

UPSCALING FINANCIAL INCLUSION THROUGH FINANCIAL EDUCATION

A COMPLATION OF INITIATIVES IN BANGLADESH



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a2i - Innovate for All

ICT tower, Agargaon, Sher-e-Bangla Nagar, Dhaka-1207, Bangladesh

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Way Forward

INTRODUCTION

Financial illiteracy has long been recognized as one of the major hurdles to build a financially inclusive economy. According to the Financial Inclusion Insights (2018) Program by Intermedia Research, the financial literacy rate in Bangladesh is 28%. The literacy rate has improved but the overall progress is underwhelming. In addition, the gender gap is higher in terms of financial literacy specifically in rural areas. Therefore, financial literacy is a necessary tool for bringing vulnerable people into mainstream financial activities.

Largely, citizens lack basic knowledge of financial concepts and do not have the minimum education or decision making skills beneficial for their financial well-being. Financial education can empower them and provide access to the formal financial system. The inclusion will create opportunities for them to improve their economic state and instilling savings behavior among them that would act as safeguards against financial shocks and prevent them from slipping back into poverty.

Enhancing financial literacy is a prerequisite to onboard a huge unbanked segment into the formal financial system. A formalized policy on financial education could catalyze the effort of financial literacy programs carried out by government bodies, financial service providers and other stakeholders. The absence of a collaborative approach to sensitize citizens is delaying the process of financial inclusion.

This document is a collection of financial education programs implemented by Government agencies, International & National donor agencies, private banks, and other institutions. This document will serve as the starting point to further accelerate the financial literacy programs, increase collaboration and cooperation of public and private ventures to further strengthen the overall literacy in Bangladesh.

1.1 Background

Bangladesh Bank, the Central Bank of Bangladesh entrusted with responsibilities to foster growth and development of country's productive resources in the best national interest vide the Presidential Order No 127 of 1972. Bangladesh Bank is working relentlessly to accomplish the duties assigned to it and to uphold the national economy. The foremost duty of a central bank is to formulate proper monetary policy to attain a stable economic growth for the country. Bangladesh is continuing its journey of development with an unimpeachable growth of 6% per capita GDP over more than a decade. Bangladesh Bank is supporting the government's developmental agenda by designing supportive monetary policy as well as taking special measures to protect the economy from the unexpected debacles in the future. In the recent years, in addition to the regular activities, Bangladesh Bank has introduced some financial inclusion policies to bring the unbanked and underserved population into the financial system to increase the robustness of the economy. The target for an inclusive economy would not be sustainable unless all people have financial awareness, easy access and smooth usages of financial resources. Bangladesh Bank has taken several initiatives to further broadening financial access and achieve the target of inclusive economic growth in the years to come. In a move to further consolidate and better coordinate the financial inclusion initiatives in the central bank, commercial banks and government, and to increase financial awareness among the people in general, Bangladesh Bank has established a separate department named 'Financial Inclusion Department' in July 2015. Such an initiative is new to the peer central bank in the region.

1.2 Current programs of Bangladesh Bank on financial literacy

Financial inclusion seems to be the most powerful tool by the policy makers to ensure inclusive and sustainable economic development in the world. Realizing the importance of financial inclusion, Bangladesh Bank is engaged in the exploration and promotion of innovative and successful policy initiatives to bring the financially excluded marginal populace under the umbrella of financial inclusion

with a view to ensuring sustainable economic development of the country. This great target would not be achievable without financial literacy of the common. Considering this reality, Bangladesh Bank has taken the following initiatives to promulgate financial literacy in Bangladesh

- a A special financial literacy program named 'School Banking Conference and Fair' is arranged at the district level of Bangladesh every year under lead bank approach. This program is one of its kinds designed to convey the benefits of savings and basic financial management among the future citizen of Bangladesh. Though the target audiences are the school going students, but the teachers, parents and local people, distinguished guests are also invited in those programs.
- b Bangladesh Bank influences commercial banks to arrange open credit disbursement program for the farmers. In such programs, farmers are informed about the benefits of taking loan from a formal banking institution and the demerits of borrowing from other informal sources.
- c Another type of awareness campaign is being arranged at the district level of Bangladesh under BDT 2.00 billion Bangladesh Bank Refinance Scheme for 10 Taka account holders. In such programs, farmers, local micro businessmen, entrepreneurs and other No-Frill Account (NFA) holders are informed about the soft loan facilities available at their neighboring commercial banks and at the same time the bankers can get to know about the refinance facility available at Bangladesh Bank. This type of program also increases financial literacy among the target audiences.
- d Bangladesh Bank also made some Television Commercials (TVCs), Newspaper Advertisements, Special web contents, Leaflets, Flyers, Websites to increase the general awareness about money and financial matters.

1.3 Future initiatives of Bangladesh Bank on financial literacy

Bangladesh has successfully achieved all targets of millennium development goals within stipulated time

and now has taken steps to implement United Nations Sustainable Development Goals (SDGs). As a measure to achieve SDGs ahead of the time schedule, an inclusive and sustainable program is being formulated. Bangladesh is currently formulating country's first ever financial inclusion policy in which significant emphasis has been given on the raising financial awareness or literacy of the people of Bangladesh. An initiative of including a special chapter in the textbook of national curriculum has also been taken by Bangladesh Bank in the near future. There is also a plan to increase the number of School Banking Programs and to take such programs to the lower administrative levels of Bangladesh.



Honorable Governor inaugurates School Banking Conference in Gopalganj (2018)



Students and locals are visiting stalls of different banks in School Banking Conference and Fair, Natore (2018)

1.4 Recommendations:

The following recommendations are made to increase financial literacy in Bangladesh:

- Government should prepare a plan and structure for increasing financial literacy among the common people.
- Basic financial literacy should be included in the education system.
- There should be ample training programs for the teachers about financial literacy.
- Financial literacy programs should include the social and religious leaders, reformers, public representatives.
- Special financial literacy programs and media may be designed to reach remote population.



Students gathered at the School Banking Conference 2018 held in Dhaka Residential Model School & College, Mohammadpur, Dhaka

1.5 Major challenges of financial literacy programs:

In implementing financial literacy program, Bangladesh Bank faces the following limitations:

- A significant portion of the common people does not have basic literacy. They are not able to receive the lessons of a financial literacy program.

- b Some people do not have full trust on financial institutions and on the financial literacy programs. Some people have misconception about financial literacy program as those are commercial bank's promotional activities and they do not feel much interest in those programs.
- c The existing education system does not prepare students enough to reach the skill set and knowledge required to take wise financial decisions.
- d Teachers do not have clear idea about personal finances and most of them do not feel themselves qualified for teaching financial management to their students.
- e Generally women in the rural areas have lower financial knowledge than men and are also less confident in their skills and long term investment plans. Even though in financial literacy program, women cannot attend due to social and religious restrictions.
- f It is common in Bangladesh that, women are discouraged to participate in public gathering than men. As a result, the ultimate goal of financial literacy does not reach to a significant portion of populace.
- g The majority of population has overconfidence in many aspects of life. When asked if they have the financial literacy, majority answers "yes" but in practice the real answer is "no". Due to their overconfidence, they avoid participating financial literacy programs considering that are not for them.
- h The majority of the population is scared of being rejected for loans, mortgages and other financial products. They prefer to take their financial decisions with the help of professionals and that's why they are not eager to learn how to take basic financial decisions.
- i Though it is understood that in order to reach financial stability, the level of financial literacy of the citizens should be increased but proper plans to provide them financial knowledge is absent.
- j The fund allocated for financial literacy programs is insufficient.
- k Presently there is no guideline for financial literacy to follow.
- l Financial literacy is a continuous process and thus requires timely update with the best practices which is currently missing.

2.1 About Swisscontact and Sarathi-Progress through Financial Inclusion

Swisscontact, founded in 1959 as a Swiss private and independent operating foundation, works exclusively in international cooperation and development. Our headquarters are in Zurich and we have maintained close ties with the private sector since our inception. In Bangladesh, Swisscontact is registered as an international non-governmental organization (INGO) under the NGO Affairs Bureau, Government of the People's Republic of Bangladesh.

We promote economic, social, and environmental development by supporting people in their efforts to integrate into local economic life.

We act as facilitators in project implementation by supporting the creation of an entrepreneurial environment and access to information, skills, and markets. We implement our own as well as mandated projects in the following core areas:

- a** Skills Development: Productive employment and earning an income through market-oriented vocational training and improved labor market access.
- b** Enterprise Promotion: Strengthening productivity and competitiveness of small and medium-sized enterprises through sustainable value chain interventions, improved market access and local economic development.
- c** Inclusive Finance: Empowering entrepreneurially-minded people by improving their access to financial products, services and financial literacy trainings.
- d** Climate-Smart Economy: Creating green jobs through the efficient use of natural resources and clean production.

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Sarathi- Progress through Financial Inclusion, jointly funded by MetLife Foundation and Swisscontact, is a 30-month (January 2018- June 2020) financial inclusion project.

In its pilot phase (2016-2017), Sarathi established partnerships with commercial banks and Ready-Made Garments (RMG) factories to open savings accounts of RMG workers in the partner factories. Building on the learnings of the pilot programme, Sarathi is currently implementing its scale-up phase and is continuing to partner with three commercial banks (Bank Asia Limited, The City Bank Limited and Dutch-Bangla Bank Limited) and at least 15 RMG factories to ensure 60,000 RMG workers are financially included through wage digitization in the partner RMG factories. Sarathi is targeting RMG clusters, with outreach aimed at both RMG workers and their communities, in Dhaka, Narayanganj, Gazipur, Savar, Tangail and Chattogram. Sarathi also provides financial literacy sessions for RMG workers and builds the capacity of their peers, such as floor supervisors, human resource officers, finance and administrative staff, line managers, etc. using specially-designed modules.inclusion project.

The RMG sector is a key driver of the country's economy, consisting of 45% of the total workforce and contributing to 13% of the total GDP. Considering the fact that 90% of the value of salaries are paid in cash and that wages form 27% of the total value of payments made in Bangladesh, notable losses are incurred at these factories each year through this inefficient and opaque means of disbursement . Given this context, the RMG sector sheds light on a significant demography of unbanked and underbanked population, of which a majority are women. Moreover, Sarathi's baseline study indicates that 33% have expressed a preference of receiving their salary through a formal financial institution

Currently, financial services are largely provided by private cooperatives to these workers. However, with formal bank accounts, the workers are better able to utilize their wages when they are transferred via formal bank accounts. With the aid of the multitude of offerings made through formal financial institutions such as savings products and loan products, workers benefit from reduced risks and better financial management which boosts their chances of breaking out of the cycle of poverty. Workers are able to better plan for and pay recurring expenses such as rent, household expenses or school fees. Sarathi's baseline study shows that RMG workers who have bank accounts save an average amount of BDT 1,600 per month. Thus, with accounts, they will be able to better manage shocks when face

with unexpected expenses such as from medical emergencies, death, theft, etc. For female RMG workers, electronic disbursement allows greater control over income and aids in better financial management through savings, which in turn increases their self-confidence.

2.2 Financial Literacy Activities- Tools and Methods

Sarathi's project interventions include financial literacy sessions, delivered through modules which cover topics such as the benefits and importance of using bank accounts, savings and credit products offered by banks, and how these available products can be utilized by the RMG workers. Sarathi aims to reach 200,000 individuals, including 60,000 RMG workers and their families and communities, through its financial literacy sessions and awareness raising campaigns.

Sarathi has developed two modules- a basic one and an advanced one- which incorporate learnings, experiences and feedback from the project along with its partner commercial banks and RMG factories. These modules also familiarize RMG workers and their peers on how to remit money through accounts and provide information on nearby financial access points (ATMs, agent outlets, etc.).

A booklet that helps RMG workers plan and manage their expenses on their own is also provided by Sarathi.

The basic module is used to conduct financial literacy sessions at factories for the RMG workers. These sessions run between 30-40 minutes and are generally provided to a group of 80-150 RMG workers at a time, based on the RMG factory's requirements. The advanced module is essentially a training-for-trainers type financial literacy session that target the peer group and these sessions provide intensive learning in an hour and half long session. The classroom size for this session is about 35-65 individuals each session. This methodology enables Sarathi to develop peer leaders who can counsel and guide the RMG workers in accessing the financial services and products offered by Sarathi's partner commercial banks. They can also conduct financial literacy trainings at the RMG factories in the long run if the RMG factory includes them in their regular training schedule. For both modules, accompanying presentations have been developed to provide visual learning. A short animation has also been developed specifically for the advanced module to provide a brief introduction on the benefits of availing banking services. From mid-2018 to August 2019, 200 financial literacy trainings have been conducted, reaching 12,865 individuals. Sarathi aims to reach 30,000 RMG workers through these activities by December 2019.

Sarathi strengthens the impact of its financial literacy sessions by running an awareness raising campaign in parallel to the financial literacy activities.



Sarathi aims to reach the family and community members of the RMG workers by targeting the localities in which they live and the areas surrounding the RMG factories where sessions are conducted. Roadshows consisting of a screening of Sarathi's docudrama and performance of baul songs by a folk troupe are used to attract the target audience. Flyers and posters developed with Sarathi's partner commercial banks to disseminate information on financial products and services developed for and offered specifically to the RMG workers are also distributed during awareness campaigns. Sarathi also solely screens its docudrama and provides it to its partner RMG factories to continue these efforts.

Sarathi is supported by Enroute International Limited, which is a professional training design and implementation organization, in the development and implementation of its financial literacy training modules and awareness campaigns.

2.3 Challenges

As RMG industry is production-driven, it is very difficult for the RMG factories to provision the time for their RMG workers to attend financial literacy trainings during the production hours. For some RMG workers, it is difficult to understand and retain the information after attending a 30- 40 minute session and they prefer to attend longer sessions. At the same time, organizing these trainings outside the premises of RMG factories, over the weekends or after work hours, is not usually feasible as attendance cannot be guaranteed. The RMG factories often require a large number of participants to be trained at a time, which can hamper the quality of the training. There are also delays in the approval of the content due to various reasons.

prompting from the trainers. There is also a necessity to highlight the security warnings about sharing PIN numbers outside the classrooms as they often disregard these.

These challenges have always been addressed by Sarathi and the project is continuing to think of innovative and better ways to deliver the appropriate knowledge to the RMG workers in the most efficient manner.

Sarathi has observed that female RMG workers often refrain from actively participating and require



2.4 Recommendations

The relevant stakeholders should consider the financial literacy training as an important element of wage digitization and allocate time and resources for the RMG workers' better understanding of financial services. Sarathi recommends:

- a Inclusion of financial literacy training modules and trainings in the RMG factory's regular schedules;
- b Utilization of awareness tools such as Sarathi's docudrama to continue building the understanding among RMG workers;
- c Regular monitoring by commercial bank and RMG factory alike to ensure that RMG workers are availing banking products and services and are developing their trust on commercial banks;
- d Collaboration between commercial bank and RMG factory in organizing the financial trainings on a regular basis to make this process sustainable.

BRAC's Mobile Money Classroom: Five Days for a Lifetime of Change

3.1 Background:

BRAC has pushed the boundaries in development, be it in education, health or financial inclusion. Its principles have been simple since day one - to bring services to the doorsteps of those living in poverty, and relentlessly focus on providing platforms for women to become change-makers.

Financial inclusion has been a proven gateway for women's empowerment and agency. BRAC sees mobile money as a promising way to improve financial inclusion for all - especially women - living in remote areas of Bangladesh, where lower income group segments have been historically excluded by the traditional brick and mortar banking system.

Mobile money, in forms such as bKash, provides a more secure way to transfer, receive, and save money. It also acts as a bridge to financial services like credit and insurance. With this new product, digital financial services could reach wherever there is a mobile phone network. Through its use, people can gradually develop a digital profile, which will eventually make it easier for platforms to provide them with better, more customised services.

In 2013, BRAC started the 'Innovation Fund for Digital Financial Services (DFS)' in partnership with the Bill and Melinda Gates Foundation. One of the goals of this project was to experiment with mainstreaming DFS, so we partnered with bKash to innovate new

products and services for our clients. In the process, we increased operational efficiency, and eliminated process risks and more importantly improved lives of our women client by enabling financial inclusion through digital savings product (DPS) and loan repayment options.

Now, more than 236,000 clients save regularly through bKash, since it gives them the flexibility to repay their loan instalments at any time during the month. We digitised salaries for our teachers and tuition fee payments from our students in 8,695 cashless schools across the country. This saves time for busy parents who no longer need to take time away from work to deliver payments in cash, and teachers who are no longer dividing attention between classrooms and fee collections.

Five years in, we have supported more than a million clients in opening mobile money accounts and effectively navigating the bKash platform. Some have now become advanced users of mobile money, adopting services such as mobile top-up, utility bill payments, etc.

It was challenging to design and deliver effective programming for the adoption of technology, such as bKash, given the many barriers our clients face - especially women living in rural areas. This included low literacy rates, the fear of new technology, social taboos, and limited mobility. We continually persevered in iterating our training programmes and tailoring our support services until we were able to meet the specific needs of each client group, no matter how remote.

3.2 Mobile money classroom: A five-day training programme



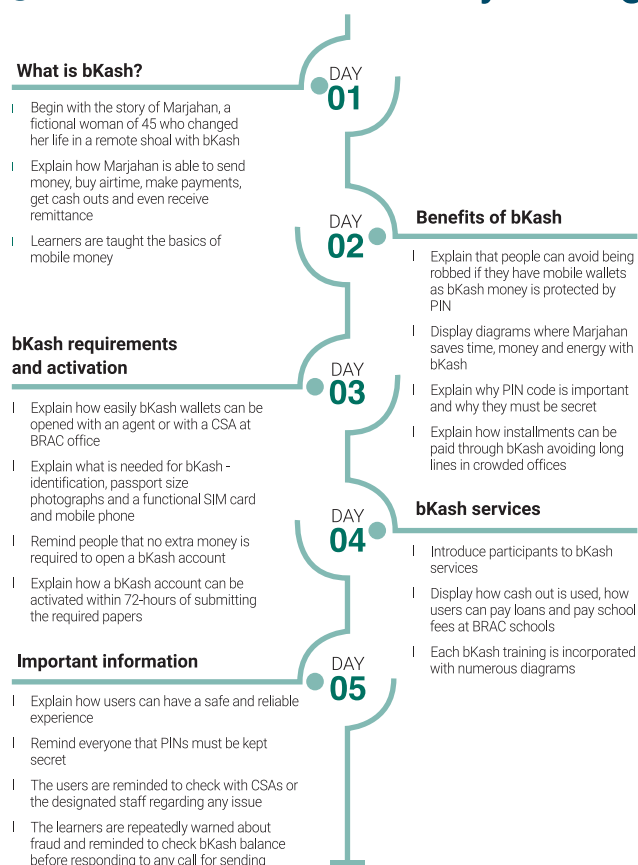
BRAC Integrated Development Programme (IDP) works to improve the socio-economic condition of 1.1 million people living in poverty and ultra poverty in hard-to-reach areas like haor (wetlands) and chars (riverine islands). IDP developed a five-day-long training programme on mobile money for its potential mobile money clients.

In five years, nearly 23,000 women clients in haor areas had registered, and more than 188,000 clients were trained on the usage of mobile money.

3.2.1 Design of the training programme:

We call it the 'Mobile money classroom'- an open classroom concept wherein project staff provide an hour-long orientation and training on mobile money for five consecutive days. The classroom is typically set in the courtyard of one of IDP's clients, which provides a familiar and cosy environment for the group. The setting serves the dual purpose of saving both time and money for our clients, circumventing the hassle of travelling to the nearest BRAC branch office. This doorstep service proves to be particularly beneficial during the rainy season when haor areas are flooded, and even a quick trip to the neighbour's house requires a boat ride.

3.2.2 Content of the five day training:



3.2.3 Implementing methods, tools and techniques:

The courtyard training programme is implemented directly by the field staff using interactive materials like flipcharts, stickers and set teaching modules. The trainers, in most cases, are locals familiar with the language and customs of the area. In that way, they can tailor training to local context and develop easy-to-recall anecdotes and mnemonic tips for client groups.

Picture flip chart: Field staff use pictures and characters that resonate with the daily lives of our target audience. Flip chart stories help the clients to better understand the benefits of using bKash.

Blackboard and chalk: We also use traditional methods to teach them numeracy skills and feature phone functions by drawing them.

Process card: This card provides detailed information on how to open a bKash account, including all necessary documentation. The card also provides step-by-step, picture-based instructions on bKash menu navigation and cash-in/cash-out functionality.

Stickers: Stickers were distributed amongst clients for application on doors or walls which bear important help desk phone numbers and bKash payment wallet number for specific products.

Client-led, next-door help desk: In the five-day training, we introduced a reward system for the fastest learner, selecting her to then act as the community champion of mobile money. She serves as a next-door trainer, providing real-time support for neighbouring clients. Creating a champion resolved the uneasiness for some clients with the idea of having to travel to a male bKash agent in a crowded bazaar for wallet support.

Storytelling technique to bring confidence in technology: When we started the training programme, we realised women were the most resistant to adopting new practices. They dropped out in the highest numbers. Our local project staff then began to conduct the training through storytelling, giving examples which resonated with their everyday lives, shaping the sessions to be compelling and personalised. Gradually these staff have become reliable, familiar faces in the localities where they operate, providing the advantage of trust over a regular bKash agent in introducing and testing the platform.

3.3 Major challenges in implementing financial literacy programmes:

Demographics of our target group provided the biggest challenge to this training programme. Many of our clients are not literate or numerate, and therefore had a tendency to avoid tech-based products. They require extra training in basic numeracy and literacy to use their phones and complete transactions, which can take three to six months. While resistant to this new technology initially, our clients displayed a curiosity about the functionality and usefulness of bKash.

Another significant challenge was the pervasive, conservative social norm regarding women's mobility. Husbands often did not want their wives to learn this technology, as they feared it may increase agency in household-level financial decision-making. Some of our clients even faced abuse from spouses when learning to use the wallet or lost access to common family phones. Phone ownership is crucial, because if women cannot practice at home what they have learned in the classroom, they are much less likely to sustainably adopt mobile money.

In addition to these hurdles, there were other logistical, budgetary and human resource challenges in scaling the training programme. Developing appropriate learning materials requires continuous coordination between field staff and teams based in the head office so that a client's need is reflected in the training materials' stories and characters.

Whether the learning experience would become playful and fun depends primarily on the skill of the trainer. Finding a suitable, skilled trainer who would also be a familiar face to women in the locality was a challenge.

A tailored, comprehensive training programme is not the only necessary component for successful adoption and use of mobile money. Agents operating on behalf of platforms such as Rocket and bKash also have a critical role to play in ensuring the digital financial services ecosystem is responsive to the unique needs of those living in poverty in remote, rural areas.

3.4 Highlighted Case Study:

Himadri Sarker's story highlights the larger impacts for an individual of the financial literacy training and showcases how women are equipped to experiment with bKash offerings.

Case Study 1:

A four-hour-long boat ride away from Kishoreganj is the Khaliajuri sub-district of north-eastern Bangladesh. There, the villages are small stranded islands, and only raised houses manage to stay above the onrush of monsoon waters.

Himadri Sarkar is a resident of one of these islands. Two years ago, she was introduced to bKash and got financial literacy training from BRAC.

Other than using most of the basic services, Himadri has turned her bKash wallet into a savings account.

Himadri explained how she is saving now through her deposit scheme with BRAC Microfinance

"When we dealt with hard cash, there were no savings," she said, "I could not keep tabs on our expenses and money just seemed to slip away. Now I can save."

During the monsoon, her husband goes off to fish in distant areas and sends her the daily income through bKash. She also receives BDT 10,000 (\$120) in remittance from her brother in Oman.

Himadri had never received any money as remittance before bKash, since the closest bank is almost four hours away. With fast and easy financial services through bKash, Himadri has managed to take control of her finances and change her family's situation for the better. She now has a booming poultry business and has bought a boat for her family with her savings.

3.5 Conclusion:

BRAC has provided financial literacy training to more than six million clients, who are mostly women, in the past five years. However, there is still a long way to go in closing the financial inclusion gender gap in Bangladesh. To achieve this, a contextualised and targeted financial literacy training will play a key role, and will require holistic, integrated support across service providers, NGOs, the private sector and government. BRAC is committed to sharing its learnings in designing financial literacy training for women living in rural areas to speed up the closure of this gap.

4.1 Organizational Overview:

Change Associates is a women-led organization committed to actively promoting and advocating for the empowerment of Bangladeshi women, less privileged citizens and female workers. Its mission is to support companies, NGOs, government, and other stakeholders who strive to collaboratively improve the quality of life of disadvantaged people and women in particular. Change provides training, research and consultancy services for the corporate and development sectors, and works with local and global brands, NGOs, INGOS, government stakeholders, and research organizations, among others.

The portfolio of Change is specifically aimed at realization of both individual and collective self-esteem and inner strength of marginalized and socially excluded women through innovative and best

practices. The organization's name reveals its philosophy - to bring about an improved quality of life through positive changes and with deep conviction is working towards sustainable development.

The organization undertakes capacity development and qualitative and quantitative research projects for different segments like MFS, Textile & RMG sector, international development agencies and NGOs. The experience and expertise we have gained in many kinds of capacity building, project implementation and research is our strong point. We provide quality services that are custom designed to address specific needs of clients. Change believes in partnering as it creates synergy that leads to sustainable development. Change believes in quality of life which can only be achieved through a continuous improvement process.

4.2 Financial Inclusion Projects at Change:

4.2.1 Project Description: HERfinance-

Country: Bangladesh	Location within country: Dhaka
Name of Client: Business for Social Responsibility (BSR)	
Duration of assignment (months): 36 months	
Targeted Beneficiary: 1,12,000 low income RMG workers	
Start date (month/year): 2016	Completion date (month/year): 2019

Description of Project:

HERfinance is a part of the global HERproject, which aims at empowering low-income workers in developing countries. It promotes gender equality through workplace programs focusing on health, economic empowerment, professional development and women's rights. Targeting low income workers, this program seeks to effectively spread the

knowledge about simplified financial management to bring improvement to worker's household. As it has been proven all over the world, the program creates a good impact on worker's financial behavior and performance in the workplace. The target of the project is to help workers to understand the importance of financial management in control of their household's income and spending.

Description of actual services provided by Change:

HERfinance builds the financial capability of low-income workers by delivering financial education programs and connecting factory employees to appropriate financial services. At present Change is implementing HERfinance project in 43 factories and imparted financial education programs to 112,000 workers with the help of 5,600 Peer Finance Educator (PFE). As implementing partner of BSR, Change is jointly implementing the project in association with the brands, mobile finance service providers, bKash and ROCKET.

Objective of the project is to realize the benefits of wage digitization to all the stakeholders and beneficiary involved.

The project has primarily two parts: 1.

Wage Digitization & 2. Financial Literacy. Change provides the financial literacy training to the garments worker as well as an orientation to mid-level management regarding importance and benefits of disbursing salary digitally. Mobile Financial Service providers (bKash, Rocket) work as our partner in implementing the wage digitization part. Factory specific impact evolution is one of the core assignments under this program. For each factory 100 baseline data and 100 endline data is being collected to prepare the impact report. Change has also conducted business benefit analysis for each factory.

4.2.2 Project Description:

Pipeline development and financial literacy training for digitizing wage payments in the garments sector

Country: Bangladesh	Location within country: Dhaka
Name of Client: International Finance Corporation (IFC)	
Duration of assignment (months): July 2018 - Ongoing	
Targeted Beneficiary: 30000 RMG workers	
Start date (month/year): July 2018	Completion date (month/year)

Description of Project:

Low financial inclusion remains a pressing challenge for the majority of Bangladesh's population (especially women), with just 32% of women having bank accounts. This problem is also prevalent in the RMG sector which employs 34 million women, of whom 81% (or 2.75 million women) are unbanked. Given such constraints and the high mobile penetration in the country, MFS is well poised to serve as a powerful catalyst in the near future to bridge the gap in financial inclusion. However, MFS adoption has been poor among women. Only 10% of women (against 32% of men) in Bangladesh have registered MFS accounts.

The project aims to promote the use of MFS by female users to improve the financial inclusion of women. The goal of this assignment is to support that initiative, and focus on financially including women RMG workers through promoting MFS salary disbursements. The assignment will help develop a pipeline of garments factories willing to digitize wages, and support the operational aspects of wage digitization. The goal is to financially include 50,000 female garments workers as a result of them receiving wages through MFS accounts. The project seeks to facilitate the financial inclusion of Bangladeshi women ready-made garments (RMG) workers through the increased use of mobile financial services (MFS) for salary disbursements at RMG factories.

Description of actual services provided by Change:

- i. Generated lead for over 30000 RMG workers out of which 70% were women within first 4 months of the project.
- ii. Facilitated the signing of one group with 5 RMG factories and bKash to digitize and disburse 10000 workers salary.
- iii. Provided financial literacy training of 10000 RMG workers.
- iv. Conducted financial literacy training for mid management of the respective factories that has digitized worker salary.
- v. Coordinated with bKash and factories to ensure a well-organized salary disbursement.
- vi. Oversight and monitor bKash agents on salary payday in order to ensure availability of cash so that the workers can withdraw their salary from bKash agents without any hassle.
- vii. Coordinated with bKash dealers of respective region to setup mobile agent points inside factory premises.

4.3 Future Plan for Financial Inclusion & Initiative

- a Field Oversight and Data Collection for Impact Evaluation of Female MFS agent in Bangladesh - IFC
- b Improvement in the level of financial skills and knowledge of RMG workers so that they can conduct formal bank transactions – Sarathi Financial Literacy component
- c Shaping Inclusive Finance Transformations – UNCDF: Learning and skills development activities to support business development service providers and strengthen the capacity of financial service providers and women-owned enterprise.

4.4 Challenges in implementing financial inclusion

- a Inadequate knowledge on MFS and Formal Banking Services

d Developing MFS ecosystem: As the MFS dreams of cashless transactions in the overall economy for which every transaction point should have access to MFS i.e. shop keepers, vendors, distributors, rickshawalas etc.

e Inadequate product/services for MFS user in comparison to demand: For instance there is high demand for DPS and credit services among MFS users

f Less market penetration/share for agent bankers: Formal banks have enough services to cater their customers but they are yet to penetrate the low income group and capture market share

e Nascent access to credit for MFS users and MSME loans: MFS user do not have access to much credit and there is dearth of loan facility for the Micro and SME borrowers due to credit rating issue

4.5 Recommendations for expansion in financial inclusion programs

a Policy recommendation: Cash-out limit increase – Though the limit has been capped to BDT 10000/day due to illegal trading and transactions by Bangladesh Banks in wake of RMG workers salary increase and for demand from them this limit can be reviewed

b Increase products and services of MFS: MFS are working as just mere transaction platform rather than having a positive impact in financial lives of low-income population due to lack of saving or credit products and services. So it is high time for them to include these services in their portfolio.

c Target unbanked population agent banking: Agent banking channel needs to increase their presence through promotional and sales activities as a major portion of targeted unbanked population are unaware of their available services

d Increase financial literacy both in MFS and Agent Banking: Comprehensive literacy training and campaigning is needed for new MFS and agent banking users

e Competition in MFS and Agent Banking: Fair competition and level playing field should be ensured among the MFS providers & agent banks so that no one player can monopolize the market

4.6 Case Study

“Learn and share with others about HERfinance project training issues”

Name- Hasina Khatun / ID no- 2616 / Designation- Operator / Section – sewing

Contact number- 01776141398

Change Associates conducted refreshers training 2 regarding financial planning and budgeting in TM Garments Ltd.(sewing Section) on 23th September 2018. In this training session, one female PFE named Hasina Khatun shared her own experience to others.

Details:

Few days ago, one of female colleagues of Hasina received an unknown phone call. A stranger asked her mobile money PIN code number and amount of money in the account. At first, she avoided his words. Then, she received more calls from that number, and she almost got convinced by him. Besides, she almost sent her this personal information to him. Suddenly, she could remember the warnings from Hasina, one of the financial peer educators. Hasina told her not to share any kind of mobile money account's information, especially PIN code number to others. After remembering this notice, she just avoided that phone call and stopped talking to him. Next morning, when she came in the factory, she shared her last night experience with Hasina. Hasina thanked her for avoiding that fraudulent call. Besides, Hasina also said that if she sent that man her PIN code number, she must lose her money.

Hasina shared everyone about the facilities and security issues of mobile money account. Some workers got benefited after learning from her.



My money, my dream

Financial literacy activities of MRDI

5.1 Organizational brief

Management and Resources Development Initiative (MRDI) - a multi-disciplinary, not-for-profit, non-government organization, engaged in a wide spectrum of social development activities and developing the standard and quality of the media, along with skill and ethics of the media professionals, located in Dhaka, Bangladesh. Apart from media training, the organization has the experience in advocacy and promotion of right to information (RTI) and corporate social responsibility (CSR).

The term 'Corporate social responsibility (CSR)' has gained much currency in Bangladesh nowadays. People, at least those having direct involvement in CSR activities, possess now a fairly good level of understanding about CSR.

It was a multi-pronged approach that brought CSR to its present state, starting out from scratch and opening up new wings of hope. MRDI has been a prominent player in this effort. In partnership with Manusher Jonno Foundation (MJF), MRDI launched a project titled 'Mainstreaming CSR to Address Poverty (MCAP)' back in April 2008 with the objective to develop CSR as an innovative and sustainable source of support for development.

In carrying forward advocacy for CSR, MRDI progressed step by step. Some model interventions were implemented successfully with CSR support which created examples bringing remarkable changes in the life and livelihood of marginalized people.



5.2 Financial literacy and MRDI

At one point of advocacy MRDI generated the idea of disseminating the knowledge on functions and use of money to young people in the form of financial literacy with CSR fund. Initially multinational bank HSBC came forward to support the idea. MRDI chalked out a project and implemented the following activities to promote financial literacy.

- a Main theme of the initiative: To popularize the slogan 'My money, my dream' MRDI and HSBC partnered in a project to introduce financial literacy among the school students and female workers of RMG factories. The initiative aimed to create awareness on needs and benefits of financial literacy and develop capacity of and create a positive mindset among young learners on financial literacy.
- b Basic preparations: Initially main activity of the project was to organize lecture sessions for the school students and garments workers. Later it included ToT for the labour counsellor working at Export Processing Zone (EPZ). Before starting the lecture sessions MRDI sat with a pool of resource including Bangladesh Institute of Bank Management (BIBM) representative and communication expert to develop the content of easy learning handbook on financial literacy, content of lecture session at schools, comic book, flip chart presentation for the garments session and poster. The meeting also finalized questions for quiz competition and topics of essay competition. Earlier MRDI organized focus group discussion sessions among the garments worker and school students to assess the level of their concept on financial literacy.



Contents of ToT for the labour counsellor were developed through separate meeting where senior official of Bangladesh Export Processing Zones Authority (BEPZA) was present along with other experts.

C Production of learning materials on financial literacy:

Three types of learning material were developed under this initiative and distributed among the target audience.

i. Easy read version of financial literacy

available @ <http://www.mrdibd.org/publications/amar%20takai%20amar%20shopno.pdf>

This publication mainly discussed the definition of money, source of income and expenditure, how to keep record of daily/monthly/annual expenditure, importance of savings, process of savings, time value of money, how do the banks work, process of opening bank account, benefits of bank account, methods of investments and guideline for setting up a financial management plan.

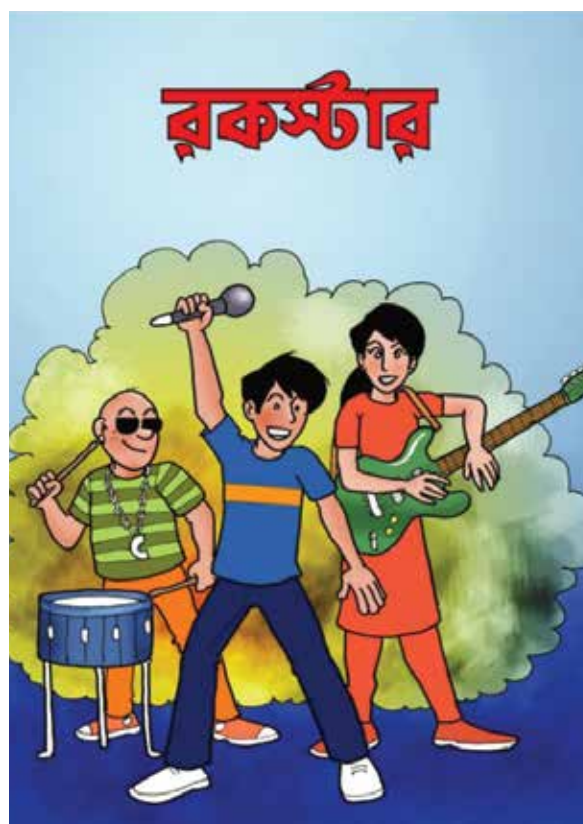
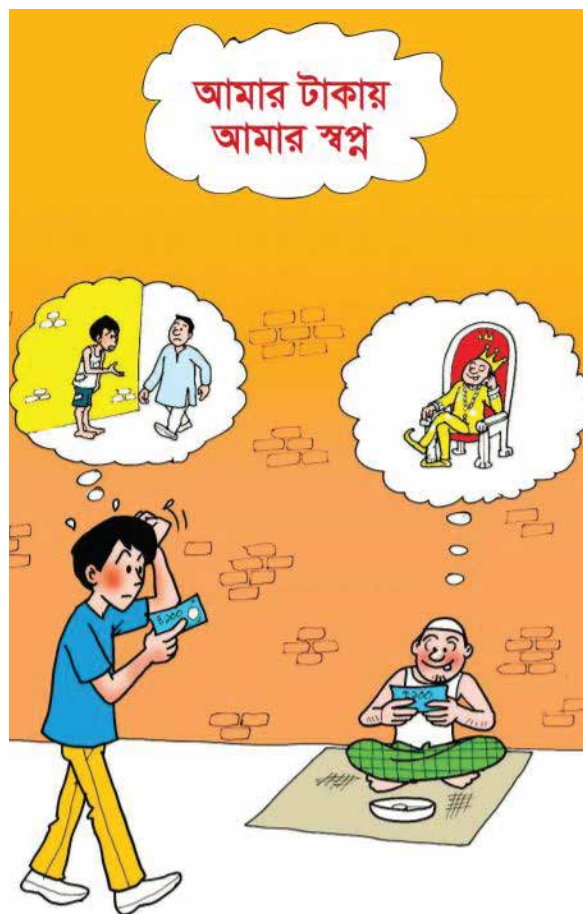
It was developed focusing school children and the young female garment workers who can read and write. It presented the information in a way to make it easily understandable.

Contents of the publication will help realize the deeper meaning of the issue and create awareness. It demonstrates some model charts for keeping record of daily/monthly/annual expenditures.

ii. Comic book on financial literacy

available @ <http://www.mrdibd.org/publications/rock-star.pdf>

This book tells a inspirational success story of three friends who want to start a musical band. To run a musical band some instruments are required. As students, they do not have enough money for that. When they shared this problem with their parents they got some idea of saving money. They fixed their target, found out the way of income and made a plan for saving money. Finally they succeeded on their plan and started their musical band.

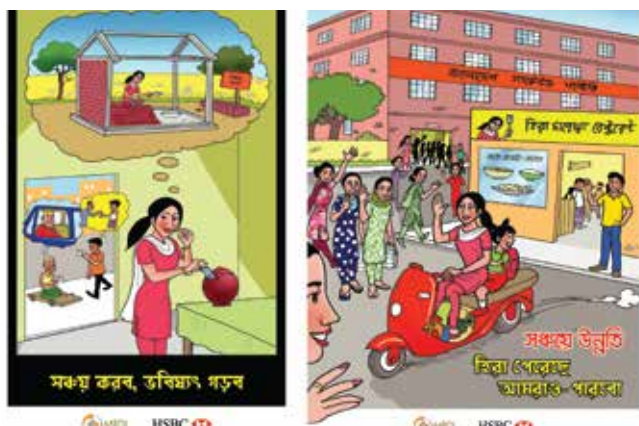


iii. Poster on financial literacy

available @ <http://www.mrdibd.org/downloads/Financial-literacy-poster.jpg>

Visual advocacy material plays significant role in creating awareness. It silently provides a lot of information.

Message of these posters are- Savings will secure our future and we can make it happen. 'Hira' the main character of these posters was a garments worker. She had dreams to build house and open a restaurant which she made possible by a sustainable saving plan.



d Develop a flip chart presentation on financial literacy:

A pictorial presentation was developed for the lecture session at garment factories and EPZs. It was designed with cartoons and narration to explain financial literacy, benefits of institutional financial transactions and other banking issues. Presentation was divided into three parts.

First part 'Dream and planning': Issues covered source of income and expenditure; relation between income and expenditure; dreams; proper planning for fulfilling the dream and importance of money.

Second part 'Necessary information': Issues covered importance of income and expenditure; record keeping; definition of savings and investment; normal trend of savings and investment, benefit & risks of savings & investments; benefits of bank accounts; savings certificates; fixed deposit and DPS. Different types of loan, merits and demerits of investing in land, business and somity also covered.

Third part 'Rules for getting services': It talked about rules of opening savings account at bank, buying different types of savings certificates and issuing bank loan.

e Lobby meetings: A series of lobby meetings were held with school authorities and factory owners to sensitized them on the issue and take their confirmations to organize lecture session.

f Lecture sessions for school students: MRDI organized 13 lecture sessions at Dhaka and Chattogram for the school students studying from sixth to eleventh grades. Each of the lecture sessions were followed by quiz competitions. Issue of essay competition was also shared with them at end of the session. Winners of quiz and essay competition were awarded.

g Lecture sessions for garments workers and factory workers of EPZs: A total thirty-one lecture sessions were organized for the workers of Interfab Shirt Manufacturing Ltd. at Viyellatex Gazipur; Plummy Fashions, Narayanganj; Dhaka Export processing Zone (DEPZA) and Adamji EPZ.

h ToT for labor counselor: Labor counselors provide counseling services to the workers regarding job, salaries, relation, personal problems etc. To include financial literacy as an issue of counselling training of trainers organized for the labor counselor of DEPZ, Adamzee EPZ, CEPZ and KEPZ. MRDI feels it will be a best way to reach more workers.

Through this initiative MRDI reached 3569 beneficiaries.

LABOUR COUNSELLOR	44
GARMENTS AND EPZ FACTORY WORKERS	1694
STUDENTS	1831

5.3 Challenge faced in programme implementation

- a Understanding the importance of financial literacy for children among teachers and parents
- b Dissemination of advocacy materials in web and media platforms
- c Engaging financial sector to come up with solutions
- d Availability of funds for advocacy

5.4 Future initiatives on financial literacy

- a Comic series on financial literacy: Education through entertainment is a very effective approach in terms of retention and sustainability. Comic books are very popular among children and young learners. Through this medium any message can be delivered to the targeted audience easily. MRDI feels to continue comic series on financial literacy. Massive distribution of comic book may help us to reach the goal.
- b Reprint easy read book and distribute in schools: Easy read version on financial literacy is an effective reading material to get conceptual clarity on the issue. For more distribution of this book needs to be reprinted.
- c Series of meetings with NCTB to include it in textbooks: To develop savings friendly mindset and get proper knowledge on financial literacy a detail chapter needs to include in education curriculum. MRDI is planning to organize a series of meetings to the relevant authority for lobbying this issue.
- d 13-episode drama series based on comic series: MRDI plans to produce a drama serial based on the comic series to create mass awareness on financial literacy.

5.5 Recommendation to enhance the scope of work

- a Include financial literacy in school textbooks
- b Launch media and social media advocacy campaign
- c Channel CSR and Development funds for advocacy and tools development

- e Encourage financial institutions and Bangladesh bank to promote the thought
- f Develop materials that encourage kids to be financially aware



6.1 Introduction

Shakti Foundation was established by Humaira Islam, PhD and a group of social innovators committed to the socio-economic empowerment of disadvantaged women through their social and financial inclusion. Founded in 1992 as a non-governmental organization, our mission is to eradicate poverty and stabilize social security for underprivileged women across the country.

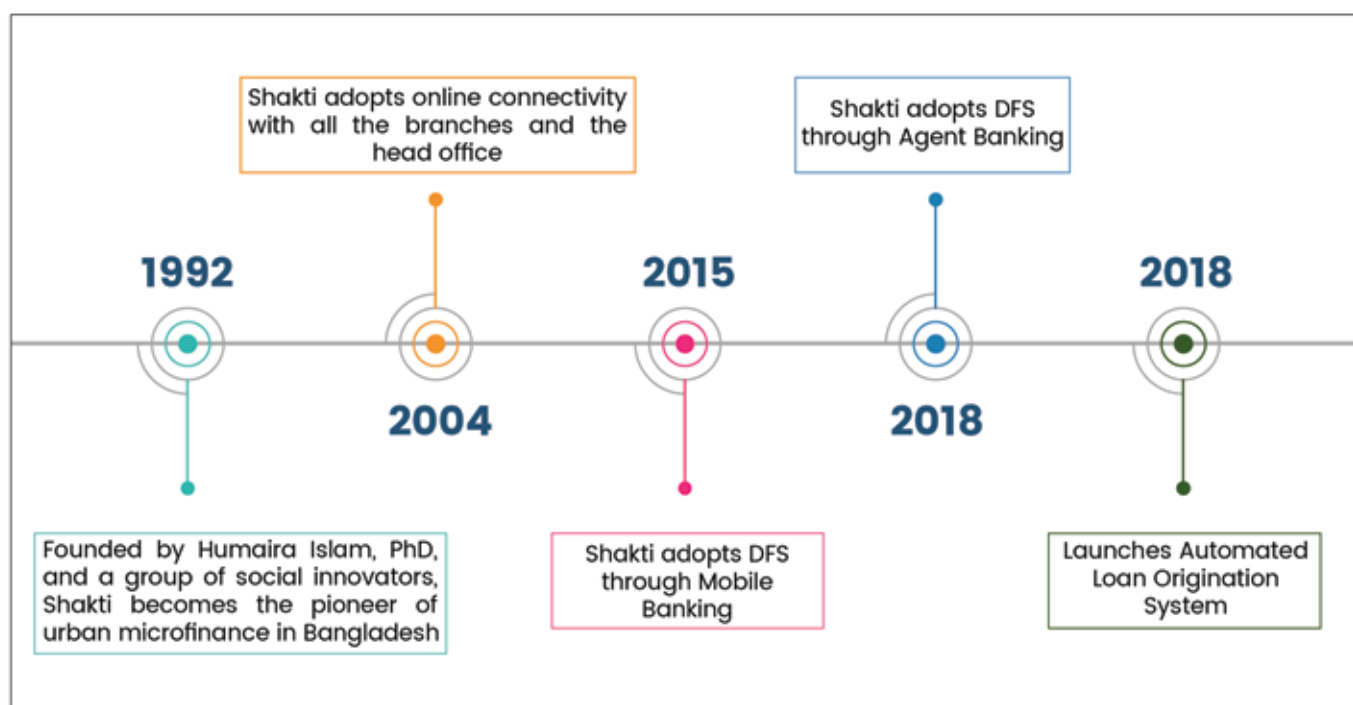
Shakti initially established a pilot microfinance program to provide small loans for income generation to women living in Dhaka slums. The program's success led to similar microfinance programs in other slums of other cities, the program subsequently expanded to the rural areas.

Shakti Foundation strongly believes in women's potential to become decision makers, leaders, and agents of change in their communities. It continues to strive for our women's socio-economic upliftment

through poverty reduction and gender equality. Shakti covers both rural and urban areas through its programs in Microfinance, Agro, Health, and Enrich Program, with branches all across Bangladesh in 53 districts providing services to 520,834 members.

Shakti Foundation is registered with the NGO Affairs Bureau Bangladesh under The Foreign Donations Regulations rules 1978 and the Register of Joint Stock Company Ltd. under the Society Act 1860. Shakti Foundation has also received certifications through the Microcredit Regulatory Authority Act in 2007 to run their microcredit programs.

6.2 Programs undertaken by Shakti for Digital Financial Inclusion for its clients:



Since 2004 all the 421 branches all around Bangladesh is interconnected with Head Office which enables Shakti with respect to MIS, monitoring, supervision, loan processing. Including that Financial Information system, Human Resource Information System, Inventory Management System are digitized and centrally connected.

This is enabling Shakti to tap a large number of members and serve them efficiently and effectively. The manual work of the staffs was reduced immensely so they are now being able to spend more time on customer service and increased the quality of the service.

Shakti is using centralized database server interconnected with either data modem or VPN modem. All the branches of Shakti are computerized. To make accustomed with the system all the staffs have to go through intensive training programs.

To make the loan disbursement system under the Micro-Credit program of Shakti more efficient one Shakti adopted loan disbursement model through mobile banking solution. Since, December 14, 2015 until date a total amount of BDT 236 core has been disbursed through mobile banking solution and the total number of members who availed this service is more than 1 lakh all around Bangladesh. This reduced the operating cost for Shakti as well enabled Shakti members on loan amount withdrawal flexibility, security of money as well efficient use of the loan amount without any added cost from their side.

With the motto to bring the bank to the doorsteps of the members who never had access to formal banking, wary of the grandeur of the branches of traditional banks, not receptive to the paperwork involved in traditional banking, has basic lack of knowledge and trust of DFS and the technology involved Shakti introduced Agent Banking Services for its members. Which ensured One stop shop for financial transactions: Increased access to financial products and services, increased access to channels and more safety and security for the members/clients of Shakti. And for Shakti, access to new suite of financial products, improved client service, higher client retention, technology aided internal control, increased outreach.

To ensure better transaction related security for the clients of Shakti, as a pioneer Shakti has introduced SMS notification system for each and every transaction done by the clients without any added cost.

To make the loan processing system more efficient

Shakti has introduced loan origination system with less printed materials as well as end to end integration of the process, which also is a cost efficient system added with extended monitoring facility.

The objective is to address the constraints limiting the access to financial market for the women entrepreneurs and women labor force of the targeted sectors. To achieve this Shakti is embedding

financial literacy training in their regular financial and non-financial products and services and also integrate gender advocacy in their regular promotional activity and also develop sector specific financial products catering the need of different tiers of women entrepreneurs. The trainings are facilitated by different foreign and local partner organizations as well as local digital financial service providers.

6.3 Challenges of implementation of Digital Financial Inclusion:

- a Cost involved (both for the client and the organization)
- b The specific target client segment is still not ready to embrace the resultant changes may be due to adequate academic or financial literacy
- c Government regulations acts as a big factor in scaling up digital financial inclusion as a bar was set for transactions through Mobile Banking
- d Acceptability of using digital financial services is far from reach till now which hinders the growth of Digital Financial Inclusion

6.4 Recommendations on extending Digital Financial Inclusion Program:

- a Related costs involved has to be reduced
- b Adequate support from the Government is required in terms of arranging awareness sessions for the organization's clients as well as scaling up digital financial systems
- c Development of ecosystem is required where anyone can do their transaction/s through digital money



Picture of members of Shakti taking training on Hardware and Software facilitated by Microsoft Bangladesh



Picture of Members of Shakti obtaining training on Digital training I Literacy

6.5 Case Study:

Hafsa Akter lives in Dhaka with her parents and is pursuing a Bachelor's degree in Economics. She runs a coaching center for one and a half years. She has rented a room near her house where she tutors 10 to 12 students from class 2 to class 9 on general subjects including Bengali, English, and Math.

Pleased with Hafsa's tutoring results, her students' parents wanted her to train the students on basic computer skills, which was also part of their school syllabus. While the business opportunity could enable her to earn an extra Tk. 500 per student per month or approximately Tk. 5,000.00–6,000.00 more monthly, Hafsa possessed neither the requisite computer skills nor a PC to provide this service.

Shakti Foundation, in partnership with Microsoft, facilitated that opportunity for her by enrolling her in its 5-day Microsoft Digital Literacy training program. After completing the training, she then took out a loan of Tk. 50,000.00 from Shakti Foundation through her mobile banking wallet (DFS) to buy a laptop and commence her computer training class. She now offers a computer course to the students at her coaching center.

Report from Microcredit Regulatory Authority regarding Financial Literacy Program

7.1 Organization background

Microcredit Regulatory Authority (MRA) was established through the enactment of the Microcredit Regulatory Authority Act 2006 as the regulator of microfinance sector of Bangladesh. Soon after the establishment of MRA, it has been working for the poverty alleviation and sustainable development of the country by ensuring transparency and accountability of this microcredit sector.

MRA is working to create a conducive and healthy environment for the Microfinance Institutions (MFIs); ensure the customer protection and overall development of the sector through ensuring the implementation of various rules and regulations; on-site and Off-site supervision as well as monitoring. It also facilitates the sector by providing training and conducting research and publication

7.2 MRA's program on financial literacy:

Microcredit Regulatory Authority in its 8th sectoral meeting has taken a decision to improve the quality of financial education of micro-credit sectors through conducting a Financial Literacy Program within its clients. In this regard MRA, PKSF and the MRA's licensed MFIs which have already implementing financial education programs such as BRAC, ASHA, TMS, RDRS and Addin Welfare Foundation will draft a financial education module based on field visits and experience.

a Details of the program:

Title : Financial education for the Microfinance clients
Objectives

To make the clients aware about their rights and to make more responsible so that they can invest their microcredit properly.

b Implementation method, tools and techniques
Firstly, representatives of all licensed MFIs will be selected. Then the selected representatives will be given a TOT (Training on Trains) on various topics included in the module. Then they will provide training

to a team of each MFI. The team will train all field officers to give a good idea about financial education and training on the level of teaching at the customer level. The field staff will later implement the program by providing financial education in the yard meeting.
Tools: Education Guidance Module for customers of microfinance sector.

Strategy: Training and field discussions.

Operational Cost : The MFIs and the clients (the beneficial of this program) will not bear any additional operational cost for implementing this program.

7.3 Future initiatives and plans:

By implementing the financial education program the customers will be able to protect their rights and make the right decision in case of investing their loan amount. They may bring their children and families under the program and improve the quality of financial education of all the people of the country.

7.4 Challenge:

- a lack of interest of getting financial education of the clients;
- b lack of skilled manpower of microfinance sector;
- c lack of fund to implement this type of program;

7.5 Expansion recommendations

It is possible to bring about 30 million members of microfinance sector under financial education.

7.6 Case Study

In the time of preparing manual of the financial education program the committee found that the clients of the MFIs (as for example; the clients of Tangail Sadar branch of Buro Bangladesh and Sreepur branch of BRAC) who have informally implemented financial education programs are more aware about their rights than that of other MFIs clients.

BURO Bangladesh Financial and Business Literacy for Women Entrepreneur

8.1 Background:

BURO Bangladesh is one of the front ranking development organization in Bangladesh and working since 1990. Since inception, BURO has been committed to its vision, founders as well as employees are from the beginning heavily attributed by working tirelessly to provide social and financial services to ensure sustainable development for the poor. Like other development organizations, BURO Bangladesh had to face many challenges in the last three decades to pursue its goals. However, it successfully overcame those challenges and managed to appear a financially self-reliant and sustainable development organization in the country. Now, BURO Bangladesh is a recognized and undeniable organization in the microfinance sector. The dedication and hard work of its 9724 employees is the driving force for this achievement. According to the latest statistics, it is serving more than 1.7 million poor women throughout the country under 1000 braches.

8.2 Financial Literacy Program

Bangladesh government is politically committed to building a hunger and poverty free country. A strong and moving rural economy is the key factor to bring this commitment into reality. Two fundamental and important issues matter to keep the country's rural economy moving. Firstly, flexible financial services. Secondly, assisting organizations that are working to

provide business management knowledge and training among rural entrepreneurs. Since 2014, BURO Bangladesh has trained up 165,000 rural women entrepreneurs in five phases with the support of MasterCard Worldwide. The main objective of this program is to develop financial literacy and business management concept among the women beneficiaries. Under the newly signed agreement with MasterCard Worldwide, BURO Bangladesh will conduct a financial and business management-training program for other 15,000 women entrepreneurs in phase six. This renewed training program is expected to cover 325 branches in 168 upazilas.

Overall Objective: The beneficiaries of this project will attain skills in business strategy, market analysis, demand & supply mechanism, account management, capital and employee management. This project will also enable the trainees to run their businesses smoothly by making their own business plans.

Specific Objectives:

- a Building up a positive image of the organization by making an effective partnership with BURO Bangladesh and the beneficiaries of this project.
- b Providing the best business services by developing beneficiaries business skills.
- c Assisting the entrepreneurs to design a business plan.
- d Making them acquainted with financial and business vocabulary.

Aim: Providing the best business services by developing financial and business skills of the trainees under this project.

	Activities
01	Developing a training module and handouts.
02	Training the trainers(TOT)
03	Training the women entrepreneurs.
04	Head Office and the branch offices follow ups the training progress and provide necessary technical assistance.

Implementation Strategy

Director- Special Program is responsible to supervise all the projects on behalf of BURD Bangladesh. In fact, the Department of Special Program and Training together will directly supervise the implementation of this project undertaken from Master-Card Worldwide. The project implementation flowchart is as follows:

1. Planning: Executive Director, in association with the board of directors and head of the departments, has made a project implementation plan.
2. Working Area Selection: Appropriate branches are already been selected to implement the project considering its characteristics and indicators of the target people.
3. Trainee Selection: Staff of the selected branches are been trained up to choose the appropriate trainees for financial literacy and business management training.
4. Training Materials Development: The Training Department will prepare, develop and print all the necessary training materials, such as training module, workflow, hands out and brochures.
5. Training Schedule: Training department will prepare a flexible training schedule for the entrepreneurs considering their numbers. They will receive training locally in several batches according to the schedule.
6. Implementation of the training courses: In the first stage, the skilled and professional trainers of BURD Bangladesh will train the branch staff in accordance with the training plan and module. In the second stage, these trained employees of BURD Bangladesh will arrange training in their respective centers for the entrepreneurs.
7. Training Follow-up and evaluation: Trainers from the Training Department will monitor the effectiveness of the locally organized training activities and evaluate the trainees who are also the entrepreneurs following their own professional techniques.

8.3 Future Plan to make the project a success:

1. Training on Financial Literacy and Business Management will continue.
2. Training will be closely monitored and evaluated from time to time.
3. Training curriculum and module will be kept up to date.

4. The utilization, advantages and usefulness of the knowledge of Digital Financial Literacy will be included in the curriculum.

5. The subject matter/content of the training course will logically be extended.

8.4 Project Implementation Challenges

- 1 The project beneficiaries lack interest in spending time in training.
- 2 Training friendly venues are not equally available in all project areas.
- 3 Insufficient budget restrains to pay expected allowances for the trainees.
- 4 The existing budget is not enough to cover the training program.

8.5 Recommendation for the expansion of the Financial Literacy Program

- 1 Increasing the existing budget.
- 2 Keeping the training curriculum and module up to date.
- 3 Ensuring easy access to a quick loan for the entrepreneurs.
- 4 Making a clear concept of VAT and Tax for the trainees.

8.6 Case Story:

Successful Entrepreneur Afroza

Talking to the struggle for life winner, Afroza Begum, who started this struggle after her marriage. After studying the eighth grade, she got married Abdul Motalib, a native of Natore District. Now Afroza Begum is a successful Entrepreneur. But her husband's financial condition was not good at the time of marriage. Motalib was a day laborer and occasionally worked as a bus driver assistant. Financial insolvency was their daily companion. So, Afroza was trying to do something for her self- reliance, but where is the money? In this situation, from her neighbor known about BURD Bangladesh microfinance program. For the first time, she took a loan of Tk.

10,000 from BURD Bangladesh Natore branch and started a small poultry at home. She pay the loan installment gradually from the profit.

Later, she started 500 broiler chicken farm with a loan of Tk. 50,000. Within a short time, they got good profit in their business and their interest is increasing for that. They actually started to their business without any financial and business literacy. Then Afroza Begum participated in the "Financial and Business Literacy" one day formal class room training which was organized by BURD Bangladesh Natore branch. She said, we have done business without knowing the rules of business, but now we are doing

business with adequate financial knowledge and confidence. At present, she has taken 1, 80,000 Tk. loan and given 1000 layers chicken farm. There is no lack of hunger now in their family. Currently, Afroza runs the installment of TK. 2,20,000 as well as Savings and DPS. She has 1250 chicken on the farm and every day earn 400 Taka by selling eggs.

Now Afroza Begum Capital is about 6 lakhs taka. Their families are now better and her husband works in the farm along with day laborer. Their only son studying and cooperating in the farm works. Afroza Said that, there will be no shortage in the family if the husband and wife work together.



Some Picture of Financial literacy program:



WAY FORWARD

- a A formal financial literacy policy/ guideline is required to increase the financial literacy programs in Bangladesh. These policies should be directed towards rural areas where most of the unbanked people reside.
- b Elementary level financial education can be introduced in the formal educational system to familiarize youth about the concept of financial literacy.
- c Different activation programs like small video clips, short films and, interactive games on financial education can have a greater impact in improving financial literacy if exhibited in schools, colleges, TV Channel, and, in different community in Bangladesh.
- d A major portion of the unbanked people lacks the trust in financial institutions whether is private or public in nature. Therefore, the financial literacy programs at the basic level should include trust-building activities into the curriculum.
- e Financial literacy programs should consider the participation of the social and religious leaders, public representatives from the local vicinity as a positive reinforcement of the community. Due to the conservative social norm prevailing in Bangladesh, including them will ensure the sociological challenges to overcome boundaries at the household level.
- f Most of the financial literacy programs implemented are either project-based or depended on a specific budget program for a short-term objective carried out by various participants. A much-needed push is required from government institutions like Bangladesh Bank, Ministry of Finance to develop a sustainable model to promote financial literacy for the mass.
- g Agents, who operate in the grassroots levels, are the primary source of getting financial literacy in the rural and sub-urban areas. Firstly, these agents should be sensitized and guided about basic financial literacy concepts.
- h Though Bangladesh has achieved significant growth in terms of creating financial access, the gender gap has widened over the years. Women are lagging to adopt financial services. Therefore, financial literacy programs should emphasis to close the existing gender gap in Bangladesh, especially in rural areas.



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📍 ICT Tower, Agargaon, Sher-e-Bangla Nagar, Dhaka, Bangladesh

📞 88 02 55006931-34 📠 88 02 55006936 ✉ a2i@a2i.gov.bd

🌐 www.a2i.gov.bd 📘 a2iBangladesh 📱 @a2i_bd 📺 a2iBangladesh



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