

Financial Literacy Improvement

Tajikistan's Experience

Participants of the Financial Literacy Improvement Programs in Tajikistan



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Key aspects of the Financial Literacy Programs

- ▶ Rationale;
- ▶ Scales of financial education programs;
- ▶ Factors of growth and scaling;
- ▶ Effectiveness of financial education programs;
- ▶ Sustainability of programs;
- ▶ Aspects of improvement of financial education programs and prospects for development.

Tasks implemented by the Programs

- ▶ Facilitating formation of reasonable financial behavior of the population, informed decisions and responsible attitude to the budget;
- ▶ Increasing efficiency of protection of financial service consumer;
- ▶ Competent use of financial products of financial institutions.

Main components of the Program

- ▶ Tajikistan financial institutions have been actively promoting the Financial Literacy Program since 2014;
- ▶ Key partners are MFC, IFC, Oikocredit;
- ▶ The Program is being Implemented jointly with local partners - Foundations, Associations, other local NGOs
- ▶ NBT is actively promoting the development of financial literacy programs;
- ▶ The programs are based on a unified methodology and principles for teaching adult audiences;
- ▶ The country has the potential for increasing financial literacy;

Main components of the Program

- ▶ The model curriculum for increasing financial literacy have been developed;
- ▶ Materials and tools of information campaigns have been developed, training programs for journalists have been implemented;
- ▶ A system of effective and accessible educational and information resources in the area of financial literacy and protection of financial service consumers has been created.

Training Topics

- ▶ Establish financial goals;
- ▶ Manage family budget;
- ▶ Analyze income and expenses;
- ▶ Separate needs from wants;
- ▶ Creating spending plan;
- ▶ Borrow wisely;

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Targeted indicators

- ▶ increase in the share of representatives of the target groups that understand the “risk-return” ratio when choosing financial products;
- ▶ increase in the share of representatives of the target groups that understand the importance of having a “financial buffer” in the event of emergency and crisis life situations;
- ▶ increase in the share of actual and potential financial service consumers with low and medium level of income that compare alternative options before taking a loan;
- ▶ increase in the share of representatives of the target groups that are aware of administrative and legal actions which should be taken in case of violation of their consumer rights by financial institutions.

Main gaps

- ▶ Weak tools for monitoring and evaluating the impact of the Program on beneficiaries;
- ▶ Lack of regular researches of the level of financial literacy of the population;
- ▶ Lack of the constant platform for exchanging experience and expertise.

Future development

- ▶ Regularly make comprehensive large-scale assessment and monitoring of the level of financial literacy and financial behavior of the population;
- ▶ Develop the medium-term national strategy for improving financial literacy of the population;
- ▶ Create sustainable institutional mechanisms for implementing financial literacy programs with participation of government agencies, educational institutions, non-governmental organizations and financial sector;
- ▶ Establish an expert group for financial education - a network of experts;
- ▶ Create electronic library of available financial education programs.

Aspects of sustainability

- ▶ Clients and participants of the Programs should use the knowledge learned when getting financial services;
- ▶ Institutionalization of financial education - Financial education programs should not be chaotic, but should become the foundation for all financial services;
- ▶ These programs are sustainable if there are stable partnership relations with other organizations;
- ▶ Investments in staff - Programs are sustainable if MFI and Bank staff regularly upgrades the skills;
- ▶ Improvement of infrastructure - Financial education should be accessible for consumers;
- ▶ Use of technologies - Financial education programs are sustainable in case of continuous investments in new technologies and use of innovations;
- ▶ Continuous improvement - Programs should generate expertise through research, monitoring and evaluation of program effectiveness

What beneficiaries say

- ▶ When I had a low level of financial education, I've made wrong financial decisions: I've spent a lot, have fallen into over-indebtedness, had no savings, could not invest;
- ▶ After learning the fundamentals of financial literacy - I opened a savings account, I do not have great debt load, I competently manage my budget.