

# Financial Education on the Agenda of the National Bank of Georgia

Lasha Gzirishvili

Head of Consumer Protection and Financial Education  
Department

National Bank of Georgia

Kazakhstan Microfinance Forum:

“Financial Literacy Improvement as a Factor of Economic Stabilization”

Almaty, September 2017

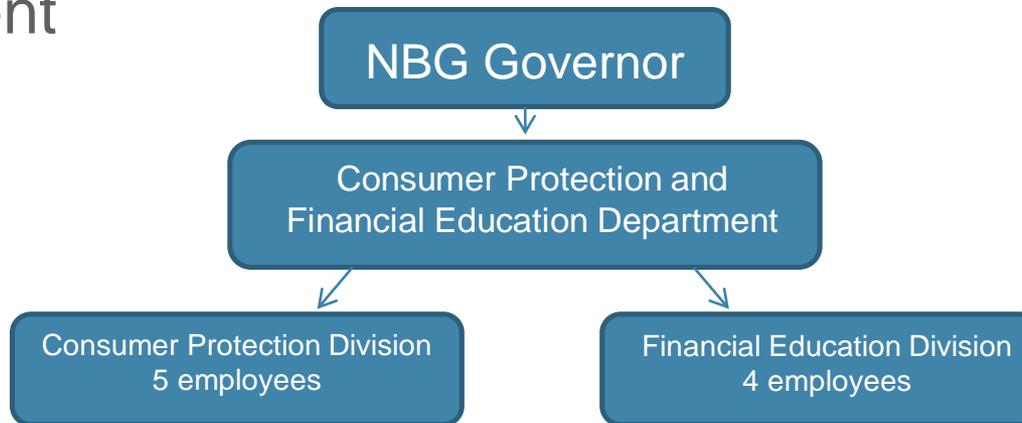
# Presentation Outline

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- Financial education and consumer protection function at the National Bank of Georgia
- Recommendations for developing the National Strategy for Financial Education;
- Recommendations for developing the governance structure for the National Strategy;
- Financial literacy projects, and cooperation with key stakeholders

# Consumer Protection and Financial Education Function at the National Bank of Georgia

- Clear Synergy → Shared Objectives
- Consumer Protection and Financial Education Department



- Mission: Develop and maintain an effective consumer protection framework through clear and enabling regulations; enhance consumer capacity through financial education

# CPFE Department's Tasks and Responsibilities

- Consumer Protection

- Monitoring and analysis of **consumer rights** and **financial service transparency** (incl. advertisements) on the financial market;
- Elaboration of consumer protection **methodology and policy** based on international practice; initiation of **new regulations**;
- Reception and resolution of **consumer complaints** in line with the Georgian legislation; operation of NBG hotline and provision of information to consumers. Publishing of consumer complaints statistics.

- Financial Education

- Leadership and implementation of financial education policy and programs;
- Coordination of the **National Strategy for Financial Education**
  - The Strategy signed into force in late 2016;
  - The Steering Committee established in early 2017;
- International and local cooperation, incl. Ministry of Education and international and donor organizations;
- Active communication with the public – educational and advisory initiatives

# Recommendations for the National Strategy for Financial Education

- Identify leading institution(s), determine high-level objectives and a general framework for the Strategy;
  - Research international best practices, and invite experts, as necessary.
- Study existing levels of financial literacy;
- Identify target groups and analyze their needs;
- Study already existing programs; identify gaps and challenges;
- Research and communicate with relevant public, private and civil sector stakeholders, e.g.
  - Ministry of Education
  - Ministries of economics, finance, or supervisory bodies (pensions, insurance)
  - Commercial banks, MFIs and other financial institutions
  - Educational and academic institutions
  - Donor organizations, NGOs and media
- Actively involve these stakeholders in developing the Strategy
  - Discuss their potential roles – individual and group meetings;
  - Share drafts of the Strategy, discuss their suggestions
- Set clear and realistic goals, and determine Monitoring and Evaluation mechanisms

# Recommendations for developing the governance structure of the National Strategy

- Determine **the form** and **the objectives** of the Governing Body
  - **Georgian case:** the Steering Committee was established in early 2017 through a Decree of the NBG Governor to help the leader of the Strategy – National Bank of Georgia – in implementing the Strategy.
    - NBG Governor is the Committee Chairperson
- Identify the list of **key stakeholders** to join the Committee and communicate with them from earliest stages
  - Invite specific stakeholders to join the Committee, **or**
  - Announce an open call to receive applications for Steering Committee Membership
- Develop a document delineating Committee responsibilities, and share it in advance with potential members
- Hold workshops and discuss suggestions as needed
- Aim at establishing the Committee during, or very soon after developing the Strategy – to build and maintain momentum

# Financial literacy projects (part 1)

## Training Modules:

- NBG/SBFIC FinLit Training of the Armed Forces
  - **85 participants** from the Ministry of Defense
- Cooperation with Business and Tech University
  - Lectures for **2000 students** in 2016-2017



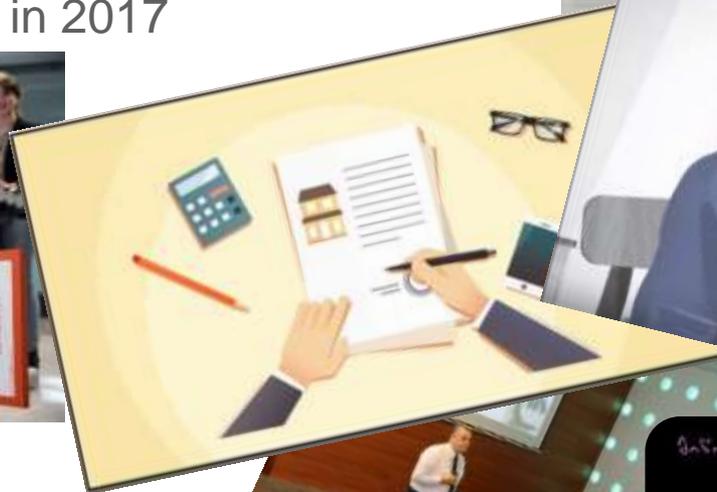
## Print and Online Resources

- Brochures, Excel tools on FX risks, and mortgage loans (Distributed through banks)
- Children: comic books, budget tools, calendars – distributed through schools and awareness-raising events

# Financial literacy projects (part 2)

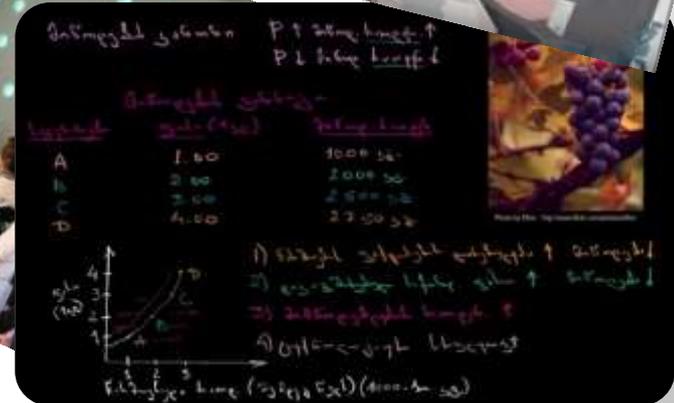
## Awareness Raising Campaigns:

- Global Money Week
  - 15 stakeholders (incl. banks) and
  - >160,000 children reached in 2017
- World Savings Day
  - Saving mascot/website Grovia
  - 8 banks engaged in 2017



## Video tutorials:

- 37 Khan Academy Videos
  - > 16,000 views
- Videos on financial pyramids and mortgage loans
- Whiteboard animations - ongoing



# Cooperation with the Ministry of Education and Sciences – financial education policy

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## Formal (curricular) Education

- NBG and MES started cooperation in September 2016
  - Guided by best international standards, practice and local expertise
  - Financial education to become part of Civics Education (at first stage grades VII – IX)
- Financial education to become part of the mandatory National School Curriculum in 2017
  - Piloting starts 2017-2018
  - Implementation starts 2019-2020
- Topics to be covered in the curriculum:
  - Saving and investing
  - Income, spending, charity and money management
  - Responsible borrowing
  - Financial system
  - Consumer rights and responsibilities
  - Financial risks, fraud and insurance, etc.

# Cooperation with the Ministry of Education and Sciences – financial education policy

## Informal (extracurricular) Education

- SchoolBank – joint project of the National Bank of Georgia and Child and Youth Finance International (CYFI)
  - Educational Component + Banking Component
  - 15-lesson guidebook developed and distributed; Monitoring and Evaluation tools developed
- The project will be implemented in a number of public and private schools in Tbilisi and neighboring areas;
- The project will also be implemented in the National Youth and Children’s Palace
- 2 Teacher Trainings and 1 Product Development Workshop held in 2017
- Currently, 1 commercial bank involved in the project; other banks - TBD



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**Thank you for your attention**