

National Financial Literacy Strategy **2013 - 2015**

Leading Fijians to Personal Financial Wellbeing

Prepared for
Cabinet

Prepared by
National Financial Inclusion Taskforce

This paper outlines the national strategy for the overall coordination framework for development and delivery of programs to improve the financial literacy and financial wellbeing of all Fijians. It formalizes a platform for effective coordination, support and monitoring of combined actions of key stakeholders towards building national financial competency by 2015. The Financial Literacy Working Groups' Annual Work Plan provides the detail action plans, monitoring and evaluation process. This strategy will be a living document that is to be publicly reviewed and consulted midterm after it is released (i.e. by June 2014).

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Acronyms and Terminology

CCOF	-	Consumer Council of Fiji
EFTPOS	-	Electronic Funds Transfer at Point of Sale
FEF	-	Fiji Employers Federation
FinLit	-	Financial Literacy
FinED	-	Financial Education
FLWG	-	Financial Literacy Working Group
FNPF	-	Fiji National Provident Fund
FSP	-	Financial Service Provider
MFI	-	Microfinance Institution
MoE	-	Ministry of Education
MoF	-	Ministry of Finance
MoJ	-	Ministry of Justice
MoSP	-	Ministry of Strategic Planning
MNO	-	Mobile network operator
MWG	-	Microfinance Working Group
NFIT	-	National Financial Inclusion Taskforce
NGO	-	Non-government Organization
PFIP	-	Pacific Financial Inclusion Programme
RBF	-	Reserve Bank of Fiji
SWG	-	Statistics Working Group
TELCO	-	Telecommunication Company

Policy Context

1. Fiji is committed to building greater financial inclusion amongst its people. Thus, there is a need to facilitate an enabling policy environment and improve infrastructure in order to attract and support financial service providers, who can deliver affordable, accessible and appropriate financial services to all.
2. Fiji recognizes that financial inclusion and financial literacy are complementary. When an individual or household is financially literate, they have the ability to understand and to make informed choices relating to financial services and products and are able to manage their money and investments wisely. The desired impact in the context of financial literacy is an improvement in an individual's wellbeing through application of knowledge and skills (financial competency).
3. Effective partnerships amongst all stakeholders is imperative to enhance and support the delivery of a coordinated national strategy on financial literacy/education and consumer protection to facilitate and raise domestic savings and investment levels and, in the process, contribute to economic growth. The national strategy is designed to provide an overarching framework to guide partners and stakeholders from the private and public sectors, as well as civil society, towards effective collaboration in building and contributing to financial literacy and competency for all Fijians. A consultative approach ¹was used to identify the agreed areas of focus and the required action plans, including the monitoring and evaluation process.
4. An independent baseline study was conducted in November 2011 to assess the financial competencies of low income households in Fiji. The study is being used as the basis for the development of this national strategy, which is aimed at lifting the levels of financial competency of all Fijians and, in particular, to address the needs of vulnerable and disadvantaged groups such as those that are typically excluded from the mainstream formal financial sector.
5. The general conclusion from the Study highlights that low income households displayed low levels of financial competence in managing the financial decisions of their households. The study assessed the basic skills or behaviors that are needed by low income households to successfully use money and engage with the formal financial system. The study thus provides a baseline (see Table 1 below) that can be measured and monitored over time against the national strategy with the vision of improving individuals' ability to better manage their money with anticipated flow on effects to their local communities, improved livelihood and greater economic contribution.

Table 1 below summarises the scorecard of the competencies levels of low income households that were surveyed in 2011.

¹ National Financial Competency Development Workshop 5-6 September 2012

Table 1

Competence/Skill Level	Score Range
Managing household expenditure Setting household plans and goals	Moderate -High
Effecting non cash transactions Managing household income Identifying and recording household expenditure Managing regular and one off expenditure Managing requests for financial assistance Keeping household records Managing savings Managing long term savings Managing borrowings	Low -Moderate
Managing budgeting Managing the cost of money	Low

6. The key task is to ensure that each of the strategies adopted improves upon the existing or present to a higher level that the strategy targets. This has been summarized in Table 2.

Table 2: Strategic Shift to Strengthen Financial Competency		
From (Skill Level)	Strategy	To (Target)
Lack of financial literacy presence at Government level	<i>Strategic Objective 1²</i>	Government ownership and integration into national development plan
Lack of development and coordination structure of financial literacy program.	<i>Strategic Objective 2³</i>	Established strong structure for development and coordination of financial literacy
Low levels of financial competency	<i>Strategic Objective 1</i> <i>Strategic Objective 2</i>	Moderate to High
Low Understanding of the cost of money	<i>Strategic Objective 1</i> <i>Strategic Objective 2</i> <i>Strategic Objective 4⁴</i>	Moderate to High

² Integrate financial literacy strategy into national development plans.

³ Strengthen and enhance the coordination of and development of effective financial literacy programs for formal and informal sectors

⁴ Support the development of appropriate, accessible and affordable financial products and services

Low to moderate competence at managing expenditure that must be planned in advance	<i>Strategic Objective 1</i> <i>Strategic Objective 2</i> <i>Strategic Objective 3⁵</i>	Moderate to High
Low to moderate competence at building savings	<i>Strategic Objective 1</i> <i>Strategic Objective 2</i> <i>Strategic Objective 3</i>	Moderate to High
Lack of provisions for retirement and old age	<i>Strategic Objective 1</i> <i>Strategic Objective 5⁶</i>	A number of new provisions for retirement and old age
Limited access to basic financial services/products	<i>Strategic Objective 1</i> <i>Strategic Objective 3</i>	Increased access to basic financial services/ products
Weak measurement and monitoring system for work advanced to financial literacy.	<i>Strategic Objective 6⁷</i>	Established measurement framework for the monitoring of financial literacy programs.

7. Implementation of the National Financial Literacy Strategy will be managed by the Reserve Bank of Fiji and the National Financial Inclusion Taskforce (NFIT). The National Strategy comprises of 6 strategic objectives, which leads to the Strategy's Vision of Leading Fijians to Personal Financial Wellbeing. The 6 strategic objectives have been tabulated below. These can be reviewed and measured in a follow up Competency survey in 2016

⁵ Support the development of appropriate, accessible and affordable financial products and services

⁶ Create and support initiatives for adequate provision for retirement and old age

⁷ Establish a performance measurement framework to monitor progress and reporting.

Overview of National Financial Literacy Strategy

Our Vision

Leading Fijians to Personal Financial Wellbeing

Mission: To educate and empower through financial literacy

Guiding Principles for Financial Literacy

- Relevant financial information/training provided in a simple, accessible and timely manner
- Accessible and affordable financial products and services
- Monitoring, measuring and knowledge sharing for continuous improvement to consolidate the outcome achieved.

Objectives

<i>Strategic Objective 1</i>	<i>Strategic Objective 2</i>	<i>Strategic Objective 3</i>	<i>Strategic Objective 4</i>	<i>Strategic Objective 5</i>	<i>Strategic Objective 6</i>
Integrate financial literacy strategy into national development plans.	Strengthen and enhance the coordination of and development of effective financial literacy programs for formal and informal sectors.	Support the development of appropriate, accessible and affordable financial products and services.	Ensure effective market conduct and support appropriate consumer protection mechanisms.	Create and support initiatives for adequate provision for retirement and old age.	Establish a performance measurement framework to monitor progress and reporting.

STRATEGIC OBJECTIVE 1: INTEGRATE FINANCIAL LITERACY STRATEGY INTO NATIONAL DEVELOPMENT PLANS

ACTION	RESPONSIBLE PERSON/ AGENCY	START	END	TARGET
Prioritize FinLit within Government development plans and include in budgetary allocations for relevant ministries/departments	RBF/MOF/MoSP/Other relevant Ministries & Departments	Ongoing	Ongoing	Government –MOF
Formulate an annual expense budget to support various FinLit awareness programs	NFIT/MoF	Quarter 1 2013	Ongoing	Government – MOF
Solicit funding support from donor agencies	RBF/ NFIT	Quarter 1 2013	Ongoing	Donor Agencies
Regular reporting to Cabinet	RBF/ NFIT	Quarter 1 2013	Ongoing	Government

STRATEGIC OBJECTIVE 2: TO STRENGTHEN AND ENHANCE THE COORDINATION OF AND DEVELOPMENT OF EFFECTIVE FINANCIAL LITERACY PROGRAMS FOR FORMAL AND INFORMAL SECTORS

ACTION	RESPONSIBLE PERSON/ AGENCY	START	END	TARGET
Develop and circulate to stakeholders a national calendar of events for FinLit outreach programs	FLWG/NFIT	Quarter 1 2013	Ongoing	FSPs and stakeholders
Compile and update consolidated list of FinLit providers and coverage of training	FLWG/SWG	Quarter 1 2013	Ongoing	Policy makers, FSPs and stakeholders
Monitor FinLit programmes	FLWG/NFIT	Quarter 2 2013	Ongoing	FSPs
Implement Financial Education (FinED) program to all schools from 2013	MoE	Quarter 1, 2013	Ongoing	910 schools
Monitor and evaluate FinED programs	MoE/NFIT	Quarter 2, 2013	Ongoing	910 schools
Introduce FinED through a university/tertiary institution as a compulsory orientation program	MoE/Higher Education Commission	Quarter 3, 2013	Ongoing	Tertiary students
Private Sector involvement: <ul style="list-style-type: none"> • Facilitate FinLit training within employer/employee organizations E.g. Fiji Hotel Association/FEF • FSPs to make available generic FinLit material for dissemination • Involve media, private sector, NGOs and MFIs to advocate FinLit 	RBF/Employer Associations/Service Providers	Quarter 1 2013	December 2015	Adult population

ACTION	RESPONSIBLE PERSON/ AGENCY	START	END	TARGET
Harness Media to deliver FinLit through entertainment <ul style="list-style-type: none"> • Develop a communication/media strategy • Use vernacular, skits and drama • Maximize Vuli the Vonu as the FL Mascot and her message of “<i>Saving, Spending wisely and Sharing</i>” • Identify a prominent national champion of Financial Literacy 	RBF/NFIT/FSPs RBF/NFIT/FSPs RBF/NFIT/FSPs RBF/NFIT	In progress Quarter 1, 2013 Ongoing Ongoing	Ongoing Ongoing Ongoing Ongoing Quarter 2, 2013	FSPs and all institutions that provide FinLit training Adults and children
Public Sector involvement: <ul style="list-style-type: none"> • Use government machinery to create awareness and deliver FinLit via E.g. Bose ni Yasana, Roko’s, Public Service Commission (Civil Servants), Provincial Administrators • Pre-requisite for all Resource Owners training programs and other distribution channels. 	MoF/MoSP	Ongoing	Ongoing	FSPs and stakeholders
Development of a formal group for the sharing of information on FinLit for advocacy purposes	NFIT	Quarter 2 2013	Ongoing	FinLit Stakeholders

STRATEGIC OBJECTIVE 3: SUPPORT THE DEVELOPMENT OF APPROPRIATE, ACCESSIBLE AND AFFORDABLE FINANCIAL PRODUCTS AND SERVICES

ACTION	RESPONSIBLE PERSON/ AGENCY	START	END	TARGET
Broadening distribution channels by developing partnerships with strategic service providers	FLWG	Ongoing	Ongoing	FSPs
Review and monitor progress of microfinance initiatives/programs by financial services providers (NGOs, MFIs, Insurance companies, FPNP etc.)	RBF/MFWG	Quarter 1 2013	Ongoing	The unbanked/uninsured
Improve interconnectivity in remote areas	TELCOs with guidance from Government	Quarter 1 2013	Ongoing	Stakeholders
Awareness and Development of Microinsurance Products	RBF/ ITF/ PFIIP	Ongoing	Ongoing	Uninsured

STRATEGIC OBJECTIVE 4: ENSURE EFFECTIVE MARKET CONDUCT AND SUPPORT APPROPRIATE CONSUMER PROTECTION MECHANISMS

ACTION	RESPONSIBLE PERSON/ AGENCY	START	END	TARGET
Community Awareness of consumer protection for financial services (guidelines) E.g. Cost of services, interest and fee disclosure, calculation, rights and responsibilities, debt management, fine print	NFIT/FLWG	Quarter 1 2013	Ongoing	Customers who have access to financial services.
Awareness – work with existing service providers to disseminate information, e.g., MNOs	CCOF/MNOs	2013	2015	All consumers
Radio campaigns on redress mechanism and consumer protection	CCOF/MoJ(Small Claims Tribunal)	2013	2015	All consumers
Advocate the registration of financial advisers and non-regulated financial service providers. Advocate the strengthening of regulation of FSPs currently outside the ambit of the RBF, to ensure effective market conduct.	NFIT/ MoJ	2013	2015	Financial advisers and FSPs outside the ambit of the RBF

STRATEGIC OBJECTIVE 5: CREATE AND SUPPORT INITIATIVES FOR ADEQUATE PROVISION FOR RETIREMENT AND OLD AGE

ACTION	RESPONSIBLE PERSON/ AGENCY	START	END	TARGET
Increase awareness on the benefits of voluntary FPNF schemes and other financial services providers as an alternative savings scheme for retirement benefits. (Unit Trust, Managed Funds and Mutual Funds)	FNPF/MNO's/MoE/ Ministry of iTaukei Affairs/Ministry of Provincial Development/Fiji Missions Overseas, Insurance Provider	Quarter 1 2013	Ongoing	Informal sector workers, students, Fijians working abroad
Increase awareness of the availability of Mobile Banking services and EFTPOs machines to facilitate inclusion into the formal financial system and FPNF	FNPF/MNOs/NFIT	January 2013	Ongoing	Fiji-wide program, with emphasis on rural areas
FinLit training on retirement options and financial	MoE/Technical vocational	March 2013	Ongoing	I. New entrants to the

ACTION	RESPONSIBLE PERSON/ AGENCY	START	END	TARGET
products for those entering the formal urban working sector to prepare for their retirement	training centers/ Fiji Employers Federation (members to include in induction/staff development training)			workforce II. Formal sector employers

**STRATEGIC OBJECTIVE 6: ESTABLISH A PERFORMANCE MEASUREMENT FRAMEWORK TO MONITOR
PROGRESS AND REPORTING**

ACTION	RESPONSIBLE PERSON/ AGENCY	START	END	TARGET
Set up national database and score card on progress of financial inclusion. For example: FinLit, FinED, Adult Financial Education, FinLit programmes and delivery, consumer protection (# and type of complaints), and banking the unbanked	SWG/ FBOS/RBF/ Donor Agencies	Quarter 2	Ongoing	Policymakers/ Decision Government Donors/ Makers/
Communicate FinLit progress data to key stakeholders (Six monthly formal communication)	SWG	July 2013	Ongoing	Policymakers/ Decision Government Donors/ Makers/

Annexure: Background to Financial Literacy in Fiji

Policy Background

In recent years there has been unprecedented focus on financial literacy and financial inclusion. There is growing recognition amongst policy makers and leaders that financial literacy is a critical life skill and an important tool for building financial inclusion, and socio and economic development.

In August 2008, Finance Ministers, Central Bank Governors and Senior Officials from the Pacific area and Timor-Leste were part of a conference in Coombs, near Sydney, Australia. The Coombs Declaration that was issued after the Conference stated, “...that by lifting levels of financial literacy or financial capability in the region, economic performance would be improved, with flow on social and financial benefits for individuals and families.”

In October 2009, South Pacific Central Bank Governors Meeting (Fiji, Samoa, Solomon Islands, Vanuatu Papua New Guinea, New Zealand and Australia) endorsed the **Money Pacific 2020 regional goals** that had been formulated and agreed to earlier in August – September 2009 by Pacific Ministers for Finance and Education and made a commitment to lead action on building financial competency in their respective countries

2020 Money Pacific Goals

In each Pacific Island nation by 2020, through the combined actions of public and private sectors, our goals are :

- 1. All schoolchildren to receive financial education through core curricula.*
- 2. All adults to have access to financial education.*
- 3. Simple and transparent consumer protection to be in place.*
- 4. To halve the number of households without access to basic financial services.*

In line with these goals, the Reserve Bank of Fiji, in partnership with the Pacific Financial Inclusion Programme, hosted the National Microfinance Workshop in November 2009 and with the participation of national stakeholders, reviewed and identified priority actions towards a medium term financial inclusion strategy for Fiji. The workshop was participated by all major financial services providers, mobile network providers, key government agencies and NGOs agreed to work collectively to reach 150,000 unbanked clients by 2014. Stakeholders agreed that this has to be a nationally coordinated effort that is supported by a variety of financial services providers offering a broad range of relevant, accessible, affordable and cost effective financial services.

A National Financial Inclusion Taskforce was then established in February 2010 under the leadership of the Reserve Bank. Three Working Groups, each chaired by a member of the NFIT, were also established to drive the implementation of programs and initiatives of strategic areas – Microfinance, Statistics and Financial Literacy.

At its first meeting in 2010, the Financial Literacy Working Group agreed to focus on three priority areas, these are:

1. Preparation of a national financial competency building strategy;
2. Implementation of adult financial literacy programs; and
3. Integration and strengthening of financial education into core school curriculum at primary and secondary school levels.

Initiatives undertaken in Fiji to promote Financial Literacy

Integration of Financial Education into Fiji School Curriculum

In 2011, the Minister of Education launched the Financial Education Project to introduce financial education within the Fiji school curriculum from the 2013 school year. Working in partnership with Pacific Financial Inclusion Programme (PFIP) and funded by AusAID Fiji, the Project aims to introduce personal money management and investment within existing school subjects. As part of the Project, 197,000 school students in Classes 1 through to Form 6 will be exposed to financial education in schools every year. It is envisaged that this will contribute to building a generation with improved knowledge, skills and competencies in personal money management and investment.

Launch of Financial Literacy Radio Programs

To create awareness on personal money management issues the National Financial Inclusion Taskforce in partnership with VISA Australia sponsored a financial literacy radio program to boost awareness and support for financial literacy. The skits, which have financial themes as the underlying story lines were developed in English, Fijian and Hindustani language by the Fiji Broadcasting Corporation and were broadcast on air in the latter part of 2012.

Adult Financial Literacy Programs

There are a number of institutions that have been taken it upon them to develop and implement programs raise awareness and enhance financial literacy for the community. These include the commercial banks, microfinance institutions, conservation groups and employers. These stakeholders have been conducting financial literacy training to their employees, as well to the communities as part of their financial inclusion initiatives. To date, close to 30,000 people have received some form of financial literacy training in Fiji since 2010. Most licensed financial institutions have individuals assigned to go out to rural communities and conduct financial literacy training.

National Consultation and Review Process

A diverse group of stakeholders involved in financial literacy from the public and private sectors, civil society groups, non-government organizations and donors participated at a National Workshop to review the findings from the low income household survey and, discuss ideas and opportunities for working together to improve financial education and financial literacy in Fiji.

The following areas were identified and discussed:

1. Consumer Protection and Advisory Services
2. Deepening Access to Appropriate Financial Products (including focus on Gender)
3. Market Conduct and Effective Complaints and Redress Mechanisms
4. Effective Design, Delivery and Monitoring of Financial Literacy Training
5. Role of Private Sector in Building Financial Competency
6. Provision for Retirement – Customary & Formal Pension and Social Protection

The outcomes from these discussions have been reviewed and prioritized into an action plan which is intended to provide a map for coordination and monitoring by the identified stakeholders. The overall coordination and monitoring of the national strategy will be the responsibility of the NFIT and the three Working Groups.

Annex 2: Current Members of the NFIT and Working Groups

1. National Financial Inclusion Taskforce

Name	Organization
Mr. Robin Yarrow – CHAIRPERSON	RBF Board of Director
Mr. Barry Whiteside	Reserve Bank of Fiji
Mr. Inia Naiyaga	Reserve Bank of Fiji
Mr. Filimone Waqabaca	Ministry of Finance
Mr. Tevita Nagataleka	Fiji National Provident Fund
Mr. Dijendra Singh	Vatia Beach Resort
Mrs. Loraini Tevi	Fiji Council of Social Services
Mr. Reuben Summerlin	Pacific Financial Inclusion Programme
Mr. Kevin McCarthy	Bank South Pacific
Mr. Vereimi Levula	Reserve Bank of Fiji
Financial Systems Development Unit - SECRETARIAT	Reserve Bank of Fiji

2. Microfinance Working Group

Name	Organization
Mr. Elrico V Munoz - CHAIRPERSON	South Pacific Business Development
Mr. Isaac Mow	Post Fiji
Mr. Sitiveni Marovia	Australia and New Zealand Banking Group
Mr. Shailendra Prasad	Vodafone Fiji Ltd
Mrs. Eseta Nadakuitavuki	Westpac Banking Corporation
Mr. Nafitalai Cakacaka	Fiji Development Bank
Mrs. Lavenia Baro	Fiji Council of Social Services
Mr. Ravi Chand	National Centre of Small and Micro Enterprise Development
Ms. Duri Buadromo Ms. Akata Taito - SECRETARIAT Mr. Neumi Usumaki	Reserve Bank of Fiji

3. Statistics Working Group

Name	Organization
Mr. Kevin McCarthy – CHAIRPERSON	Bank South Pacific

Mr. Tim Wilson	Tebbutt Research
Ms. Emali Soderberg	Fiji Bureau of Statistics
Ms. Savaira Manoa	Reserve Bank of Fiji
Dr. Jafarey Saqib	University of the South Pacific
Ms. Yashneeta Arya	Fiji National University
Ms. Duri Buadromo Mr. James McGoon - SECRETARIAT Mr. Sameer Chand	Reserve Bank of Fiji

4. Financial Literacy Working Group

Name	Organization
Mr. Tevita Nagataleka – CHAIRPERSON	Fiji National Provident Fund
Mr. Michael Nacola	BSP Life
Ms. Jyoti Maharaj	Westpac Banking Corporation
Ms. Felisha Tuiloma	ANZ
Mr. Ramesh Jhamb	Bank of Baroda
Mr. Jeff Liew	Pacific Financial Inclusion Programme
Ms. Abigail Chang	Pacific Financial Inclusion Programme
Mrs. Kelera Taloga	Ministry of Education
Ms. Duri Buadromo - SECRETARIAT Ms. Alisimere Duwai	Reserve Bank of Fiji