



EUROPEAN
MICROFINANCE WEEK
2014

DEVELOPING BETTER MARKETS

ENHANCING CLIENT FINANCIAL CAPABILITY CASES FROM ACP/EU MICROFINANCE



EMW 2014

November 13, 2014



A programme financed by the European Union and managed by the ACP Secretariat





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DEVELOPING BETTER MARKETS

- Duration: Jan. 2010 – Dec. 2014
- Funding: 10th EDF (€ 15 million)
- Contribute to poverty alleviation through economic growth via:
 - Pro-poor access to finance,
 - Consumer empowerment and capacity building,
 - Equitable and efficient local markets
- Key areas of support, as from demand
 - Rural Finance
 - Financial Education



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- UNCDF: Pacific Financial Inclusion Programme
- IDB: Carib-Cap
- KFW: Regmifa Technical Assistance Facility
- WORLD BANK: CGAP
- ITC ILO: Boulder MFT and Making Microfinance Work

- 12 Actions granted
- Grants amounts from € 288,000 to € 800,000
- 20 Sub-Saharan African countries
- 8 European organisations (NGOs and companies)
- 4 African organisations (including 3 MFIs)



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- 11 out of grantees do FE, with a variety of approaches. Their activities were reviewed and assessed in 2014
- The Pacific Financial Inclusion Programme has helped the Fiji government to embed FE in school curriculum



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- Approaches, techniques and tools
 - Embedded or through partner, ToT, peer learning, class on wheels, e-tools, community drama, role play...
- Managing costs and sustainability
 - Subcontracting, community agents, fees...
- Curriculum development
- Measuring impact



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Pros	Cons
Wide coverage – ability to reach larger number of people through TOT	Possible compromise on quality
Sustainability of FE program may be easier to achieve	Higher monitoring costs
Cost effective – train few people to train others	Possible conflict of interest
Capacity building of partner	There may be less impact if poorly coordinated
Knowledge transfer and sharing	Mission conflict
Utilize expertise of each entity; synergy	Challenges with transfer of knowledge
Promotes creation of a pool of experts – e.g. expert trainers from partner	Reputational and political risk
Effective use of local knowledge especially if partner is a local or grass root based entity	

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Pros	Cons
Program control easier	Marketing messages need to be carefully crafted
It may be cost effective if well integrated	Lack of time – staff focusing on other activities
Language	Limited skills e.g. may not have qualified trainers within MFI
Trainers availability	Training material design
Content integrity assured	FE may be low priority
Follow up is easier	Overstretch staff capacity
Better focus in terms of objectives, content, target beneficiaries, delivery methods	Additional costs from FE activities may impact sustainability
Better control in terms of quality, pace of program, inputs and costs	



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Challenges

- ✓ The Pacific region has one of the highest unbanked rates
- ✓ Geographic spread and low density populations
- ✓ Physical and banking challenges
- ✓ Range of financial services not consistent by country and infrequently child or youth-specific
- ✓ Limited functional financial literacy

Opportunities

- ✓ Number of players and range of possibilities
- ✓ Conduciveness of legal and regulatory environment
- ✓ Increasing awareness of and priority of FI – central bank driven
- ✓ Pacific Island Working Group on Financial Inclusion
- ✓ Donor Group on Financial Inclusion



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- ✓ Introduce and strengthen financial education within the school curriculum for Years 1 to 12
- ✓ Integrate into existing subjects – no extra classes, no extra hours, no replacement of subjects
- ✓ 2014 rollout to 200,000 students in 910 schools from 28 champion schools
- ✓ Resources & assessment for classroom learning
- ✓ Up-skilling & professional development of existing teachers
- ✓ Capacity to continuously train new teachers
- ✓ Monitoring and evaluation at school



✓ Impact study on family finance every two years

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Primary

- ✓ Managing Money
- ✓ Income & wealth
- ✓ Planning ahead

Secondary

- ✓ Income & money management
- ✓ Managing risk & financial planning
- ✓ Financial planning & wealth creation



From Year 1- 8 every child will get 24 lessons covering 67 learning outcomes (230 by Year 12)



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THANK YOU



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