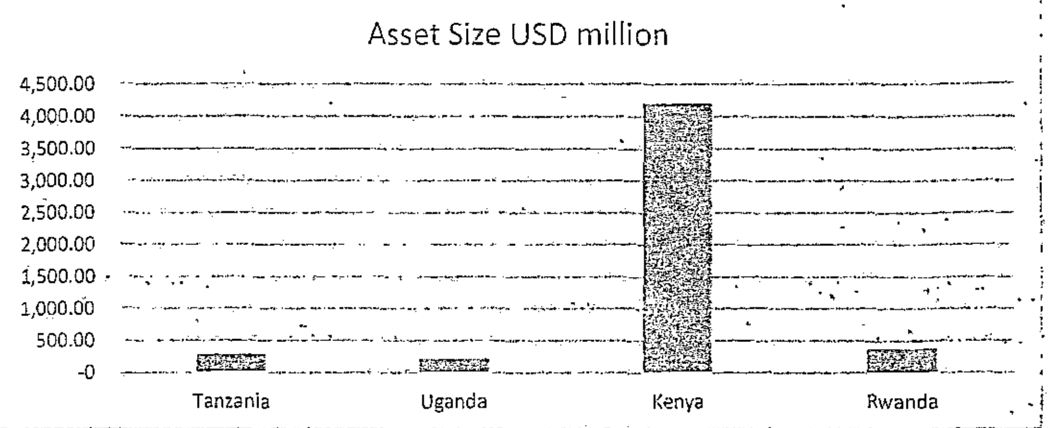
Source: Swiss Re Sigma, IMF Economic Outlook

[13] Nkurunziza Janvier D., Nalikumana L., and Nyamoya P., 2012, "The Financial Sector in Burundi", Working Paper 18289, National Bureau of Economic Research (NBER), Cambridge, Massachusetts

Kenya has the highest number of premiums due to her higher number of insurance firms, insurance brokers' and a higher penetration rate. Kenya's insurance penetration is 3.4% whereas the other partner states have rates below 1%. Insurance premiums are over US$ 1 billion whereas the other member states are below US$200 million (KShs 20.2 billion).



Source: Swiss Re Sigma, IMF Economic Outlook, NBER



Source: Swiss Re Sigma, IMF Economic Outlook

Overall the insurance industry in EAC has low insurance penetration with an average of 1.51% in 2012 compared to the African penetration rate of 3.56%, 2012 and the world penetration rate, 6.5%[14]. The insurance sector in the EAC suffers several challenges such as skills shortages, and poor claims servicing. The EAC insurance industry also has limited product range with majority of insurance products concentrated on non-life products (mostly mandatory third party motor insurance.) The non-life markets accounts for 75-90% of products in the region with the life segment accounting for 10-25%. The industry in the EAC despite its many challenges has great scope for growth and innovation. For instance, Kenya's home grown insurance firms such as UAP insurance, AAR and Resolution Health, have managed to penetrate into EAC Partner States, such as Rwanda and Uganda. As well Kenya's insurance sector has developed innovative insurance products that can be accessed through the mobile phone delivery channel, as well as farm insurance products providing natural disaster cover

[14] KPMG, 2014, "Sector Report - Insurance in Africa"

(e.g. drought or flooding). The insurance sector in Uganda has great scope for growth as the new oil discoveries can boost the industry. The insurance industry in Rwanda has seen significant growth with the introduction of mandatory health insurance "medicine santé". There is a trend among EAC Partner States to develop agricultural insurance products targeting small scale rural farmers.

A. ***Kenya:*** Kenya's total premium volumes were USD 1.52 billion (KShs 153.66 billion) in 2014, ranked 64th in the world. Penetration rates were 3.4%, ranked 44th in the world.[15] Again, given a GDP of USD 44 billion (KShs 4.45 trillion), growing at 5.3% per annum, and a sizeable population of 44 million people, Kenya is clearly also another market with significant growth potential. The Kenyan insurance industry continues to be non-life business driven. The insurance industry asset base was USD 4.437 billion (KES 452.84 billion) as at the end of March 2015. This was a growth of 17.6% from USD 4.468 billion (KES 385.22) billion held as at the end of March 2014. The liabilities amounted to USD 3.31 billion (KES 334.98 billion) during the period under consideration.[16]

B. ***Uganda:*** The Insurance industry gross written premium has grown by 46% from USD 115.089 million (UShs290.83bn) realised in the first three quarters of 2014 to USD 123.337 million (UShs425.3bn) registered in the first three quarters of 2015 (January to September). The growth has mainly been attributed to the new infrastructural projects whose premiums were realized in the first three quarters of the year 2015. The insurance industry registered a growth of 9% with a total premium figure of USD 199.9 million (UShs504.8 billion) in 2014. The Insurance industry remained resilient and posted positive growth with gross written premiums rising from USD183.35 million (UShs463 billion) to USD 146.39 million (UShs504.8 billion). In the same period, there was a growth in the industry asset base from USD 252.648 million (UShs638 billion) to USD 217.5 million (UShs750 billion) and the solvency ratios of most companies have improved from the previous period.[17]

According to the 2013 Insurance Regulatory Authority's Annual Insurance Market Report, insurance penetration which is still below 1% increased from 0.66% in 2012 to 0.85% in 2013 with the expectation that by 2016, penetration will stand at 1.3%. The industry wrote USD 138 million (UShs 463 billion) in 2013 up from USD 104.61 million (UShs 351 billion) in 2012- the 31% growth in 2013 is mainly attributed to the inclusion of Health Member Organization (HMOs) premiums as part of the industry statistics. Of the USD 138 million written, USD 104.61 million was written by non-life insurers, USD 16.39 million (UShs 55 billion) by life insurers and USD 16.69 million (UShs 56 billion) by HMO's.

C. ***Rwanda:*** As at 2015, total assets increased by 11 % reaching USD 383.5million (FRW 295 billion) from USD 373.8 million (FRW 267 billion), end June 2015 and USD 380.8 million (FRW 272 billion) (end December 2014); capital and reserves increased by 9 % to USD 283.4 million (FRW

[15] Swiss Re Sigma, IMF Economic Outlook
[16] IRA Kenya 2014 report
[17] IRA Uganda 2014 report, Bank of Uganda 2014 report

218 billion) from USD 280 million (FRW 200 billion), end June 2014. The increase in total assets and capital was mainly attributed to the capital restructuring of some insurers through injection of additional funds to align with/ implement their business strategies. By end June 2015, the insurance gross premium written was USD 110.5 million (FRW 85 billion) compared to USD 110.6 million (FRW 79 billion) as at end June 2014, reflecting an increase of 8%.[18]

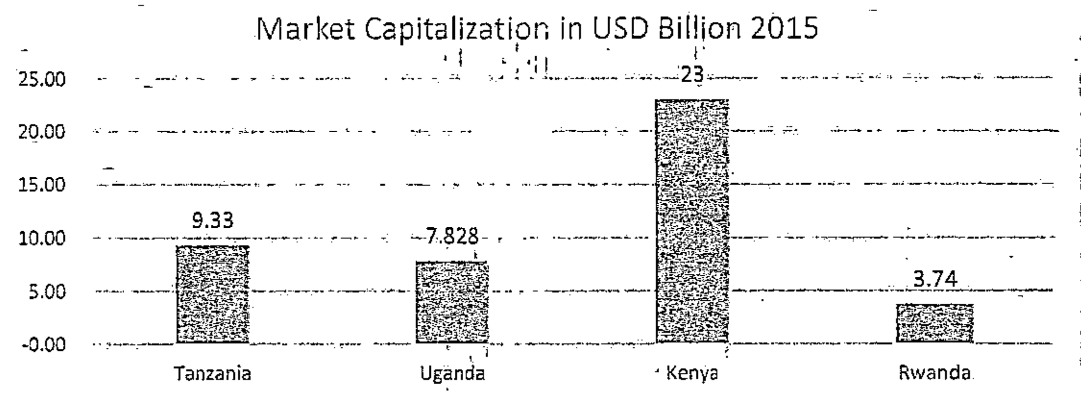
D. ***Tanzania:*** The country's insurance penetration (premiums as a percentage of GDP) has remained largely at 0.7 percent during the last three years, 2012-2014. This is mainly attributed to parallel growths that have been recorded in the national economy during the period under review. General insurance business experienced a growth of 18.0 percent in gross premium written from USD 216.81million (TShs 417.7 billion) during 2013 to USD 253.53million (TShs 494.0 billion) during the year under review. The market grew by 17.0 percent in gross premiums written to USD 349.272 million (TShs 554.4 billion) in 2014 as compared to USD 298.683 million (TShs 474.1 billion) of 2013. As at the end of the underwriting year 2014, total assets of insurers had increased by 19.5 percent to USD 390.6 million (TShs 620.0 billion) from USD 326.97 million (TShs 519.0 billion) of the previous year. The contribution of the insurance industry to the wider Financial Sector GDP (premiums as a percentage of Financial and Insurance GDP) remained at 20.5 percent in 2013 and 20.6 percent in 2014. However, the ratio has fluctuated during the last five years, with the lowest rate of 19.4% in 2011and the highest rate of 22.1 percent in 2005.[19]

E. ***Burundi:*** The insurance sector in Burundi has the lowest penetration rate of 0.80%. There are 6 insurance companies in Burundi. The total gross written premiums, 2012, were USD 24.04 million (FBU 37.49 billion), with USD 4.62 million (FBU 7.20 billion) or 26.04% in life products and USD 13.12 million (FBU 20.46 billion) or 72.92% in non-life products. The insurance market in Burundi is underdeveloped with limited insurance products and a high product uptake concentration on mandatory insurance products such as third party automobile insurance.

Capital Markets Sector

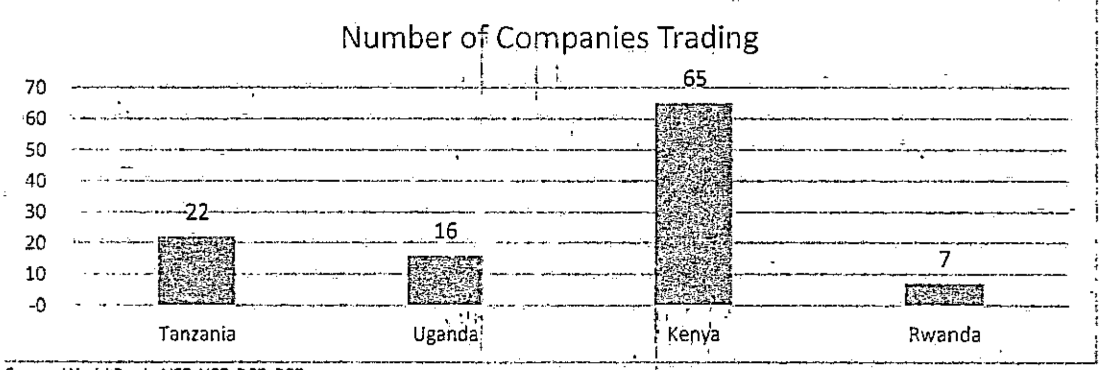
According to global financial reporting firms such as Bloomberg, CBS and Thomson-Reuters, the Tanzanian bourse was ranked as Africa's best performing securities exchange in 2014, with a 66 per cent index upturn. While the Uganda Securities Exchange (USE) emerged third with a jump of 26.5 per cent. The NSE, which emerged fourth, registered a drop at 19.2 per cent.[20]

[18] National Bank of Rwanda 2015 report.
[19] TIRA 2014 report.
[20] Kenya Financial Sector Market Report 2014



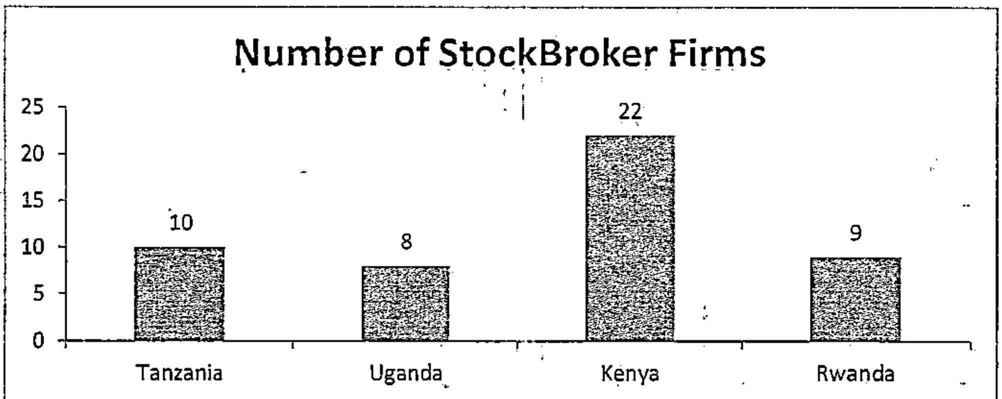
Source: World Bank, NSE, USE, DSE, RSE

Kenya's capital market has the largest market capitalization and has the most number of companies trading in its securities market. Uganda, Tanzania and Rwanda's securities markets, have Kenyan companies cross-listed trading in the securities exchange. EAC Partner States governments are at the fore front in driving the growth in the capital markets as they divest their shareholding in state run firms to the capital market.



Source: World Bank, NSE, USE, DSE, RSE

There are few stock brokerage firms in the EAC. Majority stock brokers are concentrated in the major cities with few offices in the rural areas.



Source: World Bank, NSE, USE, DSE,RSE, (2015)

Tanzania: During the year ending March 2015, capital and securities markets recorded strong growth in terms of market capitalization driven by share price appreciation. During the period, total market capitalization increased to USD 10.461 billion (TShs 22,743.30 billion) from USD 10.899 billion (TShs 17,301.0 billion). Domestic market capitalization increased to USD 4.709 billion (TShs 10,236.93 billion) from USD 3.89 billion (TShs 6,176.0 billion) recorded in the corresponding period in 2014. However, total market capitalization remained almost unchanged while domestic market capitalization declined during the six months to March 2015.

Kenya: Equity turnover for the first half of 2015 stood at USD 1.06 billion (KShs 107 billion), against the USD 1 billion (KShs 101 billion) registered in the first half of 2014 – a 6% increase. Market capitalization was 9.27% higher at USD 22.77 billion (KShs 2,301.88 billion), against the USD 20.84 billion (KShs 2,106.69 billion) registered in a similar period in 2014. The end-period NSE 20-share index also registered a 0.43 per cent increase, standing at 4,906 points against 4885 points in first half in 2014. Total share volume, on the other hand, decreased by 13% to 3.5 billion shares, and from 4 billion shares in first half of 2014.

Uganda: All major securities market indicators were in positive territory during the financial year 2013-2014. Share volume transacted rose by 84.8% to 2,436.45 million shares from 1,318.25 million shares transacted in a similar period during the previous financial year i.e. 2013. Turnover was also up by 66.4% to close at USD 99.25 million (UShs 333 billion) compared to USD 59.61 million (UShs 200 billion) the previous financial year. Total market capitalization rose by 19.8% to UShs 23.16 trillion from UShs 19.33 trillion reported in the previous financial year. On the other hand, domestic market capitalization was also up by 20.15% to close the period under review at UShs 3.16 trillion from UShs 2.63 trillion previously. The USE All-Share index that tracks share price movements closed 14.54% higher at 1,696.84 points from the previous close of 1,481.38 points.

Rwanda: From July 2012 up to June 2013, RSE recorded a total turnover of USD 50.11 million (FRW 39.2 billion) from 124.2 million shares traded in 1,873 deals compared to USD 25.83 million (FRW 20.2 billion) from 122.1 million shares traded in 1,983 deals registered in 2011/2012. That represents an increase of 94% in money terms and an increase of about 2 percent in the number of shares traded. The market was driven by the activities on the counters of domestic companies which amount to 99.9 percent in the total turnover. At the end of June 2012, the RSE market capitalization was USD 4.2 billion (FRW 3.2 trillion) compared to USD 1.08 billion (FRW 846.8 billion) as of 30th June 2012, translating into an increase of 49 percent. The significant increase in market capitalization resulted from the increase in the prices of three stocks namely BRALIRWA, BK and KCB. In the year ended June 2013, no transaction was recorded on the secondary market for bonds compared to a total turnover of USD 0.765 million (FRW 599 million) registered the previous year in two deals. On 30th June 2013, three treasury bonds worth USD 10.86 million (FRW 8.5 billion) and one Corporate Bond (BCR Bond) whose face-value is USD 1.28 billion (FRW 1 billion) were listed on RSE.

Burundi: The capital markets in Burundi are at a nascent stage. The Burundi capital markets development framework is currently being developed. At the moment the capital markets is being regulated by the BRB. The BRB is also playing the role of fostering capital markets growth, initially beginning with a manual over the counter market. Market activity is currently dominated by government securities trading, Treasury Bills and Treasury Bonds, by institutional investors from pensions and insurance sectors.

MFI/ SACCOs Sectors

Micro-finance

A. ***Uganda:*** The overall performance of Microfinance Deposit-taking Institutions (MDIs) was satisfactory. The number of licensed MDIs increased from 3 to 4 following the licensing of EFC Uganda Limited in November 2014. Total assets held by the sub-sector grew by 23.2 percent from USD 115.869 million (UShs 292.6 billion) in June 2014 to USD 104.574 million (UShs360.6 billion) as at June 2015. Similarly, total loans grew by 26.5 percent from USD 71.359 million (UShs180.2 billion) to USD 66.091 million (UShs 227.9 billion) during the same period. The sub-sector's non-performing advances to total advances remained unchanged at. 2.3 percent. Total customer deposits grew from USD 45.025 million (UShs 113.7 billion) to USD 46.1 million (UShs 159.1 billion) reflecting the public ever growing confidence in the sub-sector.

B. ***Kenya:*** There are 24 large micro finance institutions in Kenya, which provided USD 1.5 billion (KShs 151.60 billion) to approximately 1.5 million active borrowers in 2010. Total assets of the sector amounted to USD 3.12 billion (KES 315.7 billion) as of December 2013 registering 15.1% annual growth. As of December 2013, microfinance services were provided through a network of 698 branches across the country, up from 566 in 2012. [21]

C. ***Rwanda:*** The main body that is responsible for delivering financial education and capacity building to the MFI/SACCO sector is the Association of Microfinance Institutions of Rwanda (AMIR). AMIR current providing capacity building to strengthen service delivery and institutional frameworks in for MFIs and SACCOs. MFIs' assets size registered an increase of 20.7% from July 2013 to June 2014, rising from USD 183.15 million (FRW122.1 billion) to USD 205.94 million (FRW 147.4 billion). The increase was mainly driven by the liquid assets and gross loans which increased from USD 66.5 million (FRW 47.5 billion) to USD 74.76 million (FRW 53.4 billion) and from USD 95.85 million (FRW 63.9 billion) to USD 113.68 million (FRW 81.2 billion), respectively.[22]

D. ***Burundi:*** The MFI sector in Burundi has great potential to reach a large part of the rural population that remains largely underserved by formal providers of financial services. The products and services provided by MFIs are similar to those of the banking sector. However, the MFI sector provides lower interest rates, shorter term credit, smaller loan amounts, and have

[21] 2014 SECTOR REPORT ON THE MICROFINANCE SECTOR IN KENYA

[22] National Bank of Rwanda 2014 report.

better terms to access accounts (i.e. lower account opening and maintenance fees) compared to banks. Unfortunately, according to the NFIS there is a lack of information regarding MFI institutions and benefits of MFI products and services. MFIs are generally not known among the public. Compared to other EAC Partner States MFI sector participation is dominated by women however participation of women in Burundi is low at 28.3%. The MFI sector has potential to reach greater numbers of women based in rural areas engaging in informal sector of the economy and agriculture.

SACCOs

The Sacco sector in Kenya grew out of the cooperative movement and it's only recently that the Sacco sector is being regulated and it's only the deposit taking Sacco's that are being regulated. Kenya's Sacco sector is the largest in terms of asset size at USD 3.497 billion. The Sacco sector in Rwanda has seen tremendous growth in terms of outreach over the last decade. Currently, over 90% of Rwandans live within 5kms of a local Sacco. The Sacco sector in Uganda, Tanzania and Burundi still remains in the nascent stages of development and is largely unregulated.

Country	No. CU	Members (m)	Savings	Loans	Assets	Penetration
Kenya	4965	5.1	3.266b	4.288bn	5.069b	20.50%
Rwanda	463	1.56	11.783m	42.661m	111.296m	22.80%
Tanzania	5559	1.15	283m	545m	559.5m	4.40%
Uganda	2063	1.19	132m	128.1m	167.71m	6.70%
Africa	**20442**	**18.881**	**5.534b**	**6.391b**	**8.08b**	**6.90%**
World	57480	217.4	1470bn	1202bn	1793b	8.20%

Source: World Council of Credit Unions

A. **Kenya:** There was a growth in total assets in 2014 to USD 3.497 billion (Kshs 301.5 Billion) from USD 2.985 billion (Kshs 257.4 Billion) in 2013, and in total deposits to USD 2.388 billion (Kshs 205.9 Billion) from USD 2.119 billion (Kshs 182.7 Billion). In terms of financial performance, the sub-sector recorded growth in the total asset base of the licensed 181 Deposit taking Sacco's which grew by 17.2% to USD 3.497 billion (Kshs 301.5 Billion) from USD 2.985 billion (Kshs 257.4 Billion) recorded in 2013. This growth was funded principally by members' deposits which also grew by 12.7% to USD 2.388 billion (Kshs 205.9 Billion) from USD 2.119 billion (Kshs 182.7 Billion) in the previous year. However, the non-performing loans increased from 4.7% recorded in 2013 to 5.74%. This deterioration in loan performance was mainly experienced in the agriculture-based DTSs and attributed to reduced tea bonus payments, adverse weather conditions and general crop failure. There were a total of 135 licensed deposit-taking Sacco Societies (DTSs) at the commencement of the year 2014, out of a total of 215 DTSs which had submitted their applications for deposit-taking business.[23]

B. **Rwanda:** Rwanda's MFI/SACCO sector is comprised of 497 institutions, 11 MFIs, and 70 SACCOs and 416 Umurenge[24] SACCOs. The microfinance/ SACCO sector mainly serves the lower income population and has greater reach in rural areas than other formal financial sectors.

By end June 2014, the sector had 416 UMURENGE SACCOs and 64 Non- UMURENGE SACCOs. The introduction of the UMURENGE SACCO program has been the main catalyst to increase financial

[23] SASSRA 2014 Report

[24] Umurenge SACCOs are an initiative by the Rwanda government to create SACCOs at the level of each Administrative Sector (UMURENGE). Today the average Rwandan lives with 5kms of an Umurenge SACCO.

access. The UMURENGE SACCOs recorded a growth of 31% in deposits reaching USD 75.53 million (FRW 58.1 billion) end June 2015 from USD 62.16 million (RWF 44.4 billion) end June 2014 and loans granted increased to USD 37.57 million (RWF 28.9 billion) in June 2015 from USD 33.88 million (RWF 24.2 billion) in June 2014. As a result, total assets increased from USD 96.18 million (RWF 68.7 billion) to USD 118.04 million (RWF 90.8 billion), that is an increase of 32% for the year 2015.[25]

C. **Uganda**: The growth of the MFI/SACCO sector has greatly been attributed to government intervention through the Microfinance Support Centre (MFSC). MFSC has operated for over ten years and provides capacity building and credit to MFI/SACCOs with the aim of increasing access to finance to the un-banked. The fund also provides credit to SMEs and some sole proprietors involved in rural enterprises. MFSC provides training to MFIS/SACCOs mainly on management related issues product development, accounting, governance, awareness building, regulations, taxation and needs based skills and systems development.

Other organization providing training and capacity building to the MFI/SACCO sector are Uganda Cooperative Savings and Credit Union (UCSCU), the umbrella body representing SACCOs in Uganda and Association of Microfinance Institutions Uganda (AMFIU) the umbrella body representing MFIs. UCSCU in collaboration with Uganda Cooperatives College offers cooperative management education via short course, certificate and diploma programs on community development in Sacco's and MFIs. The topic mainly covers management and operations, skills and process development e.g. credit evaluation and collection, as well as strategic planning. UCSCU also provides capacity building to SACCOs through trainings and workshops. AMFIU provides consumer education through the use of educational posters on budgeting, debt management, financial negotiations, financial services and savings. AMFIU has developed as consumer hand book that is available in Luganda, Luo, Rutooro and English languages. The association also has a quarterly publication the microfinance banker. As well research studies and working papers are available online on their website.

Pensions

A. ***Rwanda:*** The Pension Sector is made up of one public social security fund, the Rwanda Social Security Board (RSSB) and at least 57 private pension schemes managed by insurers. The sector's performance increased by 19% in assets, 1% in contributions received from members, and 18% in benefits paid and 27% in investment income from June 2013 to June 2014. The total assets were USD 609.98 million (RWF 435.7 billion) while the total contributions received were USD 56.42 million (RWF 40.3 billion).[26]

[25] National Bank of Rwanda 2014 report.
[26] National Bank of Rwanda 2014.

B. *Kenya:* Total Industry assets grew by 5.1 percent in the second half of the year 2014 to stand at USD 9.1425 billion (Kshs.788.15 billion) as of December 31st 2014. Compared to last year, December 2013, the assets under management have grown by 13.1 percent from USD 8.081 billion (Kshs.696.68 Billion) to USD 9.142 billion (Kshs.788.15 Billion). The amount was composed of the USD 7.9 billion (Kshs.681.29 billion) held by the fund managers and insurance issuers, USD 717.228 million (Kshs.61.83 billion) internally administered by National Social Security Fund (NSSF) and an additional USD 522.23 million (Kshs.45.02 billion) of property investments directly managed by scheme trustees. The assets under fund management included USD 923.36 million (Kshs.79.6 billion) of NSSF funds externally managed by the 6 contracted managers. Similar to other periods, Government Securities and Quoted Securities had the majority of investments with the two accounting for 57 percent of total assets under management.[27]

C. *Uganda*: Currently the pension coverage in Uganda is about 10 per cent of Uganda's working population. Just about 15 per cent of workers in the formal sector are covered. In the informal sector where 85 per cent of Ugandans are employed, there is simply no pension coverage at the moment. The total membership recorded was 1.9 million individuals in 2014 representing 14 per cent of the total national labour force, which is 13.9 million. The pensions industry in Uganda has assets worth USD 1.83 billion dollars (5.1 trillion UShs) with the Uganda NSSF having USD 1.478 billion (4.1 trillion UShs) in assets size as at 2014. NSSF's dominance is highlighted in its membership which more than doubles that of the Public Service Pension' Scheme, Parliamentary Pension Scheme and other Occupational Retirement Benefit Schemes. NSSF has a membership of about 1.5 million savers. Direct holdings of government debt securities comprised 57.8 per cent of total investments, fixed and term deposits were at 14.4 per cent and immovable property at 9 per cent.

D. *Tanzania:* Assets of the social security sector continued to grow amid rising government loan portfolio on account of interest accumulation. The ratio of government loans to total assets stood at 19.3 percent, which was above the limit of 10.0 percent prescribed by Investment Guidelines of 2012. Meanwhile, the Government has outlined a strategy to repay the loans through issuance of government securities in the 2015/16 financial year. The sector has substantial latitude for holding government debt with a floor of 20.0 percent and a ceiling of 70.0 percent. Currently, the sector holds only 20.1 percent of government debt. Meanwhile, membership of the schemes grew by 59.5 percent to 2.1 million and the number of pensioners by 7.1 percent to 86,969. Zanzibar's social security fund recorded improved performance on account of increased membership and contributions. Membership increased by 3.1 percent to 74.4 thousand during the period ending March 2015. Investment income and members' contributions increased by USD 5.842 million (TShs 12.7 billion) and USD 10.212 million (TShs 22.2 billion), respectively during the nine months to March 2015. Likewise, during the same period, benefit payments increased by USD 4.784 million (TShs 10.4 billion). As of March 2015, the

[27] Retirement Benefits Industry Performance Report For June - December 2014

investment portfolio was dominated by treasury bonds at 33.3 percent, fixed deposits (23.8 percent) and real estate (22.7 percent).[28]

E. ***Burundi:*** The pension sector in Burundi is comprised of the public pension scheme for government employees, ONPR[29], the mandatory public pension scheme for employed persons, INSS[30], and private pension plans.

[28] Financial Stability Report - March 2015
[29] ONPR - Office National Des Pensions Et Risques Professionnels Des Fonctionnaires, Des Magistrats Et Des Agents De L'ordre Judiciaire (National Pension And Occupational Hazards Of Officials, The Judiciary And Agents Of Judicial)
[30] INSS - Institute National De Securite Sociale

4. EAC Partner States' Financial Education Interventions

EAC Partner States have recognized the important role of financial education plays in supporting financial inclusion initiatives. EAC Partner States have launched initiatives aimed at systematically increasing financial inclusion, improving consumer knowledge on financial management, informed use of financial products and services and consumer protection. Outlined in the following section are financial education initiatives at national level and a summary of key financial education activities in each country. Following is an examination of financial education initiatives by sub-sector i.e. banking, capital markets, insurance, pensions and microfinance/SACCOs.

National Financial Education Interventions

The EAC Partner States through the respective Ministry of Finance (i.e. Uganda's Ministry of Finance, Planning and Economic Development, Rwanda' Ministry Finance and Economic Planning, Burundi's Ministry of Finance and Economic Development Planning, Kenya's National Treasury and Tanzania's Ministry of Finance and Economic Affairs) and central banks (i.e. Central Bank of Kenya, Bank of Tanzania, Bank of Uganda, The National Bank of *Rwanda* (Banque Nationale du *Rwanda), and* The Bank of the Republic of *Burundi* (Banque de la République du *Burundi.*), have engaged in financial sector strengthening research and developed frameworks and strategies toward greater financial education. The Ministry of Finance and Economic Planning in Rwanda and the Ministry of Finance and Economic Development Planning Burundi spear-head the financial education and literacy initiatives whereas in Kenya, Tanzania and Uganda development of financial education initiatives are championed by the respective aforementioned the Central Banks.

Each member state is at different stages of development and implementation of financial literacy initiatives. The national financial literacy and education initiatives are informed by national baseline surveys on financial capability such as the FinScope Surveys or FinaAccess surveys. Following the administration of the surveys EAC Partner States have developed strategies for financial literacy e.g. the Strategy for Financial Literacy – Uganda 2013, National Financial Education Strategy – Rwanda 2013 or have developed national financial inclusion strategies e.g. the National Financial Inclusion Framework – Tanzania 2013 and the Burundi National Financial Inclusion Strategy 2014, wherein financial education and literacy activities are embedded therein. Kenya's Central Bank in collaboration with FSD Kenya has undertaken several surveys assessing financial access, FinAccess Surveys 2006, 2009 and 2012, and is using these findings to develop a national financial education strategy.

Provided here is an overview of EAC member state progress toward national financial education strategies and highlights of current financial education initiatives currently being undertaken by each EAC jurisdiction.

Burundi

The government of Burundi has several initiatives regarding financial education enshrined in sector development strategies. The main strategy promoting national financial education initiatives is National Financial Inclusion Strategy (NFIS). The Bank of the Republic of Burundi (BRB) initiated the development of the National Financial Inclusion Strategy (NFIS) with collaboration of Ministry of Finance, Ministry of Local Government and industry stakeholders. The government has also developed a National Strategy for MFIs and National Financial Sector strategy. These strategies also have aspects of financial education incorporated within. The national strategy for MFIs was sponsored by AFD and is awaiting the formation of multi-stakeholder entity responsible for implementation to be formed.

The National Financial Inclusion Strategy was developed following the findings of the Bank of the Republic of Burundi "Burundi National Financial Inclusion Survey, 2012". The findings of the Bank of Burundi National Financial Inclusion Survey 2012 outlined challenges and gaps in the knowledge of financial services. According to the survey several gaps in financial literacy were highlighted, these include:

- Only 37% of survey respondents knew the meaning of current account and bank check
- Low understanding of other financial terms such as microcredit, money transfer, ATM, credit card, personal loan or forex bureau
- Knowledge of financial services was very low with only 10% of survey responds being well informed about various services offered in the market
- Only about 9% have an idea of the interest rates charged on bank loans

Overall the objectives of the NFIS are to increase financial inclusion in Burundi. Financial education and literacy and consumer protection initiatives are a component in the National Financial Inclusion Strategy. One of the key indicators in the NFIS regarding financial education aims at achieving a "population that is better informed, educated and protected with regard to usage of financial services and products". Principles, Objectives and activities concerning financial education are, as shown below:

"**...Principle no.** 8: The NFIS takes into account the need to increase financial literacy and information among the general public and to protect the consumers of financial services and products.

...**Objective 1**: Ensure increased and permanent access to and usage of financial services and products by the population with conditions that favour access and usage.

Sub-objective 1.3: Inform, educate and protect the public in general and the target clientele of the NFIS in particular.

Activity 1.3.1: Ensure country-wide coordination for awareness, communication and financial education efforts

Activity 1.3.2: Undertake national awareness campaigns on the use of financial services and products

Activity 1.3.3: Inform clients and staff of financial institutions about using financial services and products, preferably in Kirundi

Activity 1.3.4: Inform clients and staff of financial institutions about directives concerning protection of consumers of financial services and products
Activity 1.3.5: Integrate financial education programs in educational institutions..."

The activities on financial education under the NFIS are to be coordinated by technical group; however a lack of funds has delayed implementation of many activities. The strategy has prioritized increasing reach of financial access in rural areas, including the development of microfinance sector and agricultural based micro financial products. Currently financial education activities regarding the development of the microfinance sector are being implemented in the rural areas by Fonds de Micro Credit Rural/Rural Microcredit Fund (FMCR) and Reseau des Institutions de Microfinance au Burundi/ Network of Microfinance institutions of Burundi (RIM).

The Fonds de Micro Credit Rural/Rural Microcredit Fund (FMCR) and Reseau des Institutions de Microfinance au Burundi/ Network of Microfinance Institutions of Burundi (RIM) were created to catalyse and grow the MFI sector. These institutions work with MFIs that are registered and supervised by the BRB in promoting financial access and education. RIM has a program that teaches on savings in all provinces. FMCR works primarily with MFIs in rural locations as well as with select civil servants and businessmen with micro-projects based in rural areas. FMCR is mandated to mobilise and allocate resources for the development of rural areas, promote micro loans in rural areas through a guarantee fund and a credit fund, monitor the micro loans and train and create awareness among beneficiaries.

FMCR has several financial education programs that train and promote awareness about registered accredited MFIs, the benefits of MFIs, how to save, how to access MFI credit, how to create proposals of financing micro-projects and operations management for projects (e.g. book-keeping, project planning and so on). FMCR also works with local community leaders to reach the community and inform about availability and how to access MFI services and account opening. MFIs are also trained on developing programs that provide financial education to customers prior to receiving credit, group formation, group guarantees, proper use of credit and importance to monitoring project progress via site visits. MFI management have also been sponsored to participate in exchange visits to other countries such as Benin, Cameroon, Congo Brazzaville, Kenya, Uganda, Rwanda and Senegal. In addition to these direct financial education activities such as information days FMCR also uses different media to reach a wider audience and create awareness MFIs are currently registered and supervised by the BRB of its programs using radio, television interviews and articles in print media. The FMCR projects have lent $13.6 million to MFIs and have reached more than 15,000 beneficiaries.

Kenya

Kenya's financial services sector contributed 6.7% to GDP and is comprised of commercial banks, deposit taking microfinance institutions, non-bank financial institutions such and microfinance institutions, mortgage companies, forex bureaus, development finance institutions, pension schemes, SACCOs insurance sector and capital markets. The main regulators of the financial sector include

Central Bank of Kenya (banking and deposit taking microfinance sector), Retirement benefits Authority (pensions sector), Insurance Regulatory Authority (insurance sector), Capital Markets Authority (capital markets sector) and Sacco Societies Regulatory Authority (SACCO sector). These five regulators in collaboration with other industry stakeholders are responsible for the main financial education initiatives currently implemented in the country to date.

The main driver for the five regulators engaging in financial education and financial literacy activities were the findings from FinAccess surveys conducted in 2006, 2009 and 2013. The survey findings identified the following gaps in financial inclusion as well as the correlation between increased financial inclusion and increased financial literacy. The FinAccess surveys (2013) highlight the following findings regarding financial inclusion and financial literacy:

- Increasing levels of financial inclusion: The FinAccess survey 2006 showed formal financial access increasing from 15% to 32.7% in 2013. The numbers of informal financial access only dropped from 35.3% to 25.4%. The increase in formal financial access has been coupled by innovations in the financial services sector such as agency banking, internet banking and mobile banking that have increased reach of formal financial services to users. Mobile phone financial access was 28% in 2009 to 62% in 2013.
- Correlation between education level and financial inclusion: Financial exclusion decreases with improved levels of education. The survey found that those 82.9% of formal financial access had tertiary education whereas 22.6% of formal financial access had primary education.
- Low use of insurance and pension: pension and mortgage products were used by less than 20% of the adult population.
- Awareness of financial terms: Survey users were aware of financial terms such as budget 86.9% of respondents, insurance 81.4%, cheque 81%, and savings account 76.7%. Financial terms that respondents were least aware of included collateral 20%, mortgage 28% and inflation 33.7%
- Numeracy: the survey showed high numeracy 38.9% of respondents, 28.05% with medium numeracy skills and 33.05% having low numeracy skills. High numeracy skills were recorded in urban areas 47.9% of respondents and lowest numeracy in rural areas 42.5%.
- Consumer protection: highest levels of loss of money were recorded in the informal segment, SACCOs and mobile money transfer. Survey respondents that lost money through mobile money transfer were 8%, however about half 43% got their money back. Unexpected charges were the most complaint lodged in the banking segment.

Following the first FinAccess Survey in 2006, industry stakeholders recognized a lack of basic financial education. FSD Kenya with encouragement of financial industry stakeholders conducted a scoping study on financial sector initiatives in Kenya, "Financial Education in Kenya: Scoping Exercise Report, 2008". The study provided a mapping of financial education programs in Kenya and provided recommendations on how to approach development and coordination of national financial education policies and programs.

A public-private partnership financial education programme (Financial Education and Consumer Protection Partnership – FEPP) was also developed as part of the 2008-2011 FSD financial education programme, to guide development, implementation and coordination of financial education initiatives. They included the five industry regulators, government ministries, education institutions, industry players through associations, and development partners among others. Four pilot initiatives were identified supported by FinEd to examine the applicability and effectiveness of the intended comprehensive nationwide programme. The first pilot programme: the public media programme Makutano Junction, implemented by Media-e; aimed to reach six million Kenyans through broadcast, the initiative surpassed target by over 1.2 million. However, with regard to the attitudes of the viewers only half of the intended target was achieved (10%). The second pilot: The Faulu pilot aimed at Faulu clients and communities in the selected Faulu branches; 48,306 out of the intended 70,000 received training with an average increase in knowledge of above 33% which fell short of the anticipated 50%, 625 trainers were certified exceeding expectations by 125. The third pilot: The Equity Group Foundation pilot aimed at the youth (primarily Kenyatta University students); the targets of the initiative with regard to number of youth reached (8101) and trainers trained (332) was realized. The final pilot: The Plan International programme targeted at Schools. The first two were large programmes and were primarily funded by DFID's Financial Education Fund 346 teachers were trained and certified exceeding the 145 anticipated, 8,000 pupils were also trained, out of the expected 145 only 30 saving accounts were opened. Generally, based on target audience the Equity and public media programme achieved their objectives. In the long run however, the pilot programmes dominated the initiative dwarfing the activities of the FEPP.

FSD financial support for the financial education partnership concluded in 2013. Unfortunately, as a result, the FEPP initiatives and activities regarding financial education and devolvement of financial education strategy have since slowed down. However, a key result of the program was a strong partnership with Kenya Institute of Curriculum Development (KICD) to develop and implement a pilot program for financial education in the school system from Early Childhood Education to Tertiary level. Training manuals have been developed and the curriculum has since been completed and approved by the government. In 2016 a pilot project will be rolled out in 20 schools (12 primaries and 8 high schools) in 8 provincial regions of the country. The financial sector has been identified as a key economic pillar for development and is a priority sector in Vision 2030. Under the Vision 2030, Second Mid-Term Plan 2013-2017 the government has identified development of a policy to guide development of financial education framework.

The majority of the financial education initiatives are implemented by the institutions in the financial sector, the government, private sector, non-governmental organizations as well as other stakeholders. Provided below is an outline of the financial education initiatives identified in the FSD financial education scoping study and other initiatives currently being undertaken by different financial education stakeholders in Kenya. There is no initiatives have been segmented as follows, children, youth, urban adults, rural adults, women and cross-cutting initiatives.

Overview of Financial Initiatives in Kenya

Target Segment	Implementing Organization	Type of Program	Program Description
Rural Adults	Swedish Cooperative Centre (SCC)	Face to face with groups in SACCOs including business and life skills as well as combining with financial services	The Swedish Cooperative Centre (SCC) was founded in 1958 by the Swedish cooperative movement. The overall goal of SCC is poverty alleviation, which is expressed in the organization's vision of "a world free from poverty and injustice". SCC's work mainly focuses on Rural Development, Housing and Habitat, and Financial Services. This is further complemented by a focus on Democratic participation, Gender Equality, Environmental sustainability and HIV/AIDS, all four as cross-cutting issues to SCC's development work. Delivering financial education to SACCO members a primary goal. The expansion of CARE's model for Village Savings and Loan Associations (VSLAs)
Rural Adults	Swedish Cooperative Centre (SCC) and Swiss Contact	Face to face with groups including business and life skills (Village Savings and Loan Associations (VSLAs))	Both organizations have initiated VSLA programs in Kenya. Through its Lake Victoria Development Programme, SCC has fostered the emergence of VSLAs in East Africa that now count 10,000 members, 3,000 of whom are in Kenya. Swiss Contact initiated a VSLA programme in Kisumu (via a contract with CARE Kenya) named "Mavuno" that currently has 16 groups. Swiss Contact has decided to use these savings and loan groups as a platform for financial education. The priority topics are: • •Savings (the value of savings, how to save) • Debt management (when to borrow, how much to borrow, how to use credit to create wealth) • •Understanding financial services (How to choose a financial institution, benefit from bank services; empower clients to enter into contracts with service providers).
Rural Adults	Swiss Contact	Face to face with groups (Villages Savings and Loans Associations) including Community based trainers (CBTs)	In 2006, Swiss Contact introduced the Mavuno Project designed after village savings and lending association and in the same year, the Micro-leasing project was introduced in Kenya in collaboration with K-rep Development Agency. The programme has since grown and to include other projects such as agriculture finance and support forum and the Fanikisha + project. Swisscontact supports the formation and development of community-based savings and loans associations. Mavunos, based on the Swahili word for harvest, are comprised of 20-30 community members that are trained to operate a revolving loan fund supported by member savings.
Youth (College Students)	Nairobi Securities Exchange	Online using Virtual trading simulation platform targeting college students	NSE Investment Challenge. The challenge is an online simulation of live trading at the Nairobi Securities Exchange, where each participating group/individual is given a virtual start-up capital to invest using the NSE real time information for a period of 3 months. The winner is the team/individual with the highest portfolio value. One can participate as an individual or a group of maximum 4 members from the same institution.
Youth (University Students)	Capital Markets Authority	Face to face at formal education institutions	University Investment Challenge, is a knock-off competition that aims at selecting 12 students to participate in the final round at the CMA/ or other venue in Nairobi. The challenges begins with a multiple choice stage, followed by intra-university presentations stage, question and answer stage and finally a presentation as well as question and answer session on the presentation in Nairobi. The winner of the challenge is awarded Ksh 150,000 (US$ 1,500) to invest in shares in the NSE, 3 day visit to another securities exchange

Target Segment	Implementing Organization	Type of Program	Program Description
			in Africa and literature and books on capital markets. The objectives of the challenge are: ▪ To create awareness and increase knowledge about capital markets among the university students as well as the faculty members; ▪ To create momentum and build up towards a National University Challenge involving participating Universities in Kenya; ▪ To increase participation of university students in the capital markets industry by encouraging a culture of saving and investment; ▪ To broaden the country's capital markets investor base by creating awareness among potential investors; ▪ To create a strong link between the Authority and capital markets stakeholders on one hand and the world of the Academia on the other hand.
All	Faida Investment Bank	Television and website	Faida is sponsored the development of a series of short 5-10 minute TV sessions on two local TV stations on 'stock investment tips'. The sessions are targeted to reach a large audience as they are aired during prime time news hours. Faida also features various articles on financial literacy on its website.
All	Mediae	Television	Mediae are an organisation dedicated to improving the livelihoods of large audiences in Africa through the development of educative, entertaining and effective media. Mediae has developed a weekly drama serial "Makutano Junction" that both entertains and educates. Over a 13-week series, the show's storyline weaves together messages that might include health, education, governance, domestic violence and personal finance. At the end of the show, an actor invites anyone who wants more information about the show's content to send an SMS requesting a free brochure. Every week, this appeal yields 2,000-3,000 SMS messages and the producers maintain a data base now containing close to 50,000 entries that can be mined for impact purposes.
All	Daily Nation and Standard Newspapers	Print media	Both The Daily Nation and The Standard, are leading newspapers in Kenya that have weekly pull-out magazines dedicated to financial issues. The Nation's Thursday magazine, entitled 'Money', contains articles and opinion pieces on personal finance. It also has a section on bank rates for their products and services to help people comparison shop.. Similarly, on Mondays, The Standard's pull-out-"Shillings & Sense" features articles on personal finance, financial planning and bank services.
Youth and Women	Equity Group Foundation	Face to face with groups and formal education setting, combined with financial services	Equity Group Foundation and MasterCard Foundation launched the Financial Knowledge for Africa (FIKA program in 2010. The program is to deliver financial education training and financial services to women and youth. The 13 week training program focuses on improving business skills including budgeting, saving, record keeping, proper use of debt and other financial services and business planning.
Urban Adults	Centonomy	Face to face formal education setting	Centonomy offers a Personal Financial Management Course designed from real life scenarios to develop practical personal financial plans and investment strategies. The course is covered in 11 weeks and has 11 modules. Centonomy also offers personalized training sessions to corporate clients and investment clubs, as well as participating in various speaking engagements.
Youth	Green Forest Social Investment Trust	Face to face with youth groups	Social and financial education program for youths/ teenagers, where participants acquire life skills and financial competency. Program goals range from personal

Target Segment	Implementing Organization	Type of Program	Program Description
			development of rights and responsibilities to financial literacy to endorsing sustainable livelihoods through entrepreneurial projects. The program targets both youth through youth groups and school-based clubs. (http://childfinanceinternational.org/component/mtree/government-representatives/africa-programs/kenya-programs/youth-social-and-economic-empowerment-project) (January 2016)
Youth	Street Kids International	Face to face trainer of trainer program including business and life skills	The Street Work program comprises trainings in our Street Business, Street Banking, Practice Business and Mentorship trainings for street involved and marginalized young people. The trainings use low literacy, participatory approaches to engage young people and are delivered using a Training of Trainers model.
Youth	Save the Children	Face to face combined with financial services.	Project dedicated to developing and testing savings products accessible to low-income youth
Children & Youth (Schools)	Kenya Institute of Curriculum Development (KICD)	Face to face (formal education)	Kenya Institute of Curriculum Development (KICD) is developing and implementing a pilot program for financial education in the school system from Early Childhood Education to Tertiary level. Training manuals have been developed and the curriculum has since been completed and approved by the government. In 2016 a pilot project will be rolled out in 20 schools (12 primary and 8 high schools) in 8 provincial regions of the country.

Source: SMC Consultant Interviews 2015, Financial Education in Kenya, 2008 – FSDK

Rwanda

The financial services sector in Rwanda has been undergoing significant reforms in the past decade improving market fundamentals, legal and regulatory frameworks to improve market access and increase investment opportunities. The government has an overarching program for financial sector growth, Rwanda: Financial Sector Development Program II and has also developed Rwanda Financial Sector Strategy 2013-2018 and National Financial Education Strategy 2013. These strategies have components of financial education and literacy activities and are in various stages of implementation.

The National Financial Education Strategy for Rwanda 2013 was developed by the Ministry of Finance and Economic Planning (MINECOFIN) with collaboration of the National Bank of Rwanda (BNR). The national financial education strategy includes various stakeholders in the industry and is the main blueprint for improving and coordinating efforts in financial literacy. The implementation of the financial education strategy is embedded in the broader government national financial inclusion agenda i.e. "increasing Rwandans' access and informed use of financial services".

The NFES was informed by findings from national financial surveys such as FinCap 2012 and FinScope 2012, input from industry stakeholders and international best practise. The main findings regarding financial education in Rwanda were identified in the Financial Capability Survey (FinCap) 2012. These included numerical capability cash flow management, financial planning and financial services usage. According to the survey findings:-

- Half of Rwandans have a challenge with basic numeracy i.e. questions relating to addition, subtraction, multiplication and division were answered correctly by half of survey respondents.
- Cash flow management is a challenge as most Rwandans do not track their expenses and less than half budget.
- Most Rwandans often run short of money and rely on store credit or support from family and friends. Financial planning is recognized as important by Rwandans however more than half do not know how to develop a plan.
- Furthermore, there is a low saving culture and lack of planning/ saving for emergencies.
- Knowledge of debt management is a challenge to many Rwandans.
- Also appropriate use of different financial products in the market is low and half of survey respondents invest in the form of non-financial assets (livestock or real estate).

The strategy implementation is along four segments children, youth, urban adults and rural adults, gender and staff of financial institutions. Priority segments are Youth (14-35) and rural adults (36-65). This is in-line with the country's demographics that reveal majority of the population reside in rural areas and approximately 80% of the population are under the age of 35 years. Objectives of each segment, financial education topic and delivery channels are provided in following table:

Segment	Objectives	Financial Education topics	Delivery Channels
Children	Provide children with a strong foundation for responsible money management by developing good planning and saving habits	▪ Understanding money ▪ Financial planning ▪ Saving ▪ Understanding Financial services providers and how they operate ▪ Source of financial information	▪ Schools ▪ After-school programs ▪ Non-formal education initiatives ▪ Organize school debates ▪ Organize essay writing competition
Youth	Provide youth with the knowledge, skills and confidence to prepare financially for life cycle events, such as entering the work force, and take charge of managing their own finances	▪ Career planning ▪ Saving ▪ Budgeting ▪ Debt management ▪ Financial services (informal and formal) ▪ Banking technology (mobile banking) ▪ Risk management ▪ Consumer rights & responsibilities ▪ Financial negotiations ▪ Investing	▪ Secondary schools Technical or vocational schools, e.g. TVET program ▪ Universities ▪ Clubs ▪ Entrepreneurship/job skills programs ▪ Health trainings ▪ Literacy programs ▪ Radio ▪ Print publications ▪ Billboards ▪ Video ▪ Mobile phones ▪ Umuganda
Urban Adults	Provide urban adults with higher incomes and more education additional knowledge and skills to best take advantage of advanced financial products and partake in higher levels	▪ Budgeting ▪ Savings ▪ Debt Management ▪ Financial Services ▪ Financial Negotiations ▪ Risk Management & Insurance ▪ Remittances	▪ Radio ▪ TV ▪ Trainings and meetings ▪ Government-led local meetings ▪ Technology

Segment	Objectives	Financial Education- topics	Delivery Channels
	of financial planning	▪ Banking technology (mobile money, ATMs, credit cards, etc.) ▪ Pensions and Social Security	
Rural Adults	Provide rural adults with basic education on budgeting, savings, debt management and financial services information in order to increase financial capability and increase financial inclusion.	▪ Budgeting ▪ Savings ▪ Debt Management ▪ Financial Services ▪ Financial Negotiations ▪ Remittances	▪ Trainings and meetings ▪ Radio ▪ Umuganda ▪ Mobile devices
Women	Provide women with basic financial management and services training in order to close the knowledge gap between them and their male counterparts.	▪ Budgeting ▪ Savings ▪ Debt Management ▪ Planning for the Future ▪ Financial Services ▪ Mobile Money ▪ Shares/stocks/bonds/capital markets	▪ Trainings and meetings ▪ Radio
Staff of Financial Institutions	Ensure that front line staff of financial service providers are knowledgeable about their financial products, successful money management habits, and facilitating effective learning among clients.	▪ Bank Services ▪ Financial Products ▪ Financial Negotiations ▪ Consumer Protection ▪ Training Techniques	▪ Associations ▪ Outside capacity building organizations ▪ BNR ▪ Educational Institutions

Source: National Financial Strategy for Rwanda, 2013

The lead government agency in charge of implementing the NFES is the Ministry of Finance and Economic Planning (MINECOFIN), Financial Sector Development Department. This department within MINECOFIN chairs the financial sector working group that is responsible for overall coordination of the NFES.

The financial sector working group is comprised of representatives of the National Bank of Rwanda (BNR), Capital Markets Authority (CMA), financial institutions associations and related organizations, and development partners. Also a Financial Inclusion M&E has been established to monitor on-going financial education activities. Financial education initiatives under the NFES currently in various stages of implementation by various sub-sector actors include:

- Direct Access to Finance Forums have been established in every district to coordinate financial education activities. The forums are led by district's mayor in charge of financial activities. A village savings and loans curriculum has been developed for household financial education that has scripts and animation to assist in trainings. The forums are being piloted by NGOs that promote savings groups. The pilot will be implemented over a period of one year before scaling up to all districts in the country.
- The Rwanda Institute of Cooperatives, Entrepreneurship and Microfinance has been established to train the public on financial education. Training courses are in currently under development.
- BNR has been building capacity on consumer protection following in-depth review on consumer protection undertaken by the World Bank. BNR is working to ensure full disclosure of financial

institution terms and conditions of products and services to consumers, as well as strengthening the ombudsman system.

- Savings clubs have been introduced in schools where students are taught basic financial concepts such as account opening, importance of saving, proper use of credit, interest rates among other topics. AIESEC and Child Youth Finance International (CYFI) are also working to introduce School-bank project in Rwanda. As well activities for annually celebrating world savings week and global money have been organized.
- Radio messages concerning financial education that are delivered in the form of entertainment drama have been developed for the Urunana Radio Program. The Urunana radio program is broadcasted in Kirundi and reaches over 70% of the population. Other radio programs on financial education have also been developed and are being implemented by Global Communities' Ejo Heza Radio and world Savings Day.

Provided below is a comprehensive outline of the financial education initiatives undertaken by different financial education stakeholders in Rwanda, structured by the segments outlined in the NFES i.e. Children, Youth, Urban Adults, Rural Adults, Women, Staff of Financial Institutions, Church based organizations and ALL (cross-cutting financial education initiatives).

Overview of Financial Education Initiatives in Rwanda

Target Segment	Implementing Organization	Type of Program	Program Description
Children & Youth	The Girl Hub: 12+ Program (Nike Foundation & DFID)	Face to face with girls' clubs	12+ Program is a mentorship and safe space program designed by Girl Hub for girls aged 10-12. It is created to ensure girls are informed decision makers during the difficult transition into puberty. The weekly curriculum is focused on building their assets and confidence in three core areas: sexual and reproductive health, managing violence, and financial literacy. The program is now funded by DFID Rwanda and managed through Rwanda's Ministry of Health. The program is being implemented through three NGOs and it is expected to reach 12,000 girls. See more at: http://www.girleffect.org/the-girl-effect-in-action/girl-hub/rwanda/
	Care International FINAG, KGAS	Faces to face with savings groups	Keeping Girls At School (KGAS), overall objective of the project is to keep girls in school, and support girls to complete school and transition from lower to upper secondary. The project's outputs are as follows: (i) Girls clubs established, providing opportunities for girls to learn social skills and become more confident; (ii) Teachers trained as psychosocial mentors, providing opportunities for girls to discuss difficult issues, in particular issues affecting their emotional wellbeing; (iii) VSL activities supported, providing opportunities for girls to learn financial management skills and engage in savings, loans and Income Generating Activities, and; (iv) Community Score Card approach adopted, allowing girls to raise concerns and influence decisions affecting their education experience See more at: http://www.mineduc.gov.rw/innovation/spip.php?article383
	US Peace Corps & Global Communities	Faces to face in schools.	US Peace Corps Volunteers (PCV), with the support of Global Communities' Ejo Heza, created the curriculum and manage the logistics of administer a Community Finance Initiative (CFI) 16-week 4 module program course in financial literacy throughout Rwanda. The US Peace Corp Volunteers (PCV) have currently

Target Segment	Implementing Organization	Type of Program	Program Description
			been able to reach to reach around 700 community members in 28 PCV sites. CFI, at its current pace, is expected to reach over 10,000 individuals. Over 20 PCVs will be assisting in the four phase program focusing on financial literacy, budgeting skills, business and management skills, and the development of an income-generating project. See more at: http://rwanda.peacecorps.gov/content/pcvs-work
	Technoserve STRYDE	face to face with business skills and savings groups	In 2011, TechnoServe and The MasterCard Foundation partnered to help rural young women and men in East Africa transition to economic independence through the Strengthening Rural Youth Development through Enterprise (STRYDE) program. In the first phase of the program, STRYDE delivered a comprehensive package of services including skills training, business development and mentoring to young people ages 18 to 30 in Kenya, Rwanda and Uganda. It aimed to equip 15,000 rural youth by 2015 with the skills and knowledge necessary to capitalize on economic opportunities and increase their incomes, with the ripple effects benefiting more than 67,000 family members. See more at: http://www.technoserve.org/our-work/projects/stryde#sthash.2OR7C7YZ.dpuf
	AKAZI KANOZE (EDC)	face to face in TVET schools	Launched in 2009, Akazi Kanoze (AK) is funded by USAID and is implemented by the Education Development Center Inc. (EDC) The program works in collaboration with multiple local and international partners that are spread out across Rwanda. AK's work readiness/soft skills training program is targeted to Rwandan youth aged 14-24. In rural areas, however, the program caters to participants as old as 35 years of age. Program participants range from youth that have dropped out of school as early as grade four to university graduates. AK provides Rwandan youth with hands-on work readiness and entrepreneurship soft skills, short term vocational skills training and linkages into the job market. The program utilizes the Rwandan Youth Work Readiness Curriculum which comprises of eight modules in personal development, communication, work habits, leadership and financial and market literacy among others. The curriculum is designed to educate youth with foundational skills and knowledge which will enable them to become healthy productive workers and participants in civic and community affairs. The work readiness training course typically lasts for about 100 hours, complemented by 35 hours of entrepreneurship training. The program curriculum is flexible enough to cater to varying knowledge and skill levels of participants. In addition to increasing youth access to employment and self-employment opportunities, AK also seeks to build capacity of local organizations that are working towards youth workforce development and to contribute to implementing national policies in this area. The program is committed to creating and sustaining collaborations between local government institutions, donors, NGOs, education and training providers and the private sector. See more at: http://www.educationinnovations.org/program/akazi-kanoze#sthash.D3Aw4Mpj.dpuf
	SBFIC & AMIR - Savings Products and Financial Education for Youth	face to face in schools	Since 2010, the Association of Microfinance institutions in Rwanda (AMIR) and German Savings Banks Foundation for International Cooperation (SBFIC) partnered on a project to encourage savings. The three tier program targets school teachers, parents and children. The financial education project educates students at primary level to learn the culture of saving

Target Segment	Implementing Organization	Type of Program	Program Description
			while they are still young. It demonstrates advantages of saving from childhood, changing children's attitudes toward saving and also gives basic financial education to the groups. According to the program, children save once a week. Microfinance employees pick up the savings and deposit them to the accounts opened up by school directors but they are overseen by a management committee composed of teachers and pupils. This project now totals 21,164 children at school age, who have embraced the culture of saving, are linked to microfinance institutions-members of AMIR in Rwanda and have mobilized more than 60 million Rwandan francs of savings.
	Aflatoun and AMIR	face to face in schools	The Association of Microfinance Institutions in Rwanda (AMIR), the umbrella organization for Rwandan microfinance institutions (MFIs) and related organizations, have partnered with Child Savings International (referred to as Aflatoun), a Netherlands-based non-profit, and the United Kingdom's Department for International Development (DFID) to launch an educational program in Rwanda that will teach entrepreneurial, savings and financial skills to youth. The program worked with approximately 100 schools and trained over 500 teachers around the country, and allowed participating students to open savings accounts with Rwandan MFIs to learn about business and finance in practice. The program offered financial education courses in savings clubs at schools, during extracurricular activities and at home on weekends and school holidays. About the Association of Microfinance Institutions in Rwanda (AMIR) The Association of Microfinance Institutions in Rwanda (AMIR) is an organization that was established in 2007 to build the capacity of the microfinance industry in Rwanda. As of July 2013, AMIR consists of 62 active members. About Child Savings International (Aflatoun) Established in 1991 in Mumbai, India, Child Savings International (referred to as Aflatoun) is a Netherlands-based non-profit that aims to teach children in developing countries entrepreneurial, savings and financial skills. Aflatoun has operations in 94 countries as of January 2013, partnerships with approximately 8,400 schools and non-formal education centres as of December 2010 and has reached approximately 1.3 million children as of June 2012. See more at: http://www.microcapital.org/microcapital-brief-association-of-microfinance-institutions-in-rwanda-amir-child-savings-international-aflatoun-united-kingdoms-department-for-international-development-inaugurate-yout/ http://www.aflatoun.org/docs/default-source/partner--evaluation/rwanda-amir-aflatoun-rct-results-social-financial-education-brief-2015.pdf?sfvrsn=6
	UMUTANGUHA Finance Ltd. YouthStart	face to face combined with formal financial services	Umutanguha Finance Ltd has been engaged in microfinance since 2004. Umutanguha provides financial services to over 58,000 clients predominantly (80% July 2013) women and Youth. As at August 31, 2013, 19,800 Youth clients in the age bracket of 12-24 and 29,000 24-35 years are being served. The loan portfolio was over USD 2,000,000 (RWF 1.3 billion) and savings deposits USD 1,091,000 (RWF 712 million). Varied products tailored to meet the financial needs of the unbanked poor both in urban and rural areas of the country with a focus on Youth and Women are provided.

Target Segment	Implementing Organization	Type of Program	Program Description
			The company provides Savings products including, Current passbook accounts, Fixed deposit, Purpose Saving plans accounts, Youth Demand accounts; and Purpose Saving for specific project such as building a house, buying a car, starting a business, etc. Loan products include solidarity group loans mainly through VSLAs; different kinds of Business loans; Agriculture loan; Youth Business Loans and Micro-Leasing. In partnership with UNCDF under the YouthStart and UNCDF/UNDP BIFSIR Programs, focus has been on Youth under the age of 25 as well as unbanked Youth in the age of 25-35 years largely in rural areas. http://www.ufinance.co.rw/microfinance.html
	MINECOFIN & REB	face to face education embedded in the National Curriculum	FE is being included in schools by MINECOFIN and REB as a National Strategy priority. The United Nations agreement to include FE in school curricula and the current complicated financial landscape in Rwanda requires the population to understand the benefits and risks associated with money; develop personal resilience and ability to take personal responsibility to increase participation and access to financial markets and meet national development goals. FE is cross cutting and is not a subject on its own. FE links well with a range of subjects and strengthens them. FE can only work well if it is planned throughout the curriculum. There are 32 places where FE is to be found in the new competency-based curriculum. As well Scope and Sequence chart has been developed as an educational framework in the new FE curriculum which shows clearly what should be taught in which subject and at which age. There are 7 FE subjects in Primary (Pre-primary, Mathematics, Social Studies) and Secondary (Mathematics, Entrepreneurship, Economics, General Studies and ICT) Four core areas of FE training are covered i.e. How to manage money, Becoming a critical consumer, Managing risk and emotion and Understand the important role money plays in our lives. See more at: http://www.minecofin.gov.rw/ and http://reb.rw/
	FHI 360 - ROADS III for Youth and OVCs	face to face with business skills and savings groups	FHI 360 works in the United States and throughout the world mainly in health services, HIV/AIDS programs. Along health programs education and economic development (business skills) are also included to increase productivity, employment and household incomes. FHI 360 works in post conflict areas and mainly targets women and youth in rural areas See more at: http://www.fhi360.org/
Urban Adults	FHI 360 - ROADS III	face to face with business skills and savings groups	
Rural Adults	Global Communities	face to face with savings groups, health and nutrition	Global Communities is implementing the USAID Ejo Heza program ("brighter future") which aims to improve the livelihoods and food consumption of 75,000 of Rwanda's very poor, particularly women. USAID Ejo Heza helps by building the capacity of low-income households to access financial services and necessary to grow their enterprises while assisting financial service providers to develop and deliver effective products to the rural market. The program also supports financial literacy, integrates nutrition messaging and promotes kitchen gardening. See more at: See more at: http://www.globalcommunities.org/factsheets/ejo-heza-1pager_020514.pdf

Target Segment	Implementing Organization	Type of Program	Program Description
Women	Women for Women International	12 month face to face training, includes business and life skills	Women for Women International (WfWI) is a non-profit humanitarian organization that provides practical and moral support to women survivors of war. WfWI helps such women rebuild their lives after war's devastation through a year-long tiered program that begins with direct financial aid and emotional counselling and includes life skills (e.g., literacy, numeracy) training if necessary, rights awareness education, health education, job skills training and small business development. Since then, more than 66,000 Rwandan women have gained new job skills, knowledge about health and wellness and learned how to be decision-makers in their families and communities through our training program. See more at: http://www.womenforwomen.org/what-we-do/countries/rwanda
Church Members/ Faith-based organizati ons	Hope International	Chalmers's Curriculum, face to face with savings groups	In partnership with Urwego Opportunity Bank, Hope International is reaching over 175,000 Rwandan borrowers and savers with traditional microfinance services. Clients begin borrowing in community banks of roughly 30 members. When a client has successfully completed four loan cycles, he/she is eligible to join a smaller group and receive a larger loan. In addition to working with Urwego, Hope International established HOPE Rwanda in partnership with several local denominational partners to provide savings services to those who do not have access to traditional banks and may not yet be ready for small loans. The savings groups are well-suited to rural areas and underserved communities. The program has 590 staff, 550 facilitators and provides services to 223,828 clients (64% female) and 10,947 savings groups. The average savings per member is $32.74 and total savings is $ 7,328,188 as at September 2014. See more at: http://www.hopeinternational.org/where-we work/countries/rwanda.html?referrer=https://www.google.com
	World Relief	Faces to face with savings groups	World Relief Savings for Life program provides local churches with the skills and tools to deliver basic financial services and education to Rwanda's poorest and provides access to savings and loans possible. World Relief trains church volunteers who, in turn, train savings and credit groups in the communities. Special emphasis is placed on savings mobilization methods, Biblical stewardship, financial integrity, overcoming poverty, effective asset use and group government and management. World Relief has been implementing Savings for Life in Rwanda since 2010. There are currently 682 groups and 14,535 members across four districts. See more at: http://worldreliefresponds.com/savings-for-life%E2%84%A2-empowering-the-poor-in-rwanda/
	Urwego Opportunity Bank	face to face -combined with formal financial services	Urwego, founded by World Relief Rwanda in 1997, as a microfinance institution (MFI) in Rwanda. Since 2004 Urwego had been operating as an independent and regulated MFI in the country with branches in Kigali and in the provinces. Urwego Opportunity Bank of Rwanda, SA (Urwego), was created in July 2007, as a result of a merger between Urwego Community Banking SA (Urwego), and Opportunity International Bank of Rwanda SA(OIBR). UOB reaches its clients through 36 outlets, branches and credit offices scattered throughout the country. The institution offers different types of loans, including community loans, solidarity group loans, micro business loans, agriculture loans, motorcycles

Target Segment	Implementing Organization	Type of Program	Program Description
			loans; school tuition loans among others. Urwego also provides training services to its microfinance clients in business management, household financial management and health management. The courses include modules on how clients can manage money, increase their profits, network and share business knowledge, prevent the spread of HIV/AIDS. See more at: www.http://opportunity.net/rwanda/
	Action Aid & Faith Victory Association	face to face	Faith Victory Association (FVA) in partnership with Action Aid International Rwanda (AAIR) has initiated trainings aimed at providing rural residents with financial education. See more at: http://faith-victory.org/
ALL	Urunana Radio Program, broadcasted in Kirundi	Radio	Urunana ('Hand in Hand') is Rwanda's first radio soap opera. The production emerged during the late 1990s from a three-way transnational production partnership between: The Great Lakes section of the BBC World Service; the Well Woman Media Project of the London-based NGO, Health Unlimited; and a group of dramatists and broadcasters working in Rwanda. Broadcast by the BBC World Service, the production is produced by the Urunana Development Communication. The program is estimated to be regularly listened to by almost 70 per cent of Rwandans. The drama challenges religious, clan, gender, ethnic and class divisions and enables listeners to 'tell themselves stories about themselves'. Through everyday discussions of the drama, it is hoped that audiences arrive at a better understanding their personal lives and find ways of tackling the social, health and financial problems that they face. See more at: www.urunanadc.org/
	Global Communities' Ejo Heza Radio	Radio	Global Communities (formerly CHF International) is an international non-profit organization that works closely with communities worldwide to bring about sustainable changes that improve the lives and livelihoods of the vulnerable. The USAID Integrated Improved Livelihoods Program (ILLP), commonly known as "Ejo Heza", is an integrated development program that focuses on four main areas: improving adult literacy, providing access to financial services, increasing agricultural production and improved health and nutrition. See more at: http://www.globalcommunities.org/factsheets/ejo-heza-1pager_020514.pdf
	World Savings Day Programs	Radio	The World Savings Day was commemorated for the first time in Rwanda on 31st October 2009. The annual World Savings Day is incorporated in a week of savings initiatives and activates that include awareness campaigns, talk shows interviews with stakeholders and the public, as well as radio financial literacy programs among others. See more at: http://www.minecofin.gov.rw/index.php?id=119&tx_ttnews%5Btt_news%5D=118&cHash=267ce9dd20572b14fc6448a4a4d0a44c

Source: SMC Consultant Interviews 2015, MINECOFIN

Tanzania

The Tanzanian economy has experienced steady growth in the last decade due to economic reforms and liberalization, and the financial sector has shown substantial growth and development. Tanzanian stakeholders in both the private and public sector partnered in order to ensure the development and maintenance of a proficient financial sector in the country, favourable to both individuals and enterprises. The stakeholders that come together to achieve this objective comprise of the Financial Sector Deepening Trust (FSDT), the Banking Sector: Predominantly BoT, Various ministries including Finance, Agriculture, Education, Youth, Labour and Employment, the Capital Markets and Securities Authority, the Tanzania Insurance Regulatory Authority, as well as the Registrar of Cooperatives. In consultation and input from industry stakeholders the Tanzania Financial Inclusion Framework 2014 – 2016 was developed. The Financial Inclusion Framework identified at meso-level, low financial capability as a barrier of access to financial services. Informed and protected consumers were prioritized as a core enabler to financial inclusion. To address this enabler financial institution regulators have been tasked to implement financial literacy and consumer protection initiatives that are included in the implementation plan. Also developed in 2010 was Framework for Financial Education in Tanzania that outlined implementation of financial education and literacy in Tanzania. The Financial Education framework is currently under review, such that the document can be aligned to the overarching Financial Inclusion framework.

The Tanzanian Financial sector formulated a financial education draft framework in 2009-2010 and approved by the government in 2011. The preliminary responsibility of the framework was to establish and prioritize financial education goals and plans, determine the current state of financial education in Tanzania, develop monitoring and evaluation and ultimately lead to the national enhancement of financial literacy levels in the county. The financial education initiative was spearheaded by Bank of Tanzania (BoT) and backed by the Financial Sector Deepening Trust (FSDT). The main channels and priority market segments identified in the 2009-2010 financial education draft framework include: the introduction of financial education into the school curricula including the establishment of class based initiatives in all levels of education, financial education in religious based organization, at the education level among others. These initiatives apply to and are cultured specifically for the various demographic subgroups in the country. The segments that have been established in the financial education framework include, public media campaigns, formal market, emerging markets (adult), emerging markets (youth and young adult), youth in education system (school going), young adults at tertiary institutions and trainer of trainers, CBO, NGO and policy makers.

The financial education framework was informed by the 2006 and 2009 FinScope survey and identified the channels through which financial education can be achieved in Tanzania coupled with market segments and interest groups. Some of the gaps in financial literacy identified in the country based on the 2009 and 2013 FinScope as well as 2013 FinCap survey include:

- High levels of financial exclusion: The level of financial exclusion was almost evenly distributed by gender in 2009, however, as of 2013; survey results indicate that the female population was more excluded than the male population 31.6% and 22.7% respectively. Moreover, 2009 survey results indicated that only 9% of the adult population had bank accounts. 83% of the excluded live in the rural areas, while 48.1% were under the age of 30. Those excluded from the usage of financial services and products decreased according to the Finscope survey from 66.4% in 2009 to 27.4% in 2013.

- Poor saving culture: The proportion of the population that save formally increased from 11.8% in 2009 to 30.4% in 2013. Despite the increase this number is still on the lower end. The number of those who do not save 41.4% in 2009 increased slightly to 43.4% in 2013. The number that does not save 29.6% in 2009 and decreased to 12.2% in 2013.
- Barriers to banking: 29.6% of the population surveyed do not have sufficient money to justify banking while 21% cannot maintain minimum balance
- Weak numeracy_skills: The respondents had low numeracy skills, which constitute addition, subtraction, division and multiplication.
- 68% and 35% of the population are not confident at all dealing with financial services providers and making financial decisions respectively.
- Low insurance uptake: the level of utilization of insurance products and services increased from 6.3% in 2009 to 13.0% in 2013, however, the level of utilization is still low.
- The usage of financial products: 16.8% of respondent's utilized financial products in 2009 the proportion increased to 66.8% in 2013.

The implementation of the financial 2009-2010 education draft framework was delayed due to alignment of the financial education framework to the overarching financial inclusion framework and the progress of establishing a coordinating body, a financial education secretariat, responsible for coordination of various stakeholders and implementation of the framework. The implementation of the financial education activities will be tasked to a Board comprising a public-private-sector partnership (PPP), with a permanent secretariat (the financial education secretariat) facilitated by BoT. Progress in the establishment of the institutional mechanisms and the implementation of the strategy has been relatively limited. Nevertheless, some aspects of the strategy are being implemented by stakeholders in the public and private sectors.

An initiative was established in 2008 to ensure increased financial awareness and improved livelihood of the rural population of Tanzania. The initiative was facilitated by BoT and supported by FSDT. One of the primary channels utilized was the SACCOS. The initiative aimed to achieve its objective through strengthening the position of SACCOS as community and savings-based institutions as well as provision of support to rural individuals and their micro, small and medium enterprises. Financial education programmes in Tanzania as of 2010 included capacity building and training programmes that include aspects of financial education for SACCOs, VSLAs/VICOBAs and MSMEs. The Rural financial systems development financed by IFAD and AGRA involve financial literacy development and implementation under knowledge management in the initiative by the FSDT following the BoT Financial Education Framework.

The Marketing Infrastructure, Value Addition and Rural Finance Support Programme (MIVARF) Programme in Tanzania, will include financial education initiatives in line with the FSDT and BoT objectives for financial literacy and consumer protection. The FSDT will implement undertakings to promote financial literacy, conditioned to the establishment of an agreement between the stakeholders BoT, FSDT and the programme coordination team (PCT) on the different facets of the collaboration and implementation of the initiative. The initiative also aims to incorporate cooperation from the banking sector and the financial community especially in the rural areas.

The financial education framework Tanzania identified segments of the population, the prominent financial education topics for each segment and the delivery mechanisms. An overview of financial education initiatives in Tanzania have been highlighted in the table below: -

Overview of Financial Education Initiatives in Tanzania

Target Segment	Implementing Organization	Type of Program	Program Description
Sacco's	Financial Sector Deepening Trust	▪ Presentations ▪ Trainings face to face using the Saccos ▪ Youth Clubs and Associations	CRDB Sacco's Capacity Building The objective of the project was to strengthen CRDB Bank's partner SACCOs to increase their outreach. This involved the establishment of new SACCOs as well as working with existing SACCOs mainly in rural areas. The support helped identify areas of economic potential with contracted crops such as sugar, rice, coffee, tea and tobacco. FSDT support allowed CRDB to: • Sensitize government officials and villagers/ farmers to introduce the benefits of SACCOs and the increased economic activity they will bring to the area • Identify possible cooperating SACCOs already in existence or form new SACCOs • Identify potential leaders of SACCOs and train them to operate SACCOs in a transparent and open manner to benefit members
All	Alliance for a Green Revolution in Africa (AGRA) and Financial Sector Deepening Trust	▪ Face to face training with the members. ▪ Newspapers ▪ Television ▪ Radio	NMB AGRO-Dealers Guarantee Scheme objective was to enable agro-dealers have access to finance, so as to ensure timely cash flow to facilitate the stocking of sufficient supplies of inputs for smallholder poor farmers in Tanzania. FSDT support allowed NMB to : • Extend credit facilities to agro-dealers based on the NMB's lending policies and procedures for overdraft facilities • Facilitate comprehensive training from Citizen Network for Foreign Affairs (CNFA) on business management to all agro dealers operating in the approved districts
Microfinance	Tanzania association OF Microfinance institutions (TAMFI) and Financial Sector Deepening Trust	▪ Face to face training with the members. ▪ Training through the Community Based Savings Groups.	FSDT support allowed TAMFI to: • Establish communication structure with quarterly newsletters, members' directory and annual association reports • Facilitate TAMFI's publicity and sensitization of members • Develop membership mobilization strategy • Develop guidelines for establishing and running of TAMFI's regional activities The project aimed at enhancing and strengthening the capacity of TAMFI to deliver services to members; and to act as a forum to address mutual interests and to develop micro-finance institutions in Tanzania. FSDT supported TAMFI to increase stakeholder engagement for the sector in terms of regulatory environment, support functions and coordination.

Target Segment	Implementing Organization	Type of Program	Program Description
Microfinance	Financial Sector Deepening Trust	▪ Face to face training with the members.	(SME Innovation Challenge FUND) The process followed by FSDT is: • Concept Notes are screened and reviewed by an independent review panel. Shortlisted applicants craft full project proposals. The full proposals are again reviewed by the panellists and winners selected on merit • Winners sign grant agreements with FSDT and disbursements are made according to and agreed schedule. FSDT monitors the winning projects for up to two years. The Innovation Challenge Fund was officially launched in June 2011. The fund is planned for several rounds, and two rounds have been completed. The objective is to explore and showcase innovative ideas from the SME finance industry. The winning proposals and sponsors are provided funding support to further develop their ideas.
Microfinance	Financial Sector Deepening Trust and National Microfinance Bank Plc (NMB)	3 Face to face training with the members. 4 Geospatial (GIS) Mapping of Cash Outlets, Mobile phones.	(NMB Mobile Banking) To support NMB improve its banking convenience, by providing a faster, flexible and affordable channel to un-banked Tanzanians and bank clients. FSDT support contributed to NMB's launch activities which included: • Procurement of software for the platform • Marketing campaign • Establishment of the Central Help Desk – Technical Assistance (TA) from Rabobank – Rollout of the operations of the platform – Introduction of different products to the platform. These included Mini-statements, Airtime services and Money Transfer service.
All	Financial Sector Deepening Trust	▪ Face to face training with the members. ▪ Field visits by the funding partners.	BRAC was founded in Bangladesh and is a global leader in creating opportunity for the world's poor. Organizing the poor using communities' own human and material resources, BRAC catalyses lasting change. The objective of the project was to support BRAC to pilot and scale up its microfinance model providing microloans to women clients in Tanzania. In Tanzania, BRAC applied a similar concept used in Bangladesh, including two basic micro-credit products, but with modifications to suit the local market.
Informal Sector	Financial Sector Deepening Trust	3 Trainings conducted by use of Village Savings and Loan Associations. 4 Face to face training with the members.	(CARE Ongeza Akiba Project)FSDT provided support to CARE Tanzania for the Ongeza Akiba project. The aim was to introduce the VSLA methodology in 40 districts during a 44 year period from 15th April, 2008 to 31st December, 2011. The objective of the project was bringing financial services to the informal financial sector using the Village Savings and Loan Association methodology. This methodology has demonstrated success for facilitating financial services to the rural poor.
Women	Financial Sector Deepening Trust and Sero Business Associates and the Grassroots Business Fund (GBF)	▪ Face to face trainings. ▪ Use of trainers.	SELFINA is the only entity in Tanzania that offers micro leasing products to its clients, who are mainly women. A Micro leasing model is a very effective way to reach the rural poor, since it offers small businesses a way into obtaining productive assets for their businesses, without traditional collateral. The objective of the project was to empower women by supporting their efforts in enterprise development through expanding their access to productive assets through micro leases. Other partners in the project were Sero Business Associates and the Grassroots Business Fund (GBF). FSDT provided a guarantee to

Target Segment	Implementing Organization	Type of Program	Program Description
			Bank of Africa Tanzania Ltd (BOA) for SELFINA to access a loan facility in order to grow its micro leases portfolio and outreach. The loan facility allowed SELFINA to: • Train women clients in business management skills, life skills, and control • Develop new products • Improve its MIS systems • Strengthen management capabilities to manage a growing business

Source: SMC Consultant Interviews 2015, Financial Sector Deepening Tanzania, 2015

Uganda

The Bank of Uganda (BOU) is the lead government agency developing the country's overall national financial inclusion strategy. The strategy for financial literacy in Uganda was developed by BOU in partnership with industry stakeholders. The strategy is built around four pillars, i.) Financial literacy (ii) Consumer protection, (iii) Financial innovations and (iv) Financial services data and management. Each pillar has a sub-committee drawn for BOU and GIZ that is responsible for coordination and implementation of the planned activities within the strategy.

The national financial literacy strategy aims at improving knowledge and skill of consumers to manage finances well-being, including budgeting, debt management, financial planning, ability to choose optimal financial products to suit ones needs and avoid frauds and scams as well as being aware of consumer rights. The overall goals of the strategy are to:

- improve the ability of the population to manage their personal finances well;
- help equip people to protect themselves against fraud;
- make cost-effective use of resources which can be used to strengthen financial literacy;
- promote increases in the number, and improvements in the quality, of initiatives to strengthen financial literacy; and
- facilitate effective co-ordination and knowledge-sharing between organisations and individuals who are working to improve financial literacy.

The national financial literacy strategy is informed by findings of FinScope Surveys that identified the following gaps in financial education and financial inclusion. Current FinScope survey highlights the following:

- Low levels of financial inclusion: Uganda FinScope Survey 2013 showed that 20% of the population use formal financial services, 34% use SACCOs and MFIs, 31% use only informal financial services and 15% do not use any form of financial services. There has been significant uptake of non-formal bank services as only 7% used SACCOs and MFIs in 2009, this has increase significantly to 34% in 2013. The most common barrier cited as to not having a bank account was low income, 47%
- Low levels of personal savings and investments: there is a lack of a culture of saving through formal financial services providers. The FinScope 2013 survey showed that 68% of Ugandans are currently saving. However, saving in formal financial institutions remains low, 19%. A significant portion of Ugandans, 41% save their money in "a secret place". Common reasons for savings are not investments but for emergencies or household needs.
- Low use of insurance and pension: FinScope survey 2013 showed that 55% of the population do not know about insurance or how it works. Only 2% of financial services consumers in Uganda use formal insurance products, 43% have informal insurance products and 65% do not use any insurance product. Majority of Ugandans 43% are not taking action with respect to saving for retirement.

- Low rate of financial literacy: low level of understanding of financial terms, 49% could not fully understand issues concerning interest rates, discount rates 45% and money lending 59%. Majority of the adult population, 53%, receives their financial information through the radio.

Prior to the development of a national financial education strategy, efforts at financial education were fragmented, project based, largely donor driven and difficult to scale. The strategy provides coordination and strategic thrust to achieve the above mention goals. The strategy takes cognizance of Uganda's demographics and population distribution is implemented along five priority activity strands i.e. schools, youth, rural outreach, work-place and media. The following table shows summary of priority activities for each segment.

Strands	Summary of priority activities
Schools	Incorporating financial literacy (FL) into the secondary school curriculum as part of the overall reform of the secondary school curriculum (initiated in 2011) Providing FL in primary schools through the development and dissemination of supplementary material and the training of teachers Promoting FL through extra-curricular activities, particularly through the extension of FL-related after-school clubs and the integration of FL activities / messages into various school events
Youth	Providing FL to university students via the incorporation of FL into university exit courses and well-targeted presentations Incorporating FL into the activities of existing youth clubs and associations country-wide with the help of community FL mentors
Rural outreach	Provision of FL training to rural communities, capitalising on existing training and trainers in related areas Dissemination of FL messages via community radio, community parliaments, local groups, etc. – coordinated by community FL mentors
Workplace	Improving FL at formal workplaces through a flexible package (FL presentations, FL modules for staff orientations, FL materials and trainings for internal FL champions) being offered to employers Improving the FL of informal workers via presentations delivered through their associations
Media	Developing and managing a lively and vibrant website for consumers and partners, including a range of information, guides, budget planners, calculators, tips, warnings and games Working with newspapers and magazines to increase FL-related contents (articles, columns, etc.) in their publications Providing FL messages via radio (e.g. radio drama skits, talk shows on FL, DJ)

Source: Strategy for Financial Literacy in Uganda, 2013

The Bank of Uganda (BoU) is the main government agency spearheading the implementation of the national financial literacy strategy using a collaborative approach with GiZ and industry stakeholders. Some key findings on financial education activities that are currently being implemented under the national financial literacy are outlined below:

- There is strong alignment between the current education sector reforms and implementation of the national financial strategy. At the time of financial literacy strategy development and implementation the education sector was commencing reviews on primary and secondary curriculums and financial education is being introduced into the curriculum. Previously only at the tertiary segment was there access to financial education programs in commerce, finance, accounting and economic programs. Incorporation of financial literacy content at lower education levels has commenced. Introducing financial education as early as possible in education system enables the building of lasting good financial habits.

- Use of different mass media has been used to delivering financial education. The strategy has developed services of print publications, Core Messages that cover financial education topics regarding personal financial management, savings, loans, investments, insurance, planning for old age, making payments and financial service providers. The publications are available in several wide spoken languages in Uganda, English, Luganda, Runyankore, Rutoro, Atesot, Lugbara, Luo and Kiswahili. Also in partnership with several implementers financial literacy content has been developed and transmitted via radio. This has proved to be an effective delivery method for rural outreach. Rural outreach has provided a good avenue for gender reach. The strategy has also complied information regarding financial education on the internet website www. Simplifymoney.co.ug making easy access of training material available to the wider public.
- Trainer of trainer program has been implemented. The trainer of trainer program has been funded by Citi Foundation and is based on the Microfinance Opportunities and Freedom from Hunger's (MFO) Global Financial Education Program (GFEP) curriculum. These are usually small classes held quarterly. The training provides accreditation as financial literacy trainer. The training package is available under the www.simplifymoney.co.ug website.
- Financial literacy is a long term engagement and the strategy has been aligned along national strategies to ensure effective coordination and sustainability. Regular meetings involving all stakeholders are held at least annually to steer the process and ensure seamless coordination and implementation of financial literacy strategy.

Provided below is a comprehensive outline of the financial education initiatives undertaken by different financial education stakeholders in Uganda.

Overview of Financial Education Initiatives in Uganda

Target Segment	Implementing Organization	Type of Program	Program Description
Youth	Amarin Financial Group	▪ Developed Products: Budgeting Diary, Budgeting App, Micro Business Accounting App ▪ Assessment of Farmer Groups, SACCOs & businesses for capacity to access loans, capacity building and linking them for loan opportunities ▪ Provide literacy training to clients; farmers, youth, children and other professionals ▪ Providing linkage for banking services, capital markets and agricultural markets	Amarin Financial Group is a youth owned and led company. It works in areas of financial literacy, financial planning, micro business accounting and business brokerage. With special interest in the agricultural sector, the company is exploring areas of work to improve personal and business financial literacy and management.
Farmers	Gulu Agricultural	Farmers are GADC's biggest	GADC is a limited liability company

Target Segment	Implementing Organization	Type of Program	Program Description
	Development Co. Ltd	suppliers. They provide financial support to farmers to manage the money they receive upon selling their crops. Farmers are trained on Budgeting, cost analysis, financial planning, savings and VSLA methodologies.	dealing in training, facilitating, equipping farmers as well as buying and selling agricultural produce mainly Cotton, Sesame, Sunflower and Chilies. GADC also gins cotton in Gulu and Kitgum.
All	CARITAS Uganda	PROMIC UGANDA was started in 2002 in Uganda and 2003 in Kabale Diocese with the purpose of promoting micro enterprises for small and micro entrepreneurs. PROMIC UGANDA was initiated by Catholic Women's Bureau, an affirmative action department of Caritas Uganda, in partnership with Foundation Open-Hand Swisshand of Switzerland. The programme also aims at enabling less privileged women to access Micro-financial services for economic development. It encourages women to participate actively in developmental programmes in Uganda, and to promote a culture of savings with an intention of improving and expanding household economic standards of living.	Caritas Uganda was founded in 1970 and is the overall coordinating body for the socio-economic development of the Uganda Episcopal Conference.
Agricultural & Rural Finance	Blue Springs Uganda Limited	Training for Trainer of Trainers	Business Consultancy Firm specializing in MFIs, Banks, Rural Population
Children & Youth	The Private Education Development Network	Through working with the Ministry of Education and other International partners such as Child & Youth Finance International and Aflatoun. PEDN is implementing a Financial Literacy Model that is based under five core elements; -Personal Understanding & Exploration -Rights & Responsibilities -Saving & Spending -Planning & Budgeting -Social & Financial Enterprises This model provides youth and children with a holistic approach to Financial Literacy	PEDN is a Ugandan non-government organization that empowers the youth through offering financial education, business skills training, youth mentoring and entrepreneurial training for young people in out and out of schools. PEDN is also one of the leading organizations advocating for financial literacy as a key component of the school National Curriculum through engaging the National Curriculum Development Center (NCDC), Bank of Uganda, GIZ and other partner organizations advocating for FL.
Youth and Women,	Plan Uganda	Plan is supporting several Village Savings and Loan Associations (VSLAs) across the country. Since 2013 Plan is implementing the project "A Working Future - Uganda" (AWF); the core objective of which is to support 12,000 young people (15 – 24 years) on this path by enlisting them in VSLAs as a starting point whilst working on other empowerment initiatives using a multi sectorial approach. One of the goals in AWF is to promote financial inclusion through the	Plan is an international child-centred community development organization, working with children in developing countries, their families, communities, organizations and governments to bring about positive change. Plan values and advocates for child rights and creates opportunities for meaningful child participation. Plan has offices in 48 developing countries, including 23 in Africa. Plan also has 20 national offices that act as the organization's main fundraising arm,

Target Segment	Implementing Organization	Type of Program	Program Description
		VSLAs with the potential of linking them to formal financial institutions. In order to achieve this goal, financial literacy is a key component.	and perform a vital role in development education and advocacy to people, governments and international bodies in developed countries.
Corporate and pro-poor communities	FRIENDS Consult Ltd	FRIENDS Consult Ltd has undertaken several trainings including; ▪ Preparing for life after retirement ▪ Personal Finance Management ▪ Negotiation skills ▪ Financial Management ▪ Savings ▪ Credit/Loan Management among others	FCL is the consulting firm in rural finance sector (80% of projects are in rural and pro-poor projects) to provide the required technical assistance the four named areas of Microfinance Capacity Building: 1. Banking Sector, 2. Corporate Business, 3. Economic/Social Development, and 4. MSME Development
Corporate and pro-poor communities (Government parastatal, NGOs, CBOs, private companies, Self-Affinity Groups, Individual)	KEZZI HEADSTART	FL Interventions 1. Appreciation inquiry 2. Capacity building in Community Managed Microfinance. 3. Leadership development for sustainability and continuity of records. 4. Structural analysis of society 5. Entrepreneurship development	KEZZI HEADSTART is a multi-discipline consultancy service provider. KEZZI HEADSTART focuses its financial services on the families and communities in Uganda. KEZZI HEADSTART provides the poor with financial choices. Through their work, a family is able to accumulate assets and build up their small businesses one step at a time. Their aim is to provide the necessary training and resources for each family to maintain the provision of food for their children, create savings for emergency needs, afford medical care for their family, build up their businesses and send their children to school. As their financial prospects grow, families will have more options and can even access more advanced credit markets through KEZZI HEADSTART.
Self-help groups, SMEs, financial institutions	AYANI Inclusive Financial Sector Consultants	1. Practical savings and credit management 2. Transiting to formal financial institutions 3. Leadership development for continuity of records and replication 4. Product evaluation for recommendation of refinement from client experience	AYANI Inclusive Financial Sector Consultants is consulting company offering TA services to individuals in groups and networks of groups in practical savings and loans with proven track records for, transiting to formal financial institutions, demanding more sophisticated products, to financial institutions in incorporating identified recommended product features and regulations and supervision framework.
Toyota Employees and Toyota SACCO members.	TOYOTA UGANDA LIMITED	How to manage our Finances better-The savings concept "you can make it", Investment-starting small and growing and how to manage a loan and considering insurance.	It's a Multi-National Company dealing in Motor Industry. Selling brand new Toyota vehicles, Genuine spare parts and servicing and repairs Workshop and Body shop. It employees both Locals and foreigners.
Village level and sub county level farmer organization	Uganda Coffee Farmers Alliance	Financial literacy training to strengthen record management capacity. Training in savings and credit.	It is an apex organization of coffee farmers which provides services to its members. These essential services include linkages to extension services, inputs provision, access to

Target Segment	Implementing Organization	Type of Program	Program Description
s.			finance, value addition and marketing.
Youth, corporates, schools and colleges, groups	KingDom-Prosperity Ltd.	▪ Trained mainly university students (Kyambogo University) on how to make and use money. ▪ Shared tips with students in class on how to be successful in life. ▪ Taught individuals practical financial education using Cash-flow 101 board game.	KingDom-Prosperity Ltd. mainly deals with Financial Education, which it offers to individuals, groups and corporations whenever possible.
smallholder coffee farmers	UGACOF LIMITED	Objectives of Ugacof Sustainability Projects: Ugacof sustainability projects have objectives which include but are not limited to the following: 1. To increase coffee productivity and overall production level of the smallholder farmers to meet the current and future market demands through Good Agricultural Practices (GAPs). 2. To improve post harvests handling of coffee so as to ensure quality and enable farmers earn higher prices. 3. To establish support mechanisms to ease access to credit at descent rates and conditions, agro inputs, markets and market information 4. To increase the participation of women and youth in coffee production, value addition and marketing. 5. To strengthen and empower farmers' groups to develop effective and efficient management practices and systems to ensure business viability and sustainability. 6. To increase area under coffee production by ensuring availability of clean planting material for planting new areas as well as replacing the very old unproductive trees 7. To improve market access for the coffee produced by the smallholder farmers through value addition by wet mill processing and certification	Ugacof Limited, an affiliate member of Sucafina Services, works with thousands of smallholder coffee farmers countrywide on sustainability coffee projects aimed at increasing coffee productivity and quality for increased incomes. The projects demonstrate that farmer organizations have the capacity to turn around the fortunes of farmers and ensure increased incomes for individual farmers as well as increased foreign exchange earnings for the country.
Small holder farmers and small scale entrepreneurs	TRIAS Uganda	Through the Saccos and MFI's we promote access to finance by the family farmers and small scale entrepreneurs. In addition to supporting our partners provide appropriate financial services, our partners also train the target group in improving their financial capability	TRIAS is a Belgian development organization that works to improve the livelihood security and wellbeing of family farmers and small scale entrepreneurs by supporting their member based organizations.
Employees	Jecon Group of	To provide training to our clients	Jecon is a consulting and capacity

Target Segment	Implementing Organization	Type of Program	Program Description
and clients of financial institutions, village organized groups, Village Farmers Groups and local governments	Companies Ltd	who includes; Employees and clients of financial institutions, village organized groups, Village Farmers Groups and local governments	building firm. Jecon has expertise in Financial literacy, Micro finance, Project Management, Institutional assessment, Organizational Evaluation and skilled based training.
youth, farmers, teachers, students	Kampala Naguru Rotary Club	The focus is on financial empowerment through the creation of a savings culture and through using the little available resources. Rotary first engages the leaders of the communities who then gather the community for a meeting where they will be taught the essentials of financial literacy.	Rotary is a non-profit organization providing services to the local communities.
youth and rural communities	BRAC Uganda	Financial Literacy is given to the youth to improve in their social life and economic welfare. BRAC trains club leaders (mentors) who then offer the training to their peers. More than 300 mentors were trained who each trained up to 30 youth.	BRAC Uganda is an international NGO which began in Bangladesh 1972. It is now using a holistic approach reaching to the poor.
youth and rural, communities	Mountains of the Moon University	Training of university students and staff on financial literacy and encouraging them to form savings clubs; training of communities in form of microfinance and other organized groups (300+)	Mountains of the Moon University is a higher institution of learning based in the Rwenzori region with a vision of learning, research and community service.
Financial sector and the NGO	Professional Enterprise Skills Services Ltd	Facilitated FL TOT to over 70 AMFIU members with support from AMFIU; Developed, adapted and translated FL curriculum for Habitat for Humanity Uganda; Adapted FL curriculum for Stromme East Africa Microfinance; Delivered FL trainings to over 10 MFIs with support from aBi Trust; Designing, Editing and Translating of Assorted Information, Education and Communication (IEC) materials for Financial Education Project of Habitat for Humanity; Facilitated FL TOT for BOU/GIZ; Facilitated TOTs with support from Trias	Consultancy firm that offers Institutional development and organizational strengthening consultancy services. These include: Financial literacy curriculum development, adaptation, training; Evaluation; Research studies; Product development; Business planning; Development of Information, Education and Communication (IEC)Materials; to mention but a few
Small holder farmers	Kilimo Trust	Capacity building of farmers institutions in Financial Literacy: savings, groups formation for collective savings and borrowing, records keeping etc.	Kilimo Trust is an independent organization working on agriculture for development across the East Africa Community (EAC) Region – in Burundi, Kenya, Rwanda, Tanzania, and Uganda – and more recently in the new Republic of South Sudan.
Schools, churches, financial institutions, rural communities	Masterlinks Uganda	A summary: 1. Uganda Rural Financial Services Programme, 2. Association of Microfinance Institutions of Uganda, 3. Financial Consumer Education (a	Masterlinks provides training and consulting services to public and private organizations. Services include financial literacy, computer & management training, business process re-engineering and

Target Segment	Implementing Organization	Type of Program	Program Description
		DFID programme), 4. National Teachers Union, 5. Kyamuhunga People's Development SACCO, 6. Muhame Financial Services, 7. St James Cathedral, Church of Uganda, Mbarara, 8. Mitooma Town Council, 9. Lyantode Town Council 10. Arua Catholic Social Centre, and many others	computer systems support.
All, nationwide	GIZ AGRUFIN Programme Uganda	GIZ is supporting Bank of Uganda in spearheading and coordinating the Strategy for Financial Literacy in Uganda. GIZ is further actively contributing to some of the priority activities (e.g. integration of FL into the revised lower Secondary Schools curriculum; National Secondary Schools performing Arts Festival; piloting FL via the radio and text messages with Mercy Corps; piloting FL at universities with Mountains of the Moon University, etc.)	GIZ is a federal enterprise, implementing projects mainly on behalf of the German Federal Ministry for Economic Cooperation and Development, all around the world. The GIZ-AGRUFIN programme in Uganda is focusing on increasing access to financial services for the rural population.

Source: SMC Consultant Interviews 2015, Bank of Uganda, GIZ

Financial Education Initiatives Per Sector

Provided in this section is a summary of the financial education initiatives currently being undertaken by the various financial sub-sectors i.e. banking, capital markets, insurance, pensions MFI/Saccos and education institutions.

Banking

Country	Initiatives
Burundi	- The BRB is working with the Association of banks and Financial Institutions in Burundi encouraging the sector professional association to **create awareness programs** - There are also some current efforts at providing information and **protecting consumer rights** included ensuring that all banks openly provide terms and conditions of financial products that are displayed openly in the banking hall - Mobile banking ; Ecocash initiated by Econet and M-cash initiated by BANCOBU
Kenya	- Equity bank through the Equity Group Foundation (EGF) has partnered with Master Card Foundation in a financial literacy initiative that is targeting 1 million women and youth in Kenya by end of year 2014. The Master Card Foundation has contributed USD 10.8 million towards the initiative known as Financial Knowledge for Africa (FIKA) as per Equity Group Foundation website. - Commercial banks participate in the popular annual homes and property exhibitions to educate the public on their mortgage loan offerings. For example, the Kenya commercial Bank's (KCB) weekly property visits - Other forms of financial education are targeted to existing customers as a value added services; for instance, NIC Bank, a mid-sized bank targeting the upper middle class, has a quarterly e-newsletter on personal finance tips which it distributes electronically to its clients. - Mobile banking: The success of M-PESA has resulted in a seismic shift in Kenya's financial landscape. At the time of the 2009 FinAccess survey the service had over a quarter of the adult population registered as users. - FinAccess ,2016 showed that many users of M-PESA were also users of other financial services. There are also growing linkages between M-PESA and the formal banking system, which is expected to deepen its impact. - A number of the larger retail banks have connected to the system allowing direct transfers between M-PESA and bank accounts. In the second quarter of 2010, Equity and Safaricom launched a new joint product, M-KESHO, which is a specialized bank account held by Equity and accessed through M-PESA. - Equity Bank also launched another solution with Orange, which provides a direct link to a full function Equity bank account and allows transfer across all mobile networks. - Commercial banks's web site with quasi financial education content - Commercial bank's help desks - Commercial bank's visits to school's open and sports days
Rwanda	- BNR, RBA and other stakeholder are currently working together to implement aspects of the NFES in the banking subsector. - RBA partners with BNR on financial inclusion programs and financial education program such as the organizing and executing of financial education awareness campaigns such as the Savings Wee held in December and the Global money week . Also the BNR conducts sensitization campaigns for the benefit of the entire sector when introducing new industry innovations e.g.- when credit reference bureaus were introduced in 2011/12 BNR held awareness campaigns through the media, meetings and workshops to inform the public about the advantages and importance of having good credit history. - University of Rwanda (UR)/College of Business Economics (CBE) teaches undergraduate and postgraduate courses in banking needs - CBE offers CPA (RWANDA), CPA (K) and ACCA (UK) courses for banking professionals
Tanzania	- The Tanzania Bankers Association (TBA) has expressed its strong support to financial education. Exim Bank's centres for financial education targeted at women involved in agriculture. - Several banks offering microfinance conduct classroom-based training for new clients, before issuing loans, and may also offer training to MSMEs. - According to the diagnostic report, these programmes could be improved and extend outreach beyond clients. CRDB has experimented with innovative delivery of education through village theatre not only to existing SACCO members but whole communities. Several financial NGOs

Country	Initiatives
	have financial education programmes. - PLAN International also provides development programmes to communities with components of financial education. VSLA and VICOBA programs are seen as potential strong vehicles for financial education efforts in rural areas - Participation in exhibition yearly events that pull crowds - Preparation of television and radio programme - Attendance to walk in customers - Introduction of Credit reference bureau
Uganda	- UBA is currently developing financial education programs for the banking sector that are aligned to the national financial literacy strategy. - UBA works closely with the Uganda Institute of Banking and Financial Services (UIBFS) to develop industry relevant course material for professionals in the banking sector. They offer short and long courses as well as professional certification courses - UIBFS has worked together with the Tanzania Institute of Banking to develop a harmonized professional certification course and examinations for banking professionals

Capital Markets

Country	Initiatives
Burundi	- BRB is currently playing the role of market regulator as well as nurturing the capital markets growth. - The capital markets will begin with a manual over the counter market - Current sensitization activities are on workings of the capital markets, operations, and investment opportunities offered by the different financial instruments - BRB staff are also to undertake training on capital markets - Still at inception stage ,initiatives to disseminate knowledge are carried through workshops driven by BRB - The capital markets are at a nascent stage, the legal and institutional frameworks are currently being developed. - Currently, capital market is being regulated by the BRB. - Currently manually operated
Kenya	- Nairobi Securities Exchange (NSE) investment challenge targets university and tertiary institution students in Kenya who are offered Kshs.3 million to each participant as virtual start-up capital for a period of 3 months and the winning team with the highest portfolio value at the end of the investment period is awarded the ultimate prize of Kshs.,200,000. - NSE has an SME initiative that targets small and medium size investors who are interested in investing in shares of listed companies. - NSE has a Wednesday class initiative that targets student groups on field trips to the market. - NSE is part of a joint training of stock trading referred to as Securities Industry Training Institute (SITI). The collaboration is with the Uganda stock Exchange (USE), Dar es Salaam Stock Exchange (DSE) and Capital Market Advisory Council (CMAC) of Rwanda (NSE website). - Capital Markets Authority (CMA) Kenya has a national trivia challenge that targets the youth including university students. Participants are required to answer at least a question upon dialling a given number with the objective of winning the ultimate prize of Kshs. 200,000. The national trivia aims to create interest in capital markets among the youth and university students. - CMA has rolled out a Capital Market Master plan 2014-2023 which includes investor education as a major flagship project - CMA has annual open day, regular workshops to inform stakeholders, - CMA Nairobi County university challenge - Capital market resource persons contracted professionals to go throughout the country and educate different target groups.
Rwanda	- The Capital Markets Authority along with the Rwanda Stock Exchange have been implementing programs to raise awareness about capital markets to the general public and increase market participation among investors. - The national public education program targets institutional investors, public sector, regional

Country	Initiatives
	investors, retail investors and private sector i.e. business corporations and SMEs. - Awareness programs using seminars, workshops and meetings to sensitize SMEs, and retail investors. - The Rwanda National Investments Trust was established to tap into collective investment schemes with respect to developing and increasing appetite for unit trusts in the market. - CMA has built linkages with international correspondents and increased visibility with Bloomberg, Reuters, BBC and the Economist magazine with the establishment of $400 Eurobond. - Introduced the investment clinic week and SITI programs in High learning Institutions - Investments clubs developed in different Universities and high learning institutions
Tanzania	- The Capital Markets and Securities Authority (CMSA) targeted 50% of the Tanzania adults to know their activities by year end of year 2015 - CMSA had 250 students drawn from University of Dar es Salaam Business School, Institute of Finance Management, College of Business Education and Tanzania Institute of Accountancy to held in the financial education initiative - Defined awareness programmes by the regulator: Implementation of Financial Inclusion Framework which has aspects of investor education, product development, robust store of value and use of technology for easy access of the capital markets products through use of technology: - Participation in exhibition yearly –events that pull crowds - Preparation of television and radio programme - Regional tour awareness programmes - Seminars and workshops to specific groups tailored to their needs - Participation of market players including the DSE in provision of awareness programmes
Uganda	- The Uganda Securities Exchange (USE) provides investor information via print media (booklets, pamphlets, newspaper/ magazine articles, report publication), investor talks, and on the internet providing online reports and basic information about capital markets as well as archiving information in an e-library. - The CMA provides investor education through seminars for schools and universities (on topics such as savings, budgeting, investments, and taxation) as well as schools and universities capital market challenge. - CMA has collaborated with the ministry of education in creation of curriculum for entrepreneurship for O level/ A level secondary education level. - CMA creates awareness and disseminates information by participating in trade fares e.g. Uganda Manufacturers Association (UMA) trade fair, as well as banking, finance and insurance expos; participates in financial literacy week by providing talks and presentations to various groups e.g. nurses, military and students. - The CMA encourages stock brokers to participate and invest in financial markets education. One on one presentation and talks are held with corporations and investment clubs. - Print media using newspaper and magazine articles, information pamphlets and booklets, and series of publications such as the capital markets journal are also used to provide investor education. The developed materials are also available online on the CMA website.

Micro-Finance and SACCOS

Country	Initiatives

Burundi	- Microfinance sector comprises 23 MFIs amongst the Burundian National Federation of Cooperatives (Fédération Nationale des Coopératives du Burundi: FENACOBU); FESTE for school's teachers, CECADE for militaries which are the main ones, playing the role of provision of services on savings, borrowing (credit) and training.
	- Network of Microfinance Institutions of Burundi (RIM) teaches on savings in all provinces
	  o RIM has 9 strategic programs. Have partners the hep deal with activities, Dutch embassy, Dutch NGO, Terrafina, Icco), Germany – SBFIC.
	  o This year the focus is on community micro credit (micro credit solidaire), there is TOT (want to deliver 30 trainers for the sector), save and how deal with a project and how to deal with credit. It is targeted to the rural low income persons..
	  o Another product is about savings. RIM is dealing with financial education focus on children. At the moment the training began with teachers as a pilot project. Now parents are being sensitized through meetings. Point for the day, is education for the parents. Students cannot save if parents are not committed: The next phase is to sensitize pupils. Conducting with SBFIC.
	  o Education finance through media, mainly radio & TV, RIM was able to have develop dramas.

Country	Initiatives
	o Since 2011/12 every May to September have campaign for financial education on savings for adult countrywide. o Celebrate in October 31st, journe international of savings. MFIs in the rural areas celebrate the day by participating in trainings, competitions. Each MFI creates its own program. RIM coordinates this through their network. o On adult financial education are organizing TOT. There are already 17. For the next business plan there will be 2 additional training. o RIM is organizing the first micro-finance week in May 2016. The general theme in this week is "micro finance and financial inclusion in Burundi" o There are plans to set up a micro finance academy. The land is available and the module de formacition, is ready. The building is expected to be completed by November 2016. The first trainings will begin in Nov 2016. Currently the training for RIM members. The trainings will be first to RIM members, as well as anyone interested in joining the MFI sector. o The Dutch NGOs the priority is financement de filire agricole, in rural areas. Micro credit, warrantage for goods, agriculture production – rice, maize, seeds. o RIM has participated in the strategy for financial inclusion. o In June 2016, RIM is organize a national attilie, sensitizing the government (local administration, justice and police). There is a big challenge on non-repayment and the local government can help sensitize the population. The training will move to the 4 regions in Burundi. o VSLA are looking to organize trainings with NGOs and member institutions to develop a strategy to assist VSLA segment. o Through network participate in regional and international conferences, like SEEP Network and regional network AFMIN, AFINet. RIM committed to financial inclusion and are gaining learnings and best practise from others - The Fonds de Micro Credit Rural/Rural Microcredit Fund (FMCR) is mandated to mobilise and allocate resources for the development of rural areas, promote micro loans in rural areas through a guarantee fund and a credit fund, monitor the micro loans and train and create awareness among beneficiaries - FMCR has several financial education programs that train and promote awareness about registered accredited MFIs, the benefits of MFIs, how to save, how to access MFI credit and how to create proposals of financing micro-projects amongst others - FMCR also works with local community leaders to reach the community and informs them about availability and how to access MFI services and account opening. - MFIs are also trained on developing programs that provide financial education to customers prior to receiving credit, group formation, group guarantees, proper use of credit and importance to monitoring project progress via site visits. - MFI management have also been sponsored to participate in exchange visits to other countries such as Benin, Cameroon, Congo Brazzaville, Kenya, Uganda, Rwanda and Senegal. - The sector also enjoys support from commercial banks through loan financing - Other partners include and not limited to FIDA (Fonds International pour le Developement Agricole), Dutch Embassy through international NGOs as ICCO, TERAFINA.
Kenya	- Microfinance Opportunities (MFO), in collaboration with the ILO Micro-insurance Innovation and the Association of Kenyan Insurers, delivered insurance education through a radio campaign in 2010 (Messy and Moticone, 2012) - MFIs have a long relationship with training, and for most it is linked with the credit methodology they use. - The majority of MFIs have a standard programme to orient clients to their loan policies and procedures. For those making group loans, an important focus of this training is group formation and dynamics, plus getting and managing a loan. MFI credit officers are, in most cases, the trainers, delivering what is largely a standardized package. - While the group structure with its regular (often weekly) meeting can be seen as a ready-made channel for client education beyond the programme orientation, most MFIs use it as such only on an ad hoc basis - Collaborates with joint financial sector regulators to carry open days, and at ASK agricultural shows, where they answer general client queries and carry out consumer education
Rwanda	- The main body that is responsible for delivering financial education and capacity building to the MFI/SACCO sector is the Association of Microfinance Institutions of Rwanda (AMIR). AMIR is currently providing capacity building to strengthen service delivery and institutional frameworks for MFIs and SACCOs. - AMIR has also implemented the child social and financial education project. - Established Rwanda Institute of Cooperatives, Entrepreneurship and Microfinance (RICEM). - AMIR was responsible for developing the curriculum for microfinance department as well as

Country	Initiatives
	- finalization of RICEM business plan. - AMIR also provides training directly to staff of MFIs participating in financial education program.
Tanzania	- The main body that is responsible for delivering financial education and capacity building to the MFI/SACCO sector is the Tanzania Association of Microfinance Institutions (TAMFI) - TAMFI offers training and capacity building to staff of member institutions from Loan Officers, Mid managers to CEOs' - Credit only MFI especially those using group lending methodology offer training to new clients before they access loans – normally 2 to 4 weeks - We also work private institutions in provision of awareness programmes like exhibitions - Encourage members to adhere to the 7 principles of client protection - Addressing the issue indebtedness by encouraging members to share information through credit reference bureau - Code of conduct and practices
Uganda	- Microfinance Support Centre (MFSC) provides capacity building and credit to MFI/SACCOs with the aim of increasing access to finance to the un-banked. - MFSC provides training to MFIS/SACCOs mainly on management related issues product development, accounting, governance, awareness building, regulations; taxation and needs based skills and systems development. - Other organizations providing training and capacity building to the MFI/SACCO sector are Uganda Cooperative Savings and Credit Union (UCSCU), the umbrella body representing SACCOs in Uganda and Association of Microfinance Institutions Uganda (AMFIU) the umbrella body representing MFIs. - UCSCU in collaboration with Uganda Cooperatives College offers cooperative management education via short course, certificate and diploma programs on community development in Sacco's and MFIs. The topics mainly cover management and operations, skills and process development e.g. credit evaluation and collection, as well as strategic planning. UCSCU also provides capacity building to SACCOs through trainings and workshops. - AMFIU provides consumer education through the use of educational posters on budgeting, debt management, financial negotiations, financial services and savings. - AMFIU has developed a consumer hand book that is available in Luganda, Luo, Rutooro and English languages. The association also has a quarterly publication the microfinance banker. As well as research studies and working papers are available online on their website.

Insurance

Country	Initiatives
Burundi	- The insurance sector is small, but there are private as well as partially government–owned companies. The sector is regulated by the Insurance Regulation and Control Agency, (ARCA - Agence de Régulation et de Contrôle des Assurances) is the regulatory authority for the insurance sector of Burundi. The rate of insurance deepening or penetration in 2012, is 0.80% instead of 0.56%. Burundi Insurance sector has 6 insurance companies and 12 brokerage firms.

Country	Initiatives
	There are insurers association and brokers association - The insurance industry in Burundi has a limited product range and the financial health and solvency are low by international standards - The long-term plans in the informal and rural sectors, the challenge is to achieve: (i) 100 percent membership of informal sector workers and rural dwellers in health insurance and individual and collective social security systems; and (ii) implementation of universal health insurance for all citizens of Burundi. Some financial education activities undertaken by ARCA include the following:- o Planning to undertake a sensitization campaign on insurance regulation for the public o Organize meetings for insurance industry stakeholders (companies, brokers and associations, beneficiaries of insurance – e.g. transporters association) o Program to educate local government on insurance regulation. E.g. if there is an accident the police, lawyers and local government are the first to be contacted for claim procedures o For the public there are conferences organized, also messages are delivered on TV and on Radio, also distribute brochures and other written material. Consumers visiting ARCA also get documentation on the insurance sector. o The regulator also has annual statistics report that is available for the sector. It is published every three months and annually and is available on the internet
Kenya	- Insurance Regulatory Authority (IRA) conducts financial education initiatives through mass media. These regulatory agencies also have investor protection and complaints desks.
Rwanda	- The most visible and well known insurance scheme are mandatory motor vehicle insurance and national health insurance scheme "mutuäl de sante" that is managed by the RSSB. - The entrance of regional insurance companies such as Britam, Phoenix and UAP provide public awareness and education campaigns, high level training to staff and increasing rural reach. - Association des Assureurs du Rwanda (ASSAR) is working with CBE to develop full time professional qualification programs such as Certificate of Proficiency in different specializations to increase skills and capacity. - CBE offers undergraduate and postgraduate programs in Insurance - CBE collaborating with the ACII (UK) and ACII (Nigeria) to offer professional - insurance courses - The government of Rwanda introduced a regulatory agency(RURA) to check on issues of consumer protection
Tanzania	- A program of public education was launched by Ministry of Finance in Tanzania in accordance to the National Insurance Policy. - The program which addresses issues of consumers' rights, transparency, disclosure of business practice, complaints handling and dispute resolutions would be beneficial for the sector as it will inform consumers when making decision about insurance. - Increasing awareness and understanding the need and utility of insurance will also drive growth in the industry in the long run.
Uganda	- The insurance industry is regulated by the insurance Regulatory authority (IRA). There is an industry wide association, Uganda Insurers Association (UIA) and the Institute of Insurers Uganda (IIU). - The insurance Regulatory authority (IRA), Uganda Insurers Association (UIA) and the Institute of Insurers Uganda (IIU) provide awareness and financial education regarding insurance sector in Uganda. - Institute of Insurers Uganda (IIU) provides training and short courses for professionals in the sector to improve their skills and people who wish to develop a career in insurance. - Long term courses are also offered by the institute at certificate and diploma levels as well as international certification courses e.g. from Chartered Insurance Institute of Australia and New Zealand Institute. - UIA promotes awareness and provides information and education about the insurance industry. The association uses mass media, seminars, workshops, trade shows and exhibitions and through direct engagement one-on-one meetings, group talks and visits to education institutions such as universities. - IRA promotes financial literacy and education and consumer protection for the insurance industry and general public to grow the uptake of insurance services in the country. The target audience is the business community, tertiary institutions, professional continuous development and the general public. The regulator provides general information about insurance, operations and the need for insurance, for instance sensitizing market vendors on fire policies or general traders about goods in transit insurance. IRA uses different deliver channels in promoting awareness and financial education. These include awareness seminars and annual trade shows (e.g. UAM, agricultural shows), regional group discussion programs in districts and

Country	Initiatives
	municipalities, and radio talk shows.

Pensions

Country	Initiatives
Burundi	- Regulated by the Permanent Secretariat of National Commission of Social Protection. - Legal framework grounded on Social Security Code of 1999 - The pension contributors are salaried workers covered by the labour code, military personnel, and contract workers from the civil service and public utility commission. - Burundi is planning on creating a Social Protection Framework. - Consumer financial education programs (FAPS: Fonds d'Appui à la Protection Sociale) supported by the fund. The Fund is within the permanent secretariat to support consumer financial education programs - The regulatory authority is in the process of formation. However there is a secretariat the is responsible for regulating and promoting social security institutions and programs - There are two mandatory pension schemes, national social security institution, (INSS), national office for pension and professional risks (ONPR). There are currently no private pension schemes. The pension sector in Burundi covers mainly the formal sector. - There is a national policy providing for extension of pensions to the informal sector. - Pension campaigns to educate the public on pensions and long term retirement savings - Capacity building exercise conducted for some stakeholder (e.g. INSS - There are reports/ documentation provided by consumers, TV, Radio, mobile phone (in the beginning of the year messages were sent to consumers to educate on situations of pensions. - Periodically visit companies and the association of pensioners to give FE
Kenya	RBA disseminates information and consumer education about retirement benefits through - Multi-media pension education campaigns – especially on TV, radio & print media - Retirement planning seminars (open and those tailored to specific clients on request) - Stakeholder employer sensitization – reaching new employers with information on how to set up retirement benefits schemes; currently we are reaching out to Counties among other employers; - Member education days – these are arranged by scheme administrators and RBA is invited to present – RBA is currently regulating 1250 schemes, including NSSF - Trustee Training and certification programme – Kenya Trustee Development Programme (KTDP) is run at the College of Insurance (COI) in conjunction with COI, Association of Retirement Benefits Schemes (ARBS) and Humber Institute of Canada - Open Day clinics held annually - Exhibitions, participation at Agricultural shows and roadshows - RBA engages the younger audience through social media platforms – Facebook, twitter, Instagram and you-tube - RBA works in collaboration with the Commission on Administrative Justice (CAJ) to promptly address and resolve public complaints referred to the Authority directly, through the Commission. RBA also creates awareness on the existence of complaints handling mechanism in the organization through its various media outreach outlined above.
Rwanda	- RSSB's department of Customer Care and Public Education is responsible for financial education initiatives for the pension sector. The department has developed education programs to increase participation in social security and reduce non-compliance among employers. - RSSB performs employer visits to promote awareness and benefits of participating in the pension sector.
Tanzania	- The Social Security Regulatory Authority (SSRA) is responsible for the pensions industry.

Country	Initiatives
	- SSRA initiatives include increasing the responsibility for saving to the insured members and increasing the financial and pension literacy to make the insured members more prepared for retirement. - Renaming the pension schemes: PPF Pension Fund, GEPF Pension Fund, LAPF Pension Fund and Public Service Pension Fund (PSPF) - Regulatory framework: - Among the functions of the regulator is to conduct public awareness programs - Provisions for protection of members interest - Television and radio programs - Regional tour awareness programs - Publication of notices and public information on the website and in the print media - Participation in different forums and seminars - Initiatives on the part of the Pension funds in running different awareness programmes to consumers including participation in exhibition, seminars, television and radio programmes - Complaints handling Department - In the process of developing guidelines for handling consumer protection aspects - Presence of mobile application for handling consumers' complaints - Among the functions of the regulator is to develop the market and conduct public awareness programs - Publication of notices and public information on the website and in the print media - In the process of preparing capital markets communication strategy
Uganda	- Information and education about the pensions sector is disseminated by NSSF through road shows that educate about pensions, savings, fund expectations, fund performance, consumer rights and question answer session. NSSF in partnership with BOU conducts an annual NSSF Customer Connect Week that offers financial literacy to members that are retired and about to retire. - Members also receive sensitization and training when joining the pension scheme. - At retirement, the Club 55 program provides financial education to members that receive their retirement benefits. NSSF also engages members after they have retired. - URBRA initiatives such as: the website, press releases, quarterly newsletters and articles, regular sensitizations and out reaches, quarterly sector trainings and workshops, print publications in newspapers and magazines, brochures

Education Institutions

Country	Initiatives
Kenya	- Kenya Institute of Curriculum Development (KICD) which is a body under the Ministry of Education Science and Technology (MOEST) has set up an initiative to incorporate Financial Literacy Education into the curriculum will equip learners with financial skills which will increase savings rate, facilitate wealth accumulation, reduce loan delinquency rates, enhance retirement plan participation and reduce debt burden among Kenyan youth
Rwanda	- Savings clubs have been introduced in schools where students are taught basic financial concepts such as account opening, importance of saving, proper use of credit, interest rates among other topics. - 12+ Program is a mentorship and safe space program designed by Girl Hub for girls aged 10-12. It is created to ensure girls are informed decision makers during the difficult transition into puberty. The weekly curriculum is focused on building their assets and confidence in three core areas: sexual and reproductive health, managing violence, and financial literacy. The program is being implemented through three NGOs and it is expected to reach 12,000 girls. - Keeping Girls At School (KGAS): overall objective of the project is to keep girls in school, and support girls to complete school and transition from lower to upper secondary. Some of the project's outputs are VSL activities support and providing opportunities for girls to learn financial management skills and engage in savings, loans and Income Generating Activities. - US Peace Corps Volunteers (PCV), with the support of Global Communities' EjoHeza, created the curriculum and manage the logistics to administer a Community Finance Initiative (CFI) 16-week 4 module program course in financial literacy throughout Rwanda. - The Association of Microfinance institutions in Rwanda (AMIR) and German Savings Banks

	Foundation for International Cooperation (SBFIC) partnered on a project to encourage savings in 2010. - The three tier program targets school teachers, parents and children. The financial education project educates students at primary level to learn the culture of saving while they are still young. It demonstrates advantages of saving from childhood, changing children's attitudes towards saving and also gives basic financial education to the groups. - According to the program, children save once a week. - Microfinance employees pick up the savings and deposit them to the accounts opened up by school directors but they are overseen by a management committee composed of teachers and pupils. - RBA is working in partnership with sector stakeholders in developing financial educations programs for extracurricular activities in schools, mobile phone financial education messages, television and radio financial education programs and participating in trainings and meetings targeting the youth, rural adults and women. The RBA is working with AFR on developing a code of ethics and standards for the banking sector. Training to banking sector will be undertaken to increase the level of governance, accountability and transparency once the code of ethics and standards is completed. RBA is also working with AFR to provide specialized training in banking for staff and banks. - CMA has engaged the youth in the university in creating investment clubs. - AMIR has implemented the child social and financial education project. - The projects main objective was to reach 30,000 children of primary and secondary level, provide them with financial education and skills and thereafter link the children to open savings accounts at microfinance institutions. - Financial education curriculum has been developed for certain subjects e.g. social sciences, ICT, general studies, math and entrepreneurship. The approach used is to embed financial concepts into these subjects e.g. in math subject problems are structured to include real world financial applications such as calculating loan repayment periods at different interest rates..
Tanzania	- The Education and Training Policy (ETP) of 1995. This is the basis for the development of all education programs in Tanzania Mainland aims at producing and sustaining a literate society capable of contributing to personal, social and economic development
Uganda	- The CMA provides investor education through seminars for schools and universities (on topics such as savings, budgeting, investments, and taxation) as well as schools and universities capital market challenge. - CMA has collaborated with the ministry of education in creation of curriculum for entrepreneurship for O level/ A level secondary education level. - CMA creates awareness and disseminates information by participating in financial literacy week by providing talks and presentations to various groups such as students. - UCSCU in collaboration with Uganda Cooperatives College offers cooperative management education via short course, certificate and diploma programs on community development in Sacco's and MFIs. - Institute of Insurers Uganda (IIU) provides training and short courses for professionals in the sector to improve their skills and people who wish to develop a career in insurance. - Long term courses are also offered by the institute at certificate and diploma levels as well as international certification courses e.g. from Chartered Insurance Institute of Australia and New Zealand Institute. - UIA promotes awareness and provides information and education about the insurance industry. The association uses mass media, seminars, workshops, trade shows and exhibitions and through direct engagement one-on-one meetings, group talks and visits to education institutions such as universities.

Messy F A and Moticone C (2012), The Status of Financial Education in Africa, OECD Working Papers on Finance, Insurance and Private Pensions No. 25, pp 33

5. IDENTIFIED CHALLENGES AND GAPS IN EAC FINANCIAL EDUCATION INITIATIVES

A key challenge identified during the course of field-work undertaken for this study was the importance of having a body to coordinate activities regarding financial education. Countries such as Rwanda and Uganda have strong lead agencies coordinating and implementing financial education activities, and have progressed significantly in their financial capability development agendas. The coordinating body in Kenya was the Financial Education and Consumer Protection Partnership – (FEPP). Unfortunately this coordinating body was tied to development agency project and was not designed to be an autonomous unit at project end. When funding for the project was ended so too did it spell the end for the Kenyan financial education coordinating body. Tanzania has recognized the need for a coordinating body. Though its financial education framework is complete, project implementation has been put on hold until a coordinating body is set up to guide implementation of activities.

Demographic and market infrastructure characteristics common to EAC Partner States, as well as economic growth, general infrastructure and ICT developments will affect the design of EAC financial education initiatives. Some characteristics that seem to be cross-cutting among EAC Partner States are shown below:-

- Civil wars in Burundi and Rwanda, in the 1990s, and Uganda in the 1970s to mid-1980s. Post-election violence in Kenya over the 2007/8 general elections. Political stability and governance issues remain a relevant concern to development growth.
- Young populations, about 60-70% of populations in Burundi, Kenya, Rwanda, Tanzania and Uganda below age of 35 and about 40-50% less than 15 years of age.
- High rates of illiteracy, about 40%. illiteracy rate higher in rural areas
- Banking sector dominates financial services sector in asset size.
- Most financial services institutions such as banks, stock-brokers, and insurance companies are concentrated in the city with little rural penetration
- Greater internet penetration especially through the use of mobile devices
- MFI/SACCO segment has greater penetration in rural areas
- Rural populations mainly engaged in subsistence agriculture, and have low incomes
- Limited diversification of financial products
- Limited use of insurance and pensions products
- Low levels of skilled professions in financial services especially in the insurance and pensions sub-segments

Identified in this section are some of the key challenges and gaps uncovered during the course of this study.

Burundi: The major obstacle that may stand in the way of implementing financial literacy and education initiatives in Burundi is the security issues that face the nation. Political instability will deter economic growth in the financial sector and reduce international donor aid that partially supports government programs e.g. FMRC[31] that increase access to credit in rural areas. However, development agencies can still work directly with other organizations that provide support for financial education e.g. RIM.

Other challenges hindering financial education and literacy implementation and ultimately financial access, in Burundi are outlined below.

- The level of financial inclusion in Burundi is low, only 12.5% of Burundi's population has an account in a formal financial institution, 14.2% access informal financial services while majority of the population 73.3% are entirely excluded from the financial system.
- Though there is a low level of financial education in Burundi and low access to formal financial services is also driven partly by other socio-economic factors such as high level of poverty. An estimated 67% of Burundi's 8.1 million inhabitants live below the poverty line. This number increased from 35% in 1993 to 67% in 2006, with the rural poverty estimated to be twice that of urban areas. Over 87.6% of the rural population depends on subsistence agriculture and livestock and have low income levels. Savings level and participation in formal financial services is low because of poor level of income.
- Burundi has a literacy rate of 67%, however there is a high rate of illiteracy in rural areas, approximately 40% of rural population are illiterate. This provides challenges in implementing financial awareness and education initiatives in rural areas.
- Their remains low penetration of financial services institutions in rural areas as most of the country's financial services providers are concentrated in capital city Bujumbura. Moreover, Burundi has a very poor infrastructure and distances to financial access points are far for most Burundians. Only 49.4% of the population live with 8kms to a financial access point.[32] According to the NFIS, 90% of the population lives in rural area however rural areas account for 66% of financial access points.
- Low level of awareness of financial institutions, products and services among the population especially microfinance institutions.
- Informal services are used more than formal services in Burundi, especially for saving, borrowing and even transferring money.

Rwanda: Outlined below are some key challenges and gaps in financial literacy and education in Rwanda uncovered over the course of the study:

- Large number of illiterate population especially in rural areas provides a challenge in developing appropriate modes of delivery of financial education programs to ensure comprehensive understanding of the concepts taught.

[31] FMRC: Fonds de Micro Credit Rural (Rural Micro Credit Fund)

[32] August 2012, "Burundi National Financial Inclusion Survey", Bank of the Republic of Burundi, Bujumbura, Burundi

- Teaching modules on financial education are sometimes loaded with too much material by trainers resulting in learners getting lost in the material and not retaining the financial concepts learned.
- The capital markets are a new institution and the level of understanding among the public as to how capital markets operate and opportunities therein is low. Moreover, stock-brokers have limited geographic presence in rural areas, where awareness of capital markets is lowest. Stock brokers do not actively have deliberate programs to reach rural investors.
- There is a high appetite for knowledge from consumers about financial products and services however for suppliers of financial services this is not a priority beyond marketing purposes.
- It is difficult to measure the impact of mass public awareness and financial education programs e.g. radio programs. Only after several years will a positives change in attitudes towards importance of saving and good financial habits can the effects be measured but the impact cannot be wholly attributed to mass media programs alone.
- Many processes in MFI/SACCO sector are not computerized, manual systems are used. There is a high level of lost and/ or incorrect records that cause disputes among clients and financial institutions. The insurance and capital markets segments also mainly have manual processes.
- There is low culture of saving and investing in income generating activities. As a consequence, many Rwandans especially in urban areas tend to live beyond their means.
- There is a shortage of experience and knowledgeable professionals in the insurance sector. This shortage has resulted in competition of staff that often move from firm to firm commanding higher salaries and providing little added benefit to companies.

Uganda: Outlined below are some key challenges and gaps in financial literacy and education in Uganda uncovered over the course of the study:

- Outreach and country-wide coverage is a challenge and costly. Uganda is very ethnically diverse with about 65 different ethnic and languages spoken in the country.
- Infrastructure reaching rural areas is costly due poor infrastructure. High levels of poverty preclude provision of financial education using expensive media platforms such as television.
- Financial education training to improve skills among professionals has challenges of poor attendance, and delays in evaluation feedback. Full day training courses are sometimes not effective whereas evening courses are more effective because of fewer distractions from work.
- Banking sector has conducted training on consumer protection, now the challenge is to provide training and information to consumers regarding their rights and avenues for dispute resolution.
- Few qualified professionals practising in the insurance industry. Competency certification is now being introduced locally at IIU. Previously Ugandan professionals were not able to receive industry certification locally.
- Lack of appropriate insurance products targeting low income segment e.g. micro insurance and small scale agriculture e.g. crop insurance.

- Limited awareness about the pension sector, how it functions and the difference between savings and long term retirement savings. There is a need to embed pension education in the school curriculum, to build long term savings as part regular financial habits and planning.

Kenya: Outlined below are some key challenges and gaps in financial literacy and education in Kenya uncovered over the course of the study:

- People do not have adequate knowledge on the importance of long term planning and therefore do not appreciate the need to save for retirement
- The saving culture in Kenya consists of informal channels such Rotational Savings and Credit associations (ROSCAs) as opposed to saving and investing in formal financial institutions. This is also the case with regard to credit, majority of the population utilize informal financial products and services due to financial exclusion, lack of awareness of the available products and low levels of income from formal financial institutions.
- Wide spread corruption in facets of the financial sector such as the pyramid schemes in the informal investments result in loss of trust by the population in some of the financial sectors.
- Education on retirement is important as there still remains a large proportion of the population that use up their pension too quickly. Income that was meant to last the retiree 20 years can oftentimes be used up within two years because many pensioners are not used to having such large sums of money. Many tend to purchase non- income generating assets such as cars or go into businesses that they have no experience in.
- Conducting financial education is quite expensive. It costs Kenya Retirement and Benefits Authority (KRBA) estimated USD 60,000 (KShs 6.06 million) per week during their radio road show. There should be a policy in place that directs on this such as Kenya can adopt what the AD Council in the USA does in conducting public awareness or education initiatives. Kenya can use the model used in the US on public service announcement. The cost of printing the materials is high.
- Inadequate inclusion of the industry associations in the FEPP programme by the 5 regulators in Kenya. There needs to be inclusion of all the associations for them to create a harmonised policy document and ensuring that all of them work towards a common goal or drive. There is a sense that the regulators do not want to work with the associations since they view themselves as the regulators.
- After developing the Consumer Guide to Banking in Kenya, their members only post this to their website due to cost implications. There need to be a policy in place from CBK that ensures as customers are opening accounts in the banks, the banks to be compelled to be providing this document to them.
- There is inadequate coordination in running this programme. The players are all doing their own form of financial education. This should be harmonised and have one body taking the lead role in this.

- The pension uptake by the Kenyan population is limited mainly because returns from the pension savings are long-term; this is a challenge due to the cultural need for tangible returns.

Tanzania: Outlined below are some key challenges and gaps in financial literacy and education in Tanzania uncovered over the course of the study:

- The key challenge in Tanzania with regard to implementation of Financial sector initiatives is the bureaucracy associated with the established mechanisms for enactment
- The country covers a wide geographic area; therefore, implementation of a nationwide financial education initiative would be very costly.
- The education system of Tanzania is not very effective the adult literacy rate of 67.8%[33], therefore, the implementation of financial education into the school curriculum may not be as effective.
- Limited circulation of media channels especially in the rural areas where the majority of the population reside.
- Inadequate number of skilled financial education trainers on financial education issues.
- The attitude of the Tanzanian population towards pension contribution is not positive. Their negative attitude can be attributed, largely to the regulations surrounding pension contributions in the country; mandatory contribution. Thereby, the citizens do not view their contributions as benefits rather perceive it as a burden or a tax levied on them.

[33] UNICEF, 2013 report

6. SURVEY METHODOLOGY

The methodology of the survey stemmed from the definition of financial capability/literacy as the internal capacity to act in ones best financial interest given socio-economic environmental conditions (The World Bank, 2013). From this adopted definition, financial literacy encompasses the knowledge attitudes skills and behaviours of consumers with regard to managing their resources and understanding selecting and making use of financial services that t their needs. This survey adopted and customized World Bank (2008) financial literacy survey tool to operationalize the study's measurements.

Taking cognizance that the purposes a survey serves depend on the content of the questionnaire, the sampling strategy adopted and the statistical methods used to analyse the data. This survey acted as a diagnostic tool to identify the gaps in financial literacy and inform the design of regional financial literacy strategies. The other purpose of this survey was to understand the nature and extent of the issues surrounding regional financial literacy and also to identify possible areas of intervention. Finally, survey allowed for more in-depth interrogation on the causal relationship among different phenomena of interest. Such as the links between financial capability and money culture, behaviour, and other controlling variables that includes demographics and social-economic factors.

Survey's Financial Literacy Measurements

Consistent with other studies such as The World Bank's Financial Capability and Consumer Protection surveys, WB FCCP and HRS studies, Singapore National Financial Literacy Survey, Fiji Fin Cap study, Portuguese Financial Literacy Survey, New Zealand Financial knowledge Survey, Financial Sector Deepening Program, U.S. Survey of Consumers and ECD/INFE study, the survey measured financial literacy across the following four dimensions: knowledge skills attitudes and behaviour. (a) measuring knowledge in order to better understand the information gaps that affect people's ability to effectively manage their finances (b) looking at numeracy and literacy skills that may explain differences in knowledge or behaviour (c) looking at observable attitudes to understand how psychological variables shape financial behaviour and (d) collecting data on behaviour to gain insight into how people actually manage their personal or household finances and the financial tools they use in doing so.

This study measured the respondents' internal capacity to manage financials by assessing their financial knowledge (literacy) attitudes and skills. Financial knowledge was measured in three dimensions:

a) Knowledge of financial concepts: knowledge of general finance including under-standing of basic concepts such as saving investing, lending, the effects of inflation and budgeting among others.
b) Knowledge of financial products and services: awareness of the economic services and products provided by the finance industry

c) Know-how or practical knowledge: understanding of how to manage own personal finances including how to use financial services and products how to save borrow and invest.

The study used cognitive skills such as literacy and numeracy to measure respondents' potential financial behaviour under certain conditions. Literacy questions were presented in order to gauge whether the respondents (i) can read and (ii) understands concepts presented in elementary terms.

To measure how and why respondents make financial decisions. The respondents' attitude, the survey asked questions on preferences for receiving financial education, reasons for and proclivity toward managing budgets and expenditures and perceptions of financial service providers.

To measure respondents' financial behaviour that's interaction between the internal capacities described above (knowledge, attitudes, and skills) and external socioeconomic environmental conditions. The survey asked questions on money management (managing day-to-day finances), long-term planning (preparing for emergencies and retirement), financial decision-making (ability to choose appropriate financial products) and seeking advice.

The survey went beyond the above and measured respondents' awareness of consumer protection related issues. This by asking related question measures respondents' understanding of the available consumer protection mitigation mechanism associated with using financial services and products.

Survey Population

All the citizen of the EAC Partner States residing within the region

Target Population

The target population consists of the entire adult population (aged 18 and 79) who were residents of the five EAC Partner States. The choice of respondents who are 18 years and above was informed by the region's definition an adult who is considered to be 18 years above. In relation to the survey this segment of the population is considered economically active hence playing a significant in house well-being and financial decisions.

Sample size selection

The number of sample of respondents in each of the five EAC Partner States was defined, and systemically selected and apportioned. Below is the table showing the samples selected for the survey in each of the EAC Partner States.

Table 1-Sample distribution

Country	Sample Selected	Questionnaires Administered	Response Rate (%)
Burundi	114	200	57
Rwanda	195	250	78
Kenya	711	867	82
Uganda	511	568	72

Tanzania	686	750	91
EAC(N)	2217	2635	84

Continental Financial literacy
A Snap Shot

Source	Findings
African Development Bank (AfDB): Financial Inclusion in Africa (2013)	-More than 16% of adults in Southern and West Africa saved at a financial institution -Notably only 4% of adults in North Arica saved formally -58% of adults report having borrowed money in East Africa compared to only 34% in North Africa -In Africa 39% of adults reported to borrowing money from friends or family -In Central and West Africa, only 3% of adults reported to having received a new loan from a formal financial institution -8% in South Africa borrowed formally -Only 3% of adults in Africa reported having a credit card -Respondents borrowed to pay for outstanding loans, funerals/weddings, school fees, and emergency/health -Only 3% of adults in Africa have health insurance

7. STUDY METHODOLOGY: A SUMMARY

Sample Universe (N)	➢ N=All citizens of EAC Partner States: Kenya, Uganda, Tanzania, Burundi and Rwanda ➢ Aged 18 to 79 years ➢ Respondents residing within EAC region
Sampling Design	➢ Sample size (n) =2,161 ➢ Cluster stratified probability sampling ➢ Questionnaires-Self-administered ➢ Questionnaires administered 2,635 ➢ Return rate 84% (2,217)
Survey	➢ Cross-sectional in design ➢ Both Qualitative and Quantitative ➢ Household Survey ➢ Duration of 30 days
Analysis	➢ Data analysed, tabulated and significance tested using 'Statistical Package for the Social Sciences (SPSS) ➢ Data was weighted to be representative of respective partner state's national statistical bureaus
Instruments	➢ Pre-test: Questionnaires/ Interview guide piloted amongst 50 and 30 prospective study respondents respectively, findings not included in final analysis ➢ Key Informant Interview (KIIs) guide: open-ended ➢ Survey eligibility: Age and residence ➢ Tools Classification: money culture, language, behaviour, socio-economic factors, cultural backgrounds, behavioural factors, life-events and skills ➢ Bio data: Age, Gender, Level of Education, Income and Household size
Statistical Reliability	➢ Maximum margin of Error ± 0.02 at 95% Confidence Interval ($\alpha = 0.05$) ➢ This implies that at we can be 95% confident that the study estimate would be reflective of the true status of situation to within $\pm 2.0\%$

8. KEY FINDINGS: DIFFERENCES IN MONEY CULTURE, LANGUAGE AND BEHAVIOUR

Demographic Variables

- Majority of respondents sampled were male; 55.4% (Uganda), 56.5% (Kenya), 58.5% (Rwanda), 67.5% (Burundi) and 62.1% (Tanzania) as compared to female; 44.6% (Uganda), 43.5% (Kenya), 41.5% (Rwanda), 32.5% (Burundi) and 37.9% (Tanzania).
- Cumulatively, majority of sampled respondents were between the age of 25 to 34 years (36.6%), 18 to 24 years (29.6%) whereas 35 to 44 years (21.1%), 45 to 59 years (10.2%) and 60 years and over (2.4%).
- Of sampled respondents' level of education; 32.9% (Uganda), 29.7% (Kenya), 29.2% (Rwanda), 27.2% (Burundi) and 33.1% (Tanzania) had higher level of education. Those with primary or less level of education recorded the least proportion of the respondents; 6.7% (Uganda), 7.6% (Kenya), 7.7% (Rwanda) and 5.3% (Burundi).
- On levels of income, 19.6% (Uganda), 7.6% (Kenya), 16.4% (Rwanda), 17.5% (Burundi) and 16.6% (Tanzania) earned up to 162 USD. Significantly, 15.9% (Uganda), 10.7% (Kenya), 4.1% (Rwanda), 9.6% (Burundi) and 10.3% (Tanzania) had no income.
- On average, households were comprised of 4 members (17.1%), 5 people (16.8%), 6 people (15.3%) and 3 people (12.9%) across the Partner States.

Money Culture

- *51.8%* of respondents in Burundi indicated they first saved their income and spent the rest on every day's need compared to 44.6%, 44.3%, 44.2% and 43.4%, of the respondents in Rwanda, Kenya, Tanzania and Uganda respectively.
- Significantly, 41.1% of respondents in Tanzania, indicated that they would first spend their income on everyday needs and save the rest as compared to 38.7%, 38.5%, 34.4%, and 34.2% in Uganda, Kenya, Rwanda and Burundi in that order.
- Notably, 11.9% of respondents in Uganda indicated that they spent all their income on everyday needs.
- Asked how they would spend an extra 40% increase on the household income; while 22.8% and 22.7% of respondents in Kenya and Uganda indicated that they would invest it on their own family business; in contrast, their counterparts in Burundi(18.4%), Rwanda (17.9%) and Tanzania (17.9%) preferred to adding more money to purchase an asset. Of interest, 11.4% of respondents in Burundi found it difficult it to answer.
- 27.7%, 25%, 23.3%, and 22.8% of respondents in Tanzania, Kenya, Uganda and Burundi cited preference to saving than spending as the main reason for making savings or investing respectively compared to 12.8% of respondents in Rwanda. In contrast, 13.8% of Rwandese cited 'a rainy day' or unexpected expenses as the main reason.
- Of interest, only 0.9% (Burundi), 1.7% (Kenya), 1.6% (Tanzania), 1.4% (Uganda) and 0% (Rwanda) of respondents who cited saving and investment as part of family tradition.
- Worth noting, are respondents (14.5%) in Uganda who cited retirement as the main reason for making saving and investment. 12.3% of those in Burundi cited earning income from increased market value from assets acquired as the main reason for making saving and investment.
- On financial record keeping practice, proportionally, 21% of Rwandese indicated that they kept all financial records compared to 19%, 17%, 15.8% and 14% of Ugandans, Tanzanians, Kenyans and Burundian respectively.
- Significantly, 20%, 18.2% and 15.2% of Tanzanians, Ugandans, and Kenyans don't keep financial records at all.
- Low income was most cited as the main reason why majority of respondents do not make savings or investments; 47.2% (Tanzania), 46% (Kenya), 42.5% (Uganda), 37.7% (Burundi) and 23.6% (Rwanda)

Money Behavior

- On being asked if they have had money unspent before the next cycle of income; 50% of Burundians, 48% of their Rwandan counterparts indicated they sometimes had money unspent these comparing well with 35.9% in Tanzania, 35% in Uganda and 37.1% in Kenya.
- Notably, 16.2%, 16%, 13.1% and 12.3% of the respondents in Kenya, Tanzania, Uganda and Burundi indicated that they never had money unspent before the next income cycle respectively, as compared to 6.7% in Rwanda.
- On being probed on how the family (household) would spend money left from the previous income / revenue; 26.2% and 25.4% of Kenyans and Burundians indicated that they would deposit in an account without withdrawals respectively. Those in Rwanda (23.6%), Tanzania (22.7%) and Uganda (26%) indicated they would invest in their own businesses.
- On being probed further, those in Burundi (21.1%), Uganda (22.5%) and Rwanda (18.5%) indicated they would spend the surplus on purchase of consumer goods while the Kenyans (25.9%) would invest in own business and 20% of Tanzanians would make a deposit in an account without withdrawal.
- Of interest to note is the significant proportion of respondents who indicated that they would keep the surplus in cash; 20.2% of Burundians, 18.8% of Tanzanians, 16.2% of Ugandans and 10.3% of Rwandese.
- Significantly, majority of respondents (Burundi (57%), Uganda (71.6%), Kenya (67.8%), Tanzania (59%), and Rwanda (65.5%)) indicated that they had experienced unexpected reduction in their households' income in the last 3 years.
- Asked on how they would make ends meet when their income dropped, 34.4% of Ugandans, and 29% Kenyans respondents indicated that they would cut down on expenses and save whilst 31.6% of respondents in Burundi and 24.2% in Tanzania indicated they would borrow from friends and relatives.
- 27%, 15.4% and 13.1% of respondents in Kenya, Rwanda and Uganda suggested that they would spend their savings respectively. Notably, 13.2% of those in Burundi would find other sources of income if their income dropped.
- On being asked on how often the respondents had to borrow in the last one year to pay debts, 50.9%, 37.9%, 34.5%, 33.3% and 30.3% of Burundians, Tanzanians, Kenyans, Rwandese and Ugandans respectively indicated that they sometimes had to borrow to repay debts. 23.1% (Uganda), 20.7% (Tanzania), 18% (Kenya), 12.3% (Burundi) and 10.8% (Rwanda) indicated that they never borrowed to repay previous debts.
- 70.2% (Burundi), 66.3% (Kenya), 66.7% (Rwanda), 61.3% (Tanzania) and 65% of respondents indicated that they do compare terms and conditions for a financial service/ product before making purchase.

Money Language

- On being asked whether they were aware of the maximum level of their bank deposits insured by government in case an investment bank collapsed; significantly only 20.2% (Uganda), 19% (Tanzania), 15.5% (Kenya), 14% (Burundi), and 8.7% (Rwanda) answered that they were aware.
- On testing respondents' knowledge of the relationship between interest rates and inflation rates against cash deposit by asking them to estimate if "money deposited in bank account at 8% interest rate, while the annual inflation rate was 10% would buy more or less now as a year ago?' Significantly majority of respondents 56.3% (Kenya), 59.1% (Uganda), 57.6% (Tanzania), 57.9% (Burundi) and 64.6% (Rwanda) either answered 'could buy more', 'buy the same' and 'could not roughly estimate'.
- On being asked what deserves primary attention in comparing between the banks to choose from where to take credit; majority of respondents, 30.7% (Burundi), 47.1% (Kenya), 53.8% (Rwanda), 39.4% (Tanzania) and 39.1% (Uganda) indicated 'credit interest rates and credit cost' as the factor to consider. Of interest to note, however, is the significant proportion of respondents who could not estimate even roughly; 29.8% (Burundi), 11.3% (Rwanda), 24.6% (Tanzania) and 19.6% (Uganda).
- Asked when buying on credit was justified, only 14.9% (Tanzania), 17.4% (Uganda), 20% (Kenya), 22.8% (Burundi) and 32.3% (Rwanda) of respondents were able to answer.
- The study sought to establish what financial market trends the respondents followed. Though from the findings; 20.2% (Burundi), 23.3% (Kenya), 13.3% (Rwanda), 16.2% (Tanzania) and 24.9% (Uganda) indicated that they followed changes in the inflation rate other areas of interest noted are 12.3% (Burundi), 10.4% (Kenya), 6.7% (Rwanda), 8.9% (Tanzania) and 8.2% (Uganda) of respondents who keenly followed changes in the property market. Of concern however, is the significant proportion of respondents; 24.6% (Burundi), 17.6% (Kenya), 12.3% (Rwanda), 25.4% (Tanzania) and 16.2% (Uganda) of respondents who indicated that they do not watch any financial trends whatsoever.

Money Skills, Knowledge, and Consumer Protection

- The study sought to find out if the respondents knew of families of acquaintances or friends who were financially well-to-do and suddenly encountered financial problems and if so, what was the main reason in respondents' opinion? From the findings; 43.1% (Rwanda), 37.7% (Burundi), 37.8% (Uganda), 43.5% (Kenya), and 47.8% (Tanzania) attributed this to poor financial management skills (e.g., overspending, too much credit etc.,)
- Majority of the respondents; 86% (Burundi), 84.5% (Kenya), 91.3% (Rwanda), 81.2% (Tanzania) and 79.8% (Uganda) indicated that they did not know the maximum level of deposits entirely insured by the government should the bank became bankrupt.
- Upon being asked if respondents were sure of a quick and just resolution to a conflict between a financial organization over provision a financial services, notably, only 14.9% (Burundi), 10.1% (Kenya), 6.2% (Rwanda), 9.6% (Tanzania) and 8.2% (Uganda) indicated of being completely sure.
- 36% (Burundi), 39.5% (Kenya), 53.8% (Rwanda), 33.8% (Tanzania) and 37% (Uganda) of the respondents indicated that they had purchased a financial service in the last five years that they later regretted. On being asked what action they took, though 26.8% (Burundi), 24.9% (Kenya), 12.4% (Rwanda), 21.1% (Tanzania) and 23.8% (Uganda) indicated to have submitted their grievances to the company, significant proportion; 24.4% (Burundi), 19.9% (Kenya), 25.7% (Rwanda), 22.8% (Tanzania) and 23.8% (Uganda) reported to have done nothing.
- Asked if the respondents knew the approximate level of loss insured by the government should shares in the unit fund, and values of shares plummeted because of a large scale financial crisis, while 31.6% (Burundi), 16.6% (Kenya), 9.2% (Rwanda), 19.5% (Tanzania) and 13.5% (Uganda) thought the government insures the whole amount, 48.2% (Burundi), 60.1% (Kenya), 70.8% (Rwanda), 62.5% (Tanzania) and 56.6% (Uganda) found it difficult to answer.

Financial Services Consumption, Information and Distribution Channels

- Bank current account and deposit account were cited as mostly used financial services by the respondents; 30.7% (Burundi), 24.5% (Kenya), 12.8% (Rwanda), 27.1% (Tanzania) and 14.5% (Uganda) and 21.9% (Burundi), 30% (Kenya), 12.3% (Rwanda), 27% (Tanzania) and 23.5% (Uganda) respectively. Investments in unit funds and investments in companies' stock were cited as the least used financial services.
- Combined, bank current account and deposit account were cited as the financial services the respondents planned to use in the next 2 years, 40.3% (Burundi), 26.7% (Kenya), 9.7% (Rwanda), 34.7% (Tanzania) and 27.2% (Uganda). Worth noting, 13.2% (Kenya) and 16.4% (Rwanda) of the respondents who indicated mortgage loan and 11.4% (Tanzania), 11.2% (Uganda) and 9.6% (Burundi) who would prefer investment in companies' stock.
- On being asked which financial services the respondents would have liked to receive additional information on, bank deposit account (Burundi), mortgage loan(Kenya and Rwanda) and investments in companies' stock (Tanzania and Uganda) were ranked the highest. The second highest ranked information needs were on; bank current account (Burundi and Tanzania), insurance policies (Kenya), investments in companies' stock (Rwanda), bank current account (Tanzania) and bank deposit account (Uganda).
- Advertisement was singled out as the main source of information paid attention to by respondents when choosing a company to buy a service from (Burundi, Rwanda, Tanzania and Uganda). In contrast, service provider's information materials, tariffs and services were ranked first in Kenya.
- Commercial banks (Burundi and Tanzania) and non-government organizations or public organization involved in consumer rights and protections were the most trusted institutions to offer financial literacy program.

Socio-Economic Factors

- Bank current account and deposit account were cited as mostly used financial services by the respondents; 30.7% (Burundi), 24.5% (Kenya), 12.8% (Rwanda), 27.1% (Tanzania) and 14.5% (Uganda) and 21.9% (Burundi), 30% (Kenya), 12.3% (Rwanda), 27% (Tanzania) and 23.5% (Uganda) respectively. Investments in unit funds and investments in companies' stock were cited as the least used financial services.
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- Commercial banks (Burundi and Tanzania) and non-government organizations or public organization involved in consumer rights and protections were the most trusted institutions to offer financial literacy program.

9. Empirical Findings and Discussion

Demographic Characteristics of Respondents

Table 2-Demographic distribution of respondents by Partner State (%)

Demographic Characteristic of Respondents

COUNTRY	UGANDA		KENYA		RWANDA		BURUNDI		TANZANIA	
Demographics	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage	Frequenc	Percenta	Frequenc	Percentag
Gender										
Male	283	55.4	402	56.5	114	58.5	77	67.5	426	62.1
Female	228	44.6	309	43.5	81	41.5	37	32.5	260	37.9
Total	511	100	711	100	195	100	114	100	686	100
Age Category of Respondents										
18-24 years	188	36.8	164	23.1	23	11.8	42	36.8	239	34.8
25-34 years	179	35	289	40.6	70	35.9	31	27.2	243	35.4
35-44 years	84	16.4	161	22.6	68	34.9	23	20.2	132	19.2
45-59 years	50	9.8	76	10.7	32	16.4	15	13.2	54	7.9
60 and over	10	2	21	3	2	1	3	2.6	18	2.6
Total	511	100	711	100	195	100	114	100	686	100
Respondents' Highest Level of Education										
Primary or less	34	6.7	54	7.6	15	7.7	6	5.3	55	8
Incomplete secondary	59	11.5	58	8.2	23	11.8	14	12.3	57	8.3
Secondary education	57	11.2	157	22.1	34	17.4	19	16.7	128	18.7
Special vocational	58	11.4	102	14.3	20	10.3	17	14.9	84	12.2
Incomplete higher Education	63	12.3	76	10.7	27	13.8	19	16.7	102	14.9
Higher education (Graduate)	168	32.9	211	29.7	57	29.2	31	27.2	227	33.1
Post graduate	72	14.1	53	7.5	19	9.7	8	7	33	4.8
Total	511	100	711	100	195	100	114	100	686	100
Respondents' Last Earning(Income)										
Up to 162 USD	100	19.6	54	7.6	32	16.4	20	17.5	114	16.6
162 – 323 USD	101	19.8	58	8.2	34	17.4	14	12.3	103	15
323 – 538 USD	51	10	157	22.1	27	13.8	7	6.1	68	9.9
538 USD	16	3.1	102	14.3	34	17.4	5	4.4	21	3.1
Nothing in the last month	81	15.9	76	10.7	8	4.1	11	9.6	71	10.3
Founddifficult to answer	65	12.7	211	29.7	25	12.8	43	37.7	216	31.5
No answer	97	19	53	7.5	35	17.9	14	12.3	93	13.6
Total	511	100	711	100	195	100	114	100	686	100
Number of People Living in the Household										
1	29	5.7	46	6.5	5	2.6	7	6.1	35	5.1
2	40	7.8	49	6.9	15	7.7	5	4.4	31	4.5
3	69	13.5	99	13.9	26	13.3	15	13.2	77	11.2
4	81	15.9	135	19	44	22.6	16	14	103	15
5	76	14.9	122	17.2	34	17.4	16	14	124	18.1
6	74	14.5	100	14.1	27	13.8	20	17.5	119	17.3
7	43	8.4	57	8	16	8.2	16	14	79	11.5
8	62	12.1	60	8.4	14	7.2	16	14	72	10.5
11	19	3.7	23	3.2	8	4.1	1	0.9	27	3.9
12+	18	3.5	20	2.8	6	3.1	2	1.8	19	2.8
Total (SAMPLE SIZE)	511	100	711	100	195	100	114	100	686	100

This section presents the demographic and socio-economical characteristics of the adult population. The findings are presented in the table 1 above and the following observations made,

- The number of male respondents was higher than those of the female; 55.4% to 44.6% in Uganda; 56.5% to 43.5% in Kenya; 58.5% to 41.5% in Rwanda; 67.5% to 32.5% and finally 62.1% to 37.9% in Tanzania respectively. These findings may be attributed to the household set up within the region traditions and culture where financial decision making role is regarded as a domain for the male.
- Consistence with respective Partner States' national statistics bureau data, survey results indicated that majority of respondents were between the age brackets of 18 years and 35.
- On education levels ,significant over two third of the sampled had attained secondary level of education
- Turning to livelihood, the study shows a significant disparity across the Partner States. In terms of source of income, the results suggest that the majority of the adult population (67 percent) earned USD 162 or less a month.
- On average a household was constituted of 4 family members (see Kenya National census report, 2009, (PHC) report, 2012, Uganda population census report, 2014, Rwanda Population and housing census report, 2012 (RPHC4) and Burundi general census report, 2008.

Table 3-The overall Demographic distribution in the EAC (%)

	EAC	
Demographics	**Frequency**	**Percentage**
Gender		
Male	1302	58.7
Female	915	41.3
Total	**2217**	**100**
Age Category of Respondents		
18-24 years	656	29.6
25-34 years	812	36.6
35-44 years	468	21.1
45-59 years	227	10.2
60 and over	54	2.4
Total	**2217**	**100**
Respondents' Highest Level of Education		
Primary or less	164	7.4
Incomplete secondary	211	9.5
Secondary education	395	17.8
Special vocational	281	12.7
Incomplete higher Education	287	12.9
Higher education (Graduate)	694	31.3
Post graduate	185	8.3
Total	**2217**	**100**
Respondents' Last Earning(Income)		
Up to 162 USD	428	19.3
162 – 323 USD	395	17.8
323 – 538 USD	229	10.3
538 USD	116	5.2
Nothing in the last month	230	10.4
Found difficult to answer.	458	20.7
No answer	361	16.3
Total	**2217**	**100**
Number of People Living in the Household		
1	122	5.5
2	140	6.3
3	286	12.9
4	379	17.1
5	372	16.8
6	340	15.3
7	211	9.5
8	224	10.1
11	78	3.5
12+	65	2.9
Total (SAMPLE SIZE)	**2217**	**100**

ANALYSIS OF THE SURVEY RESULTS

Financial Literacy Status

Taking cognizant of Hastings & Mitchell (2011), Collins et al. al. (2009) claim that individual's self-reports and actual financial decisions do not always correlate strongly and consumers are often overly optimistic about how much they actually know (Agnew & Szykman 2005, OECD 2005). To access respondent's level of financial literacy the survey used both subjective and objective assessment approach as used in similar studies (see Bulgaria Financial Literacy Survey, 2010).

Subjective assessment is individuals' self-assessments of their financial knowledge or, alternatively, the level of confidence in their financial abilities, while objective assessment is the measured by answers the individual respondent gives to questions assessing basic knowledge of four fundamental concepts in financial decision-making: knowledge of interest rates, interest compounding, inflation, and risk diversification. To measure individual's respondent's level of financial literacy a comparison is made between self-assessment against knowledgeable answering of set questions from the tool.

The table below depicts the results of self-evaluation of respondent's level of literacy. From the findings about 58% of the respondents considered themselves as financially literate either with, excellent knowledge (7.8%), good knowledge and skills (25.3%) and of satisfactory knowledge and skills(25%.).

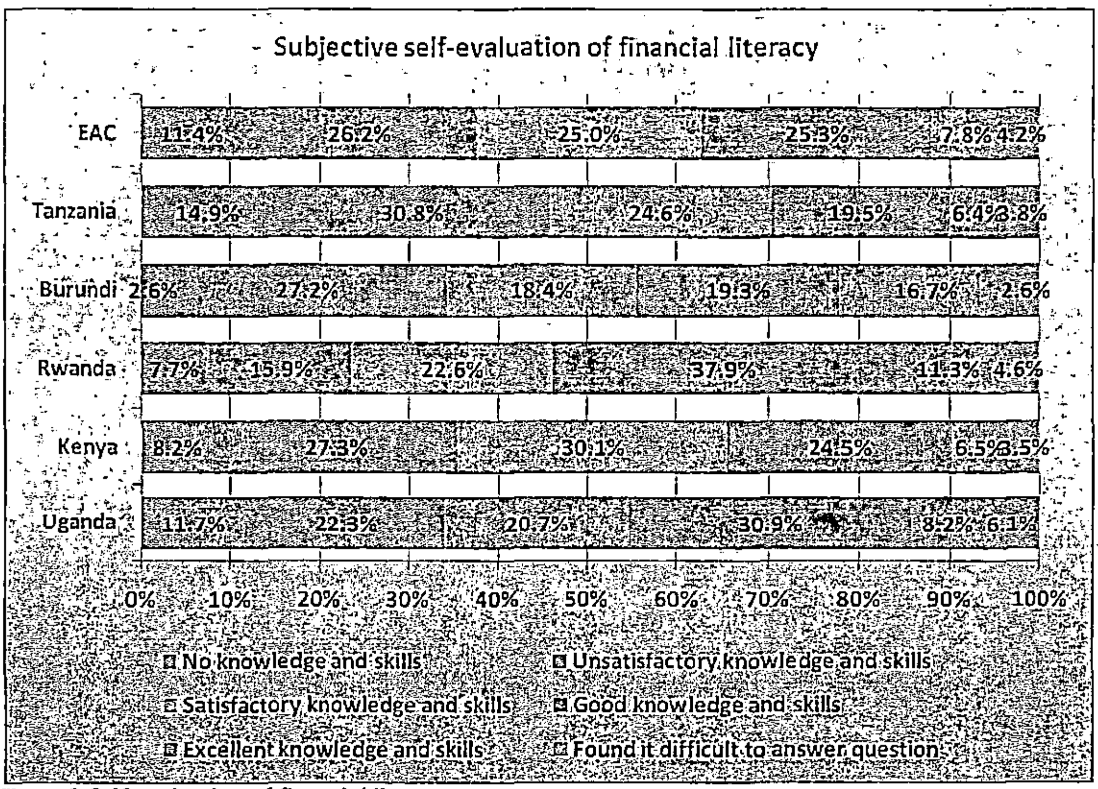


Figure 1-Self-evaluation of financial literacy

Given the many ways financial literacy affects financial behaviour, Lusardi and Mitchell (2014), it is important to understand the extent of people's understandings of basic financial concepts as well as the degree to which financial skills fall short as compared to the self-evaluation. Comparatively objective evaluation of financial literacy was measured using questions from the study's tool(respondent's knowledge of the interplay between interest rates and inflation rates, consumer rights and choice of financial products) to assess basic knowledge of four fundamental concepts in financial decision-making: knowledge of interest rates, interest compounding, inflation, and risk diversification. .

The findings in figure below best illustrate the interaction between the correct score on structured questions in the research instrument and self-evaluation on financial knowledge and skills as recorded by the respondent. The evidence show influence of self-evaluation and the ability of the respondent to answer structure question correctly.

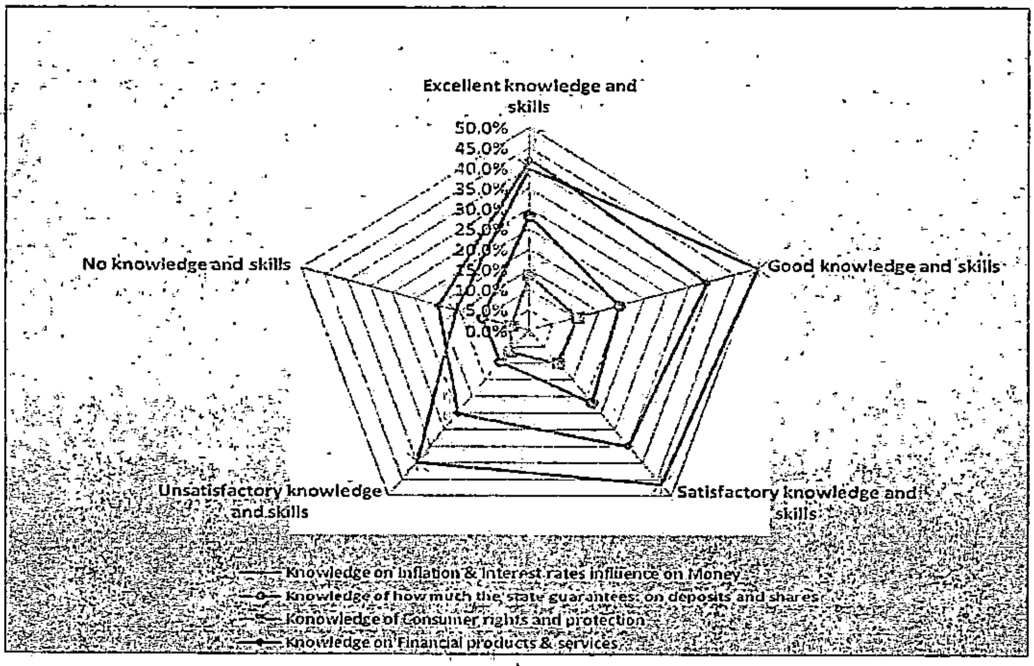


Figure 2-Self-evaluation of financial Literacy against the score on enumeration

Respondents who evaluated themselves as having good knowledge and skills had the highest scores in question that tested on knowledge on influence of inflation and interest rate on the purchasing power. On the other hand, knowledge on financial products and services, knowledge on how much the state guarantees on deposit and shares in case there is a financial crush, and question that tested on consumer rights and protection was mostly answered correctly by the majority of the respondents who indicated to have excellent knowledge and skills on financial matters.

	Knowledge on Inflation & Interest rates influence on Money	Knowledge of how much the state guarantees: on deposits and shares	Knowledge of Consumer rights and protection	Knowledge on Financial products & services	Row-Average
Excellent knowledge and skills	39.9%	28.3%	13.9%	42.2%	31.1%
Good knowledge and skills	50.0%	19.6%	10.4%	38.8%	29.7%
Satisfactory knowledge and skills	46.4%	21.8%	10.0%	34.8%	28.2%
Unsatisfactory knowledge and skills	39.8%	9.6%	6.4%	25.0%	20.2%
No knowledge and skills	15.8%	9.9%	3.8%	19.8%	12.3%
Found it difficult to answer question	37.2%	14.9%	6.4%	24.5%	20.7%
				Financially Literate (Average)	23.7%

In order to obtain the score for the population studied, important emphasis was put in factoring all the two approaches as stated in the literature review i.e., the objective and subjective approach as earlier stated. Based on subjective approach, the respondents were required to evaluate them-selves based on self-judgement the proportion of each response was further compared to the actual correct answer to the objective questions in the questionnaires and as shown in the above table, an average was obtained for each row. In order to arrive at the financial literacy score for the region (23.7%) the average for the last column was therefore obtained and this formed the proportion of financially literate in the sample surveyed.

The findings of the study seem to be consistent with previous studies, for example, Fin scope (2012; 2013; 2014); Global Findex, (2011) that indicates on average about 50% of Tanzanian are financially illiterate .Comparatively, Fin Mark Trust (2012) indicates similar trends in Rwanda, while Fin Scope I, II, and III Uganda depicts convergence on this study's findings. Similar studies suggest that financial literacy levels in developing countries are quite low. For instance, DFID (2008) shows evidence that only half of the adult population knew how to use basic financial products. The same study found that in seven African countries only 29% of adults had a bank account and that approximately 50% used no financial products whatsoever, not even informal financial products. In Kenya, FSD (2009) reported that 59.5% of the population was excluded from the use of formal financial services. The study found that exclusion decreases as the level of financial education increases.

Differences in Money Culture, Language and Behaviour

Financial Record Keeping Practice

In practice financial record keeping makes a significant component of money culture. Arrowsmith and Pignal (2010) remarks, that the presence of a budget is suggestive of a positive awareness relating to financial management (also see Mitchell & Lusardi, 2011). The study findings indicate the significant share of households in the regions run without a budget/records of income and expenses.

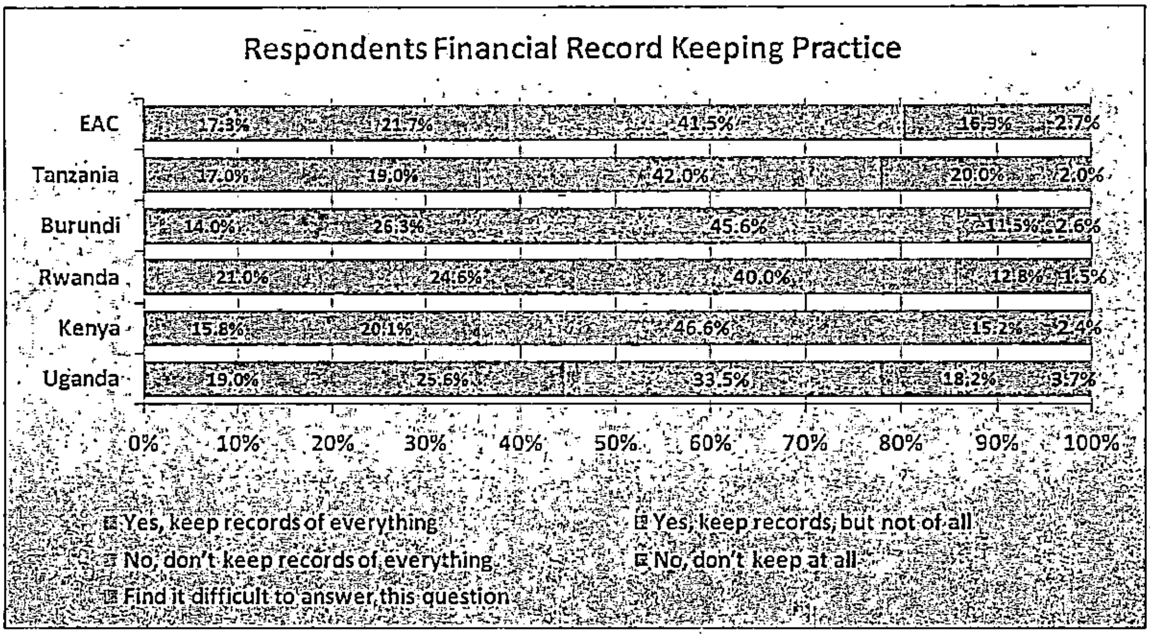


Figure 3-Financial record keeping practice

The distribution of financial record keeping practice across the four EAC Partner States show that majority of respondents do not observe proper complete recordkeeping practice of all their household/individuals income and expenses. The daily practices of the households show substantial differences in the people's understanding on the accountancy of the financial resources.

The majority of 41.5% of do not keep records of everything while; only 17.3% indicated that they do keep all financial records. Notably, in all the countries, the proportion of the financial record keeping practice was rather similar.

Financial Planning

Spending and saving behaviour

Financial planning seeks to evaluate how the respondent manage to balance between the three components of financial studies; income, expenditure and surplus to make reservations for the future unforeseen expenses. The approach on financial planning corresponds with wider literature regarding the impacts of saving behaviour and time preference. According to Walker (1996), consumer's ability to exercise self-control has long been associated with financial decision-making and "the choice of whether to delay fulfilment, for example by saving, or to spend now, or even to borrow, to buy now instead of waiting" is an important test of financial responsibility. A number of studies have also found that being more 'futuristic' is positively correlated with saving behaviour and the ability to cope with financial stress (Lamdin, 2011; also see Lea et al., 1995).

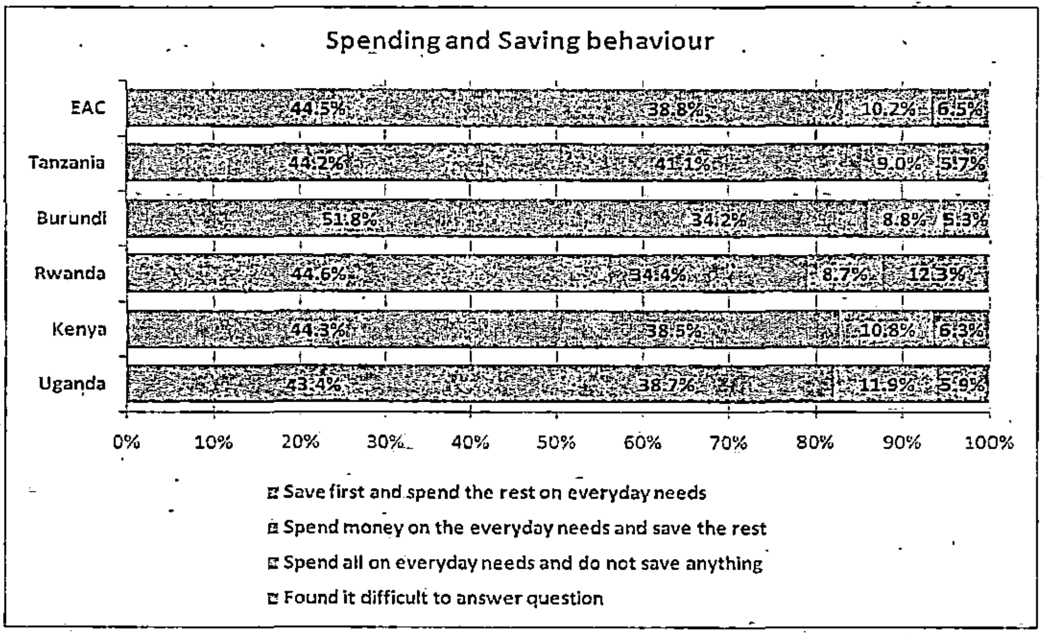


Figure 4-Spending and saving behaviour

Data analysis show that there is relatively high saving culture as compared to consumption, as shown by figure above in which; 44.5% of respondents indicate to make saving first priority as compared to spending on needs and then making a saving (38.8%). However, a considerably significant proportion of respondents indicated that they spend all income and do not make a saving whatsoever (10.2%). Country wise, Burundi has the highest number of those who save first before spending, Rwanda is second with 44.6%, and with the remaining countries have scores below the average of the EAC as a whole. Notably, Uganda recorded the highest proportion of those who spend all their income on expenses and do not make any savings.

Good financial planning constitutes setting financial goals and working hard to meet them, preferring to save for the long term and worrying about tomorrow. Although it is important that individuals place a value on financial planning, in particular saving and related activities, the ability to engage in financial planning is often predicated on financial position.

Constraints to saving and investing

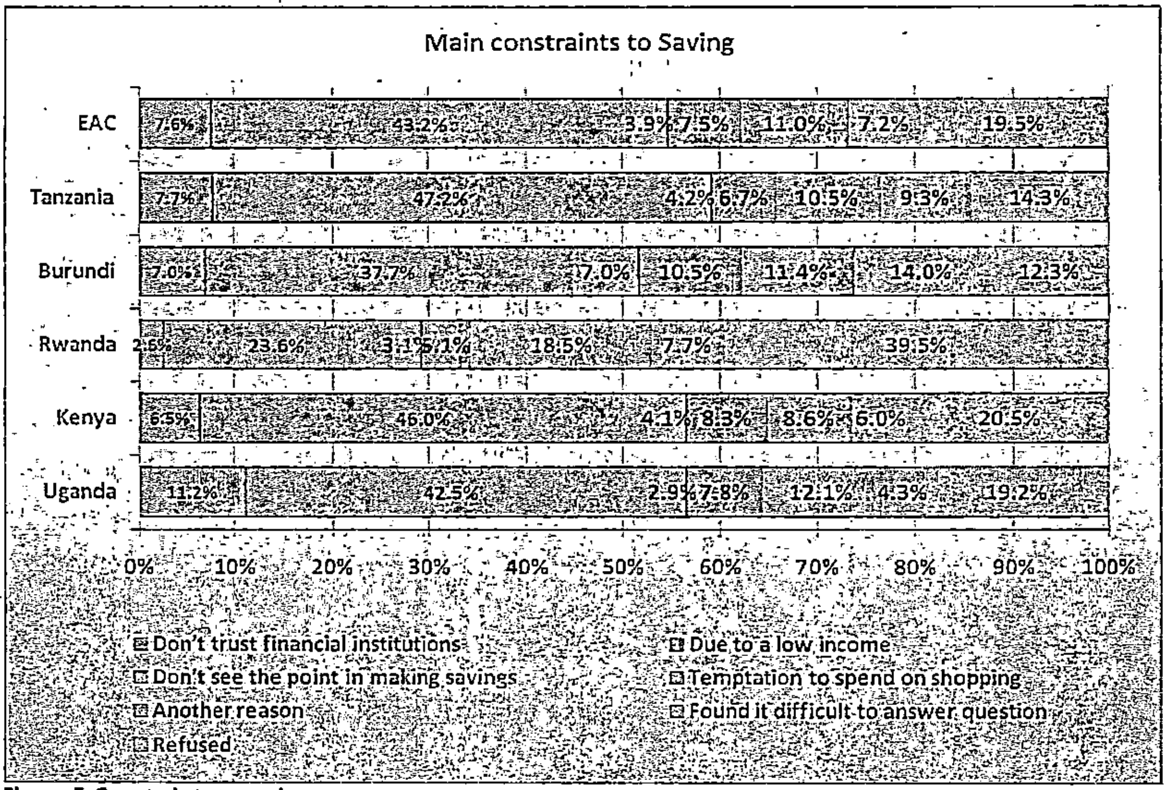


Figure 5-Constraints to saving

Majority of those who fail to make savings/investments cited the single most determent to making a saving as low income with the overall 43.2% of the respondents. Distrust of financial institutions was least in Rwanda (2.6%) which is attributed to the strategies that were put into place to increase financial inclusion in Rwanda under the financial services and inclusion program that has seen the rise in financial inclusion from 32% in 2008 to 53% in 2012.

Choosing Financial Service Providers[1]

The ability of a consumer to correctly choose appropriate products is an important aspect in a study on financial literacy. This is necessitated by the virtue that the modern financial product markets are highly complex, and navigating such markets is proving to be a daunting task to less literate consumers. The study identified key domains, with four key product types identified: banking; credit and loan; investment and savings; and insurance. In retrospect to choice of a financial service provider or product, there are main influencing determinants that contribute directly or indirectly to a client making decision. The research instrument asked respondents to indicate the main factors that in their views deserved primary attention when comparing the financial institutions (banks) to take credit from.

Table 4-Factors considered when choosing a bank to take credit

What deserves primary attention when comparing between the banks to take a credit from?					
Factors considered	Country				
	Burundi	Kenya	Rwanda	Tanzania	Uganda
Bank's reputation and reliability	24.6%	31.2%	29.2%	21.7%	25.6%

View of Bank's office and qualifications of personnel	11.4%	9.3%	3.1%	10.6%	9.0%
Credit interest rate and the credit cost	30.7%	47.1%	53.8%	39.4%	39.1%
Gifts and advertising campaigns	3.5%	4.5%	2.6%	3.6%	6.7%
Cannot estimate it even roughly	29.8%	7.9%	11.3%	24.6%	19.6%

Across the region, credit interest rate and the credit cost was the single most cited factor that respondents felt deserves attention when comparing financial service provider; 30.7% (Burundi), 47.1% (Kenya), 53.8% (Rwanda), 39.4% (Tanzania) and 39.1% (Uganda). Notably, the proportions of respondents who indicated that they cannot estimate even roughly, 29.8% (Burundi), 24.6% (Tanzania) and at least 19.6% (Uganda) further would be indicative of the status of the level of financial literacy and to a larger extent paints a picture of a need for financial training. Moreover, the least proportion of respondents indicated gifts and advertising campaigns as the factor considered when choosing a financial; 3.5%, 4.5%, 2.6%, 3.6% and 6.7% in Burundi, Kenya, Rwanda, Tanzania and Uganda respectively.

Choosing financial and or Banking Products

Advertisement remains the single most sources of information by most consumers who are intending to purchase a financial product from the list of financial providers available in the market with at least 24.4% of the respondents. Service provider's information tariffs are the second most informants relied on with, a general average of 15.1% where as consultants from the same service providers are relied on by 13.1% of the total sample population.

With the advancement in technology and increase in information channels, service providers seem to be utilizing the same to their advantage. As seen in this study, reliance on other sources of information is minimal with majority of the respondents relying on a 'skewed' information source. This can be justified by the sheer fact that adverts and service providers' may not be truthful in their provision of information as they seem to influence to the advantage of the seller rather than being unbiased. It's the rule of the thumb that independent consultants provide clear, detail unbiased and thoroughly formed unbiased advice only a small majority (5.7%) of the overall respondents trust it (See fig., 5).

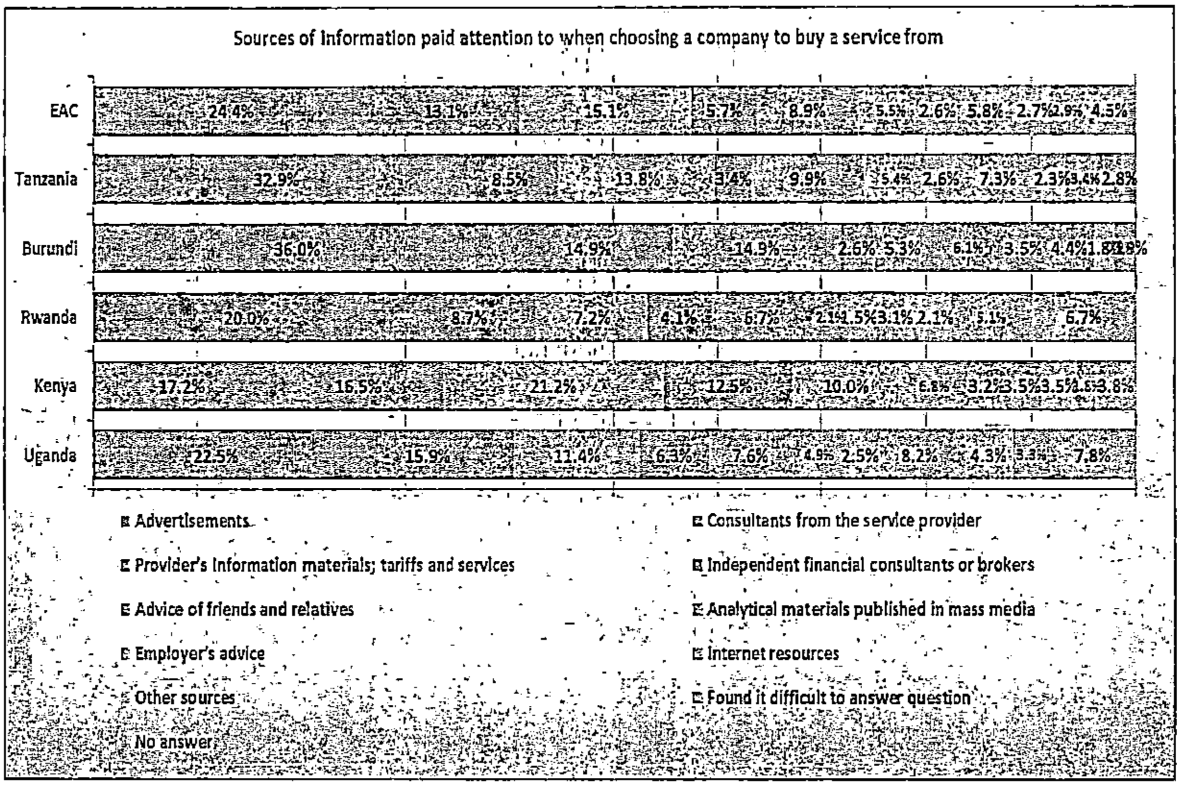


Figure 6-Information source when choosing a financial product/service

It is apparent from even superficial examination of the figure above that Kenya is the leading economy in which consumers relies on independent financial consultants and brokers most, a figure that is almost double the size of those in Uganda (6.3%), triple those in Rwanda (4.1%). Overall, Burundi lagged behind as the country where independent financial consultants are paid attention to when making a purchase of a financial service or product. Further observed is that, relatives and acquaintances are also an important information source in the EAC, commanding an average listenership of 8.9%, they play a vital role in influencing choice of a financial product or service.

This trend may lead to unbalance or misinformation in cases where the friend and acquaintance is no better informed, his /her skewed opinion would influence and propagate further misinformation among the consumer. It's therefore an important observation that further supports the need for financial education program with the promise that the acquired information would influence and greatly impact decision making and further enhance financial service utility, improve financial exclusion and the general well-being of the EAC Partner States.

Socio-Economic Factors Influence on Money Culture, Language and Behaviour

The tables below (see appendices) indicated significant variation in money culture, language and behaviour across all the demographic factors i.e., age, gender, level of education and income level.

		Respondent's level of earning in the last one month			
Personal reasons for		Up to 162 USD	162-323 USD	323-538 USD	538 USD

For "a rainy day" or unexpected expenses	15.4%	11.6%	8.7%	10.3%
For retirement	7.7%	10.9%	10.5%	12.1%
To earn income through interest increased market value of assets, etc.	7.2%	10.6%	10.5%	8.6%
To leave something for children to inherit	3.7%	4.8%	6.1%	0.9%
To increase living standards in the future	11.9%	12.2%	7.4%	10.3%
Prefer saving rather than spending	25.9%	19.5%	24.5%	20.7%
So as to be independent and make choices	4.2%	4.8%	5.2%	5.2%
To speculate on the stock exchange	5.8%	5.3%	8.7%	6.0%
As part of family tradition	1.9%	1.8%	0.9%	2.6%
For another reason other than stated	1.2%	1.3%	1.3%	1.1%
Found it difficult to answer question	4.4%	2.8%	1.6%	0.9%
Refused	1.2%	1.0%	1.3%	0.3%

		Respondent's Highest level of Education						
		Primary or lower education	Incomplete secondary education	Secondary education (general or vocational school)	Special vocational education (technical college)	Incomplete higher education	Higher education	Post graduate
How often do respondent compare T &Cs	Always	15.9%	19.4%	24.8%	28.5%	36.2%	37.9%	48.6%
	Sometimes	22.6%	38.4%	32.9%	35.9%	32.4%	33.1%	32.4%
	Rarely	16.5%	24.2%	23.8%	24.6%	18.8%	19.2%	11.9%
	Never	29.9%	10.4%	12.4%	7.1%	8.0%	5.8%	3.8%
	Found it difficult to answer question	14.6%	7.6%	6.1%	3.9%	4.5%	4.0%	3.2%

How often do respondent compare T & Cs for Financial services before purchase		Respondent's gender	
		Male	Female
How often do respondent compare T & Cs	Always	31.90%	31.40%
	Sometimes	33.60%	32.10%
	Rarely	20.30%	20.30%

	Never	9.40%	9.50%
	Found it difficult to answer question	4.80%	6.60%

		Respondent's age category				
		18-24 years	25-34 years	35-44 years	45-59 years	60 and over
How often do respondent compare T& Cs.	Always	31.9%	33.0%	31.0%	30.8%	18.5%
	Sometimes	32.2%	34.4%	34.4%	28.6%	29.6%
	Rarely	19.8%	18.2%	22.0%	23.8%	27.8%
	Never	11.0%	8.0%	8.3%	10.1%	20.4%
	Found it difficult to answer question	5.2%	6.3%	4.3%	6.6%	3.7%

10. Assessment of Variation in Information Needs

The study sought to find out the variance in consumer need for information; the results are depicted in the table below.

What financial services does respondent like additional information about?					
Rank	*Burundi*	*Kenya*	*Rwanda*	*Tanzania*	*Uganda*
First	**Bank deposit account**	**Mortgage loan**	**Mortgage loan**	**Investments in companies' stock**	**Investments in companies' stock**
Second	Bank current account	Insurance policies	Investments in stock	Bank current account	Bank deposit account
Third	**Investments in companies' stock**	**Bank current account**	**Bank plastic card**	**Bank deposit account**	**Bank current account**
Fourth	Consumer credit	Investments in companies' stock	Bank current account	Investments in unit funds	Mortgage loan
Fifth	**Insurance policies**	**Bank deposit account**	**Insurance policies**	**Private pension fund policies**	**Insurance policies**
Sixth	Private pension fund policies	Consumer credit	Private pension fund policies	Credit card	Private pension fund policies
Seventh	**Other services**	**Credit card**	**Credit card**	**Insurance policies**	**Investments in unit funds**
Eighth	Investments in unit funds	Investments in unit funds	Currency exchange	Mortgage loan	None of the above
Ninth	**Credit card**	**Private pension fund policies**	**Investments in unit funds**	**Currency exchange**	**Found it difficult to answer question**
Tenth	Mortgage loan	Bank plastic card	Found it difficult to answer	Consumer credit	Consumer credit
Eleventh	**Found it difficult to answer question**	**Currency exchange**	**Consumer credit**	**None of the above**	**Currency exchange**
Twelfth	Currency exchange	Other services	Bank deposit account	Bank plastic card	Credit card
Thirteenth	**Bank plastic card**	**None of the above**	**Other services**	**Other services**	**Other services**
Fourteenth	None of the above	Found it difficult to answer question	None of the above	Found it difficult to answer question	Bank plastic card

The study findings depicted in table below indicates that Advertisement remains the single most sources of information by most consumers who are intending to purchase a financial product from the list of financial providers available in the market with at least 24.4% of the adult consumers relying on advertisements. Consultants from the service provider and service provider's tariffs and information materials were second and third in that order as the sources relied on for financial resources. Consumer influenced information remain the prime sources of information on financial products and services. In view of this, the study emphasizes the need to make adult consumers aware of the available information sources from which, informed, balanced and unbiased information may be obtained to avert this skewed consumption pattern of information sources.

Sources of information paid attention to when choosing a company to buy a service from					
	Country				
Rank	*Burundi*	*Kenya*	*Rwanda*	*Tanzania*	*Uganda*
First	**Advertisements**	**Provider's Information materials; tariffs and services**	**Advertisements**	**Advertisements**	**Advertisements**
Second	Consultants from the service provider	Advertisements	Consultants from the service provider	Provider's Information materials; tariffs and services	Consultants from the service provider
Third	**Provider's Information materials; tariffs and services**	**Consultants from the service provider**	**Provider's Information materials; tariffs and services**	**Advice of friends and relatives**	**Provider's Information materials; tariffs and services**
Fourth	Analytical materials published in mass media	Advice of friends and relatives	Advice of friends and relatives	Consultants from the service provider	Internet resources
Fifth	**Advice of friends and relatives**	**Independent financial consultants or brokers**	**No answer**	**Internet resources**	**No answer**
Sixth	Internet resources	Analytical materials published in mass media	Found it difficult to answer question	Analytical materials published in mass media	Advice of friends and relatives
Seventh	Employer's advice	No answer	Independent financial consultants or brokers	Independent financial consultants or brokers	Independent financial consultants or brokers
Eighth	Independent financial consultants or brokers	Internet resources	Internet resources	Found it difficult to answer question	Analytical materials published in mass media
Ninth	Other sources	Employer's advice	Analytical materials published in mass media	No answer	Other sources
Tenth	Found it difficult to answer question	Other sources	Other sources	Employer's advice	Found it difficult to answer question
Eleventh	**No answer**	**Found it difficult to answer question**	**Employer's advice**	**Other sources**	**Employer's advice**

11. RELATED STUDIES

Related Studies- Tanzania

[illegible]	[illegible]	[illegible]
Tanzania	World Bank- *Diagnostic Review of Consumer Protection and Financial Literacy: Volume I* (2013)	-40% of respondent do not know what a savings account or a SACCO is -70% do not know what interest on savings means
	Tanzania consumer Advocacy Society- A guide to financial literacy and credit information sharing (2013)	-79% don't do household budget - 64% felt no need for budgeting due to low income -85% indicated that their household expenses are frequently more than their earnings -90% have information of credit information sharing -55% felt that loan officer(s) did not explain the terms of the loan agreement sufficiently - 49% of respondents indicated that if they lost their source of income, the household couldn't last for one week without borrowing -30% household income can only cover expenses for a month only -75% found struggling to save
	Consumer International-Credit Reporting & Financial Literacy: A Pilot Project in Tanzania (2012)	-30% of consumers did not know where to go with a complaint if they had a dispute about a financial service -General distrust with financial service providers -77% were dissatisfied by the way a conflict was dealt with by the loan provider -(70% of the respondents) did not know how to calculate simple interest rates -50% indicated that after signing the loan agreement, they discovered that the terms of the loan were actually different from what had been explained to them by the loan officer
	Finscope survey – Tanzania (2009)	Majority of people don't understand such simple terms as current account, savings, insurance, saving accounts, interest on saving and loans

Related Studies- Uganda

[illegible]	[illegible]	[illegible]
Uganda	Uganda Finscope Survey III (2013)	-53% indicated Radio was source of information -30% female received financial information from friends/relatives compared to males (26%) -53% of Ugandans of indicated radio was most source of information followed by relatives and friends (32%) notable, bank was a source of information of only 11%; 31% and 20% of those in Kampala and urban areas indicated TV as source of information -On areas where they needed additional financial information- savings (65 percent), investment (48 percent) and budgeting (32 percent), opening an account (15 percent) and insurance (12 percent). -68% of the respondents indicated that they save -Only 25% saves in formal channels -19% saves in formal banks -Proportion of adults who save money at "home/secret places" increased from 18% in 2009 to 25% in 2013 -Nearly 5 million adult Ugandans had never saved or invested before. -Adults with no formal education (45%) save in secret place -Those with secondary school level and above (51%) save money in activity for profit/ income -The most cited reasons for saving included: provision for basic needs (67%) followed by emergencies (41%), education (33%) and livestock/poultry (22%) -Broadly, the incidence of saving for emergencies reduced from 52% in 2009 to 41% in 2013 -(51%) saved at home, followed by VSLA/ROSCA (29%) and buying of animals/other assets (18%) -Nearly 43% of the adult population were not planning for retirement -Of those planning for retirement, 23% cited education, investment in livestock (19%) and financial investment and/or saving (15%) -The lack of adequate information on saving (47%) and lack of money to invest (44%) were cited as the main reason for not saving -Reason for borrowing: financing education for children (20%), emergences such as illness (15%) and to meet daily expenses (14%)

Related Studies- Uganda

[illegible]	[illegible]	[illegible]
Uganda	Uganda Finscope Survey, III (2013)	-53% of the adult population cited radio as main source of financial information. -Majority of respondents requested financial knowledge on savings (65%) followed by investment (43%) and budgeting (31%) -Notably only (12%) cited need for information insurance -Overall financial literacy was low in Uganda with a large proportion of adults unable to fully comprehend issues regarding interest rates (49%), discount rates (45%) and money lending (59%) -11% reported dissatisfaction with financial service providers,46% reported the same at the local council
	Strategy for financial literacy in Uganda (2013)	-54 % of Ugandans saves -20% have never saved -17% save with in banking products, 31% use informal products. -60% keep their money in a secret place -Reason for saving : To meet basic household needs (65%) and emergencies (58%) -60% borrow from institutions providing goods or services on credit (e.g. shops, clinics, etc.) -Of those sampled 33% borrow from friends/family and 24% from informal financial groups --Notably only 10 % indicated that they borrowed from financial services providers (Banks 7% and 3% MDIs) -On insurance 77% don't use any insurance product - 36% of the respondents indicated that they do not knew about insurance or how it works -19% do not know how to go about buying insurance.
		ROSCA- Rotating Savings and Credit Associations

Related Studies- Rwanda

Partner State	Source	Findings
Rwanda	FinScope Rwanda (2012)	-68% (3 million) of Rwandan adults save or put money away -40% of adults regard saving as "putting money in a special place to keep it safe" - 29% of adults regard saving as "putting money aside to stop one from spending it immediately" -- 63% save to cover living expenses during times of financial difficulty. - 8% save for school fees -Notably only 5% save for investing in a house or land -68% of adults avoid borrowing if they can -41% would borrow to pay off debt -39% of those who borrowed money did so to enable them to cover living expenses during times of financial difficulty. 9% borrowed money to cover school fees; 10% borrowed to cover the cost of a medical emergency costs --73% household ran out of income 6 months prior to the study -When money ran out before next income: 26% of adults who experienced this coped financially by cutting down on expenses, 28% had to borrow money to cope, 23% used savings to cope and 4% sold something to get access to money

Related Studies- Rwanda

Partner State	Source	Findings
Rwanda	FinScope Rwanda, (2012)	-(52%) of Rwandan adults (18 years or older) did not use any financial product or service. -39% use financial mechanisms not provided by regulated financial institutions to save, borrow, manage their financial risks or to send money (informal mechanisms) -21% use financial products or services provided by regulated financial institutions (formal financial services or products) -55% of uninsured adults either haven't heard about insurance, do not know how insurance works or don't know how or where to get insurance

Related Studies-Kenya

Partner State	Source	Findings
Kenya	FinAccess Kenya (2013)	-Women (55%) and men (45%) sought financial advice from family and friends. -Only men (17%) and (11%) of women sought financial information from financial services providers -(42%) of women compared to (7%) consulted their spouses when making financial decisions -Over 40% of respondent dint not know where they could get the highest or lowest interest rates Three times as many people perceived that banks offered the highest interest rates
	FinAccess Kenya, (2016)	-Over 40% of Kenyan households used their savings to cope with major shocks - To cope with major shocks the respondents indicated that, higher number of households sold their assets or sought help from social Networks -35% of Respondents use bank accounts -43% saved to meet day to day ordinary household needs, 39.3% save for emergencies ,burial or medical ,32.8% for education of self, children siblings or other. Significantly ,21.7% save for retirement -Notably, 6.3% save to start new business,6.2% to expand land and 5.2% to purchase land

Related Studies- Kenya

Partner State	Source	Findings
Kenya	FinAccess Kenya,(2016)	-57% indicated that the main sources of credit for day to-day needs are informal sources e.g. shop keepers, friends, family and mobile bank accounts -21.3% took credit for education,15.8% for business,14.7% to buy land or house and 12.3% emergency ,2.6% to pay debt -main reasons cited for not having insurance are lack of awareness followed by inability to afford insurance products. -Banks were most trusted financial provider almost at 77%, while insurance agent (0.1%) are least trusted

Related Study- Burundi

Partner State	Source	Findings
Burundi	Bank of Burundi; Burundi National Financial Inclusion Survey,(2013)	-Only 10% of the respondents say they are well informed about the various services offered on the market. -Only 12.5% of the adult population have an account in a financial Institution -14% of the respondents have saved in the informal systems -Of the respondents, 46% obtained a loan from a friend ,28% from a family member (26% from a merchant ,3% from their employer and 2% from supplier Notably only 2.9% obtained loans from financial institution -(of those who borrowed from financial institution (41%) borrowed to build house or buy land, 29% to start business or developing their business, (22%) for engaging in agricultural or livestock activities (22%), paying tuition fees or health care expenses, and 4% to buy car or bicycle. -85.7% indicated that they don't use any financial product or services

Related Studies –Continental Perspective

Source	Findings
African Development Bank (AfDB): Financial Inclusion in Africa,(2013)	-23% of adults in Africa have an account at a formal financial Institution -large variation in account ownership ranging from 42% in Southern Africa to 7% in Central Africa -Of 95% of DRC and Central African Republic population are" un banked" (No bank account) -Of North Africa 23% of adults have an account at a formal financial institution(Morocco(39%), Egypt (10%) - Like those unable to save 80% of adults without formal accounts surveyed) cited lack of enough revenue as a reason for not having a formal account - Overall 36% of adults in Africa reported to have saved or set aside some money -50% of adults in West Africa and 16% of adults in North Africa reported having saved money -Overall 13% of adults saved at a formal financial institution

Related Studies –Continental Perspective

Source	Findings
African Development Bank (AfDB): Financial Inclusion in Africa,(2013)	-More than 16% of adults in Southern and West Africa saved at a financial institution -Notably only 4% of adults in North Arica saved formally -58% of adults report having borrowed money in East Africa compared to only 34% in North Africa -In Africa 39% of adults reported to borrowing money from friends or family -In Central and West Africa, only 3% of adults reported to having received a new loan from a formal financial institution -8% in South Africa borrowed formally -Only 3% of adults in Africa reported having a credit card -Respondents borrowed to pay for outstanding loans, funerals/weddings, school fees, and emergency/health -Only 3% of adults in Africa have health insurance

12. CONCLUSION AND SUMMARY OF FINDINGS

The study results show that in the East Africa Community member states, a majority of the adult population is financially illiterate and the economic implications are the main determents to actualization of individual and household goals. This is evident as the majority of respondents in most of the countries sighted low income as to the main reason for not making any financial reserve in form of savings. On average, a lager majority that constituted 43.2% of the respondents in the survey indicated that low income was the main constraint to saving. However, a significant proportion of the sampled residents indicated that the distrust for financial institution (7.6%) was to most important factor that stopped respondents from making a saving at all.

This is indicative of a financial knowledge gap probably brought about by misinformation, insufficient literacy that generally lead to 'boycott' of financial services in the economy leading to underutilization and thus increasing the rate of financial exclusion. This study therefore recommends a training program tailored to address this high mistrust. Further, financial services providers would take this into account to increase the efficacy and outreach so as to bridge this gap.

Despite the core objective of this study being to address the financial literacy/education, however the results of this study show a very important component that would be worth pointing out. Significant proportion of respondents adults indicate lack of income in the last month (10.4%), would have biased the study's that cited low income as the impediment to making any informed financial savings or investments.

Previous studies have supported the opinion that good record keeping practice is correlated to financial literacy. Equally, the sample results showed a significant implication of this major domain of financial literacy that is attributed to good financial literacy. This study observed that respondents who kept all records of all their income and expenses were less likely to fall into debt. To make ground the study's findings, Kenya being a case study showed that respondents who keep records of their income and expenditures have less debt than those who do not. It was observed that 13.0% of respondents who reported to have kept records of income and expenditures owe debt, whereas 52.7% of respondents who don't keep records of income and expenditures reported as having outstanding debts to pay.

This therefore can lead to a generalization that keeping records of income and expenditures is prudent way to reduce the possibility of running into debts. This is because, proper record keeping practice of income and expenditure may make one more aware of their revenues and expenditures; thus, there is a greater realization when to increase savings and reduce spending so as to avoid unwanted debt and thereby making one/household efficiently manage financial resources at his/its disposal. In order to have effective and more long-lasting pro-active results, this study proposes introduction of financial management curricula in schools. This would be done through financial education in schools through initiatives targeted at young adults; by the use of mass media i.e., radio, television and other media; drama, role plays and exhibitions. Among the financial employed this study recommends education programs in workplaces and financial resource publication of information with critical emphasis on good management of financial records.

Generally, consumer knowledge of right and protection is generally low, with a bigger proportion of adult consumers unaware of availability of protection provided by the various institutions of the states. For example in Tanzania, when the respondents were asked about their knowledge ability on issues of bank bankruptcy, 81.2% said they were not aware of the maximum amount of deposit that was entirely insured by the government while 18.8% were cognisant. A similar case in Rwanda where and overwhelming number of adults (91.3%) were unaware of the maximum amount entirely insured by the government in the event of bankruptcy of a financial institution. The case was not different in Burundi as 86% were unaware.

Another important observation was made as the study sought to evaluate whether the adults in the study response to service dissatisfaction and consumer rights. The results were rather appalling, take for example the case of Tanzania where; of the 34% of the respondents that purchased a financial service and later regretted it; 17.3% did not take any steps upon realization of regret, 16.9% stopped using the service before the contract expired, while only 7.9% and 10.1% submitted a claim to a government authority and a grievance to the seller respectively.

The situation in Kenya yielded a no different outcome in which the results showed a rather high proportion of respondents who were dissatisfied with the kind of the financial service, stopped using the service before the contract expired (24.9%), with almost equal proportion reporting that they did not take any whatsoever action to remedy the situation (23.8%). Only 17.5% of the dissatisfied consumers submitted a claim to a government authority whereas 13.2% submitting a grievance to the service provider. This therefore calls not only for consumer training on their rights to make a claim but also to be informed on the various available channels and the kind of consumer rights infringements that are liable for compensation.

Analysis of consumer utility of financial services indicated underutilization of the consumption and uptake. Across all the Partner States, financial service utility was skewed in nature in which respondents' service utilized was almost similar to those used by the household. In Rwanda as the first notable case, 35.4% which constitute the majority of the respondents utilize bank current accounts, 20% use bank deposit accounts whereas 15.4% employ bank plastic cards. 3.6% utilize mortgage loans, 2.6% utilize currency exchange and consumer credit. Further in the neighbouring Uganda, populations' utility of financial services was majorly skewed towards the banking sector with at least 23.5 of the respondents surveyed indicating that the explicitly used bank deposit account while 14.5% indicated that they used bank current account. Other financial services ranked 4th while consumer credit (7.8%) ranked 5th. A more similar case in Kenya, the region's economic giant in which banking services topped the list as bank deposit account and current accounts were ranked first and second respectively. Consumer credit ranked third, use of credit card was forth, and currency exchange closed the list of the top five most used financial services by the respondents.

This disparity in consumer utilization of financial services is attributed to low financial literacy which is further exacerbated by overreliance on a few information sources by the adult consumers in the EAC. This therefore impetuses the study to recommend that financial education program that would seek to address these gaps should be effected at different facets of the regions of the EAC. The consumers of financial products need to be made aware that advertisement is a tool used by these institutions to attract consumers and does not contain the necessary information required for a consumer to make an informed decision. And also need the skills to differentiate between advertising and full objective information.

Financial education should also empower the population to understand indicators one should pay attention to, when comparing the offers of various banks and insurance companies. According to the survey majority of the respondents (53.8%) consider the lenders credit interest rate and the credit cost when choosing where to borrow, a considerable number consider the banks reputation and reliability, the minority considered the view of the bank's office and qualifications of personnel or consider the gifts and advertising campaigns. This points towards need for increased financial education as a means of improving decision making related to financial matters, since knowing terms and conditions is a means to empower the consumer on the rights they have as consumers (Rwanda).

In conclusion, since there was an observable variation in financial literacy across all the demographic factors i.e., age, gender, level of education and income level, this study posits that there exists the need to restructure and subdivide the target population into major categories upon whom the financial education program is to be implemented. Further recommendation is made in regards the need of pre- prioritization, since any attempt to undertake an unrealistic overlapping financial education programs would most likely result in resources being spread so thinly that in the end would result in little or nothing being achieved.

13. CONSUMER PROTECTION PROVISIONS

Consumer protection and consumer awareness of their rights is a fundamental part of financial literacy and education. Presented in this section of the report is an examination of each EAC partner states legislation regarding consumer protection, examining the adequacy of specific provisions on financial education and consumer protection as well as some recommendations.

Burundi

Sectors	Applicable Laws	Regulating Authority	Specific Provisions, Financial Education and Consumer Protection	Adequacy
Burundi's Constitution of 2005.		The Republic of Burundi	Article 53 states every citizen has a right to equal access to instruction, to education and to culture. The State has the duty to organize public education and to favour [its] access.	Inadequate in so far as financial education is not catered for.
Banking	The Bank of the Republic of Burundi Act	The Bank of the Republic of Burundi	No specific provision on consumer protection or financial education	Inadequate
Insurance	The Insurance Code of Burundi Law no. 1/02 of January 7 2014	ARCA (Agence de Régulation et de Contrôle des Assurances) as a regulatory authority	No specific provision on consumer protection or financial education	Inadequate
Social Benefits	National policy on social security and protection	-	No specific provision on consumer protection or financial education	Inadequate
Capital Market	No law	No regulatory body	No specific provision on consumer protection or financial education	Inadequate

INITIATIVES by Burundi towards Financial education and Consumer protection

Financial education is done through Programs created by Radio Publique Africaine, Financial newspapers, magazines, TV programs.

RECOMMENDATIONS:

1. The Constitution of the Republic Burundi should contain a provision on Consumer protection financial education.

2. The statute establishing the Bank of Burundi which regulates the financial institutions in the country should contain a provision empowering the Bank to ensure other financial institutions conduct financial education through countrywide awareness of financial services and products and that they enshrine consumer protection in their practices.
3. Enactment of the Insurance Act of Burundi, Legislation on social security services, Retirement Benefit and Capital Markets Authority.

Kenya

Sector	Statute	Regulatory Body	Specific Provision on Financial Education and Consumer Protection	Is the provision adequate?
Constitution of Kenya, 2010		The Government of the Republic of Kenya	Article 46 states that consumer has a right to: services of reasonable quality, information necessary for them to gain the full benefit from the service, protection of their economic interest and compensation for loss or injury arising from defects in services or goods.	The Constitution lays a legal basis for financial education and consumer protection.
Banking	Central Bank of Kenya Act	Central Bank of Kenya (CBK)	There is no provision for consumer education and protection in the Act but the Central Bank does issue Prudential Guidelines for the banking sector for protection of the consumer rights but there is no specific provision for financial education	Not adequate
	Banking Act	Central Bank of Kenya	There is no provision for consumer education and protection in the Act but the Central Bank regularly issues Prudential Guidelines for the banking sector aimed at protecting consumer rights but there is no specific provision for financial education.	Not adequate
	Banking Act	Central Bank of Kenya	Section 16A prohibits institutions from imposing any form of charges on savings and fixed deposit accounts.	Adequate to protect savings and fixed deposits
	Banking Act	Central Bank of Kenya	S. 33 authorizes CBK to intervene where a bank operates in any manner detrimental to or against the best interest of depositors or members of the public	Adequate to protect depositors and public
	Banking Act	Central Bank of Kenya	S. 44 prohibits banks from increasing rates of banking or other charges without prior approval of the Minister	Adequate to protect customers
	Banking Act	Central Bank of Kenya	S.44A provides the maximum amount an institution can recover from a non-performing loan.	Adequate to protect borrowers
	Banking Act	Central Bank of Kenya	S.55 protects consumers from misleading advertisements by authorizing the CBK to direct any person to withdraw amend or refrain from issuing any misleading advertisement, brochure, circular or other document relating to deposits.	Adequate
	Kenya Deposit Insurance corporation	Central Bank of Kenya	The Act establishes the Deposit Insurance Fund to protect consumers in the event of financial distress of a	Not adequate

Sector	Statute	Regulatory Body	Specific Provision on Financial Education and Consumer Protection	Is the provision adequate?
	Act(KDIC)		financial institution but does not provide for financial education to depositors or public.	
	Deposit Insurance(KDIC) Act	Central Bank of Kenya	Section 28 of the Act limits the compensation to an amount of Ksh. 100,000/= only notwithstanding the amount of deposit or number of accounts held.	Not adequate
Consumer protection	Consumer Protection Act	The Kenya Consumers Protection Advisory Committee	Section 55 limits the amount a borrower can pay as authorized charges under a credit agreement for open credit.	Adequate on unauthorized charges
	Consumer Protection Act		Section 58 gives discretion to borrowers who need to purchase insurance policies as security to choose the insurance service provider.	Adequate on choice
	Consumer Protection Act		Section 59 allows a borrower to terminate a continuing service after giving a notice without paying any charges or penalty.	Adequate on termination notice
	Consumer Protection Act		Section 61 protects a consumer who defaults on repayment of a loan from being charged any cost other than the reasonable expense incurred by the creditor in the process of recovery.	Adequate
	Consumer Protection Act		Section 62 entitles a borrower to pay the full outstanding balance under a credit agreement at any time without any prepayment charge or penalty.	Adequate
	Consumer Protection Act	The Kenya Consumers Protection Advisory Committee	Section 89 of the Act establishes The Kenya Consumers Protection Advisory Committee whose functions include (i) promotion or participation in consumer education programs, dissemination of consumer issues and providing advice to consumers on their rights and responsibilities under appropriate laws, and making available to consumers general information affecting the interest of consumers.	Not adequate since there are not parameters for carrying out financial education.
Capital Markets	Capital Markets Act	Capital Market Authority	Under section 11, the functions of the Capital Markets Authority include the protection of investor interests but there is no specific requirement to provide financial education to investors or the public generally. -To Launch of Corporate Governance Code -Capital markets fraud investigation unit manned by	Not adequate,

Sector	Statute	Regulatory Body	Specific Provision on Financial Education and Consumer Protection	Is the provision adequate?
			officers from the Police Criminal investigation Unit being developed -Development of a stewardship code in progress	
	Capital Markets Act		Section 18 establishes the Investor Compensation Fund (ICF) used to compensate investors who incur financial loss as a result of failures by licensed stock brokers or other intermediaries. The compensation has a ceiling of Ksh. 50,000/-	Not adequate
			Section 14(2)(a) of the Act establishes a Committee that handles all the complaints from shareholders of all the companies listed by the Capital Market Authority while Section 35A establishes the Capital Markets tribunal to hear appeals from decision made by the Authority against institutions.	Adequate on complaints and disputes
Insurance	Insurance Act	Insurance Regulatory Authority (IRA)	The Act has no specific provision for consumer education	Not adequate
	Insurance Act	IRA	Section 179(1) of the Act of establishes a Compensation Fund to compensate policy holders in case of insolvency of the service provider. The compensation has a ceiling of Ksh. 100,000/-.	Not adequate
	Insurance Act	IRA	Section 3E establishes the office of the Commissioner of Insurance who has power to resolve disputes while section 169 establishes the Insurance Tribunal to hear appeals from the decisions of the Commissioner of Insurance	Adequate for consumer rights
	Insurance Act	IRA	S. 4 provides that one of the objects of the IRA is to protect the interests of insurance policy-holders and insurance beneficiaries in any insurance contract; but there is no provision for financial education	Not adequate them.
	Insurance Act	IRA	In the establishment of insurance companies, there is no provision that guarantees the morality of managers in the industry or that they will provide financial education to policy holders	Not adequate
	MOU for the East African Pension Supervisory Association (EAPSA)	EAC Pension Supervisory Authorities	No specific Provision on consumer protection or financial education.	In adequate

Sector	Statute	Regulatory Body	Specific Provision on Financial Education and Consumer Protection	Is the provision adequate?
Pensions	Retirement Benefits Act	Retirement Benefits Authority	-One of the role of the Retirement Benefit Authority is protect the interests of members and sponsors of retirement benefits sector but there is no obligation to educate them financially -Complaints mechanisms in schemes & Tribunal – S.40 General Obligations, -S46 Appeals to CEO, -S47-52 Tribunal - Complaints unit under Market Conduct, -Toll free line, other media	Not adequate

INITIATIVES taken by Kenya towards Consumer Protection and Financial Education:

Capital Markets

The Capital Market Authority of Kenya (CMA) has been carrying out consumer education through Investor Education and Public Awareness based on their philosophy that investor education is one of the most effective regulatory tools and an educated investor is better protected.

The CMA creates a forum for the exchange of ideas and information among experts, practitioners and the investing public. It uses radio, Television, website, brochures; handbook; a Glossary of Commonly Used Terms and a newsletter as resources for consumer financial education.

Insurance

The Insurance Regulatory Authority (IRA) has a consumer protection strategy which provides a consumer complaint system (complaints can also be submitted online).

IRA carries out consumer education through articles in newspapers, a resourceful website, information and education brochures and consumer education presentations done by way of Consumer Education activities and programs that are carried out throughout the country.

Banking

The Government and the regulatory body rarely take part in the education of financial services to consumers. This role is left to individual banks and NGOs to carry out the financial education. However, the Central Bank of Kenya participates whenever they are invited to financial education trainings. Other initiatives by CBK include: Training at Kenya School of Monetary Studies (KSMS), during ASK shows, provision of training resources and capacity building for special groups such as students and the military.

Pensions

The Retirement Benefits Authority (RBA) carries out consumer financial education through radio and TV adverts, seminars, workshops, newsletters and their resourceful website. They are in the process of developing a public education and intervention publication. The NSSF handbook also plays a key role in educating the consumers of pension services. RBA works in collaboration with the Commission on Administrative Justice (CAJ) to promptly address and resolve public complaints referred to the Authority directly, through the Commission. RBA also creates awareness on the existence of complaints handling mechanism in the organization through its various media outreach.

Recommendations:

1. Clear and specific provisions be included in the various sector specific laws making it obligatory for regulatory bodies to provide all-inclusive consumer financial education.
2. Mandate an umbrella agency to be in charge of consumer financial education and the same be carried out by sub-agencies in each sector for example the proposed financial services Authority (FSA)

3. Need for a national financial educational policy at government level to address Literacy levels in the country
4. Establish a standardized recourse process for all financial service consumers to curtail against unscrupulous financial service providers
5. Establish a special financial service consumer protection agency or ombudsman who will be properly equipped with expertise in the financial sector.
6. There is need to introduce a law backed system of alternative dispute resolution which are to be used in resolving banking financial service consumer disputes.
7. There is need to increase the ceiling of compensation given to consumers in case of insolvency of the service provider to be in line with the current economic conditions.
8. There is need to establish a Retirement benefit protection fund under the Retirement Benefit Act.
9. Introduce rules on morality of managers in the industry during formation and licensing of insurance service providers.
10. Energize the Consumer Protection Act and have it implemented in order to educate and protect consumers.
11. Embed financial education on performance management for all regulators and allocate resources
12. There should be specific focus on:
    - Enquiries & Complaints, including Whistle Blowing
    - Public Education
    - Guidelines on Qualifications of key persons, Fit and Proper (Vetting)
    - Codes of Conduct for sector players
    - Remuneration and Incentives for sector players
    - Conflicts of Interest by sector players
    - Corporate governance mechanisms – transparency & accountability in decision making

Rwanda

Regulation and Adequacy of Financial Education/Consumer Protection Provisions in Rwanda

Sector	Statute	Regulatory Authority	Specific Provision On Financial Education And Consumer Protection	Adequacy
CONSTITUTION of the Republic of Rwanda		The Republic of Rwanda	No provision on consumer protection or financial education	Inadequate
Banking	LAW N° 55/2007 OF 30/11/2007 Governing The Central Bank Of Rwanda	National Bank of Rwanda (BNR)	There is no specific provision for education in the functions of the Bank	Inadequate
Banking	Directive N° 05/12 OF 07/05/2012 The National Bank of Rwanda on Customer Services Delivery in Financial Institutions.	National Bank of Rwanda (BNR)	Prudential guidelines for the minimum standard of service that can be given in a financial institution.	Adequate for consumer protection
Banking	LAW N° 007/2008 OF 08/04/2008 Concerning Organisation Of Banking	National Bank of Rwanda(BNR	Article 63: Guarantee fund is established to indemnify depositors in the event of liquidation of a bank.	Adequate to protect depositors
	LAW N° 007/2008 OF 08/04/2008 Concerning Organisation Of Banking	National Bank of Rwanda(BNR	Article 71 provides that Members of the Board of Directors and the Management of a bank shall comply with the instructions issued by the Central Bank for the purpose of safeguarding the interests of depositors and other creditors.	Adequate to protect depositors
	LAW N° 007/2008 OF 08/04/2008 CONCERNING ORGANISATION OF BANKING	National Bank of Rwanda (BNR).	Article 73: the Central Bank has an authority to intervene by appointing a special commissioner who may have various powers including managing the bank if the bank's situation may jeopardize interests of its depositors;	Adequate to protect depositors
	Directives on 5/2012 of The National Bank of Rwanda	National Bank of Rwanda	Article 2 - Financial Institutions shall provide customer service by implementing the Guiding Principles and Benchmarks on customer services	Adequate to protect. depositors
Consumer Protection	Competition And Consumer Protection Law 2012	Competition and Consumer Protection Commission	Articles 33, 34 and 39 require the consumer to be given all the necessary information required for them to make a decision. It prohibits misleading advertisements	Inadequate since the sections are too general and there is no guarantee that they

Sector	Statute	Regulatory Authority	Specific Provision On Financial Education And Consumer Protection	Adequacy
				will be effected in financial services
Pensions	N° 05/2015 of 30/03/2015 Law governing the organization of Pension Schemes	National Bank of Rwanda (BNR)	Article 76 requires that all pension schemes be insured. A pension scheme managed by the public institution in charge of pension shall be guaranteed by the Government.	Adequate to protect members of pension schemes
Insurance	REG No. 05 2009 on insurers licensing requirements Regulation No. 14 2011 mergers and acquisitions of insurance companies	National Bank of Rwanda (BNR)	Industry operates under regulations provided by the BNR under S. 6 of the law Governing the Central Bank of Rwanda. There is no provision on consumer education or financial education. BNR plays both the role of prudential and consumer protection.	Not adequate
Capital Markets	Law No.11/2011 establishing the Capital Market Authority, National Bank of Rwanda (BNR) and Rwanda Stock Exchange	Capital Markets Authority	Article 3(4) requires the CMA to promote public awareness on the capital markets and develop such market;	Not adequate. There is need for implementation of article 3(4)

INITIATIVES taken by Rwanda toward Consumer Protection and Financial Education:

- The Ministry of Finance and Economic Planning (MINECOFIN) and the National Bank of Rwanda (BNR) have prepared a National Financial Education Strategy for Rwanda that is being implemented to ensure financial literacy in Rwanda. The process of giving financial education is done under public-private partnership. The CFE education curriculum covers a range of themes including consumer rights.
- CFE is carried out in form of training at the Youth Centres (YEGOs), schools and village meetings, Road shows/Street theatre, Radio, mini-series: 12 live episodes- repeated twice each week, Music CD with Financial Education messages distributed to taxi drivers, Mini-series: workshops, mailings, blogs, bulletins, Saving Week SMS messages Campaigns, Magazine targeting adults (national circulation).

RECOMMENDATIONS

1. There is need for the law to clearly provide for Consumer Protection and Financial Education.
2. Enact provisions that provide a comprehensive regime for transparency and fairness in consumer contracts and related business practices.
3. Clearly demarcate the role of the Competition and Consumer Protection Commission and that of BNR in the financial services sector to avoid duplicity and confusion of roles.
4. Introduce in the Banking Law provision for compulsory disclosure of all information before, at and during the existence of a financial service.
5. Introduce an office of a Financial Ombudsman that will have the power to make binding financial decision on financial services disputes.
6. Introduce consumer financial education in school curricula.

Tanzania

Regulation and Adequacy **of Financial Education/Consumer Protection Provisions**

Sector	Statute	Regulatory Body	Specific Provision On Financial Education And Consumer Protection	Adequacy
Banking	Banking and Financial Institutions Act, 2006	Bank of Tanzania	Section 45 (1) requires every bank or financial institution always exhibit a copy of its last audited financial statements including notes to the accounts, in a conspicuous part of all its branches and make the financial statements available to the public - Deposit insurance Board – protecting bank deposits at maximum of Tshs 1,500,000 - Complaints resolution desk	Not adequate since not all bank customers can understand financial statements.
Insurance	MOU for the East African Pension Supervisory Association (EAPSA)	EAC Pension Supervisory Authorities	No specific Provision on consumer protection or financial education.	In adequate
Insurance	Insurance Act 2009	Tanzania Insurance Regulatory Authority	Section 6 (2)(j) provides that the Insurance Regulatory Authority is to protect the interests of the policy holders. Section 11 (d) requires the Commissioner of Insurance to offer guidance to insurers in the making of insurance contracts and ensure simplification of the terms and conditions. Section 122(1) establishes the office of the Ombudsman service for the purpose of resolving disputes arising between in the Tanzanian insurance sector. Paragraph 3.1.11 mandates the Government in collaboration with other stakeholders to incorporate insurance matters in educational curricula; finance public education program on insurance.	Not adequate since it offers minimal financial education. Tanzania at least has at least attempted to include insurance financial education in school curricula
Capital Markets	Capital Markets and Securities Act, 1994	Capital Markets and Securities Authority	The Act provides for punishment of errant members of the exchange (S.28) and regulates the licensing of the operators in the capital markets (S. 32) but there is no specific provision regarding education of consumers on matters relating to capital markets	Not specific provision for financial education

Sector	Statute	Regulatory Body	Specific Provision On Financial Education And Consumer Protection	Adequacy
Pensions	Social Security Regulatory Authority Act	Social Security Regulatory Authority	There are sufficient provisions on registration of schemes, managers and custodians, inspection of registers of members of pension schemes and protection of the pension funds under the control of trustees, managers or custodians. Section 43 (1) establishes a Social Security Tribunal that has the power to hear appeals from the Authority. There is however no provision regarding financial education of consumers	Inadequate
Consumer Protection	Fair Competition Act 2003	Fair Competition Commission	The Act is enacted to protect consumers from unfair and misleading markets conduct. Section 62 establishes the Fair Competition Commission whose functions include - (i.) Promotion of Public knowledge, awareness and understanding of the obligations, rights and remedies under the Act; ii.)To make available to consumers information and guidelines and rights and remedies under the Act. iii.)To study government policies, procedures, legislation and programs and assess their effects on competition and consumer welfare and publicize the results of such studies.	Adequate

INITIATIVES taken by Tanzania towards consumer protection and financial education:

BANKING

The banking sector in Tanzania is regulated by the Bank of Tanzania. Just like many other countries in East Africa, there is a very low rate of financial literacy in Tanzania. However, the Bank of Tanzania has put certain initiatives in place to address this issue. The initiatives include:

1. **Awarding of Scholarships To Top Performing Students**

The Mwalimu Julius Nyerere Memorial Scholarship Fund has been created by the Bank. The Scholarship is awarded to top students in the Advanced Certificate of Secondary Education Examination to pursue undergraduate degree programs in Economics, Information Technology, Accounting and Finance. In addition students who have performed well in their undergraduate courses are also viable to receive the scholarship.

2. **Facilitating Business Forums**

Bank of Tanzania in conjunction with other banks regularly conducts business forums where consumers are enlightened on the available financial products and services and opportunities of investment in Tanzania. The business forums are open to the public.

3. **Press releases and publications**

Using press releases and publications, the Bank of Tanzania is able to pass information to the general public regarding matters and issue that arise in the financial sector.

4. **Website**

Bank of Tanzania maintains a vibrant website where all its publications, reports and updates are freely accessible to the public.

INSURANCE

The insurance industry in Tanzania is regulated by the Tanzania Insurance Regulatory Authority. TIRA has been on the forefront in promoting financial education in Tanzania. This is seen through the very many activities that it has initiated to promote consumer education and awareness in the insurance sector. Such initiatives include:

1. **Collaboration with other institutions**

   TIRA has entered into a collaborative arrangement with the Institute of Finance Management based in Dar es Salaam to offer insurance certificate training to person's interested in pursuing the program. This initiative affords a chance to any interested person to study on insurance. This sought of education if well harnessed shall go a long way in promoting financial literacy among the people.

2. **Zonal Office Operations**

   TIRA has devolved its activities to ensure that at least each zone is represented. The role of the zonal officers include to carry out public education/ market sensitization campaigns within a zone and to handle complaints from policy holders. This initiative brings the insurance industry close to the people and as such they are able to find a chance to learn and understand insurance matters in their context of living.

3. **TV and Radio Shows**

   The Authority has conducted a three month special program on insurance consumer education through the TV and Radio's. This program has facilitated the understanding of many of insurance matters. This is especially because many people access information and knowledge through the Radio and the TV.

4. **Seminars and Workshops**

   The Authority has actively engaged in conducting workshops where consumers have been sensitized on the role of TIRA, motor insurance, claim procedures and documentation. In addition, it has taught personal and group insurance to drivers and owners of motor vehicles.

5. **Road Shows and Exhibitions**

   On occasions such as Saba saba and Nane nane, the Authority has been actively involved in conducting exhibitions and road shows that teach on insurance and insurance related matters.

6. **Combating Insurance Crimes**

   The Authority in conjunction with the Ministry of Home Affairs has engaged in conducting road inspections to ascertain the validity of Motor Insurance Stickers issued to motorists. This has been done on the national safety week.

7. **Website**

   TIRA maintains and operates a vibrant website that has information that is highly educative.

8. **Draft Insurance Policy**

   National Insurance Education Strategy (NIES)" is in place which addresses the insurance stakeholders' roles and participation in consumers' education.

9. **Insurance Week Celebration**

TIRA organizes the annual insurance week celebrations where various stakeholders in insurance participate and present papers on emerging issues in insurance. In addition, lessons on insurance risk management are taught to the stakeholders. This goes a long way in ensuring that the policy holder is protected at all times.

10. **Micro Insurance Implementation Strategy** – specify demand stimulation through consumer education to low income earners – which is coordinated by Micro Insurance Coordinator
    Supply side: build capacity for preparation of tailor made programmes to industry players such as product development and use of technology for easy access of the products, market research and pricing
11. **Insurance Ombudsman** – settlement of disputes between the insurers and insured/ third party
    Enabling environment for protection of policy holders by reviewing the laws and regulations
    Surveillance and prudential services over - all market players

CAPITAL MARKETS

The Capital Markets and Security Authority is the regulator of the Capital Markets in Tanzania. Unlike the TIRA, the CMSA has no elaborate program on financial education. It majorly handles complaints from members and also maintains a website where it occasionally publishes its reports and any other relevant information.

- Establishment of Capital Markets Tribunal which is expected to start operation in the financial year 2016/17
- Regulatory Framework – the regulator is empowered to maintain surveillance over all securities dealings, licensing of market players and placing control over their activities
- Presence of Web portal for register of complaints
- Provisions of awareness programmes to ensure investors are well informed in order to protect their interest.

PENSION

Pension in Tanzania is regulated by the Social Security Regulatory Authority. The Authority is in charge of NSSF (National Social Security Fund), PPF Pension Fund, GEPF Pension Fund, LAPF Pension Fund and Public Service Pension Fund (PSPF)

The members of the fund have taken initiatives to educate the masses in TV and Radio shows, in national exhibitions on Saba saba and Nane nane days. The police Force and the Prison Department have also been taught through seminars and workshops organized by the Authority in conjunction with the various funds.

RECOMMENDATIONS

1. Clear and specific provisions be included in the various sector specific laws making it obligatory to provide all-inclusive consumer financial education.
2. Mandate an umbrella agency to be in charge of consumer financial education and the same be carried out by sub-agencies in each sector.

3. The clarity of the contracts of insurance will make policy holders to make an informed choice on the exact package that they would like to purchase and ensure consumers know their roles and rights.
4. There is need for a deliberate attempt to educate the masses on the dealings of the Capital Markets and Securities and financial markets in general.

Uganda

Sector	Statute	Regulatory Body	Specific Provision on Financial Education and Consumer Protection	Is the provision adequate?
	The Constitution of the republic of Uganda, 1995.	The Government of the Republic of Uganda	Article 30 provides that all persons have a right to education. Article 40(1) provides for access to information in in the possession of the State or any other state organ or agency.	Inadequate since there is no specific provision on financial education
Banking	The Bank of Uganda Act	The Bank of Uganda	No provision on Financial Education	Inadequate
	The Financial Institutions (Amendment) Act, 2016. Financial Institutions Act 2004		Consumer protection	Adequate for consumer protection
		Uganda Bankers' Association Code of Good Banking Practices	Banks undertakes to act fairly and reasonably in all their dealings with their customers	Adequate for consumer protection
	Financial Consumer Protection Guidelines, 2011		Section 6(2)(a) obligates a financial service provider to explain clearly to a consumer all the features of the product including fees and charges while Section 6(1) (b) prohibits financial service providers from engaging in unfair, deceptive or aggressive practices or unfair inducement.	Adequate for consumer protection
Insurance	The Insurance Act	Insurance Regulatory Authority of Uganda	Section 15 (1) – some of the functions of the Authority are to provide a bureau to which complaints may be submitted by members of the public safeguard the rights of insurance	Adequate for consumer protection.

Sector	Statute	Regulatory Body	Specific Provision on Financial Education and Consumer Protection	Is the provision adequate?
			policyholders and insurance beneficiaries; to arbitrate and grant restitutions.	
	Insurance Amendment Act ,13 2011		Provision on Financial education or consumer protection	adequate
	Uganda Insurers Association Code of Conduct		The Code states that members shall explain to consumers all the essential provisions of the policy, which they are recommending. The Code does not however indicate how providers concerned should achieve the fair treatment of consumers.	Not adequate
	Motor Vehicle Insurance (Third Party Risks) Act		No provision on Financial Education or consumer protection	Not adequate
Pensions	Uganda Retirement Benefits Regulatory Authority Act	Uganda Retirement Benefits Regulatory Authority	Section 5(1) (k) provides that some of the functions of the Authority is to promote public awareness of the retirement benefits sector and to protect the interests of members and beneficiaries of retirement benefits schemes including the promotion of transparency and accountability. The Authority is mandated to come up with Guidelines to explain to promote public awareness and how the interest of members of retirement benefit scheme should be protected.	The intention of the Act is clear and if followed and implemented, it should offer adequate consumer protection and financial education.
	MOU for the East African Pension Supervisory Association (EAPSA)	EAC Pension Supervisory Authorities	No specific Provision on consumer protection or financial education.	In adequate

Sector	Statute	Regulatory Body	Specific Provision on Financial Education and Consumer Protection	Is the provision adequate?
Capital Markets	The Capital Markets Authority Act. cap 84	Capital Market Authority	Section 5(1) (d) - The functions of the authority are the protection of investor interests.	Inadequate since it is too general.
	Capital Markets Authority Act (Amendment) Act		No provision on consumer protection or financial education	Inadequate
	Capital Markets (Conduct of Business) Regulations 1996		A licensee who recommends a transaction should take all reasonable steps to enable the customer to understand the risks involved and is prohibited from imposing unfair or unreasonable charges.	Adequate to protect consumers but inadequate for financial education

Initiatives Undertaken Towards Financial Education and Consumer Protection In Uganda

A. Banking Sector

Bank of Uganda has spearheaded the development and implementation of a Strategy for Financial Literacy through the following initiatives.

1. **Financial Education in Schools:** Incorporation of Financial Literacy into the secondary school curriculum as part of the overall reform of the curriculum, as well as into the primary school curriculum through the development of supplementary materials and teachers' trainings; extension of extra-curricular Financial Literacy activities.
2. **Financial Literacy and Rural Outreach:** Provision of Financial Literacy trainings to rural communities, capitalizing on existing trainings and trainers. Dissemination of Financial Literacy messages via a variety of community channels, such as community radios, community parliaments, and many more.
3. **Financial Literacy in Workplaces, Clubs & Associations:** Improving Financial Literacy at formal workplaces through presentations and trainings, as well as presentations being held to informal workers through their associations..
4. **Use of Media for Financial Literacy:** Development of a lively and vibrant website dedicated to Financial Literacy; engagement of newspapers and magazines and radio to increase their Financial Literacy content, as well as the use of social media.
5. The financial literacy ***core messages*** which are a set of simple, tried and tested messages, responding specifically to what someone needs to know to manage his/her personal finances effectively. The concept behind the development of the core messages is that hearing the same, or a very similar, message three times will always have more effect than hearing three different messages once.

B. Insurance Sector

Initiatives to promote Financial Education

1. The Insurance Regulatory Authority of Uganda undertook regional awareness seminars and participated in annual trade shows to enlighten the public about the benefits of insurance.
2. The Insurance Regulatory Authority of Uganda has also educated the public on social media by posting updates on Financial Plans and the benefits of insurance.
3. The Authority continues to promote insurance education through regional awareness seminars and participated in annual trade shows to further enlighten the public about the mandate of the Authority.

Initiatives to promote consumer protection

1. The Authority set up a Complaints Bureau in 1998 to handle complaints against Insurance players. The public is urged to always lodge complaints with the Bureau for prompt settlement to complaints and avoidance of lengthy and costly Court cases

C. **Pensions Sector**

1. URBRA Newsletter. The Uganda Retirement Benefits Authority publishes a newsletter which educates the public on different aspects of pension savings. E.g. How Will URBRA Ensure Workers' Savings are safe and protected among other headlines.
2. The Authority has embarked on sensitization and training of trustees in the area of risk management. This will enable trustees to carefully select the asset classes in which retirement funds would be invested to maximize return and minimize risk by integrating risk management mechanisms in their investment portfolios
3. URBRA is has also embarked on the development of a risk-based supervision framework which will enable effective and timely identification of risks and ensure that they are managed before realization.
4. Regular workshops are conducted to inform stakeholders including the media, fund managers, trustees, custodians and administrators of the mandate of URBRA.
5. The Authority has established a dedicated website to enhance communication to stakeholders, to provide resources relevant to the sector and to enable feedback. The address for the website is www.urbra.go.ug. The website will be enhanced to enable the licensing of retirement benefits schemes and others service providers online, for efficiency.
6. Training of trustees is being done in various areas of management and governance of Retirement Benefits Schemes.
7. The training on risk management was amongst the several that have been conducted.
8. Trainings for service providers and other stake holders like the media have been organized

Consumer Protection

The Authority has set up a complaints desk to handle various issues of savers and pensioners or beneficiaries in the retirement Benefits sector. A complaints desk was set up at URBRA offices to deal with complaints on retirement benefits related issues and to facilitate the resolution of issues between the parties involved and to provide appropriate advice. The Authority is undertaking appropriate analysis of the patterns and nature of the complaints received for purposes of developing industry standards and operational procedures of addressing the complaints.

D. **Capital Markets**

Financial Education

1. The Capital Markets Authority has run a Secondary Schools Challenge since 2003. This is a competition to educate Advanced Level (A-Level) students on financial matters. The Schools Challenge also aims to capture a wider adult audience such as parents and teachers as well as the interested general public.
2. The Investors Club runs an annual Financial Literacy Week and financial literacy clinics. The Investors Club, a private company, has two limbs to its business: investment advice and financial literacy. The Financial Literacy Week targets the uniformed forces, professionals and

students. The activities are intended to promote savings and best practices in personal finance

Consumer Protection

1. The CMA's main objective is investor protection. The Authority is committed to ensuring that investors are treated fairly and follows a systematic process in handling complaints arising from business transactions between investors and any of the licensed entities.

RECOMMENDATIONS:

1. The Constitution of the Republic of Uganda should contain provisions on Consumer protection and obligate Parliament to enact legislation on Consumer protection and financial education.
2. The statute establishing the Bank of Uganda which regulates the financial institutions in the country should contain a provision empowering the Bank to ensure other financial institutions conduct financial education and countrywide awareness of financial services and products.
3. The State should enact a law to implement the Strategy for Financial Literacy in Uganda.
4. The Code on Bankers should include a provision that ensures that Bankers disclose the relevant information to their customer.
5. Amendment of the Insurance Act to provide for public education on insurance beneficiaries in Uganda.
6. The Code of Conduct for Insurers should be amended to include a provision holding companies accountable for delays or unfairness in settlement of claims.
7. The Enactment of East Africa Community Pensions Act to provide for awareness and protection of pensions beneficiaries within the East Africa Community.
8. Uganda should come up with a strategy aimed at improving general literacy levels and financial education in all financial sectors.

14. STRATEGIES FOR PRESENTING INFORMATION TO CONSUMERS/ INVESTORS

There are traditional and innovative channels for provision of financial: from school-based programmes to edutainment and games, from workshops and leaflets to the use of branding and social media.[34]

Financial education strategies display a variety of implementation components and delivery channels, based on the policy priorities identified, the subgroups of the population that are targeted, the available budget as well as which channels are used. The delivery channels exploited to provide financial education are increasingly incorporating technology, and benefiting from the results of evaluation, data analysis, and other disciplines such as behavioural economics.

The financial education initiatives that have proven to be most effective seek to combine different approaches aimed at:

1. Facilitating access to information and education;
2. Taking into account timing and location and harnessing existing learning environments; and,
3. Supporting individual engagement, motivation and decision-making.

Considerations, European Union and South Africa Examples

Facilitating access to information and advice through multi-channel delivery

Facilitating access to information can be achieved through a variety of channels, including the creation of national strategy websites, communication campaigns on the strategy or specific areas or priorities within the strategy as well as a multiplicity of tools, including the use of technology.

Websites and web-based tools: In order to maximise impact and the efficient use of resources, the information and tools provided in the framework of the national strategy should be centralised to the extent possible. This can be achieved through the creation of a website

Creating a brand: Countries have benefitted from the creation of strategy names in the format of a "consumer brand" as well as logos for their national strategies that could be easily identified by the public;, e.g. the "Sorted" brand in New Zealand.

Awareness and communication campaigns using multi-channel delivery: strategies include use of roadmaps mass communication campaigns, which can be general or focus on selected issues and/or target groups. The campaigns to inform the population of the onset of a national effort to support financial consumers by public authorities fall within the first category.

Taking into account timing and location and harnessing existing learning environments

Choosing the right timing: Programmes within the national strategy can exploit potential teachable moments, such as by adopting a lifecycle approach or by reacting to events impacting the lives of individuals. Indeed a life-cycle approach to financial education is increasingly chosen by many national strategies for financial education. This approach

[34] Adapted from: National Strategies For Financial Education: OECD/INFE Policy Handbook

recognises that financial education can be more powerful when provided at critical points in the lives of individuals, in order to seize "teachable moments".

- *Appropriate learning environments*. Use of environments conducive to learning for effective and successful delivery, such as schools and the workplace. Often in the case of workplace education, the institution in charge of the national strategy may provide financial education programmes targeting selected sectors of the economy, or selected workers based on their age and saving needs.
- *Using trusted intermediaries and networks and training to foster outreach*. For the programmes in which the human resource component has a direct interaction with the target audience, such as in workshops or classrooms, the national strategy should promote the proper-education and competence of the educators. Trainers and intermediaries should have, or be trained to have, expertise on the subject and on the pedagogic elements of the programme, as well as soft skills such as good communication. External/private consultants can also be used in a PPP arrangement.

<u>*Supporting individual engagement, motivation and decision-making*</u>

Effective financial education programmes focus on the development of attitudes and skills and not simply on the provision of knowledge. This can be achieved by building on financial competencies early in life (notably through the introduction of financial education in schools and/or targeting young people), or by harnessing peer pressure and the community effect, as in the case of programmes aimed at indigenous communities and cultural minorities. The community effect is harnessed in particular when financial education programmes involve respected community leaders in order to convince target audiences of the importance of the financial education intervention.

When targeting homogenous groups, evidence has showed that role modelling of desirable behaviours and peer-to-peer transmission of financial education can play a role in improving behavioural outcomes and have spill-over effects even on those who do not take up financial education. Programmes aimed at changing behaviours among hard-to-reach target groups or the financially excluded have also introduced the use of monetary incentives. The pilot programme for the introduction of a financial education component in the programme Familias en Accion in Colombia for example has trialled the use of a monetary incentive for the promotion of a savings habit.

In appreciation of the constituent of the EAC, we have considered the European Union and United States and strategies applied (macro-level), and South Africa for strategies respective Member States may consider.

A. European Union

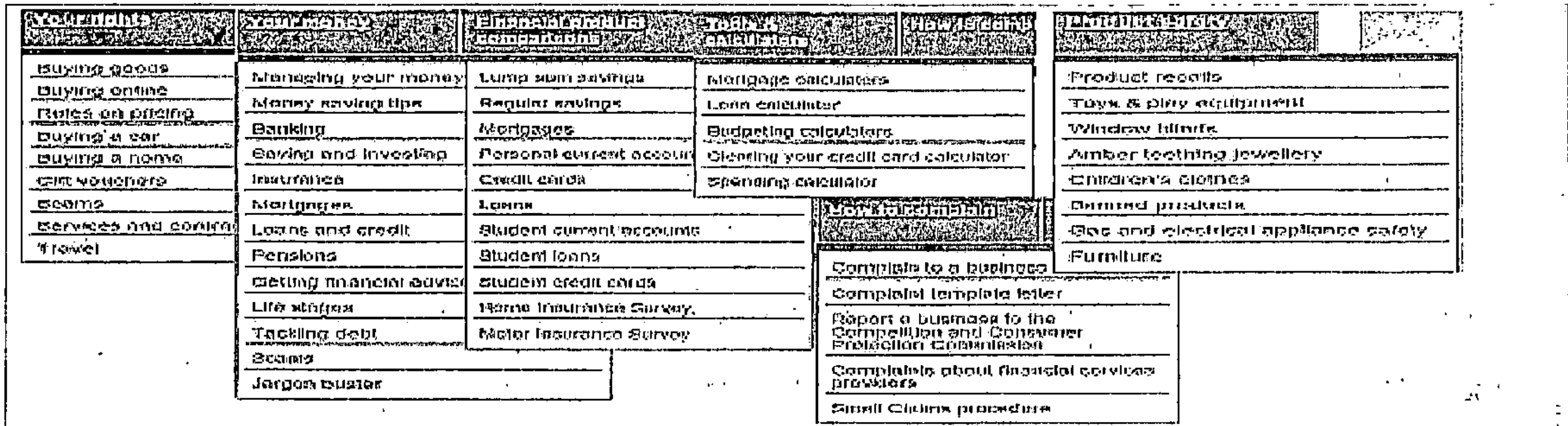
The Communication from the *Commission - Financial education /* COM/2007/0808* #presented in Brussels outlines the context for action at EU Level, in full respect of the competences of the Member States for the provision of education. The EU developed a number of activities in financial education, and plays a supporting role to the stakeholders, in accordance to Article 153 of the Community's Treaty – "the Community shall contribute to promoting the right to information and education of consumers in order to safeguard their interests and adopt measures which support, supplement and monitor the policy pursued by the Member States"

The Commission identified the following initiatives as a priority:

a. The creation of a network of financial education practitioners
b. Providing sponsorship to Member States and private actors in the organisation of national/regional conferences on financial education – most financial education programmes are local, regional or, at best, national in scope. As such, there is a need for awareness-raising events to take place as close to the target audiences as possible. The Commission strongly encourages Member States and private actors to organise such events, and can provide sponsorship and European Commission participation. Commission involvement provides a good opportunity to support or encourage the start of national financial education fora, promote best practice at a local level and promote existing initiatives. Such conferences provide impetus, visibility and coverage to financial education issues at the level at which they should be tackled.
c. The publication of an online database of financial education schemes and research in the EU
d. Development of a teacher training module on financial literacy- undertaken with the help of pedagogues and financial experts from the European Universities Continuing Education Network. This module will provide teachers in primary and secondary education with ready-to-use kits, including internet training, in order to encourage and help them to incorporate financial issues into the general curriculum on a voluntary basis. All materials will be adapted to the national cultures. Upon the completion of this teacher-training module, national development teams will, where possible, participate in teacher-training events to advertise the consumer education materials and encourage teachers to use them.

In the EU, as it is among the EAC Partner States, financial education plays a useful role in underpinning the Single Market in financial series. Initial steps taken by EU to address financial education include:

ELECTRONIC MEDIA	This includes Websites and Social Media Platforms and constitutes 'social marketing' - i.e. the use of commercial marketing techniques to bring about long-term, advantageous, behavioural change in a defined group. The key considerations are: - recognise the complexity of changing people's behaviour; - make it relevant for the people concerned; - make it interesting and fun; - being in the right place at the right time, i.e. selecting the appropriate media and activities; speak your audience's language.
www.dolceta.eu DOLCETA (Development of On Line Consumer Education Tools for Adults) - A website on consumer issues with educational material and interactive tools available in all official EU languages - Adapted to the specific characteristics of each national market (national legislation and culture of the 27 EU Member States). - Designed to be used by "multipliers": trainers and teachers in adult education, primary and secondary schools. It is also meant as a training or reference tool for consumer organisations, SME's, government agencies, NGOs, community-education programmes and press officers. - A self-learning tool for individual consumers. Up to now, six modules have been developed and are accessible on the web site. One of the modules of this site is dedicated to financial services, with subjects including budgeting, consumer credit and home loans, means of payment and investments.	
http://ec.europa.eu/consumers/europadiary/ Also: https://www.facebook.com/europadiary/ Europe-wide, multilingual and always up-to-date student diary and text book, explaining how the EU works and what it does for young people. Available in all EU languages. 'Europa Diary' is the booklet version, distributed to second-level students to inform them of their rights as consumers. It includes a section on money and debt, which explains how financial institutions and products work, and gives early warning about the dangers of excessive borrowing.	
www.itsyourmoney.ie facilitated by IE National Consumer Agency and educates on consumer rights. Contents of the website addresses the following topics:	



#MyMoneyEU: As an **improvement tool, and way of evaluation,** The European Union works to improve *cross border retail financial services for its citizens.* It is interested in the issues citizens face in either of the EU countries in matters concerning; Bank accounts, Credit cards, Savings, Life insurance, Mortgage, etc. Accessible as a website and through social media platforms (Twitter, Facebook, YouTube...) It asks:

> *"Did you have problems opening a bank account while you were on an Erasmus?[35] Have you ever tried to use a credit card to buy something from an online shop based in another EU country only to find that your card was rejected? Did your insurance company tell you that you were no longer covered by your life insurance when you moved to another EU country? Have you tried to get your car insured in another European country? Do you have enough information on how much you are charged when using a credit card aboard?*

It invites citizens to record a video explaining problems encountered, then post on preferred social media platform (Twitter, Facebook, YouTube,...) in any EU language using the hashtag #MyMoneyEU

To encourage awareness-raising campaigns and conferences as close to the target audience as possible, the Commission committed in the 2007 Communication to provide support in the form of patronage, including, in certain cases, a direct participation in such events. The objective of this form of intervention was to provide additional visibility and credibility to initiatives in the Member States in order to stimulate the debate at national level on the relevance of financial education and to spur the development of financial education programmes.

[35] The EU programme for education, training, youth and sport

B. South Africa

In South Africa, financial institutions have an obligation through the Financial Sector Codes for broad-based black economic empowerment to use a percentage of their after tax profits to fund consumer financial education projects and programmes. Each stakeholder determines delivery mechanisms for its own programmes implemented in terms of its individual financial literacy strategy. These can range from edutainment (TV and radio soap operas) to market practitioners training in classrooms at schools and universities. **The media and presentation approaches used include:**

Presentations	- Group presentations - particularly with small groups from various organisations. - Exhibitions - identify various exhibitions and exhibit consumer message and materials. - Face-to-face interaction at public places, which include shopping malls, train stations and taxi ranks. - Trendy, interactive, multi-media PowerPoint presentations - short and punchy with budgeting exercises. - Use of electronic voting systems to get immediate and anonymous feedback from consumers.
Advertising and marketing	- Produce booklets and brochures in various languages for various target groups (children, youth, adults, elderly and others), in various topics - Clinic TV - run short shows in Clinics in Townships in the waiting area creating awareness and the importance of budgeting and saving. - Financial education video broadcasts through public health clinics and airports. - Industrial theatrical dramatizations – taking consumer financial education messages to schools, shopping malls, universities, market places and taxi ranks. - Radio broadcasts on various radio stations to target persons in remote areas to create an awareness of financial literacy issues. - Placing posters on public notice boards. - Niche magazines – identifying the leisure magazines of identified target audiences to take consumer education messages to them. Real case studies and responses to consumer questions are provided. - SMS – after workshops and exhibitions as a follow up send financial literacy messages to consumers.
Online Media	There has been a rapid move toward online media and the following are being utilised: - A consumer education website – www.mylifemymoney.co.za . Forms part of the Consumer Education Departments' Mandate to provide guidance to consumers in order to make better financial choices and to live a financially successful life. It caters for all South Africans, young or old, rich or poor, investing or paying off debt, planning and setting financial goals. It alerts consumers' facts so they can make informed decisions about their finances. It is classified in 'LifeStages', to guide at every stage of life, and offers weekly financial tips and articles dealing with complex financial matters, in lay-man's terms. - Social media – Facebook, Twitter and YouTube - The creation of a Mobi-site (www.mylifemymoney.co.za) that allow users to access the website on their cell-phones. - Search engine optimisation, which will draw more people to consumer education website in online searches.

Strategies adopted in EAC Partner States

There are various strategies in use in the Partner States in presenting information to the public.

Kenya

Target Segment	Delivery Channels
Rural Adults	Face to face with groups in SACCOs
Rural Adults	Face to face with groups including business and life skills (Village Savings and Loan Associations (VSLAs))
Rural Adults	Face to face with groups (Villages Savings and Loans Associations) including Community based trainers (CBTs)
Youth (College Students)	Online using Virtual trading simulation platform targeting college students
Youth (University Students)	Face to face at formal education institutions
All	Television and website (Electronic Media)
All	Television
All	Print media
Youth and Women	Face to face with groups and formal education setting, combined with financial services
Urban Adults	Face to face formal education setting
Youth	Face to face with youth groups through youth groups and school-based clubs
Youth	Face to face trainer of trainer program including business and life skills
Youth	Face to face combined with financial services.

Source: SMC Consultant Interviews 2015, Financial Education in Kenya, 2008 - FSDK

Rwanda

Rwanda categorised its population into groups in its National Financial Education Strategy and identified action plans as informed by FinCap and FinScope analysis, as well as interviews with key stakeholders.

FE Program by Segment

Segment	Delivery Channels
Children 0 to 13 years	- Schools - After-school programs - Non-formal education initiatives - Media, i.e. Radio, TV, books & storytelling
Youth 14 to 35 years	- Secondary schools, Technical and Vocational Education and Training (TVET) program - Universities and Clubs - Entrepreneurship/job skills programs - Health trainings and Literacy programs - Radio and Video - Print publications and Billboards - Mobile phones - Umuganda - Ingando (Camps for Youth) and Sports activities - Youth councils, Youth cooperatives, associations and savings groups - Churches/mosques - Itorero - Places of leisure (i.e. hair salons, bars)
Urban Adults 36 to 65 years	- Radio and TV - Trainings and meetings - Government-led local meetings - Technology
Rural Adults 36 to 65 years	- Trainings and meetings - Radio - Mobile devices - Access to Finance Forums - Churches and faith-based groups - VSLAs - Associations and groups; Literacy centres (AEE) - Edutainment (i.e. road shows) - Angando/Anatore: Umuganda
Women 36 to 65 years	- Trainings and meetings - Radio

Further, Rwanda identified FE Program for Staff of Financial Service Providers viz:

Objectives	Delivery Channels
Ensure that front-line staff of financial service providers are knowledgeable about their financial products; successful money management habits, and facilitating effective learning among clients.	- Associations - Outside capacity building organizations - BNR - Educational Institutions

Tanzania

Market Segment	Delivery Channels
Public Media campaign	Above the Line (ATL) Media: ▪ Tanzania Broadcasting Association (TBC) ▪ IPP Media Group – ITV, Radio One, Guardian Nipashe, etc. ▪ Star TV, Radio Free Africa (RFA) ▪ Multiple FM stations Edutainment media groups, e.g.: ▪ MediaE; Femina HIP
Formal Market	**Financial** ATL Media (as above) Financial institution branches: ▪ Brochures ▪ In-branch A-V ▪ training ▪ ATMs ▪ Mobile phones **Employees** Employee wellness programmes: ▪ Classroom-based training ▪ Posters ▪ Counsellors
Emerging market (adult)	**Financial Sector** ▪ Member training (classroom); ▪ Workshops: members and non-members; ▪ Audio-visual; ▪ Village roadshows ▪ \Mobile phones **Entrepreneurship programmes** Embed financial education into existing and planned entrepreneurship training programmes
Emerging market (youth and young adult)	Embed in existing and future entrepreneurship training programmes
Youth in educational system (school-going)	**Learners** Schools and VETAs: ▪ First priority: extra-curricular (clubs) ▪ Second priority: mainstream curricula ATL channels: ▪ Radio ▪ TV ▪ print ▪ IT Mobile phones **Educators** ▪ Classroom based seminars; ▪ Formal teachers' curricula; ▪ Other activities on campus - see 'Young adults at tertiary institutions'
Young adults at tertiary institutions	▪ Seminars and lectures ▪ Targeted ATL ▪ Counsellors ▪ Mobile phones
Training of trainers, CBOs, NGOs, policymakers	▪ Classroom-based training programmes; ▪ Seminars

Source: Framework for Financial Education in Tanzania, 2010

Uganda

Following consultation with stakeholders, Uganda identified: Schools • Youth • Rural outreach • Workplace • Media as the five strands for focusing its Financial Literacy (FL). The table below shows the priorities for each

Strand/ Target	Delivery Channels
Schools	➢ School curriculum (initiated in 2011) ➢ Print: - development and dissemination of material ➢ Teacher training ➢ School clubs and other school events
Youth	➢ University exit courses ➢ Presentations ➢ Youth Clubs and Associations ➢ Community FL mentors
Rural Outreach	➢ Community trainers ➢ Community radio, community parliaments, local groups, etc. – coordinated by community FL mentors
Work-Place	➢ FL presentations, ➢ FL modules for staff orientations, FL materials and trainings for internal FL champions ➢ Professional associations
Media	➢ Developing and managing a lively and vibrant website for consumers and partners, including a range of information, guides, budget planners, calculators, tips, warnings and games ➢ Newspapers and magazines ➢ Radio (e.g. radio drama skits, talk shows on FL, DJ mentions) ➢ Using new media such as SMS, Facebook, twitter, blogs, YouTube, ➢ TV drama ➢ Road Shows

According to the survey, participants had preferences for source of information when buying a service (that can be adopted as presentation tools) were:

Sources of information paid attention to when choosing a company to buy a service from					
	Country				
Rank	Burundi	Kenya	Rwanda	Tanzania	Uganda
First	**Advertisements**	**Provider's Information materials; tariffs and services**	**Advertisements**	**Advertisements**	**Advertisements**
Second	Consultants from the service provider	Advertisements	Consultants from the service provider	Provider's Information materials; tariffs and services	Consultants from the service provider
Third	**Provider's Information materials; tariffs and services**	**Consultants from the service provider**	**Provider's Information materials; tariffs and services**	**Advice of friends and relatives**	**Provider's Information materials; tariffs and services**
Fourth	Analytical materials published in mass media	Advice of friends and relatives	Advice of friends and relatives	Consultants from the service provider	Internet resources
Fifth	**Advice of friends and relatives**	**Independent financial consultants or brokers**	**No answer**	**Internet resources**	**No answer**
Sixth	Internet resources	Analytical materials published in mass media	Found it difficult to answer question	Analytical materials published in mass media	Advice of friends and relatives
Seventh	Employer's advice	No answer	Independent financial consultants or brokers	Independent financial consultants or brokers	Independent financial consultants or brokers
Eighth	Independent financial consultants or brokers	Internet resources	Internet resources	Found it difficult to answer question	Analytical materials published in mass media
Ninth	Other sources	Employer's advice	Analytical materials published in mass media	No answer	Other sources
Tenth	Found it difficult to answer question	Other sources	Other sources	Employer's advice	Found it difficult to answer question
Eleventh	No answer	**Found it difficult to answer question**	**Employer's advice**	Other sources	**Employer's advice**

Overall Recommendations

EAC Partner States can use various methods, training and tools, at meso, micro and macro levels. It is important to assess preferences and needs of target groups. Some cross-cutting recommendations that EAC Partner States can adopt are:

- Differences in introducing financial education in school education system. Introducing financial education content in relevant subjects e.g. math. Introducing financial education as extra-curriculum activity e.g. investment clubs.
- Deliver financial education sequentially from basic to more complex financial concepts.
- Use of edutainment (plays, radio dramas and television programs) are effective delivery systems to teach financial education concepts to illiterate rural populations.
- Providing training information on the internet significantly reduces information asymmetries making access to training material and financial education messages to a wider audience.

Examples of tools EAC Partner States can adopt, across groups and industries can include:

Focus	Mode
All audiences (in main languages per country, including English)	o Electronic Media – Television and Radio, broadcasts, including and not limited to drama/ skits, plays. o Website/s specific to Financial Education can be developed, and also linked to Government and stakeholders websites, and/or dedicated link on such o Mobile networks in form of Short Message Service (SMS) o Print Media – pamphlets, posters, notices in newspapers and other publications (magazines), school/ university books o Road shows – these can be regional, bearing the targeted markets' realities (behaviour, culture). For example, more during school holidays to engage children, youth and adults in one for a, thereby triggering discussions

	o Government/ Special groups meetings, for example community groups, youth, women, special groups, churches/mosques/temples, grass-root leaders' meetings (e.g. chief meetings), Trade shows, Exhibitions (can also be specific to financial education) o Use of centralised information centres (e.g. Huduma Centres in Kenya) o Use of popular personalities as Ambassadors of Financial Literacy
Urban Audience (adults and youth)	o Use of Electronic media – Twitter, YouTube, Blogs, Facebook, Websites. Urban population is more technology savvy, ever busy and use of Social Media Platform would be more appreciated than, for example, road shows. o Information can also be disseminated through special associations specific for certain practices, e.g. Accountants, HR personnel
Learning Institutions – Schools, Colleges, Universities,	o Interactive, colourful websites (adapted by EU) o School text books

15. PRIVATE-PUBLIC SECTOR ALLIANCE

Guidelines for Private and Not-For-Profit Stakeholders In Financial Education[36] (OECD, 2015)

The involvement of private and not-for-profit stakeholders follows different modalities within and across countries, as highlighted in the "Revised Mapping on the Involvement of Private and Not-for-profit Stakeholders in Financial Education and Related Codes of Conduct", including:

i. involvement in the design of the national strategy;
ii. involvement in the implementation of the national strategy, including through ad hoc bodies, public-private partnerships, and/or certification and accreditation systems;
iii. provision of financial support, though mandatory levies and voluntary contributions, in favour of public financial education bodies, strategies, and/or initiatives; and
iv. the implementation of financial education activities by financial institutions, financial industry associations, NGOs and other civil society associations with little co-ordination within a national framework.

The involvement of private and not-for-profit stakeholders in financial education is essential but poses a number of challenges:

- ✓ The involvement of the private sector in financial education can bring a number of benefits including the contribution of financial resources, specialist and up-to-date knowledge on financial issues, and efficient communication. Moreover, some financial sector stakeholders are well positioned to reach a wide audience, to exploit teachable moments related to key financial decisions, and to combine financial education with financial inclusion efforts. However, the involvement of private stakeholders in financial education may bring about potential shortcomings, including un-coordinated initiatives, duplication of efforts, lack of teaching experience and expertise, lack of programme evaluation, and a potentially inefficient use of resources. Moreover, the delivery of financial education as a business activity may lead to the use of financial education for commercial purposes. There is also a risk that private organisations are more prone than public and not-for-profit ones to targeting the most profitable and easy-to-reach clients, and to having a preferential focus on short-term views, initiatives and resources.
- ✓ Also the participation of not-for-profit organisations can bring a number of benefits. Not-for-profit organisations can be especially well-positioned to address hard-to-reach audiences and can have expertise in specific fields (e.g., pedagogical expertise). However, the involvement of not-for-profit organisations may also involve some shortcomings. Financial education initiatives of not-for-profit stakeholders, especially international ones, may lack coordination with other national initiatives, as well as rigorous evaluation. In addition, not all not-for-profit organisations possess an expertise in financial education and some may be tempted to manifest themselves as financial education providers only as a way to seek funding.

It is therefore important to recognise the nature of financial education as a public good, which benefits both consumers and financial institutions, and the need to develop financial education initiatives that are:

[36] Adapted from: National Strategies for Financial Education: OECD/INFE Policy Handbook

- Coordinated/integrated in the national framework. It should be preferably channelled through national strategies, partnerships involving different stakeholders, and/or national/international quality standards, certifications, accreditation systems, charters, and/or codes of conduct (whose use should be monitored).
- Unbiased, fair, equitable, and of high-quality, meaning that it should ensure that financial education is conducted in the interest of consumers; that it addresses all relevant segments of the population, especially vulnerable groups; and that its content is accurate and up-to-date.
- Evaluated, as a way to monitor whether resources are used efficiently and to ensure that feedback on programme effectiveness is circulated and shared among stakeholders.
- Sustainable, recognising that long term commitment is required by implementing bodies and that its results will be seen in the long term.

In this context, the following Guidelines define the scope, modalities, and key criteria for the involvement of private and not-for-profit stakeholders in financial education. As such they complement the OECD/INFE High-level Principles on National Strategies for Financial Education.

Definition of Stakeholders

The set of private and not-for-profit stakeholders with an interest in financial education is large and encompasses a wide range of diverse actors, including for-profit and not-for-profit stakeholders from financial and non-financial sectors. These Guidelines are applicable to all private and not-for-profit stakeholders with an interest in financial education, namely comprising:

1. For-profit institutions providing financial services: e.g., banks and other financial institutions, including microfinance institutions, credit institutions, insurance companies, pension funds, stock exchanges, individual financial professionals/providers (including fund and asset managers), and other companies with a licence to provide financial services.
2. For-profit institutions delivering financial education as a business activity: e.g., private service providers that are contracted out to carry out financial education on behalf of other public, private and not for-profit institutions. This group also includes consultancy firms.
3. Non-financial for-profit institutions: including non-financial companies (e.g. employers providing financial education in the workplace and/or financing financial education initiatives, media companies, etc.), as well as telecommunication companies involved in mobile banking (i.e. telecommunications companies whose network is used by financial institutions to provide financial services).
4. Not-for-profit organisations with links to the financial sector but no direct commercial interest: e.g., industry associations (e.g., associations of banks, investment funds, insurance companies, pension funds, etc.) as well as financial institutions' foundations and financial ombudsmen.
5. Not-for-profit organisations with no direct link to the financial sector and with an interest in financial education: non-governmental organisations (NGOs), consumers' associations, trade unions, research institutions, teachers' unions, parents' associations, etc.

Modalities of involvement of private and not-for-profit stakeholders

The involvement and role of private and not-for-profit stakeholders can take various forms, and can include the following modalities and activities:

- the preparation and/or development of a national strategy framework in co-operation with public authorities;
- the implementation of a national strategy framework or other financial education initiatives, alone or in cooperation with other stakeholders (e.g., from the public, private, and not-for-profit sectors);
- the participation in public-private partnerships (PPPs). PPPs can also take place outside of the scope of / in the absence of a national strategy (where private and not-for-profit stakeholders may have different roles and can be involved to varying degrees, including the definition of objectives, the implementation of initiatives, and the provision of funding);
- the support by the private sector of national and international public and not-for-profit bodies, initiatives, and research through mandatory or voluntary contributions, in the form of financial resources or in kind;
- the preparation of dedicated financial education material and resources, including teaching and training material; and the delivery of training programmes, face-to-face or using a variety of media (television, radio, websites, etc.);
- the organisation of awareness/sensitisation campaigns, conferences, forums, and related events, including contests and annual financial literacy days/weeks; the professional development of teachers delivering financial education in schools, and the training of trainers delivering financial education outside schools; and
- the monitoring and evaluation of financial education programmes, and similar activities that contribute to enhancing the knowledge base of effective financial education initiatives.

Framework for the involvement of private and not-for-profit stakeholders in financial education policies and initiatives

a. *Co-ordination between public, private and not-for-profit stakeholders*

In order to maximise the benefit to consumers, to avoid the duplication of efforts, and to ensure fair and adequate outreach, financial education initiatives by private and not-for-profit stakeholders should be mapped and integrated into any existing national strategy for financial education or other coordinated policy framework at the national, state or regional level. If such a framework does not exist yet, private and not-for profit stakeholders should be encouraged to participate in the design of a national strategy, and/or to coordinate among them if a national strategy is not planned.[37]

a. 37 See the OECD/INFE High-level Principles on National Strategies for Financial Education (OECD/INFE, 2012) about any aspect related to governance mechanisms and the role of main stakeholders in a national strategy not covered in these Guidelines

Co-ordination among stakeholders through partnerships, working groups and other fora should preferably be carried by a leading public authority or body, which should also establish from the outset the roles and responsibilities of private and not-for-profit stakeholders. Coordination with the national school curriculum and/or education policies should also be ensured whenever private and not-for-profit stakeholders are involved in the design and delivery of financial education in schools.

b. *Managing potential conflicts of interest and other shortcomings*

The involvement of private and not-for-profit stakeholders should be designed in such a way to enhance its efficiency and outreach, and to identify and address, to the extent possible, potential conflicts of interest that can arise when institutions with a commercial interest are involved in financial education.

Potential shortcomings can be addressed through the following (non-mutually exclusive) channels:

- Support for public strategies and initiatives. The involvement of private and not-for-profit stakeholders through the financial and in-kind support of national strategies and initiatives should be encouraged and disclosed, but not as a means of direct marketing/advertising.
- Indirect involvement of financial institutions. Whenever possible, the involvement of financial for profit institutions should preferably be carried out within the framework of the financial education activities of the relevant national industry association or self-regulatory body, which should also be the promoting entity.
- Development of and compliance with codes of conduct. Private and not-for-profit stakeholders should be encouraged to participate in national strategies for financial education and/or other nationally coordinated financial education initiatives through specific codes of conduct or guidelines detailing the scope, modalities, and criteria for the involvement of private and not-for-profit stakeholders. Such codes of conduct should be developed in coordination with the interested private and not-for-profit stakeholders.
- Distinction between commercial and educational activities. Direct involvement of private and not-for-profit stakeholders in financial education initiatives should be designed and developed so as to make sure that educational activities can be clearly distinguished from commercial/marketing activities.[38] Consumers' interests should be given priority, in particular ensuring that:
  - i. Financial providers refrain from using educational initiatives to promote their own products and services and/or to criticise the products of their competitors;
  - ii. Conflicts of interest of organisations and individuals in carrying out awareness, communication, and financial education activities are disclosed and managed; and,
  - iii. Educational resources are distinguished from commercial material.

b. 38 The OECD/INFE High-level Principles on National Strategies for Financial Education state that "the development of financial education programmes by the private sector should not involve the promotion and/or marketing of specific financial products or services" (OECD/INFE, 2012).

Key criteria for the involvement of private and not-for-profit stakeholders in the implementation of financial education initiatives

a. **Objectivity**

The content and format of any material and physical environments (e.g. locations dedicated to financial education delivery, such as learning centres, museums, etc.) used for financial education training and awareness initiatives that is developed, promoted or used by private and not-for-profit stakeholders should be balanced, impartial, unbiased, and not linked to their commercial priorities. In particular, materials should not be specific to a given product or provider. Any branding, logo, or reference to a financial institution should be kept to a minimum and within limits agreed in advance and in accordance with national circumstances.

b. **Quality of resources and trainers**

Financial education materials and programmes should be developed in the interest of consumers and learners and of addressing their needs. They should also make reference to financial consumers' rights and responsibilities as appropriate.

c. **Monitoring and evaluation**

As for all other financial education programmes, the design of financial education initiatives involving private and not-for-profit stakeholders should preferably include:

- a pilot/trial phase of the financial education programmes and related resources, before they are scaled up to the full audience of interest; and rigorous and independent monitoring (process evaluation) and impact evaluation. These should be included in the programme design from the beginning to assess to what extent the programme meets participants' needs and programme objectives. Evaluation results should be shared publicly or at least among the relevant stakeholders, to allow a wider audience to benefit from feedback on programme effectiveness.

d. **Compliance issues**

Public authorities responsible for coordinating national financial education strategies and/or other nationally coordinated frameworks should consider, resources permitting and given countries' legal framework, the creation of awards, accreditation, certification, and licensing systems of programmes and providers. These should establish the criteria and the modalities under which private and not-for-profit stakeholders can deliver financial education, based on established guidelines and key criteria.

More generally, public authorities responsible for coordinating national financial education policies should be encouraged to develop and implement monitoring and compliance mechanisms to ensure that private and not-for-profit stakeholders involved in financial education are accountable and comply with national codes of conduct and/or these international Guidelines.

16. Implementing the Strategy: Institutional Arrangements

We base our advice on institutional arrangements on various best practices and we have borrowed recommendations made by OECD/INFE to G20 Leaders at a meeting in Los Cabos in June 2012.

Ideally, the development of a National Strategy should involve the whole sequence of appropriate assessment, mapping, consultative and communication processes and preparatory surveys. Such preparation should preferably be driven by the government, a public or regulatory authority or a national consultative/steering body.

The process for the development of the National Strategy is important in order to raise the level of awareness of financial literacy issues at a national level, build trust among various stakeholders, identify the best modalities for co-ordination and ensure relevance at the national level. It can also be instrumental in identifying a leading authority for the NS and establishing adequate co-ordination mechanisms in readiness for implementation. [39]

Since financial education is conducted by multiple stakeholders, public and private, the formation of institutions for implementation financial strategies need to encompass the different players.

Individual country institutional arrangements should be tailored to national circumstances and be flexible, and across EAC Partner States, these tend to almost mirror one another. As stated in OECD/INFE High-Level Principles On National Strategies For Financial Education, August 2012), there should be transparent co-ordination and governance mechanisms with an identified leading authority or governing mechanism and shared but clearly defined roles and responsibilities for relevant stakeholders. Key to note are:

i. Leadership and Governing Structure
ii. Co-ordination and the roles and responsibilities of various stakeholders
iii. Other civil society and international stakeholders

Leadership and Governing Structure

OECD opines that National Strategies should be preferably initiated, developed and monitored by a credible and unbiased authority of governing mechanism. It should be recognised and promoted at the highest policy level, and such a leading authority or governing mechanism should possess expertise and ideally a dedicated mandate on financial education (or consumer empowerment issues including financial education). It should also have the necessary resources and possibly enforcement powers to enable it to develop and ensure the appropriate implementation of a nationally-adapted, sustainable and efficient national strategy. The leading authority or governing mechanism can be an existing public authority or body (government, public body regulator(s) or council), a new and dedicated body or a new mechanism/structure aimed at co-ordinating various responsible authorities.

[39] http://www.oecd.org/daf/fin/financial-education/OECD_INFE_High_Level_Principles_National_Strategies_Financial_Education_APEC.pdf

a. In Tanzania, The Bank of Tanzania is the Secretariat of the National Coordinating Structure[40] and comprises of National Council (NC), National Council Steering Committee (NSC) and National Technical Committees (NTC). The NC comprises of Permanent Secretaries from relevant government ministries and heads of regulatory authorities, and practitioners associations (nineteen in total), and meets at least twice a year, and when there is an urgent matter requiring policy guidance or decision. The NSC comprises members at Director and Commissioner level; from twenty-seven Government Ministries and Agencies, Regulatory Authorities and Practitioners' Associations. It reports to the National Council and meets twice yearly, or as necessary. Senior Officers from twenty seven relevant Government Ministries and Agencies, Regulatory Authorities and Practitioners' Associations constitute the National Technical Committee. It reports to the NSC and meets at least quarterly.

b. In Uganda[41], the Bank of Uganda is the lead, and has The Financial Literacy Advisory Group (FLAG) comprising of senior and influential decision-makers from key sectors, including Government, Banking and Insurance sectors, Educationists, NGOs, MFIs and development partners. FLAG meets four to six times a year. It also has Financial Literacy Information Sharing Group (FLISG), involving a wide range of stakeholders and other partners.

c. Rwanda established the National Financial Education Strategy (NFES) informed by national surveys as the 2012 FinCap Survey ad Finscope 2012, input from key stakeholders in financial education, financial services and the financial development sector, the Financial Education Strategy Working Group, the national strategy documents and lessons learnt from other financial education initiatives in other countries. The coordination unit for the NFES is to be housed within the Financial Sector Development Secretariat (FSDS) of the Ministry of Finance and Economic Planning (MINECOFIN) – subsequent lead Government arm, with active engagement from the Bank of Rwanda (BNR) and consists of the Financial Education Steering Committee (FESC) and the Financial Education Technical Unit (FETU)[42]. There is the option to house FETU at MINECOFIN or BNR, or a non-government organisation, most likely Access to Finance, Rwanda. Another option is to establish FETU as an independent organisation. FESC and FETU are informally supported by five Financial Literacy Working Groups embracing the Youth, Schools, Rural Outreach, Workplace and Media.

d. Kenya developed a public-private partnership financial education programme (Financial Education and Consumer Protection Partnership – FEPP). This was after a FinAccess Survey in 2006 and a scoping study, "Financial Education in Kenya: Scoping Exercise Report, 2008". FEPP was developed as part of the 2008-2011 FSD financial education programme, to guide development, implementation and coordination of financial education initiatives.

They included the five industry regulators, government ministries, education institutions, industry players through associations, and development partners among others.

[40] National Financial Inclusion Framework; A Public-Private Stakeholders' Initiative: (2014 – 2016)
[41] Strategy for Financial Literacy in Uganda, August 2013
[42] National Financial Education Strategy for Rwanda, August 2013

FSD financial support for the financial education partnership concluded in 2013. The FEPP was not institutionalised and there was no clear exit strategy for the FinEd as the Secretariat and consequently FEPP became dormant when the FinEd came to closure.

Unfortunately, as a result, the FEPP initiatives and activities regarding financial education and devolvement of financial education strategy have since slowed down. However, a key result of the program was a strong partnership with Kenya Institute of Curriculum Development (KICD) to develop and implement a pilot program for financial education in the school system from Early Childhood Education to Tertiary level. Training manuals have been developed and the curriculum has since been completed and approved by the government.

In 2016 a pilot project will be rolled out in 20 schools (12 primaries and 8 high schools) in 8 provincial regions of the country. The financial sector has been identified as a key economic pillar for development and is a priority sector in Vision 2030. Under the Vision 2030, Second Mid-Term Plan 2013-2017 the government has identified development of a policy to guide development of financial education framework.

The outcome in Kenya was that there was no-one to develop or establish the framework. While it could be argued that the stakeholders in Kenya should have assumed this role, the reality is that everyone was looking towards the FSD to do so, as it has been playing the central role in FE in Kenya until then.

CO-ORDINATION AND THE ROLES AND RESPONSIBILITIES OF VARIOUS STAKEHOLDERS

The National Strategy framework should involve cross-sectoral co-ordination at a national level of the various stakeholders known to be competent and interested in financial education. Such co-ordination should encompass the setting of responsibilities and roles consistent with the main stakeholders' expertise, strengths, interests and resources. It should be sufficiently flexible to adapt to changing circumstances and permit renegotiations amongst concerned stakeholders whenever necessary in order to better co-ordinate the various financial education programmes and avoid unnecessary duplication.

The stakeholders can be public authorities or private sector providers.

a. *Public authorities*

All potentially relevant public stakeholders should be involved, to the extent possible, including ministries (and in particular the Ministries of Finance and Education), the Central Bank; the financial regulator(s) and supervisor(s), as well as other public national, regional and local authorities.

Depending on national circumstances, the involvement of public authorities should at least encompass:

- ✓ the preparation and establishment of the NS framework, in consultation with other stakeholders;
- ✓ the identification of overarching goals and national priorities for financial education; and,
- ✓ the design and/or promotion of effective and flexible regulation, guidance, quality standards, codes of conduct[43] and/or licensing in order to achieve these objectives through the provision of appropriate and high quality financial education programmes.

The actions of public authorities should not substitute or duplicate existing efficient initiatives by non-public stakeholders, but rather strive to co-ordinate, facilitate, reinforce and ensure the quality of the actions of all stakeholders.

b. Private sector and financial service providers44

Owing to the expertise and resources of market players and in particular financial institutions, their role in financial education and in the development of related NS should be promoted as a component of their social responsibility and good governance.

The private sector contribution to financial education should at the same time be monitored and guided in order to manage potential conflicts of interests. The involvement of national associations or self-regulatory bodies should be encouraged as well as the private sponsorship of public or civil society programmes. Dedicated national and/or international quality standards, charters and/or codes of conduct for the development and implementation of financial education programmes by the private sector should be developed; and their enforcement by private actors actively supported. More generally, the development of financial education programmes by the private sector should not involve the promotion and/or marketing of specific financial products or services.

EAC Partner States can determine which country-specific private sector and financial service providers to involve, and at what stage.

Below is a summary of the roles and responsibilities of various stakeholders in the EAC Partner States.

Tanzania

Body	Roles and Responsibilities
National Council	This is the overall policy making body for the national agenda on promoting Financial Inclusion in the country. It has a responsibility of overall strategic direction and oversight of the Financial Inclusion agenda. Specifically, the NC will: i. Set the strategy for Financial Inclusion for Tanzania

[43] These should be based on international criteria such as those to be developed by the OECD/ INFE.

[44] In the framework of their commercial activities, financial service providers, their intermediaries and authorised agents have a responsibility to provide objective and timely information and advice to their customers as well as ensure the qualification and adequate training of their staff (especially those involved in the selling of financial products and interacting with customers) – see G20 High-level Principles on Financial Consumer Protection (2011) and OECD (2005) Recommendation for further guidance on financial service providers and authorised agents' role and responsibilities vis-à-vis consumers and their customers through their commercial activities.

Body	Roles and Responsibilities
	ii. Review and approve Action Plan to achieve Financial Inclusion goal iii. Review Financial Inclusion implementation progress iv. Clarify policy issues and approve proposals from the Financial Inclusion national Steering Committee and v. Review any other issues related to implementation of the Financial Inclusion Initiatives as needed, with a view to advising the Government on the best way forward.
National Steering Committee	The NSC is responsible for coordination and quality control. Specifically, the NSC has the role to: i. Coordinate and closely monitor the activities of NTC such as reviewing of Technical Committee report on Action plan progress including identified critical technical obstacles and opportunities ii. Provide guidance to NTC activities and make recommendations to the NC on matters related to Financial Inclusion development and iii. Prepare and vet its reports before submission to the National Council for decision making and endorsement.
National Technical Committee (NTC)	Principally, this is the committee which is implementing and reporting on the Financial Inclusion initiatives in the country. Specifically, The NTC will have the following role: i. Develop and implement a Financial Inclusion Framework ii. Create public awareness of the Financial Inclusion Framework iii. Review Action Plan in the Framework iv. Measure performance as per developed indicators v. Review indicators vi. Identify critical obstacles to perform Financial Inclusion activities (referring to the Action Plan in the Framework) vii. Identify opportunities for Financial Inclusion and Prepare quarterly report and submit to the National Steering Committee. It forms a link between institutions and the Committees as members share experiences on initiatives and challenges faced by their institutions in the efforts to implement Financial Inclusion
National Secretariat	The NS has a role of collecting and compiling Financial Inclusion information and distributing this information when required. IT is housed at the Bank of Tanzania

Uganda

Body	Roles and Responsibilities
Financial Literacy Advisory Group	FLAG provides strategic advice to BOU on the development and implementation of the Strategy for Financial Literacy in Uganda. In doing so, it: i. Comments on papers and presentations related to the Strategy by BOU staff or other relevant persons; ii. Advises on the feasibility and relative cost-effectiveness of options for inclusion in the Strategy for Financial Literacy in Uganda; iii. Recommends further options for improving financial literacy; • Advises on the effectiveness of the implementation of the Strategy and on any changes which might be desirable.
Financial Literacy Information Sharing Group (FLISG)	FLISG is a forum: i. To share information and ideas about developments and potential developments; ii. To highlight examples of good practices from which others can learn useful lessons; and iii. To provide feedback.
Financial Literary Working Groups viz: Schools Working Groups Youth Working Group Rural Outreach Working Group Workplace Working Group Media Working Group	i. Developing, in a collaborative way, cost-effective, sustainable, replicable, scalable, well targeted activities for strengthening financial literacy. ii. Prioritising activities and submitting recommendations to the Financial Literacy Advisory Group (FLAG). iii. Driving forward and overseeing the implementation of prioritised and agreed activities and making adjustments as appropriate. iv. Fostering cooperation and coordination between stakeholders. v. Reporting on progress to the Financial Literacy Advisory Group (FLAG).

Rwanda

Body	Roles and Responsibilities
(Lead) Ministry of Finance and Economic Planning (MINEFOFIN)	Lead government body for the implementation of the strategy, continuing its leadership from the development of the strategy. MINECOFIN in collaboration with Access to Finance Rwanda (AFR) will ensure a smooth and efficient transition from the strategic planning phase to implementation with little or no lapse in momentum
Financial Education Steering Committee (FESC)	Oversees coordination and provides general oversight of the NFES implementation phase. It monitors progress in meeting key milestones, advises on key policy issues, and helps ensure national funding
Financial Education Technical Unit (FETU)	Mandate should be to directly coordinate and manage the implementation of the NFES, charged with the following key responsibilities: i. Coordinates activities and initiatives to maximize efficiency and cost-effectiveness ii. Oversees funding mechanism where appropriate for financial education programs Implementation: iii. Personnel: Program Officer iv. Identifies needs and ensures that needs are addressed v. Provides guidelines on quality standards; promotes and upholds quality standards vi. Promotes and supports partnerships; identifies potential linkages between financial education and other national initiatives vii. Manages Online knowledge portal (web site): Provide access to training and resource materials – divided by segments and Identifies resources on principles of guiding and best practices established by guidelines, e.g. OECD viii. Advocates for financial education at the national policy level ix. Conducts periodic news/updates to stakeholders: Reports on current financial education initiatives and progress towards implementation milestones. x. Gathers and disseminates best practices and lessons learned from stakeholders Regulation/Accountability xi. Monitors the delivery of financial education programs xii. Promotes consumer rights and responsibilities and transparency of information by financial service providers in coordination with the Office of the Ombudsman xiii. Implements monitoring & evaluation strategy for the implementation of the NFES xiv. Ensures that milestones in implementation are being met
Financial Education Strategy Working Group	Provides feedback and input on the direction of the NfES. The group is comprised of stakeholders who serve as representatives for their larger industry groups' interests and verify that the strategy reflects the goals and objectives of participating organizations.

OTHER CIVIL SOCIETY AND INTERNATIONAL STAKEHOLDERS

Other partners, such as relevant nongovernmental organisations, trade unions, consumer associations, employers, media and other national disseminators (e.g. public servants) should also be involved in the NS framework development and/or its implementation. Public and Private stakeholders to be involved in the institution implementing the strategy can include, but not limited to:

i.	Government Bodies	Ministries, Oversight Authorities
ii.	Regulatory Authorities	Capital Markets, Pensions, Micro-Finance, Insurance, Banking sectors
iii.	Education Bodies	Universities and Tertiary Training Institutes (TVET), Secondary, Primary and Early Childhood
iv.	Private institutions associations / Practitioners' associations	Industry-specific, e.g. Accountants, Bankers, Insurance; professional associations e.g. APSEA
v.	Private Providers	Consultants/ trainers in finance-related subjects)
vi.	Semi-formal groups	Youth and Women groups

vii. Other players	Mobile network providers[45], Media – print, electronic and social media (twitter, WhatsApp, Facebook, Blogs)
viii. Development Partners and Civil Society	Donors, Consumer Protection Bodies

Financial literacy has been increasingly recognised as an important individual life skill in majority of economies[46] and in the EAC Partner States, a consideration can be made to include education providers as members in the coordination Board. This consideration can be seen in Uganda where financial literacy was incorporated as part of the overall reform of the secondary school curriculum in 2011, and formed part of the Financial Literacy Working Group.

The growing relevance of financial education in recent years has been accompanied by an increasing involvement in financial education of a wide range of actors, including financial institutions, not-for-profit organisations and the civil society, alongside governments and regulators. This engagement is particularly important for the implementation of national strategies for financial education and for the sustainability of long-term financial education initiatives.

In 2014, OECD/INFE presented a progress report and circulated at GPFI meetings in Perth and transmitted to G20 Ministers of Finance and Central Bank Governors (meeting in Cairns on 20-21 September) for approval for transmission to G20 Leaders at their summit in Brisbane on 15-16 November 2014.[47]

The Progress noted that the involvement of private and not-for-profit stakeholders follows different modalities within and across countries including:

- involvement in the design of the national strategy;
- involvement in the implementation of the national strategy, including through ad hoc bodies, public-private partnerships, and/or certification and accreditation systems;
- provision of financial support, though mandatory levies and voluntary contributions, in favour of public financial education bodies, strategies, and/or initiatives; and
- the implementation of financial education activities by financial institutions, financial industry associations, NGOs and other civil society associations with little co-ordination within a national framework.

While the involvement of private and not-for-profit stakeholders in financial education is essential, it poses a number of challenges:

✓ The involvement of the private sector in financial education can bring a number of benefits including the contribution of financial resources, specialist and up-to-date knowledge on financial issues, and efficient communication. Moreover, some financial sector stakeholders are well positioned to reach a wide audience, to exploit teachable moments related to key financial decisions, and to combine financial education with financial inclusion efforts. However, the

[45] An ever expanding player: In Kenya, M-PESA has grown exponentially since its launch in 2007 to reach 14 million registered users by April 2011. This means that about 70% of the adult population in Kenya has access to M-PESA. New data suggests that M-PESA has also quickly reached the unbanked. Among the population outside of Nairobi, during a period of four years when the prevalence of bank accounts remained relatively flat, the share of the unbanked who used M-PESA rose from about 21% in 2008 to 75% in 2011. The number of M-PESA agents, who exchange cash for e-money when users deposit or withdraw funds, has grown in tandem. By April 2011, there were about 28,000 agents across the country, compared to roughly 1,100 bank branches. http://www.cfsp.org/sites/default/files/publications/cfsp_rb_m_pesa_final_1_0.pdf

[46] OECD/INFE (2009)

[47] http://www.oecd.org/finance/financial-education/OECD-INFE-Fin-Ed-G20-2014-Progress-Report.pdf

involvement of private stakeholders in financial education may bring about potential shortcomings, including un-coordinated initiatives, duplication of efforts, lack of teaching experience and expertise, lack of programme evaluation, and a potentially inefficient use of resources. Moreover, the delivery of financial education as a business activity may lead to the use of financial education for commercial purposes. There is also a risk that private organisations are more prone than public and not-for-profit ones to targeting the most profitable and easy-to-reach clients, and to having a preferential focus on short-term views, initiatives and resources.

- ✓ Also the participation of not-for-profit organisations can bring a number of benefits. Not-for profit organisations can be especially well-positioned to address hard-to-reach audiences and 38 can have expertise in specific fields (e.g., pedagogical expertise). However, the involvement of not-for-profit organisations may also involve some shortcomings. Financial education initiatives of not-for-profit stakeholders, especially international ones, may lack coordination with other national initiatives, as well as rigorous evaluation. In addition, not all not-for-profit organisations possess an expertise in financial education and some may be tempted to manifest themselves as financial education providers only as a way to seek funding.

It is therefore important to recognise the nature of financial education as a public good, which benefits both consumers and financial institutions, and the need to develop financial education initiatives that are:

- *Coordinated/integrated in the national framework.* It should be preferably channelled through national strategies, partnerships involving different stakeholders, and/or national/international quality standards, certifications, accreditation systems, charters, and/or codes of conduct (whose use should be monitored).
- *Unbiased, fair, equitable, and of high-quality,* meaning that it should ensure that financial education is conducted in the interest of consumers; that it addresses all relevant segments of the population, especially vulnerable groups; and that its content is accurate and up-to-date.
- *Evaluated,* as a way to monitor whether resources are used efficiently and to ensure that feedback on programme effectiveness is circulated and shared among stakeholders.
- *Sustainable,* recognising that long term commitment is required by implementing bodies and that its results will be seen in the long term.

IMPORTANCE OF LEADERSHIP, CLEAR GOVERNING MECHANISMS AND STAKEHOLDERS' ROLES

- ***National strategies for financial education are in most cases initiated (and sometimes developed and implemented) by public institutions that have national leadership in these areas.*** These are usually the Ministry of Finance, the Central Bank, or supervisory/regulatory authorities. In a few cases, a dedicated body (e.g. in the UK) or a co-ordinating body (Brazil) is in charge of financial education at the national level. Such leaders usually either have a statutory mandate for financial education (Australian Securities and Investments Commission, Financial Consumer Agency of Canada, the Financial Services Board in South Africa, the Capital Markets Board in Turkey) or are given an explicit one in the context of financial markets reforms. For example, in the United Kingdom, the Financial Services Act paved the way for the creation of the Money Advice Service. The leader might also have financial education among its implicit responsibilities (often the case of central banks) or have nationally recognised experience in developing financial education programmes (for example the Dutch and Mexican Ministries of Finance).

- ***Where a single authority is leading the national strategy, a dedicated governing body or mechanisms have also often been established to manage and/or monitor the strategy development and/or implementation.*** Such specific structures are set up to take account the long-term nature of most strategies and the need to involve a variety of stakeholders. They not only allow cross-sectoral coordination and an effective sharing of responsibility among different authorities and stakeholders, they also highlight the support to the national strategy and as such can increase its visibility. In some cases, different structures have been created for the design and implementation of the national strategy (e.g. in Brazil). These high-level bodies often create ad hoc working groups in charge of specific elements of the strategy (as in Brazil, Mexico, the Netherlands, the United States), focused both on the process – such as the evaluation of programmes – and on the content – such as financial education in schools. They also develop legal co-ordination and feedback mechanisms with other public bodies and institutions (e.g. in Brazil).

- ***These bodies have been established through different modalities, depending on existing structures and the countries' context.*** In some cases, the bodies have been established by existing high-level co-ordinating committees with responsibility for financial market development or oversight. These committees are often headed by the Ministry of Finance, such as the Financial Stability and Development Council in India or the National Committee for the Regulation and Oversight of Financial, Capital, Insurance, Pension Funds and Capitalisation Markets (COREMEC) in Brazil. A similar body, the Financial Stability Committee in Turkey, headed by the Deputy-Prime Minister, has identified a member institution (the Capital Markets Board) as leading the national strategy implementation and has kept responsibility for its oversight and co-ordination. In other cases, new bodies dedicated to financial education issues have been created by government decree or by the leading institution of the national strategy, in particular the Ministry of Finance. This is the case for the Financial Education Council in Korea, the Committee for Financial Education (CEF) in Mexico and the National Consumer Financial Education Committee (NCFEC) in South Africa.

Select Countries': Leading authorities and co-ordinating bodies for national strategy

United Kingdom	*Leading authority:* Money Advice Service (MAS) An independent body created by the UK Government. *Responsibilities:* to enhance the nation's financial capability and provide generic and unbiased financial advice.
United States of America	*Co-ordinating body : Financial Literacy and Education Commission (FLEC)* *Membership:* Secretary of the Treasury as Chair, Director of the Consumer Financial Protection Bureau as Vice-Chair. The White House, Department of Treasury, Department of Education (ED), Department of Agriculture (USDA), Department of Health and Human Services (HHS), Department of Housing and Urban Development (HUD), Department of Labour (DOL), Department of Defense (DoD), Consumer Financial Protection Bureau (CFPB), Board of Governors of the Federal Reserve System (FRB), Securities and Exchange Commission (SEC), Commodity Futures Trading Commission (CFTC), Federal Trade Commission (FTC), Office of the Comptroller of the Currency (OCC), Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), Veterans Affairs (VA), General Services Administration (GSA), Small Business Administration (SBA), Social Security Administration (SSA), Office of Personnel Management (OPM), Federal Emergency Management Agency (FEMA). *Responsibilities:* develop the national strategy and co-ordinate resources and activities among the Commission's member agencies. *Sub-committees:* Children and Youth Committee, Post-secondary Education Committee, Early Career/Planning for Retirement Committee, Research and Evaluation Subcommittee.
South Africa	*Leading implementing authorities:* National Treasury and Financial Services Board (FSB), also acts as Secretariat to the NCFEC *Co-ordinating body:* National Consumer Financial Education Committee (NCFEC) *Membership:* all regulators (National Credit Regulator, South African Reserve Bank, Financial Services Board, National Consumer Commission); Government Departments (Trade and Industry, National Treasury, Ministry of Education, Provincial Consumer Affairs Offices Forum), Consumer representatives, Ombudsmen Offices, Industry Bodies and Associations. *Main responsibilities:* convened by National Treasury for the purposes of coordinating financial education initiatives and jointly finalising the national policy and crafting national strategy

Implementation Strategy – US example

To fulfil its Action Plan, it was imperative for the United States federal agencies to work together to develop and implement a national strategy to improve the financial skills, knowledge and behaviour of U.S. consumers. To this end, The Financial Literacy and Education Commission ("Commission"). The Commission was established under the Fair and Accurate Credit Transactions Act of 2003. It is chaired by the Secretary of the Treasury or designee and currently includes representatives of 21 federal agencies, and the White House.

In 2006, the Commission developed its first national strategy, Taking Ownership of the Future: The National Strategy for Financial Literacy ("2006 National Strategy"), which served as a blueprint in the area of financial literacy and education. As part of the implementation of the 2011 National Strategy, the Commission encouraged three key groups of stakeholders to take action:

- The Commission as a whole, including teams of member agencies focused on common outcomes;

- Commission member entities individually;
- Other entities, including federal agencies that are not Commission members; state, local and tribal governments; and nongovernmental entities (which include businesses, non-profit organisations, associations, and educational institutions).

As part of the implementation of the 2011 National Strategy and to further target its activities, in 2012, the Commission focused its efforts on impacting the financial education of young Americans through an initiative called *Starting Early for Financial Success.* The Commission partnered with other levels of government and the private/non-profit sectors to achieve the desired outcomes of the initiative.

Governance mechanisms and role of stakeholders

Chair and Vice-chair: Secretary of the Treasury - Chairperson of the Commission, and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 names the Director of the CFPB the Vice-chair of the Commission.

Duties: The Commission's purpose is to *"improve the financial literacy and education of persons in the United States through development of a national strategy to promote financial literacy and education"*. The Commission's principal duties include:

- encouraging government and private sector efforts to promote financial literacy;
- coordinating financial education efforts of the Federal government;
- developing a national strategy to promote financial education;
- establishing a national financial education Web site to provide a coordinated point of entry for information about federal financial literacy and education programmes and grants; and
- establishing a toll-free hotline available to members of the public seeking information about issues pertaining to financial literacy and education

The Committees within the Commission are currently developing their activities and respective outcome measures as follows:

Committee	*Outcome Statements*
Children and Youth Committee : Provides leadership to foster collaborations between Commission member agencies for the purpose of enhancing federal efforts that help American children and youth build knowledge, skills, and habits to prepare them for a financially capable adulthood	- Increase number of children/youth engaged in age-appropriate financial activities - Increase in number of facilitators of financial learning prepared to convey financial knowledge and skills to children and youth
Post-Secondary Education Committee: To curate decision-making resources that help	- Provide high-quality information for postsecondary planning

Committee	Outcome Statements
students and their families take actionable steps towards deciding how to pay for college and promote these resources directly to students and families through Commission member agencies' programmes.	- Encourage the availability of high-quality, targeted, non-duplicative information - Community of practice for practitioners - Encourage educators to collaborate, identify, and share best practices - Potential communities: Primary and/or high school educators (teachers, guidance counsellors, etc.), Postsecondary educators, Policymakers, Producers of financial education tools and resources
Early Career/Planning for Retirement Committee: Working to encourage and promote financial education and capability in the workplace, especially for early career workers through encouragement, information and removal of barriers.	- To conduct a financial education pilot programme for early career Federal employees that o utilises internal and external agency financial education resources and reshape them to address the financial needs and interests of early career federal employees; o measures the impact of pilot programme and develop best practices; and o uses lessons learned from the pilot programme to work with private-sector stakeholders, especially small business, and state/local governments, to develop outreach strategies for improving financial literacy among their early career employees.
Research and Evaluation Subcommittee: To ensure that financial literacy researchers, educators, policymakers, funders, and practitioners have empirically validated measures of youth financial capability and evidence on the most effective strategies for increasing their financial knowledge and improving their financial behaviours and outcomes.	- Identify and promote research on financial literacy. - Organise a Commission sponsored journal/publication "Starting Early for Financial Success" to promote academic research on financial literacy. - Encourage the integration of data collection, measurement and evaluation into all federally funded financial literacy and education programmes. - Coordinate and disseminate financial education research and findings conducted by Commission members. - Work collaboratively with the private sector to promote high quality, needed research, evaluation, and disseminate findings. - Launch, maintain, and support enhancements to the Commission's Research and Data Clearinghouse. - Update 2012 FLEC Research Priorities & Questions to address "Starting Early for Financial Success".

Additional information:
Taking Ownership of the Future: The National Strategy for Financial Literacy http://www.mymoney.gov/sites/default/files/downloads/ownership.pdf

Promoting Financial Success in the United States http://www.treasury.gov/resource-center/financialeducation/Documents/NationalStrategyBook_12310%20(2).pdf

EAC PARTNER STATES' INSTITUTIONAL ARRANGEMENTS

Tanzania	
	Institutes/ Bodies
National Council	*Comprises of Permanent Secretaries from relevant government ministries and heads of regulatory authorities, and practitioners' associations* Ministry of Finance - United Republic of Tanzania (MOF - URT)), Ministry of Finance - Revolutionary Government of Zanzibar (MOF-RGZ), Ministry of Agriculture, Food security and Cooperatives (MAFSC), Ministry of Industry and Trade (MIT), Ministry of Education and Vocational Training (MoEVT), Prime Minister's Office - Regional Administration and Local Government (PMO - RALG), Ministry of Labour, Youth and Employment (MLEY), Social Security Regulatory Authority (SSRA), Tanzania Insurance Regulatory Authority (TIRA), Tanzania Communication Regulatory Authority (TCRA), Capital Market Security Authority (CMSA), Deposit Insurance Board (DIB), Tanzania Bankers' Association (TBA), Tanzania Association of Microfinance Institutions (TAMFI), Financial Intelligence Unit (FIU), Mobile Operators' Association of Tanzania (MOAT), Institute of Insurance Tanzania (IIT), Tanzania Social Security Association (TSSA), Bank of Tanzania (BOT), - Chair
National Steering Committee	The NSC is made up of members at the level of Directors and Commissioners from twenty seven Government Ministries and Agencies, Regulatory Authorities, and Practitioners' Associations, namely MOF(URT), MOF (RGZ), Cooperative Development Department (CDD), MIT, PMO - RALG, MLEY, SSRA, TIRA, TCRA, CMSA, DIB, TBA, TAMFI, FIU, MOAT, IIT, TSSA, TBA, Tanzania Institute of Education (TIE), Tanzania Consumer Advocacy Society (TCAS), National Identification Authority (NIDA), Tanzania Institute of Education (TIE), MKURABITA, Business Registrations & Licensing Agency (BRELA), Tanzania Revenue Authority (TRA), Operators' Association of Postal Network (OAPN), and BOT will preside over the NSC.
National Technical Committee	The team is made up of senior officers from twenty seven relevant Government Ministries and Agencies, Regulatory Authorities, and Practitioners' Associations namely MOF(URT), MOF (RGZ), CDD, MIT, PMO - RALG, MLEY, SSRA, TIRA, TCRA, CMSA, DIB, TBA, TAMFI, FIU, MOAT, IIT, TSSA, TBA, TIE, TCAS, NIDA, TIE, MKURABITA, BRELA, TRA, OAPN, and BOT which will preside over the NTC.
National Secretariat	Bank of Tanzania (BOT)

Rwanda	
	Institutes/ Bodies
Financial Education Steering Committee (FESC)	The 12 members from the Financial Education Strategy Development Working Group will comprise the Steering Committee, who include: - Lead Entities: Ministry of Economic Planning and Finance (MINECOFIN), Central Bank of Rwanda (BNR), - Government: Ministry of Local Government (MINALOC), Ministry of Education (MINEDUC), Rwanda Cooperative Agency (RCA) - Private sector/Donors: Visa, Access to Finance Rwanda (AFR) - NGOs: CARE, CHF, SBFIC - MFIs/SACCOs/Cooperatives: Banks/other FSPs: to be added - Networks and Umbrella Organizations: Rwanda Bankers Association (RBA), - Rwandan Association of Insurers (ASSAR), Association of Microfinance Institutions in Rwanda (AMIR)
Financial Education Technical Unit (FETU)	
Financial Education Strategy Working Group	Stakeholders who serve as representatives for their larger industry groups' interest; it consists of: - Government: Ministry of Local Government (MINALOC), Ministry of Economic Planning and Finance (MINECOFIN), Central Bank of Rwanda (BNR), Ministry of Education (MINEDUC)

	- Private sector/Implementation Partners: Visa, Access to Finance Rwanda (AFR) o NGOs: CARE, CHF - MFIs/SACCOs/Cooperatives: Association of Microfinance Institutions in Rwanda (AMIR), Rwanda Cooperative Agency (RCA)

Uganda	
	Institutes/ Bodies
Financial Literacy Advisory Group (FLAG)	- Multitech Business School - Uganda Bankers Association (UBA) (Chair) - Uganda National Examinations Board (UNEB) - Inter Religious Council of Uganda - CONSENT - Rock Insurance Services / UAIB - Ministry of Finance, Planning and Economic Development - Nile Breweries Ltd. - Uganda Investment Authority (UIA)/ SIMBA Group - Straight Talk Foundation - Pride Microfinance Ltd.
Financial Literacy Information Sharing Group (FLISG)	Membership of FLISG is open to all those who have an interest in working to improve levels of financial literacy in Uganda.
Kenya	
-	***Institutes/ Bodies***
FEPP Taskforce Members	FEPP Task force members - Insurance Regulatory Authority - Deposit Protection Fund - Central Bank of Kenya - Ministry of Finance - Ministry of Higher Education - National Bank of Kenya - SwissContact - AMF

DEFINITION OF MILESTONES

The OECD/INFE High-level Principles on National Strategies for Financial Education recommend that a national strategy framework encompass the design of a tailored roadmap including an overall and cross-sectoral vision as well as realistic, measurable and time-bound objectives.

There are several challenges associated with this phase. Roadmaps and action plans for a national strategy must define a realistic objective that can be measured and widely agreed. The roadmap should also plan an overall impact assessment mechanism, employing a variety of quantitative and qualitative instruments, from financial literacy indicators and programme evaluation evidence to consultation with implementing stakeholders. In addition, identifying and securing appropriate resources can require pooling budgets of different public authorities, defining appropriate frameworks for the contribution (financial or in-kind) of private institutions, or even changing financial sector regulation to define levies on the industry. This is made even more challenging as resources must be sustainable over time, given the long-term nature of financial education policies.

From Roadmap to Action Plan

The development and implementation of national strategies can be set out in roadmaps and/or in action plans or a combination of the two. The distinction between the two guiding documents might not apply to all national strategies, as objectives are set differently and by a different number/range of institutions and stakeholders depending on national circumstances.

The national strategy documents that are approved by public authorities and often showcased on national strategy websites can be described as roadmaps. These are designed in almost all countries with a national strategy in development or implemented. As mentioned in the OECD/INFE High-level Principles (OECD/INFE, 2012b), roadmaps are aimed at setting overall agreed priorities, medium- and long-term objectives, as well as target audiences, defining governance mechanisms and establishing methods for the overall impact assessment of the strategy. They can also identify the appropriate resources for the national strategy.

Roadmaps are often drawn in co-operation with stakeholders from the private and not-for-profit sectors, as well as the input of relevant public authorities involved in the national strategy. This can be achieved through inter-sectoral meeting within the public sector, public consultation, as well as by assigning different thematic areas of the roadmap to working groups composed of private sector organisations under the supervision of a government representative.

In addition to roadmaps, some countries have also developed, and made public, more detailed operational plans that are implementation-oriented by nature. These are often defined as action plans. A limited number of actions plans to implement the national strategy have been established so far (12 among the economies part of the OECD/INFE survey), consistent with the smaller group of economies that have entered the implementation phase of the strategy. These action plans, in addition to the elements of a roadmap, also provide more precise targets and/or benchmarks to be met or expected outcomes of these interventions.

In Rwanda, the Financial Education Program has been divided into various segments, and priority criteria. The segments and criteria are presented in the figure below:

Stakeholder Ranking	Segment (% of population)	Sub-segment	Greatest Need	Cost Effectiveness	Policy Coordination	Leveraging existing initiatives	Lead Entity*
3	Children (40.5%) 0 to 13 years	Primary School		X		X	MINEDUC
		Out-of-School	X				MIGEPROF
1	Youth (38.5%) 14 to 35 years	Secondary School		X	X	X	MINEDUC
		Out-of-school			X	X	MYICT
4		Urban (2%) -middle income -MSMEs			X		Private Sector
2	Adults (18%) 36 to 65 years	Rural (16%) (farmers/agricultural workers)			X	X	MINECOFIN
5		Staff of FSPs			X	X	Private Sector MINECOFIN

*Lead entity means the entity that has main responsibility for ensuring financial education to the target population, including securing funding

Figure 16-1: Segments and Priority Criteria

NFES, Rwanda has further broken-down financial education programs for each group. The action plans arose from FinCap and FinScope analysis, as well as interviews with key stakeholders.

Action plans also set out priorities and targets for the implementation of the strategy and identify indicative actions for the institutions (both public and from the not-for-profit and private sector) contributing to the implementation of the strategy.

EAC Partner States can explore using road maps targeted at various groups/ population, e.g. youth, children. The case of the United States is a useful example of a roadmap drafted for a specific target group, young people: starting from an agreed priority of the strategy, i.e. improving the financial literacy of young people, the document sets medium and long term objectives around key areas and identifies the expected results.

CASE STUDY: UNITED STATES: A roadmap for a specific target group: young people[48]

In October 2012, the United States Financial Literacy and Education Commission[49], committed to helping Americans by making Starting Early for Financial Success a strategic focus to make improvements in the financial literacy of young people. The Commission selected this strategic focus, recognising that the financial stability of young people – and their families – is vital to the overall strength of the United States' economy.

The strategic focus is intended to serve as a platform for achieving a primary purpose of the Commission – to better coordinate resources and activities among the Commission's member agencies[50]. A shared strategic focus should help Commission member agencies better coordinate activities, achieve greater effectiveness and efficiency, leverage resources, and identify areas where additional resources might be needed. The Commission identified specific outcomes to ensure accountability and to better assess the Commission's impact from its efforts. Key areas and objectives identified were the following:

Key areas	Objectives
American youth are financially capable by the time they reach adulthood. Increase	Increase the financial knowledge, skills, confidence, and access of youth by the time they leave school by ensuring children (1) are effectively taught financial basics by informed and confident parents, teachers, or others, and (2) have access to basic financial products and services, such as savings accounts as a way to promote a lifetime of financial capability.
Higher education is within reach to more Americans, and is understood and evaluated as an investment.	Increase the number of students who are sufficiently prepared to evaluate the best way to pay for higher education by helping students, potential students, and their families wisely use tools and information to make good decisions about paying for higher education.
Americans start to plan and take action early in their careers for long-term financial well-being.	More young adults and newly-employed workers are better prepared to (1) manage short and long-term expenses and investments and (2) plan, save, and invest for retirement and other long term goals.
Learning about and assessing the effectiveness of financial capability through research and evaluation is an on-going priority.	Identify ongoing support for research and evaluation that implements the Commission's Research Priorities, both as stand-alone research and integration into other research.

Expected Outcomes

As a result of the Commission's strategic focus on Starting Early for Financial Success, a number of outcomes have been identified that impact the financial literacy and decision making of young Americans. The Commission, its member agencies, and other partners are expected to see the following results of their work:

- More financial institutions will develop plans to open savings accounts for children, through venues such as school-based bank or credit union programmes, to help children build sound financial management habits.
- More federally funded social service providers will be able to connect their low-income clients to resources on financial education and asset-building. This will help the clients better manage their financial resources.
- Through summer or other employment programmes, more communities will offer opportunities for youth to obtain financial education and access to products and services to help them manage their money safely and affordably, such as direct deposit into a bank or credit union account.
- More school counsellors and others will be able to better guide students and their families to make sound financial decisions about higher education choices.
- More institutions of higher education will plan to expand financial education provided to students.
- More borrowers of federal student loans will become aware of and consider repayment options to help them manage their debt.
- More workers in the federal government and beyond will have access to financial education in the workplace to help them make informed choices to manage their current needs and debt and plan and save for their retirement.

[48] NATIONAL STRATEGIES FOR FINANCIAL EDUCATION: OECD/INFE Policy Handbook

[49] The Commission was established under the Fair and Accurate Credit Transactions Act of 2003. It is chaired by the Secretary of the Treasury or designee and currently includes representatives of 21 federal agencies, listed below, and the White House. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 provided that the Director of the CFPB would serve as the Vice Chairman of the Commission.

[50] Commission members: Office of the Comptroller of the Currency (OCC); Board of Governors of the Federal Reserve System (FRB); Federal Deposit Insurance Corporation (FDIC); National Credit Union Administration (NCUA); Securities and Exchange Commission (SEC); Departments of Treasury, Education (ED), Agriculture (USDA), Defense (DoD), Health and Human Services (HHS), Housing and Urban Development (HUD), Labour (DOL), and Veterans Affairs (VA); Federal Trade Commission (FTC); General Services Administration (GSA); Small Business Administration (SBA); Social Security Administration (SSA); Commodity Futures Trading Commission (CFTC); Office of Personnel Management (OPM); Consumer Financial Protection Bureau (CFPB); Federal Emergency Management Agency (FEMA) and The White House Domestic Policy Council

All of these activities will be informed by, and further inform, effective practices for promoting financial literacy to help more Americans build a sounder financial future.

17. REGIONAL EDUCATION FRAMEWORK

Financial literacy has gained international recognition as a critical life skill for individuals. Thus financial education strategies involve the introduction of financial education life skills into the school, tertiary institution and workplace curriculum and the design and implementation of dedicated learning frameworks for all.

Financial education life skills is a behaviour change programme that involves creating awareness of finances and financial products, effective communication of available financial products and decision making initiatives by consumers to make use of appropriate financial products. The financial education learning frameworks for all involves the introduction of financial education life skills into curriculum design and implementation.

Financial education life skills should be introduced for schools, out of school youth, adults in workplaces, self-employment and community at large. Financial education life skills is a behaviour change programme that involves creating awareness of finances and financial products, effective communication of available financial products and decision making initiatives by consumers to make use of appropriate financial products.

The guidelines and guidance recommend in particular that countries promote financial education life skills in and out of schools by:

1) Integrating financial education into in and out of school, tertiary and workplace curriculum for children, youth and adults as part of a co-ordinated national strategy for financial education and on the basis of identified needs;
2) Setting appropriate, tailored and quantifiable goals of financial education into in and out of the school, tertiary and workplace curriculum for children, youth and adults, including through dedicated learning frameworks;
3) Starting to teach financial education as early as possible and preferably at the beginning of formal schooling and throughout one's life;
4) Implementing financial education in and out of schools, tertiary institutions and workplaces in a flexible manner adapted to national, regional and local circumstances either through a standalone or a cross curricular approach;
5) Identifying appropriate, commensurate and long-term financial and in-kind resources to ensure the sustainability and credibility of the development and implementation of financial education in and out of the school, tertiary institutions and workplaces;
6) Planning and establishing, at the outset of the programme, methods and criteria to evaluate the progress and impact of financial education in and out of schools, tertiary institutions and workplaces;
7) Ensuring suitable involvement of important key stakeholders through both a top-down and bottom-up approach. This should include a leading and coordinating role for the government and ministry of education, other public authorities and the education system as well as a pivotal role

for teachers and an appropriate role for parents, the local community, students and other relevant stakeholders;

8) Identifying, devising and making available adequate supporting tools and means to key stakeholders in the education system to facilitate the efficient introduction of financial education for all in and out of schools, tertiary institutions and workplaces. These should include:
    - appropriate information and training of teaching staff;
    - availability and provision of high quality, objective and efficient tools;
    - promotion of appropriate incentives; and
    - exchange and promotion of international good practices.
9) Monitoring of progress and impact of financial education programmes in and out of schools, tertiary institutions and workplaces. The efficiency of the different approaches should be planned and established at the outset of the programme. These should preferably involve the monitoring of each stage of the program's implementation and the quantitative and qualitative measurement of short-term outcomes and long-term impacts in order to improve its efficiency and the accountability of involved stakeholders over time.

We provide on the following page, respondent's response on areas of interest.

Population's Areas Of Interest

What financial services does respondent would like additional information about?					
Rank	Burundi	Kenya	Rwanda	Tanzania	Uganda
First	Bank deposit account	Mortgage loan	Mortgage loan	Investments in companies' stock	Investments in companies' stock
Second	Bank current account	Insurance policies	Investments in companies' stock	Bank current account	Bank deposit account
Third	Investments in companies stock	Bank current account	Bank plastic card	Bank deposit account	Bank current account
Fourth	Consumer credit	Investments in companies' stock	Bank current account	Investments in unit funds	Mortgage loan
Fifth	Insurance policies	Bank deposit account	Insurance policies	Private pension fund policies	Insurance policies
Sixth	Private pension fund policies	Consumer credit	Private pension fund policies	Credit card	Private pension fund policies
Seventh	Other services	Credit card	Credit card	Insurance policies	Investments in unit funds
Eighth	Investments in unit funds	Investments in unit funds	Currency exchange	Mortgage loan	None of the above
Ninth	Credit card	Private pension fund policies	Investments in unit funds	Currency exchange	Found it difficult to answer question
Tenth	Mortgage loan	Bank plastic card	Found it difficult to answer question	Consumer credit	Consumer credit
Eleventh	Found it difficult to answer question	Currency exchange	Consumer credit	None of the above	Currency exchange
Twelfth	Currency exchange	Other services	Bank deposit account	Bank plastic card	Credit card
Thirteenth	Bank plastic card	None of the above	Other services	Other services	Other services
Fourteenth	None of the above	Found it difficult to answer question	None of the above	Found it difficult to answer question	Bank plastic card

Countries' Summary Framework per Industry

A. Banking

Country	Areas of Focus
Burundi	- Bank deposit account - Bank current account - Consumer credit - Credit card - Mortgage loan - Currency exchange - Bank plastic card - Saving - Budgeting - Debt management - Banking technology (mobile banking, mobile money, ATMs) - Risk management - Consumer rights & responsibilities - Financial negotiations - Investing - Consumer Protection
Kenya	- Mortgage loan - Bank current account - Bank deposit account - Consumer credit - Credit card - Bank plastic card - Currency exchange - Saving - Budgeting - Debt management - Banking technology (mobile banking, mobile money, ATMs) - Risk management - Consumer rights & responsibilities - Financial negotiations - Investing - Consumer Protection
Rwanda	- Mortgage loan - Bank plastic card - Bank current account - Credit card - Currency exchange - Consumer credit - Bank deposit account - Saving - Budgeting - Debt management - Banking technology (mobile banking, mobile money, ATMs) - Risk management - Consumer rights & responsibilities - Financial negotiations - Investing - Consumer Protection
Tanzania	- Bank current account - Bank deposit account - Credit card - Mortgage loan - Currency exchange - Consumer credit - Bank plastic card - Saving - Budgeting - Debt management - Banking technology (mobile banking, mobile money, ATMs) - Risk management

Country	Areas of Focus
	- Consumer rights & responsibilities - Financial negotiations - Investing - Consumer Protection
Uganda	- Bank deposit account - Bank current account - Mortgage loan - Consumer credit - Currency exchange - Credit card - Bank plastic card - Saving - Budgeting - Debt management - Banking technology (mobile banking, mobile money, ATMs) - Risk management - Consumer rights & responsibilities - Financial negotiations - Investing - Consumer Protection

B. Insurance

Country	Areas of Focus
Burundi	- Insurance policies - Risk Management & Insurance - Remittances - Consumer Protection
Kenya	- Insurance policies - Risk Management & Insurance - Remittances - Consumer Protection
Rwanda	- Insurance policies - Risk Management & Insurance - Remittances - Consumer Protection
Tanzania	- Insurance policies - Risk Management & Insurance - Remittances - Consumer Protection
Uganda	- Insurance policies - Risk Management & Insurance - Remittances - Consumer Protection

C. Capital Markets

Country	Areas of Focus
Burundi	- Investments in companies' stock - Investments in unit funds - Shares/stocks/bonds/capital markets - Investors Protection
Kenya	- Investments in companies' stock - Investments in unit funds - Shares/stocks/bonds/capital markets - Investors Protection
Rwanda	- Investments in companies' stock - Investments in unit funds - Shares/stocks/bonds/capital markets - Investors Protection
Tanzania	- Investments in companies' stock - Investments in unit funds

Country	Areas of Focus
	- Shares/stocks/bonds/capital markets - Investors Protection
Uganda	- Investments in companies' stock - Investments in unit funds - Shares/stocks/bonds/capital markets - Investors Protection

D. Pensions

Country	Areas of Focus
Burundi	- Private pension fund policies - Pensions and Social Security - Remittances - Consumer Protection - Planning for old age
Kenya	- Private pension fund policies - Pensions and Social Security - Remittances - Consumer Protection - Planning for old age
Rwanda	- Private pension fund policies - Pensions and Social Security - Remittances - Consumer Protection - Planning for old age
Tanzania	- Private pension fund policies - Pensions and Social Security - Remittances - Consumer Protection - Planning for old age
Uganda	- Private pension fund policies - Pensions and Social Security - Remittances - Consumer Protection - Planning for old age

E. Micro-Finance and SACCOS

Country	Areas of Focus
Burundi	- Consumer credit - Consumer Protection - Loans - Investments
Kenya	- Consumer credit - Consumer Protection - Loans - Investments
Rwanda	- Consumer credit - Consumer Protection - Loans - Investments
Tanzania	- Consumer credit

Country	Areas of Focus
	- Consumer Protection - Loans - Investments
Uganda	- Consumer credit - Consumer Protection - Loans - Investments

18. Financial Education Strategies for EAC Partner States

Financial literacy is about understanding money and finances and being able to confidently apply that knowledge to make effective financial decisions. Knowing how to make sound money decisions is a core skill in today's world, regardless of age. Because financial literacy is important Governments should prepare a National Financial Literacy Strategy (the Strategy) in consultation with key financial literacy partners and stakeholders, and after conducting considerable research into what citizens know and don't know about money matters and what we do and don't do in this area.

The national Strategy to improve financial literacy should be founded on the following core principles:

- *inclusiveness*—reaching all, particularly those most in need and future generations of consumers and investors;
- *engagement*—helping all appreciate the importance of financial literacy and that small things done regularly make a real difference;
- *diversity*—delivering learning that recognises the different ways people learn and allows all to participate;
- *knowledge and empowerment*—giving all access to information, tools and ongoing support systems;
- *improving outcomes*—recognising that information alone is not always enough and using additional mechanisms to achieve better outcomes;
- *partnerships*—mapping and building on existing foundations to fill gaps and ensure all sectors and agencies work cooperatively; and
- *measurement*—evaluating our work to know what is and is not effective, and learning from and sharing these evaluations

These principles guide how Strategy will be formulated, what initiatives to focuses on, which demographic groups to focus on and how we propose to implement it.

Elements of the Strategy

Overall the Strategy should aim to help all to improve their financial wellbeing by education and services in EAC Partner States. Implicit in the Strategy is that this must be a long-term endeavour that spans generations.

There should be four core elements of the Strategy:

- Using educational pathways to build financial literacy for all;
- Providing all with trusted and independent information, tools and ongoing support;
- Recognising the limits of education and information, and developing additional innovative solutions to drive improved financial wellbeing and behavioural change; and
- Working in partnership and promoting best practice.

A. **Using Educational Pathways to Build Financial Literacy for All**

Financial literacy education through established education and training pathways is a key element of the Strategy.

1. Effective integration of financial education into school education is the cornerstone to bringing about long-term generational change in knowledge, attitudes and behaviours. For this reason, much of the Strategy should focus on strengthening financial literacy education at school.
2. However, the Strategy recognises that learning is not confined to childhood or the classroom, but takes place throughout life and requires targeted approaches that match content, learning styles and delivery channels to different audience needs.
3. Further education pathways (through vocational education institutions, universities, workplaces, and established adult and community education networks) are important avenues for building, consolidating and extending financial literacy skills and knowledge.
4. The financial literacy programs delivered by industry and other government agencies play an important role in this element of the Strategy. While different agencies focus on different aspects of financial literacy, the focus is on:

- areas with the greatest potential to achieve broad generational change, using school and further education systems, workplaces and established community sector networks;
- groups most in need of financial literacy assistance—retirees and pre-retirees, young people, women and others over-represented in the lowest financial literacy quintiles or excluded from traditional avenues for financial information and advice; and
- financial issues and products that are poorly understood and whose misuse or non-use can cause the greatest harm.
- In order to reach these groups, the Strategy should contain initiatives and priorities to be utilised across the lifelong learning continuum.

B. Providing All with Trusted and Independent Information, Tools and On-going Support

People today are increasingly responsible for their own long-term financial health and need ongoing support to manage this responsibility in a constantly changing financial services landscape. This work will give all access to the basic information, tools and support systems they need to manage their money better.

The key initiative in this area is the development of a consumer website. The site is designed to be trustworthy, motivating and accessible. It aims to engage people and help consumers and investors make financial decisions that improve their lives, by providing information, tools, guidance and motivation.

C. Beyond The Provision of Education and Information to Create Behavioural Change and Improve Financial Outcomes

Financial literacy is not just about increasing knowledge of money matters and financial products, but actually assisting and empowering consumers and investors to make better financial decisions and take action to achieve better financial wellbeing.

Moving beyond the provision of information to actually effecting positive action and achieving desirable outcomes requires the employment of a range of regulatory strategies. This Strategy recognises this and suggests new and innovative approaches to promoting financial wellbeing. In particular, through the website, all are provided with independent, free, reliable and accessible personalised money guidance tools, designed to engage people and lead to positive action.

D. Working In Partnership and Promoting Best Practice

The Strategy should rely on effective partnerships and coordination between all those involved in financial literacy work. Key partners in the development and implementation of the Strategy are other government departments and agencies, schools, higher education, financial institutions, businesses, unions and non-government organisations, including community groups and charities.

The approach stresses the importance of research as the foundation of sound, evidence-based proposals, and evaluation to help understand what works and what does not. A lead role should be taken in consumer protection regulation for financial services. Multiple regulatory tools can be brought to the task of improving EAC Partner States' financial wellbeing from communication, education and guidance through to enforcement action where required.

Restoring the confidence of consumers and investors and encouraging them to make informed financial decisions is key to promoting effective, competitive markets. The study clearly highlights the importance of improving financial literacy levels and the need to reinforce core financial literacy concepts such as budgeting and saving, responsible use of credit, diversification and investing only in products that are understood.

MAP OF THE NATIONAL FINANCIAL LITERACY STRATEGY

The study looks in greater detail at what EAC Partner States know about money matters, what they actually do or do not do when making money decisions and why, and how to achieve behavioural change.

This document sets out core principles and themes, and some of the specific actions to be taken by the agencies involved. It does not contain detailed work plans, but describes some initiatives in more detail for illustrative purposes or because they are central to the Strategy. An overall map of the Strategy will be reported annually to the Government on progress in implementing the Strategy

Financial Education Curriculum Aims, Objectives and Content for EAC Partner States

Aims

In order to attain the broader financial sector policy objectives of EAC Partner States, the aims of financial education will be to:

a) create awareness and support the financial capability
b) increase financial capability through effective decision making

Objectives

The policy objectives include:

a) increasing awareness, effective decision making and savings;
b) facilitating/optimizing government payments (e.g. G2P);
c) strengthening credit culture, i.e. wise use of credit and timely repayment to avoid penalties;
d) promoting competition between providers through comparison shopping;
e) increasing confidence in - and use of - formal intermediaries;
f) supporting the adoption of new technologies such as mobile banking and agent banking

Content

1) Savings
2) Government Payments (for example G2P)
3) Credit Culture
4) Comparison Shopping;
5) Formal Intermediaries
6) Mobile Banking and Agent Banking

A. Aim of Financial Education in Banking

By the end of the programme, a person who receives financial literacy education in banking should have, at a minimum, the knowledge and ability to competently perform the basic tasks in making effective decisions of banking and managing their personal finances.

Objectives of Financial Literacy Education in Banking

By the end of the programme, a person should be able to:

a) appreciate financial literacy education in banking as a way of life
b) acquire basic skills and knowledge to issues related to banking and money management
c) appreciate and demonstrate ability to use credit from banks wisely
d) demonstrate use of debt management skills in day to day handling of money from banks
e) apply appropriate risk management strategies to protect assets acquired using money from banks

Unit I: Introduction to Financial Literacy Education in Banking

By the end of the unit, a person should be able to use financial literacy education in banking to understand how money works and realize financial goals

<u>Financial Literacy Education Sub-Units</u>

1. **Meaning of financial literacy education in banking**

By the end of the sub-unit, a person should be able to:

i) deliberate on the meaning of financial literacy education in banking
ii) discuss the benefits of financial literacy education in banking

Content

i) Meaning of financial literacy education in banking
ii) Benefits of financial literacy education in banking

2. **Sources of financial literacy education in banking**

By the end of the sub-unit, a person should be able to:

i) identify sources of financial literacy education in banking
ii) differentiate between financial services and financial products in banking
iii) apply the decision making model in making sound financial decision in banking

Content

i) Sources of financial literacy education in banking
ii) Financial services and financial products in banking
iii) Decision making model in making sound financial decision in banking

Unit II: Banking and Money Management

By the end of the unit, a person should be able to recognize how banking, cash flow management and net worth analysis can be used as tools to achieve financial goals.

Banking and Money Management Sub-Units

1. **Banking**

By the end of the sub-unit, a person should be able to:

i) identify the process of banking
ii) display banking of money
iii) make use of emerging technologies for banking

Content

i) Process of banking
ii) Banking of money
iii) Emerging technologies for banking

2. **Cash Flow Management**

By the end of the sub-unit, a person should be able to:

i) identify the components of a budget
ii) create personalized budget documents
iii) revise their budgets to reflect current cash flow
iv) use emerging technologies to achieve financial goals

Content

i) Components of a budget
ii) Personal budget documents
iii) Budgets to reflect current cash flow
iv) Emerging technologies

3. **Personal Net Worth**

By the end of the sub-unit, a person should be able to:

i) identify the components of a personal net worth statement
ii) create personalized net worth statements
iii) understand that their net worth will vary as the values of their assets and liabilities change

Content

i) Components of a personal net worth statement
ii) Personal net worth statement

iii) Assets and liabilities

4. **Financial Goal Setting**

By the end of the sub-unit, a person should be able to:

i) differentiate between short and long term financial goals
ii) prioritize their financial goals
iii) construct a realistic financial goal action plan
iv) revise their financial goals as life circumstances change

Content

i) Short and long term financial goals
ii) Personal financial goals
iii) Financial goal action plan
iv) Financial goals as life circumstances change

Unit III: Bank Credit

By the end of the unit, a person should be able to demonstrate know how and where to obtain bank credit, and the implications of using and misusing credit

Credit Sub Units

1. **Obtaining Credit from Banks**

By the end of the sub-unit, a person should be able to:

i) discover types of credit from banks
ii) assess which types of credit from banks are better suited for particular purposes than other types
iii) recognize financial institutions where credit can be obtained
iv) appreciate how the bank credit application process works

Content

i) Types of credit from banks
ii) Types of credit from banks better suited for particular purposes
iii) Types of financial institutions offering credit
iv) Bank credit application process

2. **Utilization of Bank Credit**

By the end of the sub-unit, a person should be able to:

i) comprehend the legal implications of using bank credit
ii) appreciate what a bank credit report is, how to dispute errors in a bank credit reports, and what a consumer's rights are regarding bank credit reports
iii) comprehend what bank credit scores mean and the significance of their use in modern life
iv) recognize what precautions can be taken to prevent identity theft, fraud and what to do if victimized

Content

i) Legal implications of using bank credit
ii) Bank credit report
   a. Error disputes in bank credit report
   b. Consumer rights in banking
iii) Bank credit scores
iv) Precautions to prevent identity theft, fraud and what to do if victimized

Unit IV: Debt Management of Money from Banks

By the end of the unit, a person should be able to recognize how using debt can be a tool in asset building

Debt Management of Money from Banks Sub-units

1. **Debt Measurement**

By the end of the sub-unit, a person should be able to:

i) know what tools are available to them to measure their debt load
ii) determine what their appropriate debt load is
iii) understand the difference between good debt and bad debt

Content

i) Measurement tools of debt load
ii) Appropriate debt load
iii) Good debt and bad debt

2. **Debt Resolution**

By the end of the sub-unit, a person should be able to:

i) recognize the warning signs of excessive consumer debt
ii) understand options available to assist with excessive debt loads
iii) evaluate which professionals can assist in dealing with excessive debt issues

Content

i) Warning signs of excessive consumer debt
ii) Options available to assist with excessive debt loads
iii) Dealing with excessive debt issues

Unit V: Risk Management Strategies

By the end of the unit, a person should be able to use appropriate risk management strategies to protect assets acquired using money from banks

Risk Management Strategies Sub-units

1. **Insurance**

By the end of the sub-unit, a person should be able to:

i) differentiate among the types of insurance products
ii) understand their insurance needs
iii) comprehend the implications of being insured or uninsured

Content

i) Types of insurance products
ii) Insurance needs
iii) Implications of being insured or uninsured

2. **Risk Management**

By the end of the sub-unit, a person should be able to:

i) evaluate the effectiveness of risk management tools in protecting against financial loss
ii) assess their risk tolerance level
iii) use risk tolerance levels in developing risk management strategies

Content

i) Effectiveness of risk management tools in protecting against financial loss
ii) Risk tolerance level
iii) Risk management strategies

B. Aim of Financial Literacy Education on Insurance

By the end of the programme, a person who receives financial literacy education on insurance should have, at a minimum, the knowledge and ability to competently perform the basic task of making effective decisions to use relevant insurance policies to protect assets and manage risks.

Objectives of Financial Literacy Education on Insurance

By the end of the programme, a person should be able to:

a) appreciate financial literacy education on insurance
b) acquire basic skills and knowledge to issues related to money management and Insurance
c) appreciate and demonstrate ability to use credit wisely for insurance purchase

d) demonstrate use of debt management skills in handling of money
e) apply appropriate insurance and risk management strategies to protect assets
f) implement investment and retirement planning strategies to achieve financial goals

Unit I: Introduction to Financial Literacy Education on Insurance
By the end of the unit, a person should be able to use financial literacy education to understand how insurance works to protect assets against risks.

FINANCIAL LITERACY EDUCATION ON INSURANCE SUB-UNITS

1. **Meaning of financial literacy education on Insurance**

By the end of the sub-unit, a person should be able to:
i) deliberate the meaning of financial literacy education on insurance
ii) examine the different types of insurance policies
iii) outline the benefits of financial literacy education on insurance

Content
i) Meaning of financial literacy education on insurance
ii) Types of insurance policies
iii) Benefits of financial literacy education

2. **Sources of financial literacy education on insurance**

By the end of the sub-unit, a person should be able to:
i) identify sources of financial literacy education on insurance
ii) differentiate between financial services and financial products
iii) apply the decision making model in making effective financial decisions to use insurance to protect assets against risk

Content
i) Sources of financial literacy education on insurance
ii) Financial services and financial products
iv) Decision making model in making effective financial decisions to use insurance to protect assets against risk

Unit II: Money Management and Insurance
By the end of the unit, a person should be able to recognize how cash flow management and net worth analysis can be used as tools to release money for insurance to protect assets against risks and achieve financial goals.

Money Management and Insurance Sub-Units

1. **Cash Flow Management**

By the end of the sub-unit, a person should be able to:
i) discover the components of a budget
ii) generate personalized budget documents
iii) adjust their budgets to reflect current cash flow
iv) make use of emerging technologies to achieve financial goals
v) apply the decision making model to purchase an appropriate insurance policy to protect assets

Content
i) Components of a budget
ii) Personal budget documents
iii) Budgets to reflect current cash flow
iv) Emerging technologies
v) Appropriate insurance policy to protect assets

2. **Personal Net Worth**

By the end of the sub-unit, a person should be able to:
i) recognize the components of a personal net worth statement
ii) put together personalized net worth statements

iii) appreciate that their net worth will rise and fall as the value of their assets and liabilities change
iv) apply the decision making model to purchase an appropriate insurance policy to protect assets

Content
i) Components of a personal net worth statement
ii) Personal net worth statement
iii) Assets and liabilities
iv) Appropriate insurance policy to protect assets

3. **Financial Goal Setting**
By the end of the sub-unit, a person should be able to:
i) distinguish between short and long term financial goals
ii) prioritize their financial goals
iii) construct a realistic financial goal action plan
iv) adjust their financial goals as life circumstances change

Content
i) Short and long term financial goals
ii) Personal financial goals
iii) Financial goal action plan
iv) Financial goals as life circumstances change

Unit III: Credit and Insurance
By the end of the unit, a person should be able to demonstrate know how and where to obtain credit for insurance purchase, and the implications of using and misusing credit

Credit and Insurance Sub Units
1. **Obtaining Credit for Insurance**
By the end of the sub-unit, a person should be able to:
i) distinguish the types of credit
ii) understand which types of credit are better suited for insurance
iii) discover financial institutions where credit can be obtained
iv) take advantage of the credit application process to get credit for insurance

Content
i) Types of credit
ii) Types of credit better suited for insurance
iii) Financial institutions offering credit
iv) Credit application process

2. **Utilization of Credit for Insurance**
By the end of the sub-unit, a person should be able to:
i) comprehend the legal implications of using credit for insurance
ii) appreciate what a credit report for insurance is, how to dispute errors in credit reports, and what a consumer's rights are regarding credit reports
iii) discern what credit scores mean and the significance of their use
iv) recognize what precautions can be taken to prevent identity theft, fraud and what to do if victimized

Content
i) Legal implications of using credit for insurance
ii) Credit report
  a. Error disputes in credit report
  b. Consumer rights
iii) Credit scores
iv) Precautions to prevent identity theft, fraud and what to do if victimized

Unit IV: Debt Management and Insurance

By the end of the unit, a person should be able to recognize how using debt and insurance can be a tool for asset building and protection respectively

Debt Management and Insurance Sub-units

1. **Debt Measurement**

   By the end of the sub-unit, a person should be able to:

   i) discern what tools are available to them to measure their debt load
   ii) determine what their appropriate debt load is
   iii) comprehend the differences between good debt and bad debt
   iv) acquire assets using good debt
   v) protect assets acquired using appropriate insurance policy

   Content

   i) Measurement tools of debt load
   ii) Appropriate debt load
   iii) Good debt and bad debt
   iv) Asset acquisition
   v) Asset protection

2. **Debt Resolution**

   By the end of the sub-unit, a person should be able to:

   i) recognize the warning signs of excessive consumer debt
   ii) understand options available to assist with excessive debt loads
   iii) evaluate which professionals can assist in dealing with excessive debt issues

   Content

   i) Warning signs of excessive consumer debt
   ii) Options available to assist with excessive debt loads
   iii) Dealing with excessive debt issues

Unit V: Insurance and Risk Management

By the end of the unit, a person should be able to use appropriate insurance risk management strategies to protect assets

Risk Management Sub-units

1. **Insurance**

   By the end of the sub-unit, a person should be able to:

   i) differentiate among the types of insurance products
   ii) understand their insurance needs
   iii) comprehend the implications of being insured or uninsured

   Content

   i) Types of insurance products
   ii) Insurance needs
   iii) Implications of being insured or uninsured

2. **Risk Management**

   By the end of the sub-unit, a person should be able to:

   i) evaluate the effectiveness of insurance risk management tools in protecting against financial loss
   ii) assess their risk tolerance level
   iii) employ risk tolerance levels in developing insurance risk management strategies

   Content

   i) Effectiveness of insurance risk management tools in protecting against financial loss
   ii) Risk tolerance level
   iii) Insurance and risk management strategies

Unit VI: Investing & Retirement Planning
By the end of the unit, a person should be able to implement investment and retirement strategies to achieve financial goals
Investing & Retirement Planning Sub-units

1. **Planning**

By the end of the sub-unit, a person should be able to:
i) differentiate among the types of investment vehicles
ii) identify the types of financial institutions where investment products can be purchased
iii) appreciate the differences between retirement and non-retirement, and qualified and non-qualified investments
iv) recognize the importance of planning for retirement

Content
i) Types of investment vehicles
ii) Types of financial institutions where investment products can be purchased
iii) Retirement and non-retirement, and qualified and non-qualified investments
iv) importance of planning for retirement

2. **Strategies**

By the end of the sub-unit, a person should be able to:
i) evaluate the risks and rewards associated with investment options
ii) understand the role risk tolerance plays when choosing investment vehicles
iii) comprehend the legal implications of investing
iv) assess their overall financial situation in determining retirement needs

Content
i) Risks and rewards
ii) Role of risk tolerance
iii) Legal implications of investing
iv) Retirement needs

C. Aim of Financial Literacy Education in Capital Markets

By the end of the programme, a person who receives financial literacy education on capital markets should have, at a minimum, the knowledge and ability to competently perform the basic task of making effective decisions on capital market products through saving, buying, investing and selling when the need arises.

Objectives of Financial Literacy Education in Capital Markets

By the end of the programme, a person should be able to:

a) appreciate financial literacy education on capital markets
b) acquire basic skills and knowledge to issues related to capital markets
c) appreciate and demonstrate ability to use information on capital markets wisely for money management
d) demonstrate use of decision making skills in handling of capital market products
e) apply appropriate risk management strategies to protect capital market products

Unit I: Introduction to Financial Literacy Education on Capital Markets
By the end of the unit, a person should be able to use financial literacy education on capital markets to understand how the capital markets works

FINANCIAL LITERACY EDUCATION SUB-UNITS ON CAPITAL MARKETS

1. Meaning of financial literacy education on capital markets

By the end of the sub-unit, a person should be able to:
i) deliberate the meaning of financial literacy education on capital markets
ii) present the benefits of financial literacy education on capital markets

Content
i) Meaning of financial literacy education on capital markets
ii) Benefits of financial literacy education on capital markets

2. Sources of financial literacy education on capital markets

By the end of the sub-unit, a person should be able to:
i) identify sources of capital markets financial literacy education
ii) differentiate between capital markets financial services and financial products
iii) Apply the decision making model in making sound capital market decisions

Content
i) Sources of financial capital markets literacy education
ii) Capital markets financial services and financial products
iii) Decision making model in making sound capital markets financial decision

Unit II: Money Management and Capital Markets

By the end of the unit, a person should be able to recognize how cash flow management and net worth analysis can be used as tools to achieve financial goals of saving and investing in the capital markets.

Money Management and Capital Markets Sub-Units

1. Cash Flow Management

By the end of the sub-unit, a person should be able to:
i) identify the components of a budget
ii) create personalized budget documents
iii) revise their budgets to reflect current cash flow
iv) use emerging technologies to achieve financial goals in the capital markets

Content
i) Components of a budget
i) Personal budget documents
ii) Budgets to reflect current cash flow
iii) Emerging technologies in the capital markets

2. Personal Net Worth

By the end of the sub-unit, a person should be able to:
i) Name the components of a personal net worth statement
ii) Produce personalized net worth statements
iii) Appreciate that net worth will vary as the value of securities, bonds and stocks change

Content
i) Components of a personal net worth statement
ii) Personal net worth statement
iii) Securities, bonds and stocks

3. Financial Goal Setting for Capital Markets

By the end of the sub-unit, a person should be able to:
i) differentiate between short and long term financial goals on securities, bonds and stocks
ii) prioritize their financial goals on securities, bonds and stocks
iii) construct a realistic financial goal action plan for handling securities, bonds and stocks
iv) revise personal financial goals as securities, bonds and stocks change

Content

i) Short and long term financial goals on securities, bonds and stocks
ii) Personal financial goals on securities, bonds and stocks
iii) Financial goal action plan for handling securities, bonds and stocks
iv) Financial goals as securities, bonds and stocks change

Unit III: Credit

By the end of the unit, a person should be able to demonstrate know how and where to obtain credit, and the implications of using and misusing credit for securities, bonds and stocks

Credit Sub Units

1. **Obtaining Credit**

By the end of the sub-unit, a person should be able to:

i) identify the types of credit used to obtain securities, bonds and stocks
ii) appreciate which types of credit are better suited for securities, bonds and stocks
v) discover types of financial institutions where credit can be obtained for securities, bonds and stocks
iii) demonstrate how the credit application process works

Content

i) Types of credit
ii) Types of credit better suited for particular purposes
iii) Types of financial institutions offering credit
iv) Credit application process

2. **Utilization of Credit**

By the end of the sub-unit, a person should be able to:

i) comprehend the legal implications of using credit for securities, bonds and stocks
ii) understand what a credit report is, how to dispute errors in credit reports, and what a consumer's rights are regarding credit reports
iii) understand what credit scores mean and the significance of their use in capital markets
iv) recognize what precautions can be taken to prevent identity theft, fraud and what to do if victimized

Content

i) Legal implications of using credit
ii) Credit report
   a. Error disputes in credit report
   b. Consumer rights
iii) Credit scores
iv) Precautions to prevent identity theft, fraud and what to do if victimized

Unit IV: Debt Management

By the end of the unit, a person should be able to recognize how debt can be used as a tool in acquiring capital market products

Debt Management Sub-units

1. **Debt Measurement**

By the end of the sub-unit, a person should be able to:

i) identify what tools are available to measure their debt load
ii) determine appropriate debt load is
iii) differentiate between good debt and bad debt

Content

i) Measurement tools of debt load
ii) Appropriate debt load

iii) Good debt and bad debt

2. **Debt Resolution**
   By the end of the sub-unit, a person should be able to:
   i) recognize the warning signs of excessive consumer debt
   ii) appreciate options available to assist with excessive debt loads
   iii) appraise which professionals can assist in dealing with excessive debt issues

Content
i) Warning signs of excessive consumer debt
ii) Options available to assist with excessive debt loads
iii) Dealing with excessive debt issues

Unit V: Risk Management
By the end of the unit, a person should be able to use appropriate risk management strategies to protect capital market products

Risk Management for Capital Market Products Sub-units
1. **Insurance**
   By the end of the sub-unit, a person should be able to:
   i) differentiate among the types of insurance products for capital market products
   ii) understand insurance needs for capital market products
   iii) comprehend the implications of being insured or uninsured

Content
i) Types of insurance products
ii) Insurance needs
iii) Implications of being insured or uninsured

2. **Risk Management**
   By the end of the sub-unit, a person should be able to:
   i) evaluate the effectiveness of risk management tools in protecting against financial loss
   ii) assess their risk tolerance level
   iii) use risk tolerance levels in developing risk management strategies

Content
i) Effectiveness of risk management tools in protecting against financial loss
ii) Risk tolerance level
iii) Risk management strategies

Unit VI: Investing & Retirement Planning
By the end of the unit, a person should be able to use capital markets products to implement investment and retirement strategies to achieve financial goals

Investing & Retirement Planning Sub-units
1. **Planning**
   By the end of the sub-unit, a person should be able to:
   i) differentiate among the types of capital markets investments
   ii) identify financial institutions where investments in capital market products can be purchased
   iii) appreciate the differences between retirement and non-retirement, and qualified and non-qualified investments
   iv) recognize the importance of planning for retirement

Content
i) Types of capital markets investments
ii) Types of financial institutions where investments in capital market products can be purchased

iii) Retirement and non-retirement, and qualified and non-qualified investments
iv) importance of planning for retirement

2. **Strategies**

By the end of the sub-unit, a person should be able to:
i) evaluate the risks and rewards associated with capital markets investments
ii) understand the role risk tolerance plays when choosing capital markets investments
iii) comprehend the legal implications of investing in capital markets
iv) assess overall financial situation in determining retirement needs

Content
i) Risks and rewards
ii) Role of risk tolerance
iii) Legal implications of investing
iv) Retirement needs

D. Aim of Financial Literacy Education on Pension

By the end of the programme, a person who receives financial literacy education should have, at a minimum, the knowledge and ability to competently perform the basic task of making effective decisions of managing personal finances to invest in pension.

Objectives of Financial Literacy Education on Pension

By the end of the programme, a person should be able to:

a) appreciate financial literacy education on pension
b) acquire basic skills and knowledge to issues related to pensions money management
c) appreciate and demonstrate ability to use credit wisely
d) demonstrate use of debt management skills in day to day handling of pension money
e) apply appropriate risk management strategies to protect pension
f) implement investment and retirement planning strategies to achieve financial goals

Unit I: Introduction to Financial Literacy Education on Pension

By the end of the unit, a person should be able to use financial literacy education to understand how money works and realize financial goals of contributing to pension

FINANCIAL LITERACY EDUCATION ON PENSION SUB-UNITS

1. **Meaning of financial literacy education on pension**

By the end of the sub-unit, a person should be able to:
i) deliberate the meaning of financial literacy education on pension
ii) discover the benefits of financial literacy education

Content
i) Meaning of financial literacy education
ii) Benefits of financial literacy education

2. **Sources of financial literacy education**

By the end of the sub-unit, a person should be able to:
i) identify sources of financial literacy education on pension
ii) differentiate between financial services and financial products
iii) apply the decision making model in making sound financial decision to invest in pension

Content

i) Sources of financial literacy education on pension
ii) Financial services and financial products
iii) Decision making model in making sound financial decision to invest in pension

Unit II: Money Management
By the end of the unit, a person should be able to recognize how cash flow management and net worth analysis can be used as tools to achieve pension financial goals.

Money Management Sub-Units

1. Cash Flow Management
By the end of the sub-unit, a person should be able to:
i) discover the components of a budget
ii) create personalized budget documents
iii) adjust their budgets to reflect current cash flow
iv) utilize emerging technologies to achieve financial goals

Content
i) Components of a budget
ii) Personal budget documents
iii) Budgets to reflect current cash flow
iv) Emerging technologies

2. Personal Net Worth
By the end of the sub-unit, a person should be able to:
i) name the components of a personal net worth statement
ii) produce personalized net worth statements
iii) understand that net worth will vary as personal pension change

Content
i) Components of a personal net worth statement
ii) Personal net worth statement
iii) personal pension

3. Financial Goal Setting
By the end of the sub-unit, a person should be able to:
i) differentiate between short and long term financial pension goals
ii) prioritize pension financial goals
iii) construct a realistic pension financial goal action plan
iv) revise their pension financial goals as life circumstances change

Content
i) short and long term financial pension goals
ii) Personal pension financial goals
iii) Pension financial goal action plan
iv) Pension financial goals as life circumstances change

Unit III: Credit
By the end of the unit, a person should be able to demonstrate know how and where to obtain credit, and the implications of using and misusing credit

Credit Sub Units

1. Obtaining Credit
By the end of the sub-unit, a person should be able to:
i) differentiate among the types of credit
ii) understand which types of credit are better suited for persons with pension
iii) identify types of financial institutions where credit can be obtained
iv) understand how the credit application process works

Content
i) Types of credit

ii) Types of credit better suited for particular purposes
iii) Types of financial institutions offering credit
iv) Credit application process

2. Utilization of Credit

By the end of the sub-unit, a person should be able to:
i) comprehend the legal implications of using credit
ii) understand what a credit report is, how to dispute errors in credit reports, and what a consumer's rights are regarding credit reports
iii) understand what credit scores mean and the significance of their use in modern life
iv) recognize what precautions can be taken to prevent identity theft, fraud and what to do if victimized

Content
i) Legal implications of using credit
ii) Credit report
  a. Error disputes in credit report
  b. Consumer rights
iii) Credit scores
iv) Precautions to prevent identity theft, fraud and what to do if victimized

Unit IV: Debt Management

By the end of the unit, a person should be able to recognize how using debt can be a tool in pension and asset building

Debt Management Sub-units

1. Debt Measurement

By the end of the sub-unit, a person should be able to:
i) appreciate what tools are available to them to measure debt load
ii) determine what appropriate personal debt load is
iii) comprehend the difference between good debt and bad debt

Content
i) Measurement tools of debt load
ii) Appropriate debt load
iii) Good debt and bad debt

2. Debt Resolution

By the end of the sub-unit, a person should be able to:
i) recognize the warning signs of excessive consumer debt
ii) understand options available to assist with excessive debt loads
iii) evaluate which professionals can assist in dealing with excessive debt issues

Content
i) Warning signs of excessive consumer debt
ii) Options available to assist with excessive debt loads
iii) Dealing with excessive debt issues

Unit V: Pension Risk Management

By the end of the unit, a person should be able to use appropriate risk management strategies to protect personal pension

Pension Risk Management Sub-units

1. Insurance

By the end of the sub-unit, a person should be able to:
i) differentiate among the types of pension insurance products
ii) understand personal pension insurance needs
iii) comprehend the implications of pension being insured or uninsured

Content
i) Types of pension insurance products
ii) Personal pension insurance needs

iii) Implications of pension being insured or uninsured

2. **Pension Risk Management**

By the end of the sub-unit, a person should be able to:

i) evaluate the effectiveness of risk management tools in protecting pension against financial loss
ii) assess personal pension risk tolerance level
iii) use risk tolerance levels in developing pension risk management strategies

Content

i) Effectiveness of risk management tools in protecting pension
ii) Personal pension risk tolerance level
iii) Risk management strategies

Unit VI: Investing & Retirement Planning

By the end of the unit, a person should be able to implement pension investment and retirement strategies to achieve financial goals

Investing & Retirement Planning Sub-units

1. **Planning**

By the end of the sub-unit, a person should be able to:

i) distinguish among the types of pension investments
ii) discover the types of financial institutions where pension investment products can be purchased
iii) understand the differences between retirement and non-retirement, and qualified and non-qualified investments
iv) recognize the importance of pension in planning for retirement

Content

i) Types of pension investments
ii) Types of financial institutions where pension investment products can be purchased
iii) Retirement and non-retirement, and qualified and non-qualified investments
iv) importance of pension planning for retirement

2. **Strategies**

By the end of the sub-unit, a person should be able to:

i) evaluate the risks and rewards associated with pension investment options
ii) understand the role risk tolerance plays when choosing pension investment vehicles
iii) comprehend the legal implications of investing in pension
iv) assess their overall financial situation in determining retirement needs

Content

i) Risks and rewards
ii) Role of risk tolerance
iii) Legal implications of investing
iv) Retirement needs

E. Aim of Financial Literacy Education on Microfinance/SACCOs

By the end of the programme, a person who receives financial literacy education on Microfinance/SACCOs should have, at a minimum, the knowledge and ability to competently perform the basic task of making effective decisions of managing personal finances in microfinance/SACCOs.

Objectives of Financial Literacy Education on Microfinance/SACCOs

By the end of the programme, a person should be able to:

a) appreciate Microfinance/SACCOs financial literacy education
b) acquire basic skills and knowledge to issues related to Microfinance/SACCOs money management
c) appreciate and demonstrate ability to use Microfinance/SACCOs credit wisely
d) demonstrate use of debt management skills in day to day handling of Microfinance/SACCOs money
e) apply appropriate Microfinance/SACCOs risk management strategies to protect assets
f) implement investment and retirement planning strategies using Microfinance/SACCOs money to

achieve financial goals

Unit I: Introduction to Financial Literacy Education on Microfinance/SACCOs
By the end of the unit, a person should be able to use financial literacy education to understand how Microfinance/SACCOs money works and realize financial goals

FINANCIAL LITERACY EDUCATION SUB-UNITS

1. **Meaning of financial literacy education**

   By the end of the sub-unit, a person should be able to:
   i) discuss the meaning of financial literacy education on Microfinance/SACCOs
   ii) access the benefits of financial literacy education on Microfinance/SACCOs

   Content
   i) Meaning of financial literacy education on Microfinance/SACCOs
   ii) Benefits of financial literacy education on Microfinance/SACCOs

2. **Sources of financial literacy education on Microfinance/SACCOs**
   By the end of the sub-unit, a person should be able to:
   i) identify sources of Microfinance/SACCOs financial literacy education
   ii) differentiate between Microfinance/SACCOs financial services and financial products
   iii) apply the decision making model in making sound financial decision on Microfinance/SACCOs

   Content
   i) Sources of on Microfinance/SACCOs financial literacy education
   ii) Microfinance/SACCOs financial services and financial products
   iii) Decision making model in making sound financial decision on Microfinance/SACCOs

Unit II: Money Management
By the end of the unit, a person should be able to recognize how cash flow management and net worth analysis can be used as tools to achieve financial goals.

Money Management Sub-Units
1. **Cash Flow Management**
   By the end of the sub-unit, a person should be able to:
   i) identify the components of a budget
   ii) create personalized budget documents
   iii) revise their budgets to reflect current cash flow
   iv) use emerging technologies to achieve financial goals of managing money from Microfinance/SACCOs

   Content
   i) Components of a budget
   ii) Personal budget documents
   iii) Budgets to reflect current cash flow
   iv) Emerging technologies

2. **Personal Net Worth**
   By the end of the sub-unit, a person should be able to:
   i) identify the components of a personal net worth statement
   ii) create personalized net worth statements
   iii) understand that their net worth will change as the value of assets and liabilities increase from Microfinance/SACCOs loans

   Content
   i) Components of a personal net worth statement
   ii) Personal net worth statement
   iii) Assets and liabilities

3. **Financial Goal Setting**
   By the end of the sub-unit, a person should be able to:
   i) differentiate between short and long term financial goals
   ii) prioritize their financial goals
   iii) construct a realistic financial goal action plan
   iv) revise their financial goals as life circumstances change

   Content
   i) Short and long term financial goals
   ii) Personal financial goals
   iii) Financial goal action plan
   iv) Financial goals as life circumstances change

Unit III: Credit from Microfinance/SACCOs
By the end of the unit, a person should be able to demonstrate where to obtain Microfinance/SACCOs credit, and the implications of using and misusing credit

Credit from Microfinance/SACCOs Sub-Units
   3. **Obtaining Credit from Microfinance/SACCOs**
   By the end of the sub-unit, a person should be able to:
   i) differentiate among the types of Microfinance/SACCOs credit
   ii) comprehend which types of credit are better suited for particular purposes
   iii) identify Microfinance/SACCOs financial institutions where credit can be obtained
   iv) appreciate how the Microfinance/SACCOs credit application process works

   Content
   i) Types of Microfinance/SACCOs credit
   ii) Types of credit better suited for particular purposes
   iii) Microfinance/SACCOs financial institutions offering credit
   iv) Credit application process

   4. **Utilization of Credit from Microfinance/SACCOs**
      By the end of the sub-unit, a person should be able to:
      i) comprehend the legal implications of using credit from Microfinance/SACCOs
      ii) understand what a credit report is, how to dispute errors in credit reports; and what a consumer's rights are regarding credit reports
      iii) understand what credit scores mean and the significance of their use in modern life
      iv) recognize what precautions can be taken to prevent identity theft, fraud and what to do if victimized

   Content
      i) Legal implications of using credit from Microfinance/SACCOs
      ii) Credit report
      a. Error disputes in credit report
      b. Consumer rights
      iii) Credit scores
      iv) Precautions to prevent identity theft, fraud and what to do if victimized

Unit IV: Debt Management
By the end of the unit, a person should be able to recognize how using debt can be a tool in asset building

Debt Management Sub-units
1. **Debt Measurement**
   By the end of the sub-unit, a person should be able to:
      i) discern what tools are available to measure their debt load
      ii) determine appropriate debt load
      iii) appreciate the difference between good debt and bad debt

Content
i) Measurement tools of debt load
ii) Appropriate debt load
iii) Good debt and bad debt

2. **Debt Resolution**
By the end of the sub-unit, a person should be able to:
   i) recognize the warning signs of excessive consumer debt
   ii) comprehend options available to assist with excessive debt loads
   iii) assess which professionals can assist in dealing with excessive debt issues

Content
i) Warning signs of excessive consumer debt
ii) Options available to assist with excessive debt loads
iii) Dealing with excessive debt issues

Unit V: Risk Management
By the end of the unit, a person should be able to use appropriate risk management strategies to protect money and assets gotten from Microfinance/SACCOs

Risk Management Sub-units
1. **Insurance**
By the end of the sub-unit, a person should be able to:
   i) discriminate among the types of insurance products
   ii) appreciate insurance needs
   iii) comprehend the implications of being insured or uninsured

Content
i) Types of insurance products
ii) Insurance needs
iii) Implications of being insured or uninsured

2. **Risk Management**
By the end of the sub-unit, a person should be able to:
i) evaluate the effectiveness of risk management tools in protecting against financial loss
ii) assess risk tolerance level
iii) make use of risk tolerance levels in developing risk management strategies

Content
i) Effectiveness of risk management tools in protecting against financial loss
ii) Risk tolerance level
iii) Risk management strategies

Unit VI: Investing & Retirement Planning
By the end of the unit, a person should be able to implement investment and retirement strategies to achieve financial goals

Investing & Retirement Planning Sub-units
1. **Planning**
By the end of the sub-unit, a person should be able to:
   i) differentiate the types of investment vehicles
   ii) identify the types of financial institutions where investment products can be purchased
   iii) understand the differences between retirement and non-retirement, and qualified and non-qualified investments
   iv) recognize the importance of planning for retirement

Content
i) Types of investment vehicles

ii) Types of financial institutions where investment products can be purchased
iii) Retirement and non-retirement, and qualified and non-qualified investments
iv) importance of planning for retirement

2. Strategies

By the end of the sub-unit, a person should be able to:

i) evaluate the risks and rewards associated with investment options
ii) understand the role risk tolerance plays when choosing investment vehicles
iii) comprehend the legal implications of investing
iv) assess their overall financial situation in determining retirement needs

Content

i) Risks and rewards
ii) Role of risk tolerance
iii) Legal implications of investing
iv) Retirement needs

19. Implementation: Regional Institutional Arrangements

The successful implementation of financial education strategies in the region requires a partnership between partner states, the private sector, civil society and donors. This calls for a regional coordinating framework to ensure the effective implementation.

The regional Institutional framework will comprise the following structures:

Regional Institution(s)	Structures
EAC Secretariat	Planning and infrastructure secretariat
	Development partners
Tanzania	Ministry of Finance
	Bank of Tanzania
	Financial Inclusion National Council (NC)
	National Financial Education Secretariat (N-FES)
	Ministry of education and line ministries
	Ministry of EA affairs
	Development partners
	Interest groups
	Stakeholders
	Private sector and civic society
Rwanda	Ministry finance
	Bank of Rwanda
	ministry of EA affairs
	Government
	Ministry of education and affiliates
	Development partners
	Non-Government Organization
	Stakeholders
	Private sector
Uganda	Bank of Uganda
	Ministry of Finance
	Ministry of education and agencies
	Ministry of EA affairs
	Development partners
	Private sector
	Stakeholders
	NGOs, civic societies and interest groups.

Kenya	Central bank of Kenya
	National treasury.
	Ministry of education and agencies / affiliates
	- Ministry of Labour and East African Affairs
	Development partners
	Interest groups
	Stakeholders
	Private sector
	NGOs and civic society
Burundi	Bank of Burundi- (Banque de la République du *Burundi)*
	Ministry of finance
	Ministry of education and affiliates
	Ministry of regional integration and African affairs
	Development partners
	Stakeholders
	NGOs and civic society
	Private sector
	Interest groups

Regional Milestones

Key Milestones	Due-Date	Responsibility	Details
Set goals and objectives			
Set or agree on baselines			
Set targets ,metrics, indicators			
Set up implementation and monitoring and evaluation technical and implementation teams			
Budgeting and budget adoption			
Resources mobilization and allocation			
Set agreed implementation methodology and timelines			
Annual plans and planning			
Set and agree on			

Implementation, monitoring and evaluation tools			
Implementation			
Mid -term evaluation			
Mid- term evaluation status reports, validation and adoption			
End-term evaluation			
End-term evaluation report			
Set new strategies for the next planning period			

Implementation Matrix

Objectives	Strategies	Target	Metrics	Indicators	Timelines	Budget	Responsibility	Linkages

20. MONITORING AND EVALUATION FRAMEWORK

This section addresses the monitoring and evaluation of the strategies during the next five years.

It's the assumption of the study that evaluation will be "prospective." Meaning that evaluators will be involved at the very beginning of developing the M&E framework .Taking cognizant that incorporating M&E prospectively greatly enhances the quality of evaluation for several reasons. Beyond the value of providing immediate feedback on the program itself, planning from the start will ensure that: the goals set for the program are appropriate and measurable; that the data needed for the evaluation are collected from the outset, which is essential if baseline data are required for comparison purposes; and that the evaluation is viewed as ongoing and constructive, which should increase the likelihood that the results are credible. It may also result in cost efficiencies, because M&E activities can then be structured to take advantage of program infrastructure in a manner appropriate to its scale and resources. Finally, it will, of course, be very difficult to assess impact if the evaluation is not planned from the outset.

The grounding of the monitoring and monitoring frame work will be based on set the:

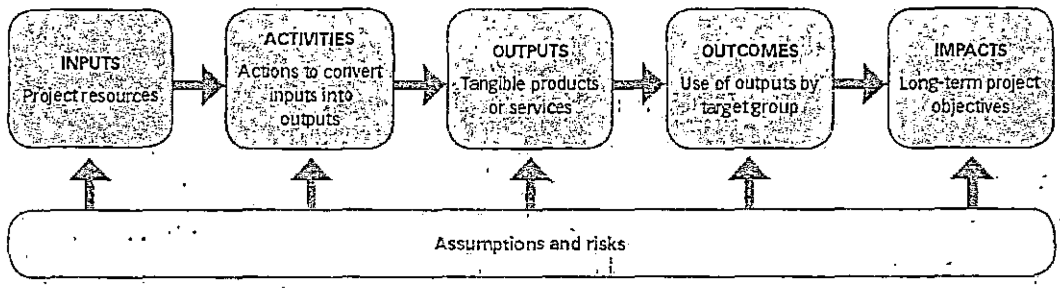
a) Goals (what the strategies are trying to achieve)
b) Objectives (how we plan to concretely achieve those goals)

It's the understanding of the study that goals are broad strategies aims that are not necessarily expressed in concrete, quantifiable terms. Goals summarize the strategies theory of change (a logical, sequential argument for how and why an intervention will deliver the desired results, together with any assumptions necessary at each step of the way). Objectives are best defined as operationalized goals; in other words, they are what you need to do in practice to actually achieve the broader program goals.

Results Framework Model

The model depicts the various stages in the program's theory of change, from inputs to final outcomes at the objective level. A results framework model, explicitly maps the planned program logic in terms of the program's expected inputs and outputs, as well as key assumptions, preconditions, and risks that could affect the project outcome.

Result Framework Model



Source: Russia Trust Fund, (2013)

Inputs: refer to all resources needed to carry out program activities, such as staff, materials, and finances

Activities: Include all the actions and tasks that convert the inputs into outputs. These often resemble tasks on a to-do list or include work performed.

Outputs: are the products and services that the project produces through its activities, the program's deliverables.

Outcomes: programs desirable behavioural changes in the target population that occur from using the outputs (products and services).

Impacts: (sometimes referred to as final outcomes) are overall program goals, such as changes in welfare of the target group. Final outcomes are often achieved only over a long period of time. An example of a final outcome could be the reduction of total household debt.

Assumptions: are expectations about the program components and implementation and about outside factors that can affect program operation or success. For example a key assumption could be that people who have significant household debt will watch the soap opera. If that assumption is wrong and the program therefore does not reach the targeted participants, there is a risk that the recruiting activity will be ineffective, which would then likely threaten the program's success.

Monitoring

Monitoring will be critical, both in and of itself but also as the underpinning of evaluations. Monitoring financial literacy strategies from their inception will help to ensure that those who manage it along with policy makers and other stakeholder to track if work plans and milestones are going as planned in terms of how the strategies are implemented and, if not, that remedies are in place to rectify any problems.

Monitoring will involve regularly collecting, analysing, and reviewing information about how a financial literacy strategies implementation is progressing. It will be a continuous and systematic process that will be used to gain rapid, real-time insights into the implementation as it develops and on the progress it is making toward meeting work plans and milestones. Monitoring will also be used to track the use of the implementation's budget and to identify any emerging threats to its success. Since monitoring will be a systematic process that will continuously collects and analyses information on the implementation and delivery against planned results, monitoring will grounded in the results framework. Monitoring will therefore support day to day strategies implementation, an everyday activity and conducted over the full strategies' implementation term.

Monitoring System

A robust monitoring system will be established in order to provide implementers and other stakeholders with routine indicators on the implementation and progress of the process, as well as facilitate timely adjustments to emerging threats and opportunities. In a sense, this will serve as a sort of early warning system. It will also generate information and indicators for use in process evaluations if required and impact evaluations since monitoring systems and process evaluations are particularly closely related and often share similar infrastructure and data sources.

Monitoring Implementation Plan

An effective monitoring system will require a plan that describes how the system will be implemented. The study's monitoring implementation plan will be built around a results framework that includes inputs, activities, outputs, and (often) outcomes. In consideration will be the type of information needed, its source, and how frequently such information must be collected. Below is a suggested monitoring implementation plan.

Monitoring Implementation Plan Framework

CATEGORY	INDICATORS	FREQUENCY	INFORMATION SOURCE	ASSUMPTIONS & RISKS	STAFF
			Inputs		
			Activities		
			Outputs		
			Outcomes		
			Final outcomes		

Ensuring Quality monitoring System

To ensure quality of the monitoring system, universally accepted factors applicable to any program that enables building of robust approach to monitoring will be adopted. These factors are listed on the checklist for ensuring quality monitoring system below.

Planning for monitoring	• Are the monitoring indicators clearly linked to the inputs, outputs, outcomes, and final outcomes they are meant to measure? • Does the monitoring plan identify all the critical risks and assumptions? • Are sufficient resources available for the ongoing monitoring activities, including staff and materials (such as reporting forms)? • Are the program staff aware of their responsibilities in the monitoring plan?
Implementing the monitoring plan	• Are there instructions and established processes for collecting and reporting monitoring indicators and measures? • Is the information and data needed for monitoring captured and reported in a timely and systematic fashion? • Are data disaggregated at the levels required by the monitoring indicators? • Is there a process for controlling the quality of the data at all levels? • Are the necessary safeguards in place to ensure confidentiality and privacy of the program beneficiaries?
Using the results of the monitoring plan	• Are the monitoring plan and reports updated regularly?

Source: Russia Trust Fund, (2013)

Monitoring and Evaluation

Monitoring and evaluation Levels - Secretariat Level

At EAC secretariat level implementation of the strategies shall be closely monitored to ensure its accomplishment. The monitoring process will help determine whether the implementation is on course and establish the need for any amendments in light of the changing needs areas and operating environment. Monitoring, follow up and control systems will be established at all levels. These will include progress reports, review meetings and reports. Review meetings will be held between the respective EAC partner states monitoring and evaluation implementation teams. During these meetings, the secretariat will receive and review progress reports from partner states' implementation teams M&E indicating overall progress made on key strategic goals and objectives. The nature and scope of reporting will include:

a. Progress made against plan;
b. Causes of deviation from plan;
c. Areas of difficulties and alternative solutions that may adversely affect implementation.

Monitoring and Evaluation at Partner State Level

The Plan alone does not mean the achievement or implementation of the strategy and its goals and objectives. Monitoring and Evaluation provides the backup necessary to ensure that objectives are achieved. During the formulation of the strategy, implementation plan indicators and projections sometimes based on past experiences and certain assumptions may change in the course of implementation and thus a management control system will be necessary to ensure the plan stays on course. The following measures will be considered:

a) Performance standards and targets: The annual performance contracts of the senior management team will comprise of targets drawn from the strategic plans;
b) Performance measurements or indicators;
c) Performance evaluation (staff, midterm, internal and external).

The strategic control mechanisms will include:

a. Action Plans.
b. A check whether the results produced by the implemented activity were those forecasted as outputs and whether they were achieved according to stated performance measurement.

The new approach to M&E will be more supportive and result oriented than activities-focused. EACs' Monitoring and Evaluation department could offer oversight and enhanced in tracking specific activities associated with the implementation of the strategic plan. EAC will source an external evaluation specialist to carry both mid-term and end –term evaluation.

Monitoring and Evaluation Team

Title	M & E Task(s)
EAC Secretariat	(a) Review : Progress made against plan Causes of deviation from plan Areas of difficulties and alternative solutions that may adversely affect implementation
	(b). Oversight
	(c). Capacity building
	(d) Facilitate setting of regional goals, objectives, outputs, activities and indicators
	(e).Hold review meetings –mid- term and end term
	(f). Support evaluation process
	(g). Offer leadership
	h)..Galvanise the.political goodwill
Partner States	
Tanzania- Financial Education Secretariat – (Under Bank of Tanzania)	Implementation
Rwanda-Ministry of Finance	Implemenration
Uganda- Bank of Uganda	Implementation
Kenya- (Monitoring and efficiency Unit) –Presidency	Implementation
Burundi (Bank of Burundi- Banque de la République du *Burundi)*	Implementation

Data Sources and Data Collection Plan

Data Sources	Collection Plan

Data Collection and Delivery Plan

Output	Brief description of type of data to be collected	Frequency of data collection	How the data will be packaged before being moved to the central data analysis point	Mode (process) of delivery	Staff Responsible

Logical Framework

Description	Performance Indicators	Means of Verification	Assumptions
Goal:			
Objective 1:			
Objective 2:			
Output 1.1 :	1.1.1 1.1.2		
Output 1.2:	1.2.1 1.2.2		
Output 2.1:	2.1.1 2.1.2		
Output 2.2:	2.2.1		

	2.2.2		
Key activities 1.1.1 1.1.2 2.1.1 2.1.2	Resources Required Manpower : Money: Materials :		

Performance Monitoring Plan (Year)

Key Monitoring Results	Means of verification	Frequency of reporting	Target Quarter 1	Target Quarter 2	Target Quarter 3	Target Quarter 4
Output 1.1 :						
Output 2.1:						

Performance Evaluation Plan

Results level	Performance Indicator	Operational definition of the indicator	Calculation of performance	Data Source	Data collection methodology	Frequency of data collection	Baseline Value	Target	Cost

21. CONCLUSION AND RECOMMENDATIONS

EAC Partner States can use various methods, training and tools, at micro, meso and macro levels. It is important to assess preferences and needs of target groups. Some cross-cutting recommendations that EAC Partner States can adopt are:

1. The study recommends a training program tailored to address this high mistrust financial institutions caused by insufficient financial literacy that generally leads to 'boycott' of financial services in the economy

2. **Develop standardized and tailored financial capacity and access survey for East Africa.** EAC partner states have undertaken surveys to measure financial inclusion. Tanzania has undertaken financial capability survey to determine the level of financial literacy in the country. It is recommended that other partner states undertake financial capability survey along-side financial access surveys that are currently periodically undertaken. It would be important to develop a harmonized set financial education indicators in financial capability and access surveys for the EAC. Harmonized indicators will enhance monitoring and evaluation of financial literacy and education initiatives, especially in the long term.

3. **Enhance access to information on financial education.** Develop and provide free sources of financial literacy information to members of the public on topics such as: keeping track of finances, planning ahead, choosing financial products, staying informed and financial control.

   - This can be done through knowledge platform, with tool kits/ FE guidelines, EAC wide research on FE, Best Practice Research and Case Studies, distribution of pamphlets and brochures, having road shows and films on financial literacy related themes.

   - Providing training information using new communication technology (e.g. internet, social media, and mobile phone) significantly reduces information asymmetries making access to training material and financial education messages to a wider audience. (e.g. Uganda's www.simplifymoney.com website)

   - This knowledge sharing will enhance borrowing initiative from other EAC states that have developed good initiatives and partnerships in implementing Financial Education and consumer protection e.g. Insurance Ombudsman at TIRA – Tanzania, AMIR – Rwanda after school extracurricular financial education initiative, Rwanda and Uganda – Strong FE Implementation and coordination units

4. **A major step to boost financial literacy and numeracy skills among the adult population in the East African member states would be to increase the household and individual income through**

income generating programmes (high income earners have in the past been associated with high financial literacy skills).

- Good record keeping practice is associated with to high financial literacy. Hence the need to educate the public on the importance of keeping records on income and expenditure periodically
- Debt management skills should be imparted on the public to ensure that they avoid unnecessary and unserviceable debt this includes enacting policy that prevents employees from committing their entire salaries to debt servicing
- Include the informal sector (e.g. rotational saving and credit schemes) participation in financial education due to their significant numbers/ membership, savings and borrowing

5. **Consumer protection** measures should be instituted by regulators through proper policy and goodwill to ensure that financial service providers do not take advantage of the public through exploitative charges and terms

   Regulators should enact and enforce laws that prevent fraud and financial abuse as a protectionist measure in order to prevent loss of confidence by the public in the financial sector as a whole. Recently there has been fraud affecting the commercial banking sector which led to the risk of run on the bank by members of the public who hold bank accounts. There has also been fraud in the form of pyramid schemes

6. **Use of appropriate delivery channels to reach different population segments e.g. Children (0-13 years), Youth (14-35 years) and Adults (over 36 years).** Children and Youth are the largest population segments in East Africa with the highest literacy and rates of technology adoption. Reaching Children and Youth using new technology, e.g. mobile phone, social media are effective tools to reach this population segment.

   - Develop curricula for financial literacy for primary schools, secondary schools, tertiary institutions and other institutions of higher learning including teacher training colleges. Introducing financial education in school education system (theoretical and practical). Introducing financial education content in relevant subjects e.g. math. Introducing financial education as extra-curriculum activity e.g. investment clubs. Deliver financial education sequentially from basic to more complex financial concepts.
   - Use of edutainment (plays, radio dramas and television programs) are effective delivery systems to teach financial education concepts e.g. targeting population with low literacy levels

- Training of Financial service providers on FE. Establish EAC certification for sector professionals especially for countries with nascent sectors e.g. insurance and pension industry that have deficiencies in human resources. Increasing cross-border trade in services for professionals and financial institutions in the EAC increases level of skills, skills transfer and capacity.

7. **The media employed in financial literacy education should be appealing to members of the public and should have a wide reach for effectiveness to be achieved.** In Tanzania a hit song involving Kigoma all pop stars artists was employed in promoting pension savings by members of the public through NSSF

8. **Engaging and Sensitizing policy makers and government professionals involved in implementing financial services initiatives on FE.** This will build greater understanding and political good will and support for FE initiatives. It is important to select appropriate champion for Financial Education (e.g. EAC Council of Ministers, Ministry of Finance, Central Banks) i.e. institutions that carry weight and credibility to steward growth in financial education.

9. Establish technical working groups to drive the implementation of FE and move the project to the next phase of implementation

10. There should be advocacy on behaviour change towards financial sound behaviour

11. All partner states should have a financial education policy

APPENDICES

22. KEY INFORMANT INTERVIEWS (KII) CONTACT LIST

Key Informant Interviews: A total of sixty (60) key informant interviews were conducted in the across financial sub-sectors as well as with government and other key stakeholders in all five EAC Partner States during the field-work. It is appreciated that not all respondents were available for the interviews and questionnaires exercises. Given the time-frame to conduct the assignment and budget, it was important to come to a consensus with the EAC team on the most representative sample that can realistically be targeted during the assignment period. The EAC greatly facilitated in providing a list of key stakeholders to be included in the study, providing introductory letters to KIIs introducing the consultants and the purpose of the study, providing MEAC contact person in respective member states that expedited the KIIs process.

Provided below is a list of key informants interviewees from Burundi, Kenya, Rwanda, Tanzania and Uganda.

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23. KII INTERVIEW GUIDE

1. Please give us a brief background of your organization?
2. What financial literacy and education initiatives/ activities do you currently have in place? Do you work with other organizations? Please name a few?
3. How would you describe the average level of financially literacy in your country?
4. How would you rate the savings culture in your country?
5. What are the most common savings or investments instruments used?
6. How does the public generally manage to make the ends meet when your income suddenly dropped due to economic shocks?
7. How would you describe the attitudes and money culture in your country? How do these behavioural factors influence the uptake of financial services?
8. What would you say in your opinion is the credit culture in this country? When do you think in you experience do most consumer consider buying on credit justified?
9. What in your experience are the general attitudes and perceptions towards individual life insurance?
10. What are the financial education interventions regarding pensions and saving for retirement?
11. What financial services seem to have the most complaints from consumers?
12. What sources do you use to deliver information about financial literacy and consumer rights to the public?
    a. Advertising
    b. Newspapers, magazines, TV programs specializing on financial issues
    c. Specialized web sites
    d. Employees; during a personal visit or by phone, public information days,
    e. Independent financial consultants or brokers
    g. Friends and acquaintances
    h. From other sources
13. What consumer protection initiatives/ activities do you currently have in place? Do you work with other organizations? Please name a few?
14. If a conflict with a financial organization (bank, insurance company or the like) arises regarding the provision of financial services, how sure are consumers assured of quick and just resolution of the dispute?
15. How easy is it for consumers in your sector to compare the terms and conditions for provision of financial services by various companies before you buy such a service?
16. If a citizen has a deposit in the bank and this bank becomes bankrupt, do you know what maximum level of a deposit is entirely insured by the government?
17. If a citizen owns shares in the unit fund, and the value of shares plummeted because of a large scale financial crisis, what is an approximate level of losses insured by the government? Are the public aware of this? How do they access this information?
18. What financial services from the given below do you consumer in your sector commonly use?
    a. Consumer credit
    b. Bank current account
    c. Bank deposit account
    d. Currency exchange

e. Credit card
f. Bank plastic card
g. Mortgage loan
h. Insurance policies
i. Investments in unit funds
j. Investments in companies' stock
k. Private pension fund policies
l. Other services
m. none of the above
n. I find it difficult to answer this question
o. No answer

19. What services do most consumers in you sector would like to know better or get additional information about?

a. Consumer credit
b. Bank current account
c. Bank deposit account
d. Currency exchange
e. Credit card
f. Bank plastic card
g. Mortgage loan
h. Insurance policies
i. Investments in unit funds
j. Investments in companies' stock
k. Private pension fund policies
l. Other financial service
m. None of the above
n. I find it difficult to answer this question

20. Currently many organizations related to capital markets declare their preparedness to deal with improvement of financial literacy of the people. What kind of trainers do you see as the most suitable to deliver financial literacy program?

a. A commercial bank
b. Pension fund and/or insurance companies
c. Unit investment funds (management companies)
d. Non-government organizations or public organizations involved in consumer rights protection
e. Government entities regulating these markets
f. Higher education institutions of economic and financial profile
g. Independent financial consultants
h. Mass media (journalists and TV presenters)
i. Other people
j. I find it difficult to answer this question
k. No answer
l. I find it difficult to answer this question

21. There is a list below of the topics regarding various aspects of personal finance management. Please specify which are most interesting to learn about in the course of financial training?

a. How to form one's own financial targets and draw a personal current financial plan
b. What to do not to get up to one's neck in debt when using credits
c. How to plan purchases of durables (car, apartment) and evaluate one's abilities to implement them
d. How does the pension scheme work and what methods are available to secure one's old age income
e. Banking services – current accounts, saving deposits, and plastic cards

f. Consumer credits to purchase goods and services
g. Mortgage loans
h. Insurance and insurance products
i. Private pension funds
j. Capital markets, stock and unit fund shares
k. Sources of information on financial services, how to interpret the information and how to differentiate the advertising information from the objective one
l. What parameters are used to compare the services offered by banks and other financial companies
m. What consumer rights protection laws are available and what one needs to do when one's consumer rights are violated
n. What information should a user pay attention to when signing a contract with a bank or another financial company
o. I am not interested in any of such topics
p. I find it difficult to answer this question

22. What in your experience have been the top three key findings with regard to financial literacy in your industry? What has been the most unexpected finding when promoting financial literacy?
23. What have been the greatest challenges you have faced so far in financial education?
24. Based on you experience what are the key three things/ activities that need to be done to improve financial literacy in the country?

24. SURVEY QUESTIONNAIRE

1. Is your family used to keeping records of income and expenditures? Which option is the most accurate description of your (your family's) practice?
   a. Yes, we keep records of everything, entering all revenues and all expenditures
   b. Yes, we keep records of everything, but not all revenues and expenditures are entered
   c. No, we don't keep records of everything, but we know in general how much money is received and spent during a month.
   d. No, we don't keep records of family's resources, and we don't have even a vague idea of how much money is received and spent during a month
   e. I find it difficult to answer this question

2. How often during the last year you (your family) had any money unspent from previous earnings before the next moment for new revenues arrived (wages, pension, scholarship, benefit)?
   a. Always
   b. Very often
   c. Sometimes
   d. Very rarely
   e. Never
   f. I find it difficult to answer this question

3. If you (your family) have/has any money left right before the next revenue arrives, what would you usually do with it?
   a. We spend it on consumer goods
   b. We keep it in cash
   c. We deposit it or do not withdraw it from the account
   d. We invest it in the capital market
   e. We lend it to friends or relatives
   f. We invest it in our own business
   g. We invest it in gold and jewellery
   h. Other
   i. I find it difficult to answer this question
   j. No answer

4. How often during the last year did you (your family) run out of money from previous earnings before the new money arrived (wages, pension, scholarship, benefit, etc.)?
   a. Always
   b. Very often
   c. Sometimes
   d. Very rarely
   e. Never
   f. I find it difficult to answer this question

5. What do you usually do when you (your family) run(s) out of money before the next income arrives?
   a. We cut down expenses and save
   b. We borrow money from relatives, friends and acquaintances
   c. We spend our savings
   d. We use a credit card
   e. We sell our securities/shares
   f. We borrow cash on bank credit
   g. Our friends and relatives give us money free of charge

h. We work extra hours or do additional jobs
i. We withdraw a required amount from our business
j. Other
k. I find it difficult to answer this question
l. No answer

6. Did you (your family) experience an unexpected significant reduction of your income over the last three years?

   a. Yes   b. No

7. How did you (your family) manage to make the ends meet when your income suddenly dropped?

   a. We cut down expenses and saved
   b. We borrowed money from relatives, friends and acquaintances
   c. We spent our savings
   d. We used a credit card
   e. We sold our securities/shares
   f. We took a bank credit
   g. Our friends and relatives gave us money free of charge
   h. We found other sources of income
   i. I find it difficult to answer this question
   j. No answer

8. How often during the last year you (your family members) had to borrow to pay back your other debts?
   a. Always
   b. Very often
   c. Sometimes
   d. Very rarely
   e. Never
   f. I find it difficult to answer this question

10. Would you please say whether you (your family) have (has) any debts now?

    a. Yes, we have debts
    b. No, we don't have any debts
    c. I find it difficult to answer this question

11. Please tell us whether there are such families among your acquaintances or friends who used to be relatively well-to-do and then suddenly encountered financial problems? If so, then what was the reason in your opinion?
    a. A family started to experience financial troubles because of unfortunate series of events (a sudden death or loss of a job by a breadwinner, a divorce, an accident, etc.)
    b. A family started to experience financial troubles because of a wrong money management or lack of ability to plan its finances (they were buying too much, took too many credits, did not plan their future, lived for the moment, etc.)
    c. No such families
    d. I find it difficult to answer this question

12. If a citizen has a deposit in the bank and this bank becomes bankrupt, do you know what maximum level of a deposit is entirely insured by the government?

    a. Yes   b. No

13. If a citizen owns shares in the unit fund, and the value of shares plummeted because of a large scale financial crisis, what is an approximate level of losses insured by the government?

a. 0 Shillings/ Francs,- the government does not insure against losses from the reduction of value of the unit fund shares
b. 20,000 Shillings/ Francs
c. 100,000 Shillings/ Francs
d. 400,000 Shillings/ Francs
e. 1 million Shillings/ Francs
f. No limits – the government insures all unit fund shares in their full amount
g. I find it difficult to answer this question

14. What phrase out of the ones given below describes best your individual life insurance situation?
    a. My life is already insured for the required amount
    b. My life is insured for some amount but the level is lower than what I believe is necessary
    c. I need to insure my life but it is too expensive
    d. I need to insure my life but I don't believe that insurance companies will pay the claim in case of my death
    e. I don't need life insurance actually
    f. I find it difficult to answer this question
    g. No answer

15. What tendencies from the ones given below you follow personally?
    a. Changes in the property market
    b. Changes of quotations and indices in the capital market
    c. Changes of interest rates on deposits
    d. Changes of interest rates on credits
    e. Changes in the inflation rate
    f. Changes in the level of public pensions, benefits and tax exemptions
    g. Price fluctuations for oil, gold, metals, etc.
    h. Other
    i. I don't watch any trends
    j. I find it difficult to answer this question

16. What sources do you use to get information about the above tendencies?
    a. Advertising
    b. Newspapers, magazines, TV programs specializing on financial issues
    c. Specialized web sites
    d. Bank officers, employees of insurance and management companies, during a personal visit or by phone
    e. Independent financial consultants or brokers
    i. Friends and acquaintances
    j. From other sources
    k. I find it difficult to answer this question

17. Did you happen to buy a financial service during the last five years which you were sorry about later as the service did not meet your needs
    a. Yes
    b. No
    c. I find it difficult to answer this question

18. What kind of service was it?
    a. A bank deposit
    b. A contract with a private pension fund
    c. A stock
    d. A bank credit card
    e. A bank debit card
    f. A consumer loan
    g. An insurance policy

h. A car credit
i. A mortgage loan
j. Another service
k. I don't remember
l. I find it difficult to answer this question

19. What did you do after you discovered the problem?

a. Nothing
b. I stopped using the service before the contract expired (closed the deposit, account, sold the unit shares, cancelled the insurance contract, etc.)
c. I submitted a grievance to the company which sold me the product
d. I submitted a claim to the appropriate government authority
e. Other
f. I find it difficult to answer this question
g. No answer

20. If a conflict with a financial organization (bank, insurance company or the like) arises regarding the provision of financial services to you, how sure are you in the quick and just resolution of the dispute?

a. I am completely sure
b. I am rather sure
c. Fifty-fifty
d. I am not quite sure
e. I am not at all sure
f. I find it difficult to answer this question
g. No answer

21. Do you consider yourself a financially literate person?

a. No knowledge and skills
b. Unsatisfactory knowledge and skills
c. Satisfactory knowledge and skills
d. Good knowledge and skills
e. Excellent knowledge and skills
f. I find it difficult to answer this question

22. Imagine, than you deposited the money in a bank account at 8% interest rate, while the annual inflation rate was 10%. Do you think the money from your account can buy more or less, or the same amount of goods and services on average now as a year ago?

a. More than a year ago
b. The same
c. Less than a year ago
d. I cannot estimate it even roughly

23. What do you think deserves primary attention when one has to compare between the banks to choose the one where to take a credit from?

a. Bank's reputation (fame) and its reliability
b. View of the bank office and qualifications of its personnel
c. Credit interest rate and the credit cost
d. Gifts and advertising campaigns
e. I cannot estimate it even roughly

24. When do you think buying on credit is justified? Choose only one answer.

a. If a shop has sales for the goods I need
b. If the interest rate on credit is higher than the one on deposit

c. If a person needs to pay for education which would allow to get a better paid job
d. If a person really needs a vacation but does not have money at the moment
e. I cannot say anything even roughly
f. No answer

25. There is a list below of the topics regarding various aspects of personal finance management. Please specify which are most interesting to learn about in the course of financial training?

    a. How to form one's own financial targets and draw a personal current financial plan
    b. What to do not to get up to one's neck in debt when using credits
    c. How to plan purchases of durables (car, apartment) and evaluate one's abilities to implement them
    d. How does the pension scheme work and what methods are available to secure one's old age income
    e. Banking services – current accounts, saving deposits, and plastic cards
    f. Consumer credits to purchase goods and services
    g. Mortgage loans
    h. Insurance and insurance products
    i. Private pension funds
    j. Capital markets, stock and unit fund shares
    k. Sources of information on financial services, how to interpret the information and how to differentiate the advertising information from the objective one
    l. What parameters are used to compare the services offered by banks and other financial companies
    m. What consumer rights protection laws are available and what one needs to do when one's consumer rights are violated
    n. What information should a user pay attention to when signing a contract with a bank or another financial company
    o. I am not interested in any of such topics
    p. I find it difficult to answer this question

26. Currently many organizations related to capital markets declare their preparedness to deal with improvement of financial literacy of the people. What kind of trainers do you see as the most suitable to deliver financial literacy program?

    a. A commercial bank
    b. Pension fund and/or insurance companies
    c. Unit investment funds (management companies)
    d. Non-government organizations or public organizations involved in consumer rights protection
    e. Government entities regulating these markets
    f. Higher education institutions of economic and financial profile
    g. Independent financial consultants
    h. Mass media (journalists and TV presenters)
    i. Other people
    j. I find it difficult to answer this question
    k. No answer

27. Let's assume that in addition to your regular income your family got an extra of 40% to your regular income. What would you do with this money most likely?

    a. I'll spend it on the purchase of household goods (furniture, clothes, home electronic appliances, etc.)
    b. I'll try to add money (through borrowing, e.g.) and buy a plot of land, a car, etc.
    c. I'll make long-term savings to accumulate money for more expensive things (a house, apartment, expensive car, etc.)
    d. I'll make reserves (for unexpected event, special events, for a rainy day, etc.)

e. I'll repay my earlier debts
f. I'll spend it on entertainment, on travel or vacation
g. I'll invest it in my own business
h. I'll spend it on education and development of my children
i. I'll spend it on upgrade of my skills or training for a new vacation/profession
j. I'll spend it on my medical treatment and that of my close family
k. I'll buy an insurance policy for myself or the family, spend it on voluntary pension (through a pension fund)
l. I'll buy gold, jewels and the like
m. I'll invest it in the bank deposit at an interest rate
n. I'll buy shares and other stock of companies, buy government bonds (obligations and the like)
o. Other
p. I find it difficult to answer this question

28. How do you (does your family) usually manage your everyday revenues?

a. I try to save something and spend the rest of the money on the everyday needs
b. I spend money on the everyday needs and save the rest
c. I spend all the money on everyday needs and do not save anything
d. I find it difficult to answer this question

29. People save or invest for different reasons. What are your (your family's) personal reasons to have made savings or investments?

a. for a rainy day, for unexpected expenses
b. For retirement
c. To get income in the form of interest, increased market value of assets, etc.
d. To leave something for children to inherit
e. To increase my living standards in the future
f. I like saving rather than spending money
g. To be independent and be able to make choices
h. To speculate on the stock exchange
i. No particular reason, this is a family tradition
j. For another reason
k. I find it difficult to answer this question
l. No answer

30. If you (your family) do/does not make savings, what is the reason?

a. I don't trust financial institutions
b. I cannot do this because of a low income
c. I don't see the point in making savings
d. I cannot resist the temptation to spend the money on shopping
e. for another reason
f. I find it difficult to answer this question
g. No answer

31. A) What financial services from the given below do you personally use?

a. Consumer credit
b. Bank current account
c. Bank deposit account
d. Currency exchange
e. Credit card
f. Bank plastic card
g. Mortgage loan
h. Insurance policies

i. Investments in unit funds
j. Investments in companies' stock
k. Private pension fund policies
l. Other services
m. none of the above
n. I find it difficult to answer this question
o. No answer

32. B) What financial services from the given below do your family members use?

a. Consumer credit
b. Bank current account
c. Band deposit account
d. Currency exchange
e. Credit card
f. Bank plastic card
g. Mortgage loan
h. Insurance policies
i. Investments in unit funds
j. Investments in companies' stock
k. Private pension fund policies
l. Other financial service
m. none of the above
n. I find it difficult to answer this question
o. No answer

33. What financial services of the listed above do you personally plan to use in the near 2 years?

a. Consumer credit
b. Bank current account
c. Band deposit account
d. Currency exchange
e. Credit card
f. Bank plastic card
g. Mortgage loan
h. Insurance policies
i. Investments in unit funds
j. Investments in companies' stock
l. Private pension fund policies
m. Other financial service
n. None of the above
o. I find it difficult to answer this question

34. What services of the above would you like to know better or get additional information about?

a. Consumer credit
b. Bank current account
c. Bank deposit account
d. Currency exchange
e. Credit card
f. Bank plastic card
g. Mortgage loan
h. Insurance policies
i. Investments in unit funds
j. Investments in companies' stock
k. Private pension fund policies
l. Other financial service
m. None of the above

n. I find it difficult to answer this question

35. How often do you compare the terms and conditions for provision of financial services by various companies before you buy such a service?
    a. Always
    b. Sometimes
    c. Rarely
    d. Never
    e. I find it difficult to answer this question

36. What sources of information do you pay attention to when choosing a company to buy a service from?
    a. Advertisements
    b. Advice of consultants working for providers of a required service
    c. Information materials of financial companies on their tariffs and services of various types
    d. Recommendations of independent financial consultants or brokers
    e. Advice of friends and relatives
    f. Analytical materials published in mass media
    g. Employer's advice
    h. Internet resources
    i. Other sources
    j. I find it difficult to answer this question
    k. No answer

37. Respondent's gender
    a. Male
    b. Female

38. How old are you?
    a. 18-24 years
    b. 25-34 years
    c. 35-44 years
    d. 45-59 years
    e. 60 and over

39. Your education?
    a. Primary or lower education
    b. Incomplete secondary education
    c. Secondary education (general or vocational school)
    d. Special vocational education (technical college)
    e. Incomplete higher education (at least 3 years of higher educational institution)
    f. Higher education
    g. Post graduate

40. What is the level of your earnings,
    a. up to 15,000 shillings/ Francs
    b. 15001 – 30,000 Shillings / Francs
    c. 30,001 – 5,0000 Shillings/Francs
    d. 5,0001 shillings/ Francs and over
    e. Nothing in the last month
    f. I find it difficult to answer this question
    g. No answer

41. How many people live in your household including yourself and children?

a. 1
b. 2
c. 3
d. 4
e. 5
f. 6
g. 7
h. 8
i. 11
j. 12

25. SURVEY METHODOLOGY

The methodology and approach was mixed method, **qualitative and quantitative** in nature, using literature and documentation review, survey instrument, and key informant interviews (KIIs). Our understanding is that though there has been financial education / literacy studies conducted in individual Partner States there no extensive research that has been conducted with a regional scope with a view of coming up with an integrated regional strategies and financial education / literacy framework. Quantitative research provides statistical data against which accurate predictions and projections can be made.

SURVEY

Survey Sample

The sample universe for the study is all citizens of EAC Partner States aged **18 and 79 years** (sample frame adapted from OECD/INFE (2013) toolkit to measure financial literacy and inclusion, 2013), the study's sample universe cut across all profiles – rich, poor rural urban, male female, young old, etc. Latest EAC Partner States National Housing and Population censuses were employed to draw the study samples. This includes; Kenya Population and Housing Census Report, 2009, Uganda National Household Survey 2009/10, Tanzania Population and Housing census, 2012, Rwanda 4th Population and Housing Census, 2012 (NISR) and Burundi Population and Area survey - ISTEEBU, 2013. Accordingly, eligible respondents (aged 18 and 79 years) drawn from all regional EAC Partner States had an equal chance of being included in the sample.

Weights & Weighting; Priority was to present findings when they were already weighted and Statistics Bureaus guidelines on weights was applied.

Sampling Design and Analysis Groups- Domains

The study used cluster stratified probability sampling divided in three levels. First level included selection of clusters to ensure representative at national, provincial and urbanization levels (urban/rural). Second level consisted of selected households within each cluster, twelve selected, ten were targeted. Third level included selection of individual using the KISH grid to randomly select a respondent aged between 18 and 79 years.

In computing a reliable sample size, the following formula has been applied:

To compute Sample Size - Infinite Population (where the population is greater than 50,000) the following formula was used,

$$Z^2 \times (p) \times (1 - p)$$

$$SS(n) = \frac{\qquad}{C^2}$$

Where:

SS (n) = Sample Size

Z = Z-value[A] (1.96 for a 95 percent confidence level)

P = Percentage of population picking a choice, expressed as decimal[B]

C = Confidence interval, expressed as decimal (.02 = +/- .02 percentage points) - Margin of error)

The computed sample size is there for:

$$SS = \frac{3.8416 \times .5 \times .5}{.0004}$$

$$SS(n) = 2{,}041$$

If we adjust the above by a potential non-response of 5% .This adjustment yield a sample of 2,161. So with 48% we yield a smaller sample, yet we seek for the largest sample size.

We therefore use p=50% in the above formula and adjust for a non-response we get a sample of <u>**n=2,161**</u>

- At this sample size, the national level estimates will be <u>below</u> 5% margin of error.

Sample Distribution

Country	Member State's Population between 18-79 Years against EAC Partner States Combined Population	Percentage of population member State/ EAC population	Sample Size Per State	Frequency
Kenya	24,000,000	0.3195	690	32
Uganda	18,414200	0.2452	530	25
Rwanda	6,785426	0.0903	195	9
Burundi	3,964133	0.0528	114	5
Tanzania	21,950,344	0.2922	632	29
Total	**75,114,103**	**1**	**2,161**	**100**

Selection of the household

With a listing of the EAs to go to we then used maps for the enumeration areas and picked easily identifiable landmarks/points (churches, schools, bridge, cattle dips, road junctions, etc.), which are listed. The study randomly picked starting points such that it had 10 interviews per point.

The interviewer will then went to that starting point and proceeded to the nearest household. This household formed the first household at which an interview was conducted. After completing an interview, 4 households were skipped thereby calling on the 5th household.

Selection of the respondents within a household

There are various methods of randomising respondent selection at household level and the study used the Kish grid. Interviewer listed all members of the household (in this case, all aged between 18 and 79 years) in a systematic order in order of age starting with the oldest and also collects educational status for each eligible household member. A pre-assigned random number was used to determine the household member selected for interview from the Kish grid. If the selected person was not available the interviewer made up to two re-calls on different day/times (including evenings). If a selected respondent was unavailable after call-backs or refused to participate, the interviewer had to conduct an interview with a **substitute respondent**. The substitution guidelines were agreed upon with consultation with sampling consultant and could include substitution by same **gender, age-band** and **education.**

FIELDWORK

Training and Briefing

The field team (enumerators) was composed of trained university students studying in various campus located in respective counties some of whom have been engaged in similar studies. The whole field team was briefed/ trained to induct them with the study background and objectives and also to familiarize them with the study instruments. Potential problems and queries were also addressed at this stage.

A one day training workshop of interviewers and the supervisors was conducted in respective counties to prepare them to handle the survey instruments. The supervisors went through an extra one day of training to prepare them to manage and supervise the data collection process. The trainees were subjected to practical assignments that were assessed to ensure they understood their tasks and responsibilities.

The study coordinators assisted by the Field Coordinators conducted the training after themselves being trained. The training consisted of a detailed review of the questionnaire and a thorough review of interview procedures and research ethics. The trainees also conducted practice interviews to ensure appropriate wording of the questions and to familiarise with interview procedure.

The training program covered the following:

a) Survey objectives
b) Expected output
c) Procedures for sampling a household
d) Procedures of identifying target respondents
e) How to handle potential questions during the survey
f) Dos and don'ts of the research project

The Survey Instrument

It was the study's understanding that one of the critical components of effective financial education policies was to establish evidence through national surveys on the level of financial literacy. Such study's/surveys particular allowed identifying groups with particular weaknesses (such as young and elderly populations, women and low income groups) and areas of financial literacy that deserved special attention through the development of adapted financial education initiatives. Policymakers may also wish to conduct these surveys at regular intervals to measure progress and the impact of their national policies on the population's financial behaviours. In addition, the collection of cross comparable data on financial literacy enable countries to benchmark themselves with countries with similar circumstances and support the identification of further effective policies and practices.

Measurement and evaluation tools are critically important in the development and implementation of successful. national strategies for financial education. However, their elaboration can be relatively complex, challenging and resource-intensive, which can limit their systematic use in countries. The absence of an internationally agreed methodology may have also hindered the possibility to compare available evidence and related policies.

The basis of the study instrument is the adoption of WORLD BANK questionnaire to measure financial literacy and inclusion. The WORLD BANK questionnaire was designed to provide a flexible tool that could be easily used by countries to measure financial literacy and inclusion nationally and compare their results.

Variables on questionnaire:

The study tool incorporated core questions designed to capture financial knowledge, behaviour and attitudes as well as indicators of financial inclusion and key socio-economic determinants. This instrument the study believes meets the requirement of the TORs (see *attached instrument*). The Tool components ensured that the data collected at a national level could be compared internationally.

Pre-Test

All questionnaires were piloted before being used for survey and dummy analysis was done. The survey instrument was pre-tested in both rural and urban areas among **50 prospective study respondents** chosen from the major educational groups. The pre-test helped identify and correct any ambiguities and difficulties before the final questionnaire was developed, printed and subsequently fielded. Some of the areas of difficulties identified and addressed included; currency conversion, wording and numbering of the questionnaire. Though some prospective respondents felt that the questionnaire was lengthy this was however mitigated through modulation of the tool by the enumerators.

The Field Team (Project Management & Field)

The overall coordination team comprised of:

Project Regional Coordinator – To assist in logistics and coordination of various roles – Data capture, analysis, fieldwork and report dissemination.

Country coordinators – The country coordinators were responsible for overall fieldwork coordination. This was the person who ensured that field supervision was maintained and back checks were made for all interviewers working on this study. He worked in close co-operation with **respective field -managers.**

Supervisors: ensured data quality, each supervisor was be responsible for supervising **respective country interviewers (enumerators)** working within a sampled EA[s]. The supervisors was assigned the interviewers households and spot-checked a sample of interviews/questionnaires to verify that mistakes were corrected before they move to a new [leaving a particular] EA [for another].

The field team comprised of a **1 regional coordinator, 5 Country coordinators, 5 field managers, supervisors and interviewers.** **VC &SMC** drew field interviewers based on integrity and intelligence.
The interviewers were:

- Selected on the basis of their ability and education, as well as general appearance and mannerism.
- They were trained formally. This was followed by practical field experience using a specially designed questionnaire incorporating examples of the many types of questions used in surveys.
- Briefed personally on study and supervised by highly experienced staff.
- Controlled using systems built up on the basis of integrity of over years of experience

Logistics (Fieldwork)

Data collection for the study was conducted at an agreed date. Interviews worked in small teams of **twenty** with one supervisor. The interviewees were asked questions and complete the questionnaires themselves and modulated in sections where the interviewee found difficulty. Interviewers checked their questionnaires before handing over to the supervisor who was responsible for back-checking. Supervisor randomly selected those questionnaires to back-check with 24 hours of the interview. Supervisors ensured all questionnaires from their region were received and passed them on to coders/editors. Coders /editors coded all the open ended requesting subjects to provide missing information if any. The coding of questionnaires was done by well-trained and experienced coding clerks using the standardized code sheet, and supervised by the chief lead consultants.

Quality Control In Field Work

A wide range of both qualitative and quantitative research has been undertaken ranging from small to large national random surveys. Great stress was placed on quality and accuracy of information.

Personnel used in the survey:

The study made use of team of research interviewers. They worked closely with the Field Managers, research executives and supervisors who monitored the quality of their work.

Supervision of field staff:

- **VC &SMC** Management is strict and continues to build a culture based on integrity. All interviewers worked in teams of twenty, supervised by one team leader. The team leader was responsible for checking all questionnaires while in the field. Any issues needing clarifications were corrected by returning to the respondent.

- Supervisors accompanied 10% of all calls and 20% back checking on all surveys was mandatory. A minimum 16% of all interviews conducted by each interviewer were 'back-checked' by the team leader or field supervisor. This involved returning to a respondent who had been interviewed in order to re-interview and verify key points of the questionnaires, and to check that the selection techniques had been correctly applied.

Questionnaire Design:

The following quality checks and procedures were followed before the questionnaires were used in the field and before they are taken in for scanning (data entry):

- **Questionnaire design** - checking the flow of the questionnaire design based on key questions, skip routines, filters, tick boxes and representative HNR boxes for the predetermined data capture
- **Test scanning** – establishing the validity of the designed questionnaire and ensuring the accuracy of the data captured and its respective database
- **Setting options** – this eased accurate data capture and cleaning by allowing data to be classified into a single/ multiple / matrix format/ HNR's/ obligatory etc.
- **The master copy design** – enabled checking statistics of the data captured
- All questionnaires were **pre-serialized** before they were sent to the field.
- **Signing of questionnaires** - after the questionnaires were brought from the field, checks were done to establish the sample size based on the questionnaires received and their respective quotas on the sampling frame.

DATA MANAGEMENT

To ensure that critical data will be captured as per the scope of the study the following data collection tools were applied, as shown in the following table.

	Scope of the Study	Methodology	Data Collection Tool	Work-flow
i	Take stock of financial education interventions already being undertaken at Partner State level and determine the gaps that exist that will aid the EAC financial sector harmonization process.	Survey / KIIs / Documentation review	Questionnaire, KIIs interview guide.	f. Collection of secondary data [regionally] from a representative member state's national sample in order to situation analysis showing preliminary findings of financial education initiatives in EAC, methodology and approach, and work-plan. Findings will be incorporated in the draft/inception report
ii	Determine the differences in money culture, language and behaviour across Partner States and establish	Survey	Questionnaire	g. Collection of primary data [regionally] using survey from

	Scope of the Study	Methodology	Data Collection Tool	Work-flow
	the impact on uptake of regionalized financial services. Establish how behavioural factors and other factors such as socio-economic and cultural backgrounds, life events and skills influence rational decision making that influence financial knowledge in the region.			a representative member state's national sample in order to address scope of assignment ii. And ii.
iii	Assess the variation in information needs that arise from differences in prior experience, language and cultural background, current financial situation and competing demand for consumers in as far as they pose a challenge to the development and delivery of relevant information to customers.	Survey / Key Informants interviews / Documentation review	Questionnaire, KIIs interview guide	
iv	Develop strategies for accurately presenting information to consumers/investors in the face of the growing diversity in financial service providers and distribution channels. This will be with a view to enabling financial service providers to avail consumers' information that accurately represents features, risks and returns associated with their products and services and demonstrate integrity and good faith by offering services and products appropriate to the customers' financial needs. This is also with a view to ensuring that information overloads are avoided and financial education should be differentiated from advertising. The strategies should also be broken down into subsectors (e.g. banking, insurance, capital markets, pensions), by country and by gender.	Key Informants interviews / Documentation review	KIIs Interview guide	h. Data capture and primary analysis of data collected from the field survey, employing approved data management and processing techniques and software. i. Modelling the data so as to identify the most important issues that provide critical information in order to address scope of assignment iv. to ix. First draft report findings will include the following: • Situational assessment • Culture, attitude and behaviour to financial services and education assessment • Monitoring and evaluation framework • Proposed levels of intervention for private and public sector actors • Proposed institutional arrangements and milestones • Sectoral regional financial education framework • Financial education regulation assessment • Financial literacy and consumer protection assessment
v	Advise on the appropriate level of intervention for both the private sector and the public sector on both development and implementation of the regional/national strategies	Key informants interviews / Documentation review	KIIs Interview guide / Stakeholder consultation workshop	
vi	Developing a framework for monitoring and evaluation of the financial education program on financial literacy in the region.	Key informants interviews / Documentation review	KIIs Interview guide / Stakeholder consultation workshop	
vii	Advise on institutional arrangements for implementing the strategy including the definition of regional milestones	Key informants interviews	KIIs Interview guide / Stakeholder consultation workshop	
viii	Develop a regional financial	Key informants	KIIs Interview	

	Scope of the Study	Methodology	Data Collection Tool	Work-flow
	education framework covering banking, insurance, capital markets, pensions and microfinance/SACCOS.	interviews and literature review	guide / literature review notes / Stakeholder consultation workshop	• Assessment of current financial literacy program impact j. Conducting dissemination activities with priority target audiences at regional stakeholder workshop. Feedback from stakeholder workshop will be documented and incorporated in the final report
ix	Advise on the regulation of financial education in East Africa	Key informants interview	Interview	
x	Review and advice on the adequacy of financial education/consumer protection provisions in the relevant laws.	Key informants interviews and literature review	Interview and literature review notes	
xi	Assess the impact of a select number of existent financial literacy programmes in the EAC Partner States.	Survey / Key informants interviews	Questionnaire/ KIIs,Interviews guide	

Data capture was done using scanners through the FORMIC program, which has remarkable accuracy and speed. To ensure that data is correctly captured, 15% of the survey and interview questionnaires were re-scanned and 10% physically checked for consistencies. At data capture we had other quality control measures that ensure data accurate and effective process in handling data. These included:-

- ✓ **Statistical checks** -Making sure that correct codes for open-ended questions were entered and that questionnaires were well coded. This ensured correct and accurate data capture into its respective or designated design format according to the quotas, skip routines and filters.
  Preliminary statistical checks were carried out e.g. on frequencies, particularly on obligatory questions. As a matter of procedure, 15% of each surveys' questionnaires were re-scanned. This was done at set intervals such that after scanning every 'x' number of questionnaires, a certain number had to be rescanned and physically checked. To facilitate this, a suspense database was created.
- ✓ **Exporting data** -Imaging was done to validate that all the hand written characters were properly captured.
- ✓ **Data analysis** - after checking the data for possible errors, it was exported to SPSS. Thereafter comparisons were made between the formic data and SPSS data. After analysis, tables were checked for logic before being passed on for reporting! Consultancy employed the best and latest versions of leading market research analysis software available at the time. Software used by consultancy for data analysis included SPSS™, Quantum, Quanvert and Formic.

Reporting and Modelling

As indicated in the TOR, analysis of the data was under the guidance of consultant and the task force and involved in-depth analysis using a variety of statistical analysis methods. It involved:-

- Tabulation within an industry standard electronic format
- Workshop to develop the analysis plan
- Following the plan for a presentation to the EAC
- Finalizing report based on feedback including segmentation modelling
- Offering all support needed for dissemination

KEY INFORMANT INTERVIEWS (KIIS)

The aims of the Key informant interviews (KIIs) were to gain perspectives from those stakeholder group not covered in detail by other instruments but seen as having an important role in improving access to financial services through financial education.

KIIs gained information in specific areas where key informants had specialized knowledge, and provided further depth to the study and allowed for some cross-checking of responses from the supply side questions for topics relating to financial literacy provision. Due to the confidentiality issues, KIIs were more appropriate in the cases of regulators, banks, insurances, capital markets, pensions, MFIs, and Sacco's stakeholders where filing of questionnaires might not be appropriate but where a discussion gave better results.

The KIIs also provided information regarding the existing policy, regulations, and institutional and legal framework conditions enabling or hindering the financial education development and suggested appropriate solutions. This information was gathered from the various financial regulators (Central Bank of Uganda, Sacco Societies Regulatory Authority, Insurance Regulatory Authority, The National Treasury, etc.), Ministries, Department and Agencies and key players / stakeholders in the financial services sector.

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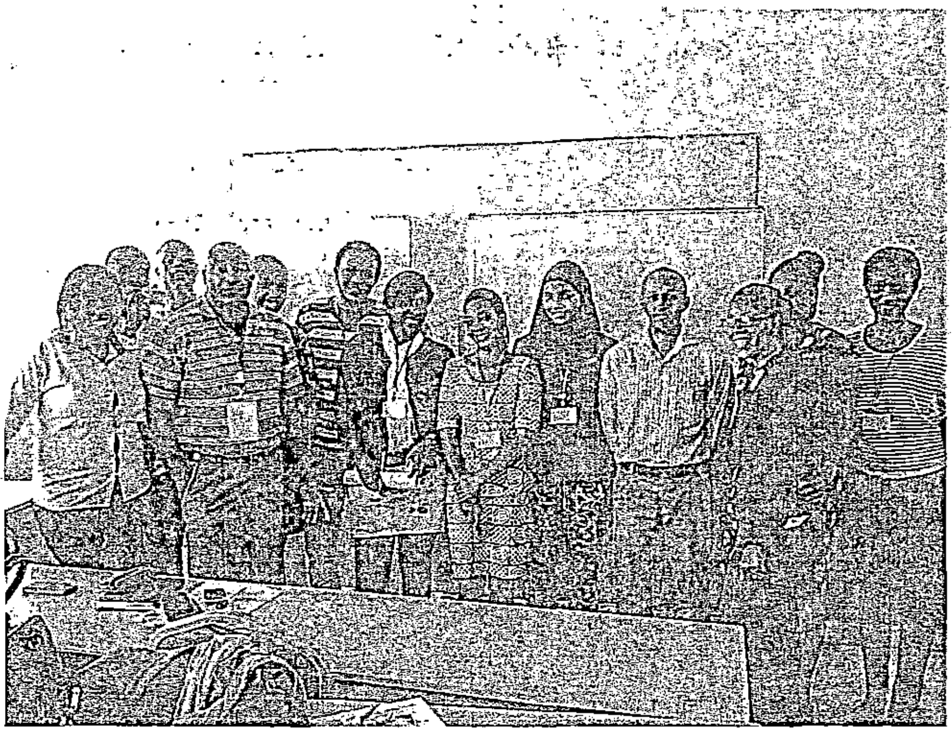
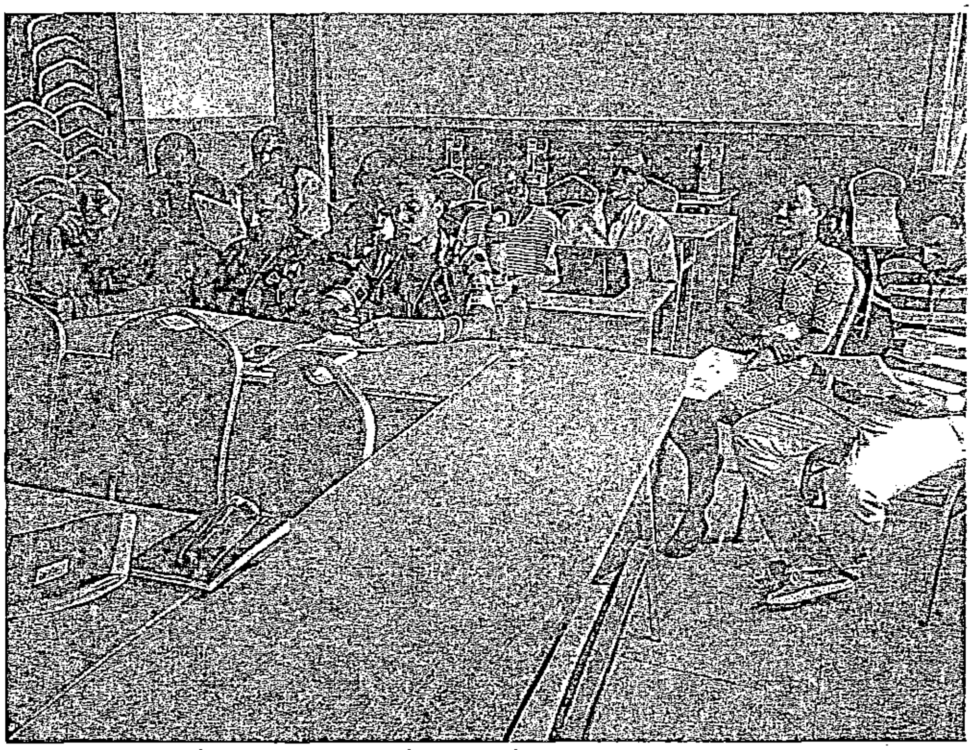
27. Field Teams – Pictorial

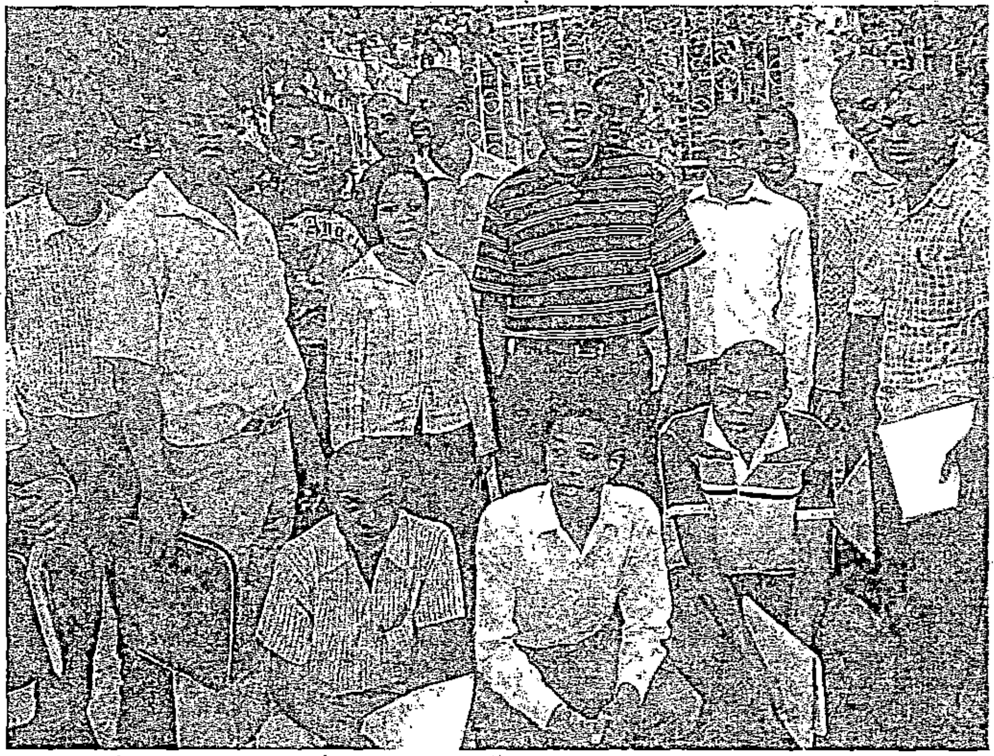
1. Team Uganda, Group Photo after completion of field-work, Kampala



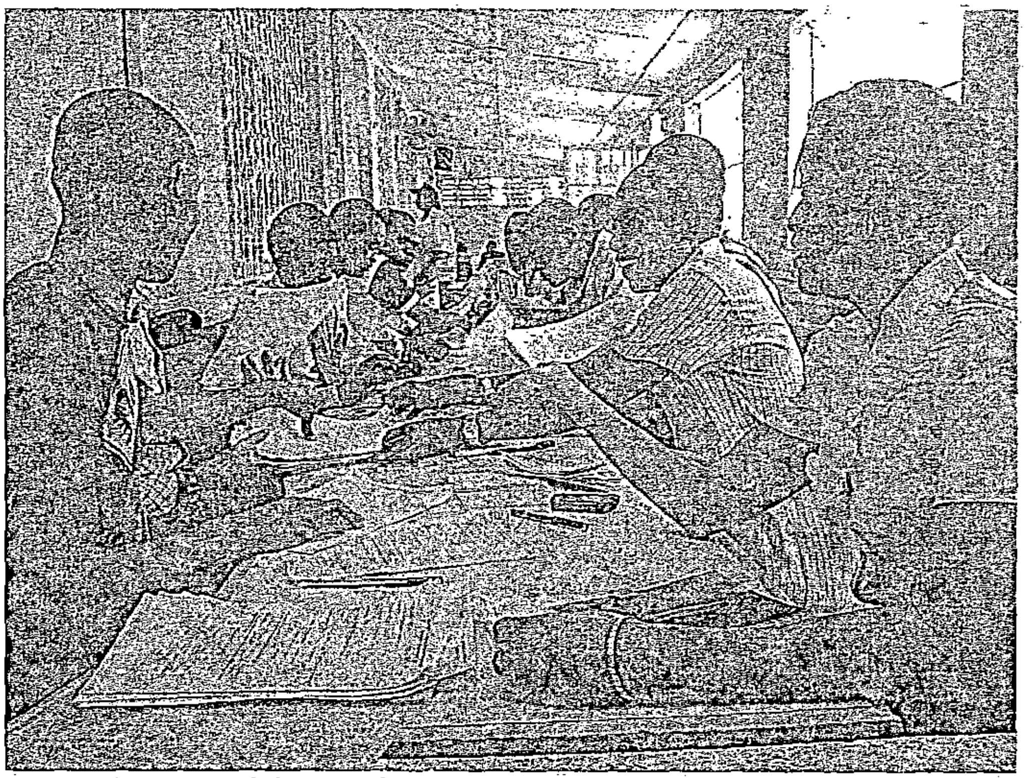
2. Team Rwanda, Group Photo after Training Session, Kigali



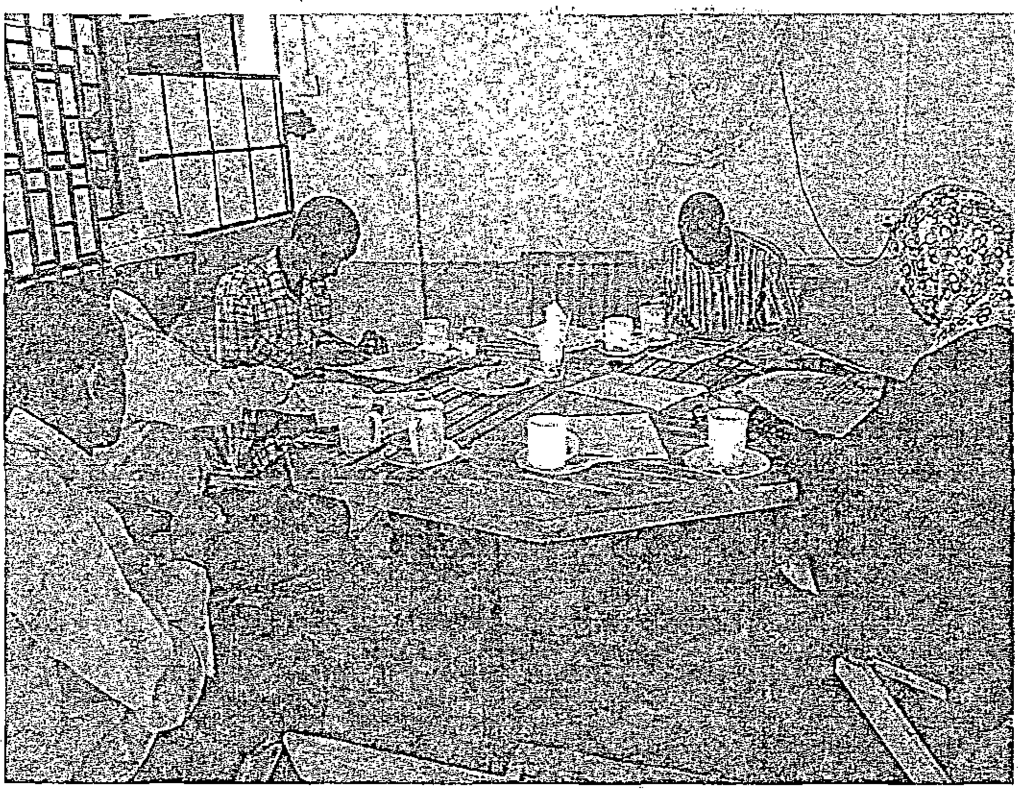
3. Team Rwanda, Training Session Kigali



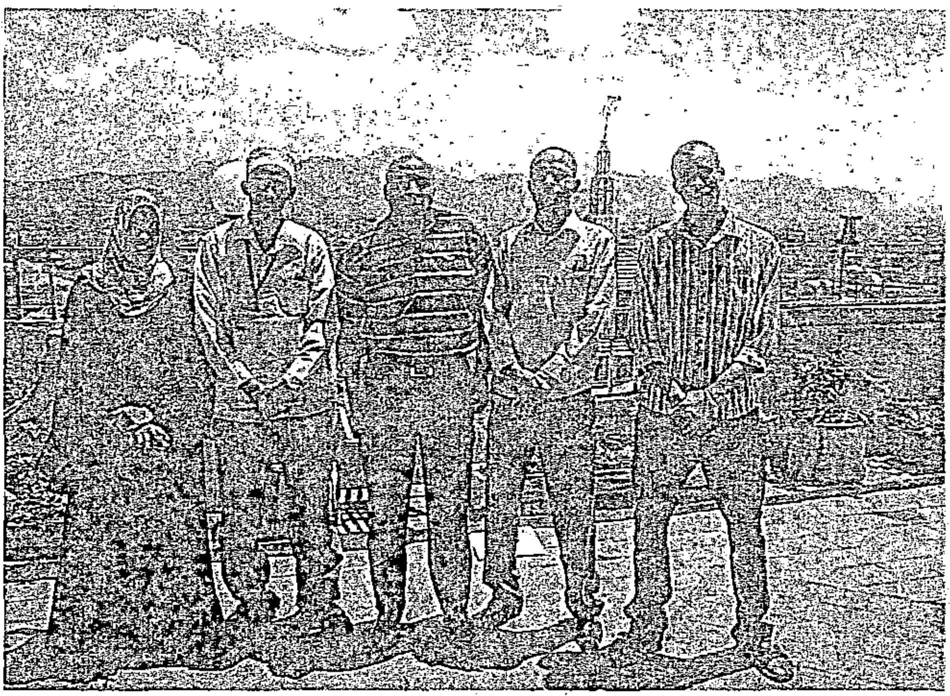
4. Team Kenya, Group photo



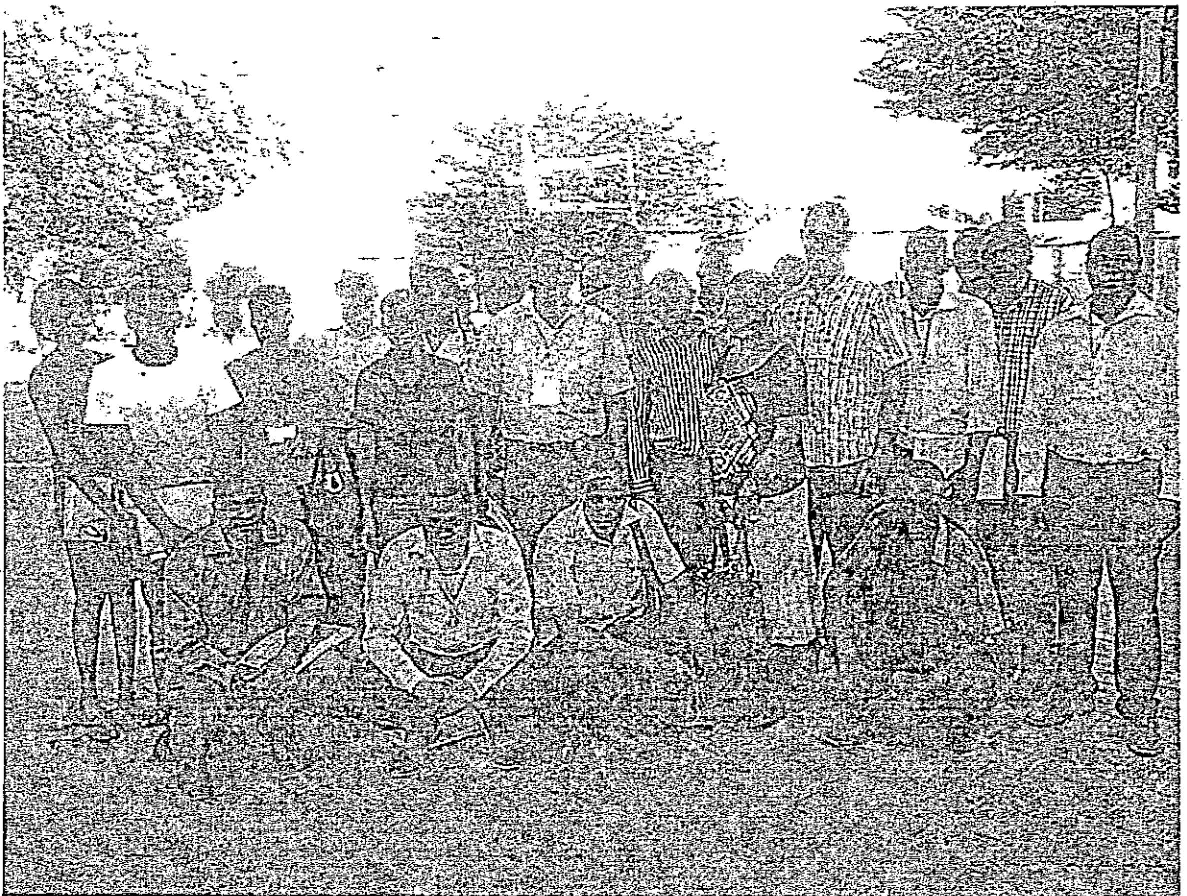
5. Team Kenya, Training session



6. Team Kenya, Training session Isiolo

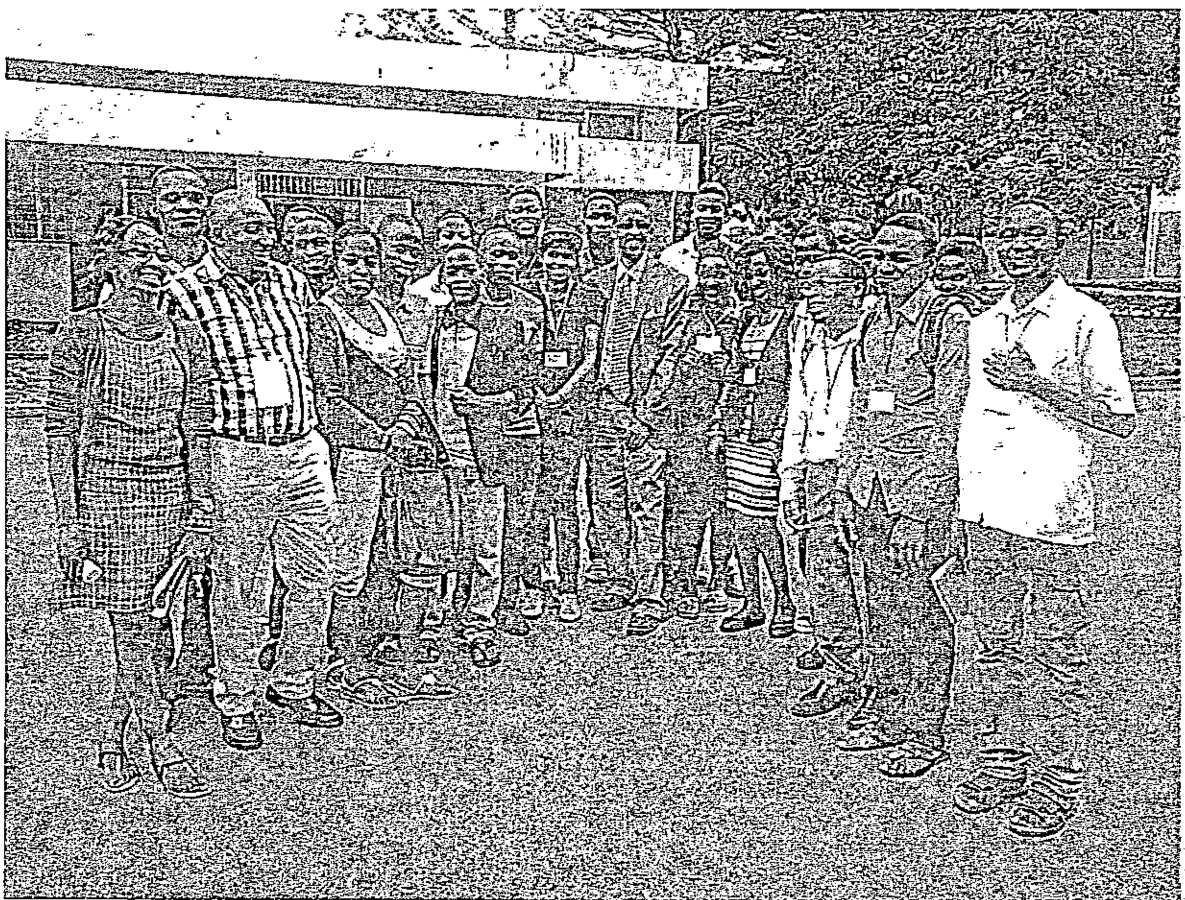


7. Part of Team Kenya, Training Session, Isiolo



8. Team Tanzania

9. Team Tanzania, Training Session, Bandari club, Dar-es-Salaam



10. Team Uganda, Nakawa, Kampala

28. Mined Data: Tabulation

How the family managed ends when income dropped.

Measures Taken	Country				
	Burundi	Kenya	Rwanda	Tanzania	Uganda
Cut down expenses and save	22.8%	28.0%	22.6%	23.8%	32.3%
Borrow from friends and relatives	29.8%	13.6%	11.3%	24.2%	12.5%
Spend savings	5.3%	16.6%	13.8%	12.1%	11.9%
Use credit card	4.4%	1.8%	5.1%	2.6%	3.5%
Sold securities/shares	1.8%	2.4%	1.5%	1.9%	2.5%
Took bank credit	7.9%	5.6%	9.2%	4.7%	3.9%
Received free money from friends and relatives	1.8%	2.4%	8.7%	3.6%	5.3%
Found other sources of income	13.2%	16.2%	7.2%	15.6%	12.7%
Found it difficult to answer question	2.6%	2.4%	2.1%	3.9%	2.3%
Refused	7.0%	9.3%	6.2%	5.5%	10.6%

What deserves primary attention when comparing between the banks to take a credit from?

Factors considered	Country				
	Burundi	Kenya	Rwanda	Tanzania	Uganda
Bank's reputation and reliability	24.6%	31.2%	29.2%	21.7%	25.6%
View of Bank's office and qualifications of personnel	11.4%	9.3%	3.1%	10.6%	9.0%
Credit interest rate and the credit cost	30.7%	47.1%	53.8%	39.4%	39.1%
Gifts and advertising campaigns	3.5%	4.5%	2.6%	3.6%	6.7%
Cannot estimate it even roughly	29.8%	7.9%	11.3%	24.6%	19.6%

When does use of credit card when buying justified?					
Justification	Country				
	Burundi	Kenya	Rwanda	Tanzania	Uganda
If shop has goods respondent needs	17.5%	19.0%	11.3%	18.5%	26.0%
If interest rate on credit is higher than on deposit	27.2%	23.1%	18.5%	18.8%	19.4%
If paying for education that allow get better paid job	22.8%	20.0%	32.3%	14.9%	17.4%
If paying for vacation yet lack liquid cash- money	10.5%	18.0%	10.3%	14.0%	8.8%
Could not say anything even roughly	12.3%	7.7%	8.7%	18.8%	11.5%
Refused	9.6%	12.2%	19.0%	15.0%	16.8%

		Country				
		Burundi	Kenya	Rwanda	Tanzania	Uganda
Financial market activities / tendencies keenly followed	Changes in the property market	12.3%	10.4%	6.7%	8.9%	8.2%
	Changes of indices in the capital market	7.9%	4.8%	3.1%	5.7%	5.3%
	Changes of interest rates on deposits	5.3%	8.7%	5.1%	9.9%	10.4%
	Changes of interest rates on credits	7.9%	11.0%	8.2%	6.7%	10.4%
	Changes in the inflation rate	20.2%	23.3%	13.3%	16.2%	24.9%
	Changes in public pensions, and tax exemptions	9.6%	7.3%	3.1%	8.9%	6.1%
	Price fluctuations for oil, gold, metals, etc.	4.4%	5.1%	9.2%	6.3%	4.1%
	Other.	0.9%	2.0%	3.6%	1.7%	3.9%
	Don't watch any trends	24.6%	17.6%	12.3%	25.4%	16.2%
	Found it difficult to answer question	3.5%	4.9%	8.7%	8.0%	7.4%

In case of an extra 40% increase in income, how would it be spent?					
	Country				
	Burundi	Kenya	Rwanda	Tanzania	Uganda

Spend it on the purchase of household goods	14.0%	9.6%	11.3%	17.1%	11.9%
Would add more money and buy a plot of land, a car.	18.4%	15.6%	24.6%	17.9%	11.7%
Make a long-term savings so as for more expensive goods.	6.1%	12.0%	12.3%	12.5%	19.8%
Make reserves for future eventualities unexpected events	4.4%	6.8%	6.2%	5.0%	3.3%
Repay earlier debts	4.4%	7.2%	8.7%	3.2%	5.1%
Spend it on entertainment, travel or vacation	0.9%	0.7%	0.5%	0.6%	0.8%
Invest it in own business	18.4%	22.8%	13.8%	16.9%	22.7%
Spend it on education and child development	6.1%	7.7%	8.7%	5.7%	6.5%
Spend it on upgrade skills, training for a new profession	1.8%	3.4%	1.5%	0.9%	3.5%
Spend it on self and family medical treatment	1.8%	0.7%	0.5%	1.0%	1.4%
Purchase an insurance policy and/or voluntary pension	0.9%	1.3%	1.0%	2.2%	0.4%
Spend gold, jewels and the like	0.9%	-		0.9%	-
Invest in bank deposit at an interest rate	2.6%	5.2%	2.6%	3.6%	3.1%
Spend on shares, companies stock and government bonds	6.1%	3.8%	0.5%	3.9%	3.7%
Other expenditure	1.8%	0.6%	3.1%	1.5%	2.7%
Found it difficult to answer question	11.4%	2.8%	4.6%	7.1%	3.3%

How the family usually manages its everyday revenues					
	Country				
	Burundi	Kenya	Rwanda	Tanzania	Uganda
Save first and spend the rest on everyday needs	51.8%	44.3%	44.6%	44.2%	43.4%
Spend money on the everyday needs and save the rest	34.2%	38.5%	34.4%	41.1%	38.7%
Spend all on everyday needs and do not save anything	8.8%	10.8%	8.7%	9.0%	11.9%

Found it difficult to answer question	5.3%	6.3%	12.3%	5.7%	5.9%

Family's / personal reasons for savings or investments					
	Country				
	Burundi	Kenya	Rwanda	Tanzania	Uganda
For "a rainy day" or unexpected expenses	14.0%	13.4%	13.8%	15.7%	8.2%
For retirement	6.1%	9.0%	5.6%	5.1%	14.5%
To earn income through interest increased market value of assets, etc.	12.3%	10.0%	2.6%	6.9%	7.6%
To leave something for children to inherit	9.6%	3.4%	1.0%	5.5%	4.1%
To increase living standards in the future	6.1%	10.5%	10.3%	9.3%	13.9%
Prefer saving rather than spending	22.8%	25.0%	12.8%	27.7%	23.3%
So as to be independent and make choices	6.1%	3.8%	4.1%	7.3%	4.7%
To speculate on the stock exchange	7.0%	8.6%	3.6%	6.0%	6.8%
As part of family tradition	0.9%	1.7%		1.6%	1.4%
For another reason other than stated	1.8%	0.7%	0.5%	2.5%	1.2%
Found it difficult to answer question	5.3%	2.7%	1.0%	3.8%	4.7%
Refused		0.7%	2.1%	1.5%	2.0%

What financial services from the given below do your family members use?					
	Country				
	Burundi	Kenya	Rwanda	Tanzania	Uganda
Consumer credit	6.1%	8.6%	0.5%	4.5%	7.8%
Bank current account	30.7%	24.5%	12.8%	27.1%	14.5%
Bank deposit account	21.9%	30.0%	12.3%	27.0%	23.5%
Currency exchange	5.3%	4.4%	2.1%	3.4%	3.5%
Bank plastic card	7.9%	2.3%	13.8%	3.5%	2.5%
Mortgage loan	1.8%	1.1%	3.1%	2.3%	2.2%
Insurance policies	0.9%	2.7%	1.0%	2.0%	2.9%
Investments in unit funds	0.9%	1.4%		1.2%	1.6%
Investments in companies' stock	0.9%	0.6%		0.9%	0.4%
Private pension fund policies	0.9%	0.8%		0.7%	1.0%

Other services	7.0%	3.7%	4.6%	7.1%	8.0%
None of the above	2.6%	4.4%	1.0%	5.1%	10.6%
Found it difficult to answer question	1.8%	1.1%	1.5%	1.2%	2.3%
Refused	1.8%	2.8%	4.6%	2.2%	7.8%

		Country				
		Burundi	Kenya	Rwanda	Tanzania	Uganda
What financial services of the listed do respondent use?	Consumer credit	6.1%	8.6%	5%	4.5%	7.8%
	Bank current account	30.7%	24.5%	12.8%	27.1%	14.5%
	Bank deposit account	21.9%	30.0%	12.3%	27.0%	23.5%
	Currency exchange	5.3%	4.4%	2.1%	3.4%	3.5%
	Credit card	4.4%	5.6%	6.2%	6.0%	6.5%
	Bank plastic card	7.9%	2.3%	13.8%	3.5%	2.5%
	Mortgage loan	1.8%	1.1%	3.1%	2.3%	2.2%
	Insurance policies	.9%	2.7%	1.0%	2.0%	2.9%
	Investments in unit funds	.9%	1.4%		1.2%	1.6%
	Investments in companies' stock	.9%	.6%		.9%	.4%
	Private pension fund policies	.9%	.8%		.7%	1.0%
	Other services	7.0%	3.7%	4.6%	7.1%	8.0%
	None of the above	2.6%	4.4%	1.0%	5.1%	10.6%
	Found it difficult to answer question	1.8%	1.1%	1.5%	1.2%	2.3%
	Refused	1.8%	2.8%	4.6%	2.2%	7.8%

		Country				
		Burundi	Kenya	Rwanda	Tanzania	Uganda
What financial services does respondent plan to use in the next 2 years?	Consumer credit	3.5%	5.9%	3.6%	2.8%	3.7%
	Bank current account	25.4%	13.6%	8.2%	18.1%	14.1%
	Bank deposit account	14.9%	13.1%	1.5%	16.6%	13.1%
	Currency exchange	4.4%	4.1%	1.0%	3.6%	3.1%
	Credit card	1.8%	7.2%	3.6%	4.8%	9.4%
	Bank plastic card	2.6%	4.9%	6.2%	1.9%	1.2%
	Mortgage loan	6.1%	13.2%	16.4%	4.7%	6.5%
	Insurance policies	1.8%	5.1%	4.6%	5.0%	5.1%
	Investments in unit funds	7.9%	4.5%	3.1%	7.9%	5.7%
	Investments in companies' stock	9.6%	5.3%	7.7%	11.4%	11.2%

	Private pension fund policies	2.6%	4.2%	-	3.8%	2.7%
	Other financial service	7.0%	5.2%	3.1%	2.9%	4.9%
	None of the above	4.4%	3.0%	2.6%	4.8%	6.3%
	Found it difficult to answer question	3.5%	2.4%	5.6%	4.4%	8.0%

		Country				
		Burundi	Kenya	Rwanda	Tanzania	Uganda
How often do respondent compare T & Cs for Financial services before purchase.	Always	21.1%	39.0%	27.7%	26.2%	32.7%
	Sometimes	49.1%	27.3%	39.0%	35.1%	32.3%
	Rarely	14.9%	24.1%	15.9%	20.3%	18.0%
	Never	9.6%	6.2%	8.7%	13.1%	9.4%
	Found it difficult to answer question	5.3%	3.5%	8.7%	5.1%	7.6%

Sources of information paid attention to when choosing a company to buy a service from * Country Cross tabulation

		Country				
		Burundi	Kenya	Rwanda	Tanzania	Uganda
Sources of information paid attention to when choosing a company to buy a service from	Advertisements	36.0%	17.0%	20.0%	32.9%	22.5%
	Consultants from the service provider	14.9%	16.5%	8.7%	8.5%	15.9%
	Provider's Information materials; tariffs and services	14.9%	21.2%	7.2%	13.8%	11.4%
	Independent financial consultants or brokers	2.6%	8.4%	4.1%	3.4%	6.3%
	Advice of friends and relatives	5.3%	10.0%	6.7%	9.9%	7.6%
	Analytical materials published in mass media	6.1%	6.8%	2.1%	5.4%	4.9%
	Employer's advice	3.5%	2.8%	1.5%	2.6%	2.5%
	Internet resources	4.4%	3.7%	3.1%	7.3%	8.2%
	Other sources	1.8%	2.1%	2.1%	2.3%	4.3%

	Found it difficult to answer question	.9%	1.8%	5.1%	3.4%	3.3%
	No answer	.9%	3.8%	6.7%	2.8%	7.8%

		Country				
		Burundi	Kenya	Rwanda	Tanzania	Uganda
In case conflict with a financial organization arises, how sure on resolution?	Completely sure	14.9%	10.1%	6.2%	9.6%	8.2%
	Rather sure	9.6%	11.4%	9.2%	6.1%	10.2%
	Fifty-fifty	24.6%	27.4%	37.9%	27.4%	30.3%
	Not quite sure	21.9%	29.3%	19.5%	20.6%	22.5%
	Not sure at all	12.3%	13.9%	13.3%	14.7%	10.4%
	Found it difficult to answer question	11.4%	3.4%	4.1%	14.0%	4.1%
	Refused	5.3%	4.5%	9.7%	7.6%	14.3%

		Country				
		Burundi	Kenya	Rwanda	Tanzania	Uganda
Is the respondent aware of the maximum level of deposit entirely insured by govts, in case of bankruptcy by the bank?	Yes	14.0%	15.5%	8.7%	18.8%	20.2%
	No	86.0%	84.5%	91.3%	81.2%	79.8%

*Did make a purchase of financial service in the last 5 years that was later regretted? **

% within Country

	Country

		Burundi	Kenya	Rwanda	Tanzania	Uganda
Did make a purchase of financial service in the last yrs. that was later regretted?	Yes	36.0%	39.5%	53.8%	33.8%	37.0%
	No	58.8%	56.5%	41.0%	59.9%	55.2%
	Found it difficult to answer question	5.3%	3.9%	5.1%	6.3%	7.6%

	Did make a purchase of financial service in the last 5 years that was later regretted?					
		Country				
		Burundi	Kenya	Rwanda	Tanzania	Uganda
What step of action taken after the realization	Nothing	24.4%	19.9%	25.7%	22.8%	23.8%
	Stopped using the service before the contract expired	14.6%	35.6%	20.0%	28.9%	24.9%
	Submitted a grievance to the company (seller)	26.8%	24.9%	12.4%	21.1%	13.2%
	Submitted a claim to a government authority	9.8%	7.1%	8.6%	9.5%	17.5%
	Other	14.6%	7.5%	13.3%	8.2%	12.2%
	Found it difficult to answer question	2.4%	1.8%	12.4%	2.2%	2.6%
	Refused	7.3%	3.2%	7.6%	7.3%	5.8%

		Country				
		Burundi	Kenya	Rwanda	Tanzania	Uganda
What approximate level of losses insured by the government on shares of a citizen in case of financial crisis?	$0; government does not insure against losses	6.1%	13.1%	8.7%	8.5%	13.7%
	$ 200	4.4%	3.5%	4.1%	3.5%	7.0%
	$1000	6.1%	3.8%	3.1%	2.6%	4.5%
	$4000	3.5%	1.7%	2.6%	2.0%	1.8%
	$10,000		1.3%	1.5%	1.3%	2.9%
	The government insures all full amount	31.6%	16.6%	9.2%	19.5%	13.5%
	Found it difficult to answer question	48.2%	60.1%	70.8%	62.5%	56.6%

		Country				
		Burundi	Kenya	Rwanda	Tanzania	Uganda
Which are most interesting topics to learn about in a personal financial training course?	Setting financial targets, drawing financial plan	31.6%	21.5%	6.2%	27.6%	25.8%
	How to avoid falling into debt when using credits.	1.8%	2.7%		3.2%	3.7%
	How to plan and evaluate financial abilities to make purchases of durables (car, apartment).	4.4%	5.3%	2.1%	4.2%	5.1%
	How pension scheme work and to secure old age income	2.6%	4.9%	1.0%	4.2%	5.5%
	Banking services – current accounts, saving deposits, and plastic card.	4.4%	6.0%	5.1%	7.1%	8.6%
	Consumer credits to purchase goods and services	4.4%	3.4%	4.1%	3.4%	3.3%
	Mortgage loans	.9%	2.3%	1.5%	1.7%	2.0%
	Insurance and insurance products	4.4%	2.1%	1.0%	2.9%	3.7%
	Private pension funds	2.6%	1.0%	1.5%	2.5%	1.0%
	Capital markets, stock and unit fund shares	7.9%	4.1%	3.6%	7.3%	4.9%
	Sources of information on financial services, how to interpret the information from the objective one	8.8%	6.9%	1.5%	6.1%	5.1%
	Comparison of services offered by banks and other financial companies	2.6%	1.8%	.5%	.7%	.8%
	Consumer rights protection laws and what one needs to do when such rights are violated	.9%	3.1%	2.6%	3.4%	3.3%
	Information to pay attention to when signing a contract with a bank or another financial company.	1.8%	2.3%	1.0%	2.2%	3.5%
	Not interested in any of such topics	1.8%	1.3%	3.1%	3.9%	5.5%
	Found it difficult to answer question	6.1%	3.2%	4.1%	4.8%	8.8%

		Country				
		Burundi	Kenya	Rwanda	Tanzania	Uganda
resp ond ent woul d	Consumer credit	6.1%	6.0%	2.1%	3.4%	4.5%

	Bank current account	19.3%	9.0%	5.6%	14.9%	10.4%
	Bank deposit account	21.1%	8.0%	2.1%	13.3%	10.6%
	Currency exchange	0.9%	4.5%	4.1%	4.5%	4.5%
	Credit card	2.6%	5.3%	4.6%	5.8%	3.5%
	Bank plastic card	0.9%	4.6%	6.2%	2.8%	2.9%
	Mortgage loan	2.6%	16.6%	8.7%	5.1%	9.0%
	Insurance policies	6.1%	9.7%	5.6%	5.8%	8.4%
	Investments in unit funds	3.5%	5.3%	3.6%	7.0%	5.7%
	Investments in companies' stock	14.0%	8.3%	8.2%	15.5%	13.7%
	Private pension fund policies	6.1%	5.3%	5.6%	6.1%	6.5%
	Other services	5.3%	2.4%	2.1%	1.9%	3.1%
	None of the above	0.9%	2.4%	1.5%	3.2%	4.9%
	Found it difficult to answer question	2.6%	1.5%	3.6%	1.9%	4.7%

		Country				
		Burundi	Kenya	Rwanda	Tanzania	Uganda

Q. 35 Sources of information paid attention to when choosing a company to buy a service from	Advertisements	36.0%	17.0%	20.0%	32.9%	22.5%
	Consultants from the service provider	14.9%	16.5%	8.7%	8.5%	15.9%
	Provider's Information materials; tariffs and services	14.9%	21.2%	7.2%	13.8%	11.4%
	Independent financial consultants or brokers	2.6%	8.4%	4.1%	3.4%	6.3%
	Advice of friends and relatives	5.3%	10.0%	6.7%	9.9%	7.6%
	Analytical materials published in mass media	6.1%	6.8%	2.1%	5.4%	4.9%
	Employer's advice	3.5%	2.8%	1.5%	2.6%	2.5%
	Internet resources	4.4%	3.7%	3.1%	7.3%	8.2%
	Other sources	1.8%	2.1%	2.1%	2.3%	4.3%
	Found it difficult to answer question	0.9%	1.8%	5.1%	3.4%	3.3%
	No answer	0.9%	3.8%	6.7%	2.8%	7.8%

	Most trusted Institutions to offer Financial Literacy Program				
Rank	Burundi	Kenya	Rwanda	Tanzania	Uganda
First	**Commercial bank**	**Non-government organizations or public organizations involved in consumer rights protection**	**Non-government organizations or public organizations involved in consumer rights protection**	**Commercial bank**	**Non-government organizations or public organizations involved in consumer rights protection**
Second	Non-government organizations or public organizations involved in consumer rights protection	Government entities regulating markets	Independent financial consultants	Non-government organizations or public organizations involved in consumer rights protection	Mass media (journalists and TV presenters)
Third	**Government entities regulating markets**	**Commercial bank**	**Higher education institutions of economic and financial profile**	**Mass media (journalists and TV presenters)**	**Higher education institutions of economic and financial profile**
Fourth	Mass media (journalists and TV presenters)	Mass media (journalists and TV presenters)	Mass media (journalists and TV presenters)	Higher education institutions of economic and financial profile	Commercial bank
Fifth	**Pension fund and/or insurance companies**	**Higher education institutions of economic and financial profile**	**Government entities regulating markets**	**Government entities regulating markets**	**Government entities regulating markets**
Sixth	Higher education institutions of economic and financial profile	Unit investment funds (management companies)	Commercial bank	Pension fund and/or insurance companies	Independent financial consultants
Seventh	**Unit investment funds (management companies)**	**Independent financial consultants**	**Unit investment funds (management companies)**	**Independent financial consultants**	**Pension fund and/or insurance companies**
Eighth	Independent financial consultants	Pension fund and/or insurance companies	Pension fund and/or insurance companies	Unit investment funds (management companies)	Unit investment funds (management companies)
Ninth	Other people	Other people	Other people	Other people	Other people

	Financial market activities / tendencies keenly followed				
Rank	**Burundi**	**Kenya**	**Rwanda**	**Tanzania**	**Uganda**

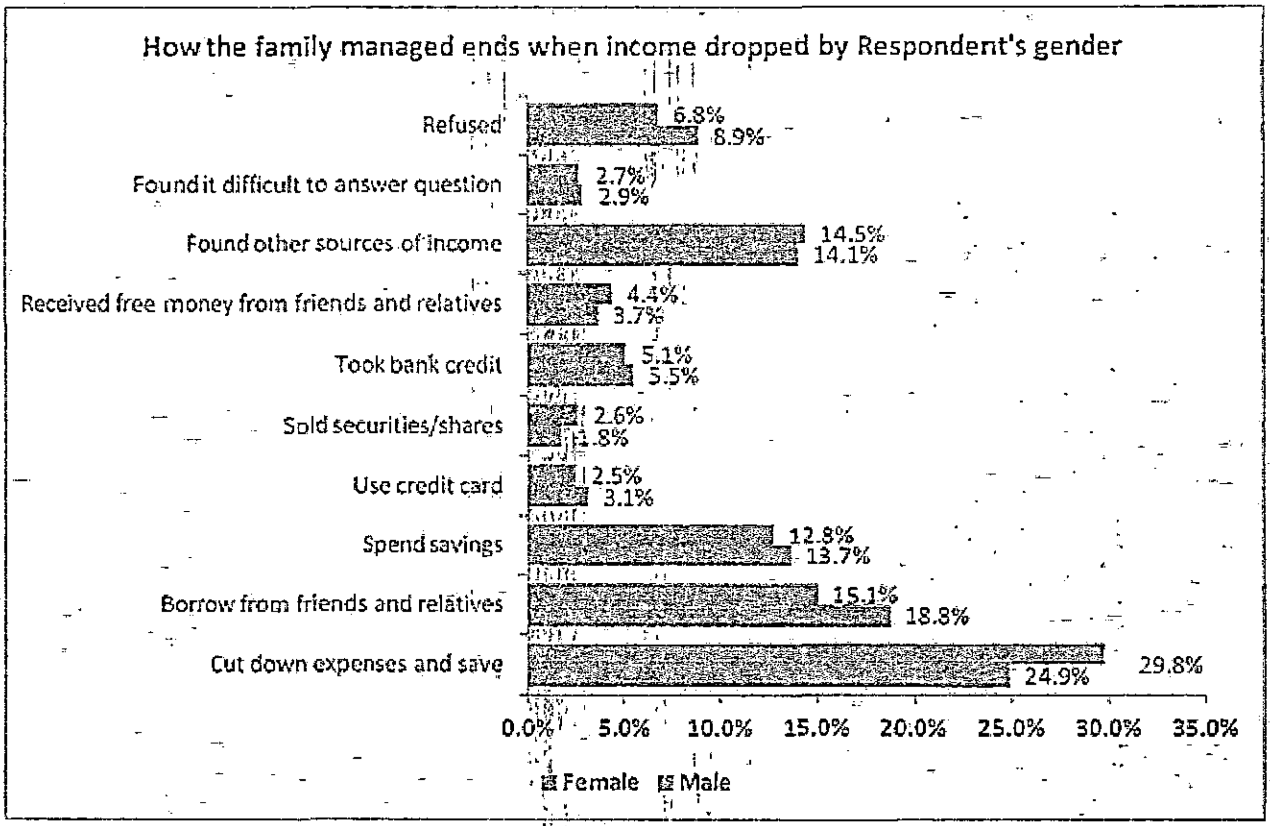
First	**Don't watch any trends**	**Changes in the inflation rate**	**Changes in the inflation rate**	**Don't watch any trends**	**Changes in the inflation rate**
Second	Changes in the inflation rate	Don't watch any trends	Don't watch any trends	Changes in the inflation rate	Don't watch any trends
Third	**Changes in the property market**	**Changes of interest rates on credits**	**Price fluctuations for oil, gold, metals, etc.**	**Changes of interest rates on deposits**	**Changes of interest rates on deposits**
Fourth	Changes in public pensions, and tax exemptions	Changes in the property market	Found it difficult to answer question	Changes in the property market	Changes of interest rates on credits
Fifth	**Changes of indices in the capital market**	**Changes of interest rates on deposits**	**Changes of interest rates on credits**	**Changes in public pensions, and tax exemptions**	**Changes in the property market**
Sixth	Changes of interest rates on credits	Changes in public pensions, and tax exemptions	Changes in the property market	Found it difficult to answer question	Found it difficult to answer question
Seventh	Changes of interest rates on deposits	Price fluctuations for oil, gold, metals, etc.	Changes of interest rates on deposits	Changes of interest rates on credits	Changes in public pensions, and tax exemptions
Eighth	Price fluctuations for oil, gold, metals, etc.	Found it difficult to answer question	Other	Price fluctuations for oil, gold, metals, etc.	Changes of indices in the capital market
Ninth	Found it difficult to answer question	Changes of indices in the capital market	Changes of indices in the capital market	Changes of indices in the capital market	Price fluctuations for oil, gold, metals, etc.
Tenth	Other	Other	Changes in public pensions, and tax exemptions	Other	Other

What financial services does respondent would like additional information about?					
Rank	Burundi	Kenya	Rwanda	Tanzania	Uganda
First	**Bank deposit account**	**Mortgage loan**	**Mortgage loan**	**Investments in companies' stock**	**Investments in companies' stock**
Second	Bank current account	Insurance policies	Investments in companies' stock	Bank current account	Bank deposit account

Third	Investments in companies stock	Bank current account	Bank plastic card	Bank deposit account	Bank current account
Fourth	Consumer credit	Investments in companies' stock	Bank current account	Investments in unit funds	Mortgage loan
Fifth	Insurance policies	Bank deposit account	Insurance policies	Private pension fund policies	Insurance policies
Sixth	Private pension fund policies	Consumer credit	Private pension fund policies	Credit card	Private pension fund policies
Seventh	Other services	Credit card	Credit card	Insurance policies	Investments in unit funds
Eighth	Investments in unit funds	Investments in unit funds	Currency exchange	Mortgage loan	None of the above
Ninth	Credit card	Private pension fund policies	Investments in unit funds	Currency exchange	Found it difficult to answer question
Tenth	Mortgage loan	Bank plastic card	Found it difficult to answer question	Consumer credit	Consumer credit
Eleventh	Found it difficult to answer question	Currency exchange	Consumer credit	None of the above	Currency exchange
Twelfth	Currency exchange	Other services	Bank deposit account	Bank plastic card	Credit card
Thirteenth	Bank plastic card	None of the above	Other services	Other services	Other services
Fourteenth	None of the above	Found it difficult to answer question	None of the above	Found it difficult to answer question	Bank plastic card

Sources of information paid attention to when choosing a company to buy a service from					
	Country				
Rank	Burundi	Kenya	Rwanda	Tanzania	Uganda
First	Advertisements	Provider's Information materials; tariffs and services	Advertisements	Advertisements	Advertisements
Second	Consultants from the service provider	Advertisements	Consultants from the service provider	Provider's Information materials; tariffs and services	Consultants from the service provider

Third	**Provider's Information materials, tariffs and services**	**Consultants from the service provider**	**Provider's Information materials, tariffs and services**	**Advice of friends and relatives**	**Provider's Information materials, tariffs and services**
Fourth	Analytical materials published in mass media	Advice of friends and relatives	Advice of friends and relatives	Consultants from the service provider	Internet resources
Fifth	**Advice of friends and relatives**	**Independent financial consultants or brokers**	**No answer**	**Internet resources**	**No answer**
Sixth	Internet resources	Analytical materials published in mass media	Found it difficult to answer question	Analytical materials published in mass media	Advice of friends and relatives
Seventh	Employer's advice	No answer	Independent financial consultants or brokers	Independent financial consultants or brokers	Independent financial consultants or brokers
Eighth	Independent financial consultants or brokers	Internet resources	Internet resources	Found it difficult to answer question	Analytical materials published in mass media
Ninth	Other sources	Employer's advice	Analytical materials published in mass media	No answer	Other sources
Tenth	Found it difficult to answer question	Other sources	Other sources	Employer's advice	Found it difficult to answer question
Eleventh	**No answer**	**Found it difficult to answer question**	**Employer's advice**	**Other sources**	**Employer's advice**



		Respondent's age category				
		18-24 years	25-34 years	35-44 years	45-59 years	60 and over
How the family managed ends when income dropped.	Cut down expenses and save	26.7%	30.3%	24.8%	23.3%	13.0%
	Borrow from friends and relatives	14.9%	16.4%	21.6%	14.5%	33.3%
	Spend savings	12.2%	13.7%	15.0%	11.0%	16.7%
	Use credit card	3.2%	2.8%	2.6%	2.2%	5.6%
	Sold securities/shares	2.4%	1.6%	1.9%	3.5%	3.7%
	Took bank credit	4.7%	5.3%	4.9%	9.3%	1.9%
	Received free money from friends and relatives	5.2%	2.5%	3.2%	6.2%	9.3%
	Found other sources of income	17.4%	14.4%	10.5%	14.5%	5.6%
	Found it difficult to answer question	3.4%	3.0%	1.7%	3.1%	3.7%
	Refused	8.1%	7.4%	8.8%	8.8%	7.4%

		Respondent's Highest level of Education						
		Primary or lower education	Incomplete secondary education	Secondary education (general or vocational school)	Special vocational education (technical college)	Incomplete higher education	Higher education	Post graduate
What family does when out of money before next income?	Cut down expenses and save	17.1%	24.2%	24.8%	23.5%	31.7%	29.4%	31.4%
	Borrow from friends and relatives	47.0%	31.3%	30.6%	26.3%	28.2%	24.9%	15.7%
	Spend the savings	17.1%	21.8%	22.5%	26.0%	20.9%	23.1%	25.9%
	Use credit card	0.6%	4.7%	2.8%	2.8%	4.5%	4.2%	9.2%
	Sell securities/shares	2.4%	3.3%	3.0%	3.6%	2.4%	1.6%	
	Borrow cash from bank	1.8%	2.4%	2.3%	1.4%	2.4%	1.7%	1.6%
	Receive donation from friends and relatives	3.7%	0.5%	2.8%	1.8%	0.7%	0.7%	1.1%
	Work extra hours or do additional jobs	0.6%	1.4%	2.8%	3.6%	1.0%	3.2%	2.7%
	Withdraw from family business	3.0%	2.8%	1.3%	3.2%	2.8%	3.0%	5.4%
	Other	1.8%	0.5%	1.3%		0.7%	1.3%	
	Found it difficult to answer question	0.6%	0.9%	0.3%	1.1%	1.0%	1.4%	1.1%
	Refused	3.0%	3.3%	2.0%	0.7%	1.0%	1.6%	2.2%

		Respondent's level of earning in the last month						
		Up to 162 USD	162 – 323 USD	323 – 538 USD	538 USD	Nothing in the last month	I find it difficult to answer this question	No answer
What family does when out of money before next income?	Cut down expenses and save	28.5%	29.6%	24.9%	27.6%	26.1%	22.9%	28.5%
	Borrow from friends and relatives	29.2%	22.3%	16.6%	21.6%	30.9%	36.7%	29.4%
	Spend the savings	20.8%	26.8%	30.6%	18.1%	22.2%	22.1%	18.3%
	Use credit card	3.3%	4.3%	6.1%	5.2%	3.5%	3.1%	4.4%
	Sell securities/shares	3.3%	1.5%	1.7%	2.6%	2.6%	1.7%	2.8%
	Borrow cash from bank	2.6%	2.3%	3.1%	1.7%	1.3%	1.7%	0.8%
	Receive donation from friends and relatives	2.3%	1.8%	1.3%	0.9%	0.9%	0.9%	1.4%
	Work extra hours or do additional jobs	2.8%	1.3%	4.8%		2.6%	2.6%	2.5%
	Withdraw from family business	3.0%	3.0%	3.9%	6.0%	3.5%	0.9%	3.0%
	Other	0.5%	1.0%	0.4%	3.4%	0.9%	0.9%	0.8%
	Found it difficult to answer question	0.2%	-	0.9%	0.9%	1.3%	2.2%	1.4%
	Refused	0.7%	1.8%	2.2%	2.6%	0.9%	2.2%	2.8%

		Respondent's gender	
		Male	Female
In case the family received extra 40% increase in income, how would it be spent?	Spend it on the purchase of household goods	12.7%	12.9%
	Would add more money and buy a plot of land, a car.	17.4%	14.9%
	Make a long-term savings so as for more expensive goods.	13.3%	14.2%
	Make reserves for future eventualities unexpected events	5.5%	4.8%
	Repay earlier debts	4.9%	6.2%
	Spend it on entertainment, travel or vacation	0.4%	1.1%
	Invest it in own business	20.0%	19.8%
	Spend it on education and child development	7.3%	6.1%
	Spend it on upgrade skills, training for a new profession	1.9%	3.1%
	Spend it on self and family medical treatment	1.2%	0.7%
	Purchase an insurance policy and/or voluntary pension	1.3%	1.3%
	Spend gold, jewels and the like	0.4%	0.2%
	Invest in bank deposit at an interest rate	4.0%	3.7%
	Spend on shares, companies stock and government bonds	2.8%	4.9%
	Other expenditure	1.7%	1.5%
	Found it difficult to answer question	5.1%	4.6%

		Respondent's age category				
		18-24 years	25-34 years	35-44 years	45-59 years	60 and over
In case the family received extra 40% increase in income, how would it be spent?	Spend it on the purchase of household goods	14.2%	12.1%	11.3%	14.1%	14.8%
	Would add more money and buy a plot of land, a car.	14.6%	16.7%	16.0%	21.1%	14.8%
	Make a long-term savings so as for more expensive goods.	14.3%	14.3%	13.5%	10.6%	11.1%
	Make reserves for future eventualities unexpected events	5.5%	4.2%	6.8%	5.7%	1.9%
	Repay earlier debts	5.2%	5.2%	5.6%	7.0%	5.6%
	Spend it on entertainment, travel or vacation	0.5%	0.6%	1.3%	0.4%	23.0%
	Invest it in own business	18.9%	23.0%	17.9%	17.2%	14.8%
	Spend it on education and child development	3.8%	6.9%	8.3%	10.1%	14.8%
	Spend it on upgrade skills, training for a new profession	4.0%	2.2%	1.3%	1.3%	1.6%
	Spend it on self and family medical treatment	0.8%	1.4%	0.9%	0.2%	3.7%
	Purchase an insurance policy and/or voluntary pension	1.7%	1.1%	1.3%	1.3%	0.9%
	Spend gold, jewels and the like	0.6%	0.1%	0.2%	0.4%	0.5%
	Invest in bank deposit at an interest rate	4.1%	3.7%	4.5%	3.1%	1.9%
	Spend on shares, companies stock and government bonds	4.9%	3.0%	3.6%	3.1%	1.9%
	Other expenditure	1.2%	1.7%	1.7%	1.3%	5.6%
	Found it difficult to answer question	5.8%	3.8%	5.8%	3.1%	9.3%

Respondent's Highest level of Education

		Primary or lower education	Incomplete secondary education	Secondary education (general or vocational school)	Special vocational education (technical college)	Incomplete higher education	Higher education	Post graduate
In case the family received extra 40% increase in income, how would it be spent?	Spend it on the purchase of household goods	19.5%	19.9%	14.9%	14.6%	8.7%	9.9%	8.6%
	Would add more money and buy a plot of land, a car.	18.9%	19.9%	15.2%	17.4%	16.4%	15.3%	15.1%
	Make a long-term savings so as for more expensive goods.	15.2%	10.0%	12.7%	11.7%	11.5%	16.0%	16.2%
	Make reserves for future eventualities unexpected events	2.4%	3.3%	4.6%	4.3%	8.0%	5.0%	9.2%
	Repay earlier debts	9.1%	5.2%	7.6%	5.3%	4.2%	3.9%	5.9%
	Spend it on entertainment, travel or vacation	0.6%	0.5%	1.0%	0.4%	1.0%	0.4%	1.1%
	Invest it in own business	10.4%	17.5%	18.5%	19.6%	23.7%	22.8%	18.4%
	Spend it on education and child development	4.9%	7.1%	7.1%	6.8%	5.6%	7.6%	6.5%
	Spend it on upgrade skills, training for a new profession	1.2%	2.4%	2.3%	2.1%	3.5%	2.7%	1.1%
	Spend it on self and family medical treatment	1.8%	0.9%	0.5%	0.7%	1.4%	0.9%	1.6%
	Purchase an insurance policy and/or voluntary pension	0.6%	1.4%	2.5%	1.4%	0.7%	1.0%	1.1%
	Spend gold, jewels and the like	0.6%	0.8%	0.8%	1.5%	0.3%	0.3%	0.2%
	Invest in bank deposit at an interest rate	3.0%	3.8%	3.3%	4.3%	3.1%	4.6%	3.8%
	Spend on shares, companies stock and government bonds	1.8%	1.4%	3.0%	4.6%	5.6%	3.6%	4.9%
	Other expenditure	4.3%		0.5%	2.5%	2.1%	1.7%	1.1%
	Found it difficult to answer question	5.5%	6.6%	5.6%	4.3%	4.2%	4.2%	5.4%

		Respondent's level of earning in the last month			
		Up to 162 USD	162 – 323 USD	323 – 538 USD	538 USD
In case the family received extra 40% increase in income, how would it be spent?	Spend it on the purchase of household goods	17.8%	11.1%	6.6%	11.2%
	Would add more money and buy a plot of land, a car.	15.4%	18.5%	15.7%	32.8%
	Make a long-term savings so as for more expensive goods.	16.6%	14.9%	14.8%	10.3%
	Make reserves for future eventualities unexpected events.	3.5%	4.1%	4.8%	6.0%
	Repay earlier debts	6.1%	7.8%	4.8%	2.6%
	Spend it on entertainment, travel or vacation	0.2%	0.3%	1.7%	2.5%
	Invest it in own business	20.3%	21.3%	23.6%	17.2%
	Spend it on education and child development	6.5%	7.8%	10.9%	4.3%
	Spend it on upgrade skills, training for a new profession	2.1%	2.3%	3.1%	1.7%
	Spend it on self and family medical treatment	1.2%	0.5%	0.2%	0.9%
	Purchase an insurance policy and/or voluntary pension	0.9%	0.8%	0.4%	0.2%
	Spend gold, jewels and the like	0.0%	0.3%	0.4%	6.0%
	Invest in bank deposit at an interest rate	0.0.%	4.1%	5.2%	5.2%
	Spend on shares, companies stock and government bonds	2.3%	4.1%	4.4%	5.2%
	Other expenditure	0.7%	0.3%	0.5%	0.9%
	Found it difficult to answer question	2.8%	2.0%	3.5%	1.7%

	How often do respondent compare T & and: Cs for Financial services before purchase	Respondent's gender	
		Male	Female
How often do respondent compare T & Cs	Always	31.90%	31.40%
	Sometimes	33.60%	32.10%
	Rarely	20.30%	20.30%
	Never	9.40%	9.50%
	Found it difficult to answer question	4.80%	6.60%

		Respondent's age category				
		18-24 years	25-34 years	35-44 years	45-59 years	60 and over
How often do respondent compare T& Cs.	Always	31.9%	33.0%	31.0%	30.8%	18.5%
	Sometimes	32.2%	34.4%	34.4%	28.6%	29.6%
	Rarely	19.8%	18.2%	22.0%	23.8%	27.8%
	Never	11.0%	8.0%	8.3%	10.1%	20.4%
	Found it difficult to answer question	5.2%	6.3%	4.3%	6.6%	3.7%

		Respondent's Highest level of Education						
		Primary or lower education	Incomplete secondary education	Secondary education (general or vocational school)	Special vocational education (technical college)	Incomplete higher education	Higher education	Post graduate
How often do respondent compare T&Cs	Always	15.9%	19.4%	24.8%	28.5%	36.2%	37.9%	48.6%
	Sometimes	22.6%	38.4%	32.9%	35.9%	32.4%	33.1%	32.4%
	Rarely	16.5%	24.2%	23.8%	24.6%	18.8%	19.2%	11.9%
	Never	29.9%	10.4%	12.4%	7.1%	8.0%	5.8%	3.8%
	Found it difficult to answer question	14.6%	7.6%	6.1%	3.9%	4.5%	4.0%	3.2%

		Respondent's level of earning in the last month			
		Up to 162 USD	162 – 323 USD	323 – 538 USD	538 USD
How often do respondent compare T &Cs	Always	24.1%	36.7%	38.4%	49.1%
	Sometimes	31.5%	35.4%	34.5%	26.7%
	Rarely	26.4%	19.0%	20.5%	11.2%
	Never	11.7%	5.8%	3.9%	10.3%
	Found it difficult to answer question	6.3%	3.0%	2.6%	2.6%

		Respondents Gender	
		Male	Female
Personal reasons for savings or investments?	For "a rainy day" or unexpected expenses	12.7%	13.3%
	To earn income through interest increased market value of assets, etc.	8.2%	7.5%

	To leave something for children to inherit	4.6%	3.9%
	To increase living standards in the future	11.1%	10.1%
	Prefer saving rather than spending	24.2%	24.4%
	So as to be independent and make choices	4.6%	6.1%
	To speculate on the stock exchange	6.4%	7.5%
	As part of family tradition	1.7%	1.0%
	For another reason other than stated	1.2%	1.7%
	Found it difficult to answer question	3.5%	3.5%
	Refused	0.9%	1.9%

		Respondent's age category				
		18-24 years	25-34 years	35-44 years	45-59 years	60+
Personal reasons for savings or investments	For "a rainy day" or unexpected expenses	11.4%	10.5%	17.5%	16.3%	16.7%
	To earn income through interest increased market value of assets, etc	9.1%	8.6%	6.8%	5.3%	3.7%
	To leave something for children to inherit	5.2%	4.7%	2.1%	4.8%	5.6%
	To increase living standards in the future	8.5%	10.7%	12.8%	11.9%	13.0%
	Prefer saving rather than spending	25.9%	26.0%	20.9%	22.0%	16.7%
	So as to be independent and make choices	6.1%	5.7%	3.0%	5.7%	5.6%
	To speculate on the stock exchange	7.9%	7.6%	4.3%	6.2%	7.4%
	As part of family tradition	1.5%	1.7%	0.4%	0.9%	5.6%
	For another reason other than stated	1.8%	1.4%	1.3%	0.4%	1.9%
	Found it difficult to answer question	4.3%	3.3%	3.2%	2.2%	3.7%
	Refused	1.7%	1.0%	1.3%	1.8%	1.1%

		Respondent's Highest level of Education						
		Primary or lower education	Incomplete secondary education	Secondary education (general or vocational school)	Special vocational education (technical college)	Incomplete higher education	Higher education	Post graduate
Personal reasons for savings or investments?	For "a rainy day" or unexpected expenses	20.7%	10.4%	18.5%	10.0%	8.7%	11.7%	13.5%
	For retirement	6.1%	10.0%	5.6%	7.5%	7.7%	10.5%	11.9%
	To earn income through interest increased market value of assets, etc.	4.3%	10.0%	9.6%	9.6%	6.3%	6.9%	9.2%
	To leave something for children to inherit	3.7%	8.5%	4.3%	3.6%	6.3%	2.7%	4.3%
	To increase living standards in the future	10.1%	14.7%	14.2%	10.3%	10.8%	8.1%	9.2%
	Prefer saving rather than spending	20.1%	17.5%	22.3%	26.7%	23.0%	27.7%	25.4%
	So as to be independent and make choices	6.1%	5.7%	3.5%	6.0%	8.4%	4.5%	4.3%
	To speculate on the stock exchange	4.9%	5.2%	5.1%	6.8%	9.1%	8.6%	4.3%
	As part of family tradition	1.2%	2.8%	2.3%	1.1%	0.7%	1.2%	0.5%
	For another reason other than stated	3.0%	1.9%	1.8%	0.4%	1.7%	1.3%	1.0%
	Found it difficult to answer question	6.1%	3.3%	2.0%	3.6%	3.1%	4.0%	2.7%
	Refused	4.3%	1.4%	1.8%	0.7%	1.4%	0.9%	0.1%

		Respondent's level of earning in the last month			
		Up to 162 USD	162 – 323 USD	323 – 538 USD	538 USD
Personal reasons for savings or investments?	For "a rainy day" or unexpected expenses	15.4%	11.6%	8.7%	10.3%
	For retirement	7.7%	10.9%	10.5%	12.1%
	To earn income through interest increased market value of assets, etc.	7.2%	10.6%	10.5%	8.6%
	To leave something for children to inherit	3.7%	4.8%	6.1%	0.9%
	To increase living standards in the future	11.9%	12.2%	7.4%	10.3%
	Prefer saving rather than spending	25.9%	19.5%	24.5%	20.7%
	So as to be independent and make choices	4.2%	4.8%	5.2%	5.2%
	To speculate on the stock exchange	5.8%	5.3%	8.7%	6.0%
	As part of family tradition	1.9%	1.8%	0.9%	2.6%
	For another reason other than stated	1.2%	1.3%	1.3%	1.1%
	Found it difficult to answer question	4.4%	2.8%	1.6%	0.9%
	Refused	1.2%	1.0%	1.3%	0.3%

APPENDIX A:

(see Country Reports)