



**SIERRA LEONE
NATIONAL FINANCIAL LITERACY FRAMEWORK
(2020 –2024)**



EMPOWERING FINANCIAL FREEDOM



Table of Contents

List of Tables	i
List of Figures.....	i
Acronyms and Abbreviations	ii
Acknowledgement	iii
Governor’s Foreword	1
1.0 Background	2
1.1 Population Profile	2
1.2 Education	3
1.3 The Sierra Leonean Economy and Financial Sector	6
2.0 A Framework for Improving financial literacy in Sierra Leone	8
2.1 Definitions	8
2.3 What has been done so far	10
2.4 Benefits	11
3.0 Leadership, co-ordination and implementation.....	12
3.1 Vision.....	12
3.2 Bank of Sierra Leone	13
3.3 Key stakeholders	14
3.4 Financial Literacy Working Group.....	15
3.5 The five priority strands.....	17
4.0 Monitoring and Evaluation.....	26
5.0 Costs and funding	30

List of Tables

Table 1: Population Profile of Sierra Leone	2
Table 2: Languages	3
Table 3: Pupils/Students by Gender.....	5

List of Figures

Figure 1: Population Profile of Sierra Leone	2
Figure 2: Education Structure in Sierra Leone.....	5
Figure 3: Governance structure of the Financial Literacy Working Group	17



Acronyms and Abbreviations

BoSL	-	Bank of Sierra Leone
DIFD	-	Department for International Development
FCP	-	Financial Consumer Protection
FISC	-	Financial Inclusion Steering Committee
FITC	-	Financial Inclusion Technical Committee
FLWG	-	Financial Literacy Working Group
FSAs	-	Financial Services Associations
FSPs	-	Financial Service Providers
ILO	-	International Labour Organisation
KYC	-	Know Your Customer
MNOs	-	Mobile Network Operators
NSFI	-	National Strategy for Financial Inclusion
OECD	-	Organisation for Economic Cooperation & Development
P1 – P6	-	Primary 1 to Primary 6
ROSCAs	-	Rotating Savings and Credit Associations
SME	-	Small and Medium Enterprises
USD	-	United States Dollars
VSLAs	-	Village Savings & Loans Associations



Acknowledgement

We would like to express our deep gratitude to the National Financial Literacy Working Group for ensuring the finalization of the framework. The working group worked to bring this document to completion.

We would also like to appreciate the Alliance for Financial Inclusion (AFI) Management Team, particularly Elike Bolatewa, who distributed the draft of the framework to working groups members for peer review. Their comments and contributions were very valuable.

We extend our profound thanks to Messrs. Gama Roberts of US Treasury and Wycliffe Ngwabe of UNCDF, both attached to the Bank of Sierra Leone who provided technical supports.

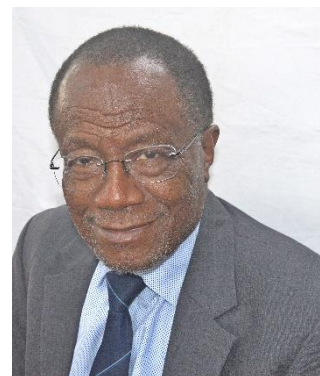
We recognize the contributions of key stakeholders such as UNICEF, UN Women, Sierra Leone Teachers Union (SLTU), SLAMFI, Apex Bank, Sierra Leone Association of Commercial Banks. Our sincere gratitude go to the following Departments/Units within the BSL for their valuable inputs: The Consumer Protection Unit in the Banking Supervision Department and Other Financial Institutions Supervision Department. Special thanks go to Beresford H. Taylor, the Assistant Director Communication at the Bank of Sierra Leone.

Finally, our many thanks and appreciations go to the International Labour Organization (ILO), Small and Medium Enterprises (SMEs) Development Project, special mention of Dennis Zulu, Valerie Breda and Paul Mayanja for providing guidance and the consultants, Christopher K. Musoke and Dr Philip S. Koroma to finalize the framework.

We remain grateful to all those who assisted in diverse ways but are not mentioned. Your contributions were very meaningful.



Governor's Foreword



Prof. Kelfala M. Kallon

The National Strategy for Financial Inclusion that the Bank of Sierra Leone commissioned in 2016 revealed for the first time the size of the unbanked and financially excluded in the country's population. The figures starkly showed the potential risk to financial stability that can arise if the gap in financial inclusion is not closed. It also revealed the critical role a strong financial literacy drive can play in closing that gap and strengthening the use of financial products.

Targeted financial education programs are designed and implemented as tools to increase consumers' financial literacy and capability. This is done with the expectation that such programs would facilitate better informed decisions about using and managing financial services and risks, and thus mitigate potential negative effects.

In partnership with the International Labour Organization's (ILO) Small and Medium Enterprises (SME) Development Project and key stakeholders, the Bank has developed the National Financial Literacy Framework (2020-2024), which sets out the initiatives that will help transfer financial knowledge to the population, especially potential consumers of financial services. More importantly, it sets out the relevant governance structures and procedures for collaboration and partnerships to drive financial literacy forward. It also provides a roadmap for future initiatives that shall be led by independent and self-driven entities to build an enduring and self-sustaining environment for financial literacy.

Based on the evidence now available, the need for such a framework for financial education can gainsaid. The part played by a lack of financial education in the genesis of the recent global financial crisis is a constant reminder of the risk financial illiteracy in Sierra Leone poses for the country's financial stability. The immediate objective of this framework is therefore to enhance the financial capacities of consumers and potential consumers to use financial services efficiently in a bid to guarantee the smooth and efficient functioning of the financial system.

The complexity and diversity of financial products and services is constantly increasing, but so too is the awareness of the importance of financial education. We hope that the goals set out in this framework is adequate to maintain the balance between the two. We also hope that this framework will maintain the delicate synergy between the benefits of product multiplicity and effective use of same.

The Bank of Sierra Leone remains committed to providing the required financial and human resources to ensure an efficient implementation of this framework. More importantly, we will strictly monitor progress in its implementation and, in a year from now, evaluate the progress made and recalibrate the framework based on the findings of that monitoring activity.

Be assured that it will be implemented with dedication and commitment.



1.0 Background

The Republic of Sierra Leone, is located in West Africa bordering Guinea, Liberia, and the Atlantic Ocean.

1.1 Population Profile

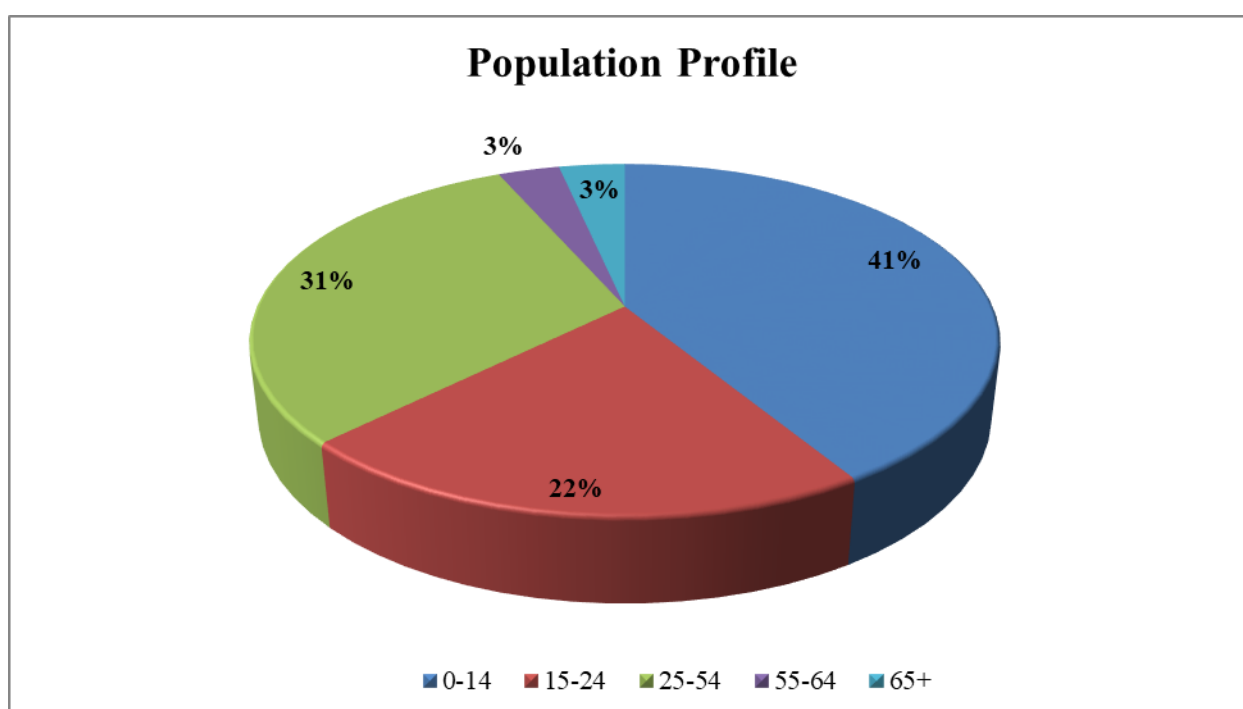
Sierra Leone has a population of approximately 7.65¹ million people

Table 1: Population Profile of Sierra Leone

Age brackets	Male	Female	Total
0-14	1,499,062	1,654,738	3,153,800
15-24	761,330	878,369	1,639,699
25-54	1,098,117	1,252,893	2,351,009
55-64	116,584	127,562	244,146
65+	120,407	140,939	261,345
	3,595,500	4,054,500	7,650,000

Figure 1: Population Profile of Sierra Leone

¹ World Bank Group 2018



1.2 Education

In Sierra Leone, the academic year begins in September and ends in July, and the official primary school entrance age is 6. There are 1,982,475 pupils enrolled in primary and secondary schools. Of these, about 1,369,738 (69.09%) are enrolled in primary schools.

Table 1 shows that 1.6 million people are youth between the ages of 15-24. Approximately 28% of these youth have no formal education and 13% have attained at most incomplete primary education.

Access to Universal Primary Education increased significantly, particularly 2018/2019 due mainly to the free education introduced by the current regime and partly due to enhanced investment in school infrastructure. School retention and completion remains a growing challenge.

In secondary schools, retention and completion is even lower. After the first three years of secondary school, retention drops sharply. From 2016 to 2019, enrolment in Business, Technical and Vocational Educational and Training increased by 46%. The proportion of students currently attending schools (0 – 24 years) is about 42.4% i.e. (2,036,775 out of 4,793,499), while literacy among youths is about 63%. This is one of the lowest in low income countries. However, they represent a significant body of the population.

Table 2: Languages

Languages	English (official, regular use limited to literate minority), Mende
-----------	---------------------------------------------------------------------



The National Financial Literacy Framework (2020 – 2024)

	(principal vernacular in the south and east), Temne (principal vernacular in the north), Krio (English-based Creole, and a first language for 10% of the population but understood by 95%).
Literacy	<p>Age 15 and over can read and write English, Mende, Temne, or Arabic</p> <p>Total population: 43.3%</p> <p>Male: 54.7%</p> <p>Female: 32.6% (2018 est.)</p>
School life expectancy (primary to tertiary education)	Total: 17 years



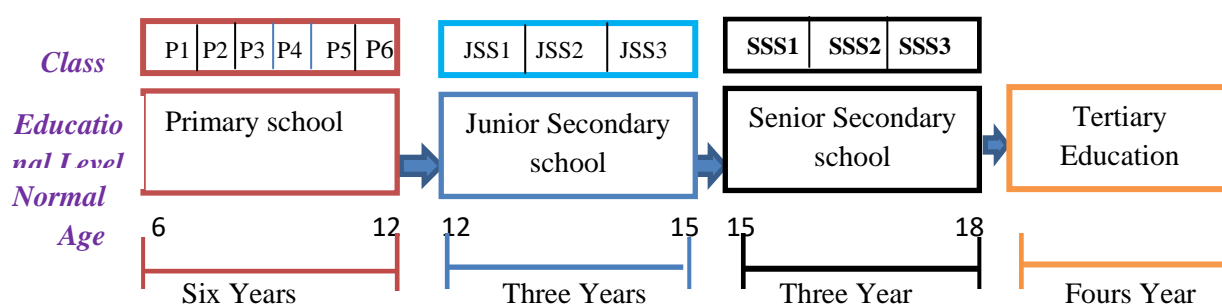
Table 3: Pupils/Students by Gender

	Pupils/Students			Teachers/Lecturers		
	Male	Female	Total	Male	Female	Total
University	31,844	22,456	54,300	1,417	264	1,681
Pre-School	42,922	47,779	90,701	1,104	6,175	7,279
Primary	674,034	695,704	1,369,738	35,071	14,779	49,850
J SS	158,651	156,849	315,500	17,144	3,185	20,329
SSS	108,144	98,392	206,536	9,281	886	10,167
	1,015,595	1,021,180	<u>2,036,775</u>	64,017	25,289	<u>89,306</u>

Education in Sierra Leone is legally required for all children for six years at primary level and three years in junior secondary education, but a shortage of schools and teachers has made implementation impossible. The Sierra Leone Civil War resulted in the destruction of 1,270 primary schools and by 2001, 67 percent of all school-age children were out of school. The situation has improved considerably since then with primary school enrolment doubling between 2001 and 2005 and the reconstruction of many schools since the end of the war.

Sierra Leone's education system is divided into four stages; primary education lasting six years, junior secondary education of three years, three years of either senior secondary education or technical vocational education and four years of university or other tertiary education.

Figure 2: Education Structure in Sierra Leone





1.3 The Sierra Leonean Economy and Financial Sector

The economy is largely agrarian: over 70% of the labour force is employed in the agriculture sector. Many of them receive income infrequently – often seasonally.

It remains among the world's poorest countries, ranking 184th out of 189 countries in the Human Development Index in 2017. Decades of economic decline, 11 years of armed conflict and two years of the Ebola pandemic had adverse consequences on the economy. Poverty remains widespread with more than 60% of the population living on less than US\$ 1.25 a day. The unemployment rate is at 4.31% (World Bank Group, 2019).

The government has the objective of enhancing access to adequate and affordable financial services for Sierra Leoneans. The following have been identified as major possible constraints to access and usage of financial services:

- (1) Few formal Financial Institutions in rural areas,
- (2) Stringent account opening requirements (Know Your Customer, KYC),
- (3) Low level of financial literacy,
- (4) Limited coverage of Mobile network
- (5) Religious and cultural factors (women are not allowed to open accounts without the approval of their husbands)
- (6) Lack of confidence in the banking system.

After the end of the civil war, a viable financial sector started to materialize in Sierra Leone and the number of banks and other financial institutions have grown considerably. The financial system consists mainly of the banking and insurance sectors, each under the supervision of a separate regulatory authority. Sierra Leone adopted a comprehensive strategy for reform of the financial sector in 2008, aimed at strengthening banking supervision, enhancing competition, increasing access to formal financial services and improving the payment system.

The Bank of Sierra Leone also raised the minimum capital requirements for all licensed financial institutions in an effort to strengthen financial system stability. Despite significant improvements and impressive expansion, the financial sector still remains constrained by high operating costs, a low share of credit to the private sector, limited bank branch infrastructure, and lack of competition.

There are 14 commercial banks, with 107 branches and only 54 ATMs, in the country. Banks are generally small with assets averaging about USD 45 million; efficiency is low, with non-interest expense averaging about 10 percent of the total assets and interest rate spreads at about 11 percentage points; concentration is high with the three largest banks holding about 54 percent of the total assets.



The vast majority of Sierra Leone's adult population (80%)² has no access to financial services, and the microfinance industry is in its nascent stages of development. About 20% of the adult population have access financial service. Rotating Savings and Credit Associations (ROSCAs), Credit Unions and Village Saving and Loan Associations are growing in significance and serve as a mechanism for people to save for various needs. Credit discipline is enforced by peer pressure. Though the Bank of Sierra Leone has established the Consumer Protection Unit in the Banking Supervision Department, it is yet to develop a consumer protection framework for alternative conflict resolution in the financial sector.

Since the creation of the stock exchange almost two decades ago, capital market activity is still limited, with only one listed company. The fixed income market remains relatively shallow. The government remains the only active issuer, regularly issuing short-term treasury bills and some shorter-term bonds, and has recently decided to gradually introduce long-term treasury notes to lengthen the maturity profile of its debt instruments.

The investor base remains limited and is largely dominated by commercial banks, though the National Social Security and Insurance Trust and a few discount houses and insurance companies also hold treasury bills. Retail investors can participate in the debt market through commercial banks, but foreign investors are barred. Capital Market regulation reforms are currently under way and the market is expected to open to foreign investors in the near future. Secondary market trading is limited to over-the-counter transactions through primary dealers.

The insurance sector is regulated by the Sierra Leone Insurance Commission. At present, ten insurance companies are registered. Supervision of the sector is carried out by the Commissioner of Insurance. Empirical statistics on the demographic usage access or need for financial products are unavailable.

² Findex 2017



2.0 A Framework for Improving financial literacy in Sierra Leone

2.1 Definitions

The term “financial literacy” means having the knowledge, skills and confidence to manage your finances well, considering your economic and social circumstances, where:

- “knowledge” means understanding personal financial issues;
- “skills” means being able to apply that knowledge to manage one's personal finances; and
- “confidence” means feeling sufficiently self-assured to make decisions relating to one's personal finances.

Financial literacy initiatives do not include:

- financial product marketing – promoting a brand or specific products or services; or
- commercial financial advice – by which we mean advice which may result in the recommendation of a specific financial product or service from a particular provider.

Financial literacy can be improved through financial education, information, instruction, training and advice. The OECD definition of financial education is as follows:

“Financial education is the process by which financial consumers/investors improve their understanding of financial products and concepts and, through information, instruction and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being.”

Where:

information involves providing consumers with facts, data and specific knowledge to make them aware of financial opportunities, choices and consequences;

instruction involves ensuring that individuals acquire the skills and ability to understand financial terms and concepts, through the provision of training and guidance; and

advice involves providing consumers with counsel about generic financial issues and products so that they can make the best use of the financial information and instruction they have received.”

People who are financially literate are able to make sound financial decisions for themselves and their families, to make informed choices between different financial products and services, to budget and to plan ahead, to build up some savings, to protect themselves against financial risks, (if they have sufficient money) to invest prudently and to understand their rights and responsibilities. They are less likely to become over-indebted or to purchase products and



The National Financial Literacy Framework (2020 – 2024)

services which do not meet their needs; and they are less prone to be affected by frauds such as pyramid schemes.



2.2 Rationale for a framework for Financial Literacy

The development and implementation of the National Financial Literacy Framework in Sierra Leone will help to ensure that there is a more comprehensive, more sustainable and more effective range of Financial Literacy programmes than has previously been the case and to avoid unintended gaps and unnecessary overlaps. It will provide focus and momentum, improve co-ordination and help to generate active support from a full range of stakeholders. Working together within a comprehensive, inclusive and coordinated national framework will enable stakeholders to build on and to extend what has been achieved so far and will help to ensure that the maximum benefit is gained from the efforts of all those organisations which have an interest in improving people's personal financial management skills.

The development of a national framework should also help to maximise the benefits which are generated by funds provided for financial literacy initiatives (whether these funds are provided for leadership and coordination or for particular programmes).

Establishing a National Financial Literacy Framework is not a panacea. But without it, initiatives to improve people's financial literacy are liable to be piecemeal, duplicative and to leave important gaps; and overall progress is likely to be limited.

2.3 What has been done so far

A working group for Financial Literacy, Financial Education and Consumer Protection was established as an outcome of the development of the National Strategy for Financial Inclusion (NSFI) (2017 to 2020). It comprises government institutions (Ministry of Finance, Ministry of Education), the financial sector (banks, microfinance institutions, Community Banks and their associations), media, local and international NGOs, development partners. The working group is chaired by the private sector, with secretariat services provided by the Bank of Sierra Leone. The working group has been meeting frequently since 2017 with one of the objectives being to develop a National Financial Literacy Framework.

The ILO SME project conducted a Training of Trainers in Financial Literacy in February and October 2019. It is currently finalizing the adaptation of the training materials to the Sierra Leonian context. Staff of the Bank of Sierra Leone benefited from the training. Other organisations like the Apex Bank, Commercial banks, NACUA and MFIS are also promoting financial literacy in their areas of operations.



2.4 Benefits

The framework would produce the following benefits.

For individuals:

- it will help them to manage their personal finances better;
- they will be less likely to suffer losses;
- they will be more likely to use financial services – that is, they will be more likely to be financially included; and
- they will be able to choose from more competitively priced financial services and products.

For financial services providers:

- they will have a larger market in which to compete; and
- their clients will be better informed – and more informed clients are better clients: for example, they are more likely to understand their responsibilities as well as their rights.

For Sierra Leone:

- it will increase financial inclusion – because people are more likely to make use of financial products and services if they are confident that they will be fairly treated and if they understand how to manage their personal finances well;
- it will help to promote a sound financial system – because people will have greater trust in regulated financial services providers which treat them fairly and which are subject to effective consumer protection regulation; and
- it will help to take the poor out of poverty – because people who are financially literate are more likely to be able to build a better future for themselves and their families.

Financial literacy compliments financial consumer protection, prudential regulation and financial inclusion. For example, the effectiveness of information or advice which a financial services provider gives to a consumer is dependent not only on the complexity or otherwise of the product in question and the clarity and soundness of the information and advice, but also on the consumer's ability to understand and act on the information and advice. Even the most financially savvy consumer will find it difficult – if not impossible – to understand the true cost of (for example) a loan if the firm fails to disclose costs fairly and transparently (e.g. if it has a complex series of fees and charges, in addition to the nominal interest rate; or if it buries important information in the small print). So, in order to improve the effectiveness of disclosure for financial products and services, it is important to tackle both the supply side (through



financial consumer protection measures) and the demand side (through financial literacy initiatives).

3.0 Leadership, co-ordination and implementation

3.1 Vision

A financially literate population capable of making well informed financial decisions.

The goals are:

- to improve the ability of the population to manage their personal finances well;
- to help equip people to protect themselves against fraud;
- to make cost-effective use of resources which can be used to strengthen financial literacy;
- to promote increases in the number, and improvements in the quality of initiatives to strengthen financial literacy; and
- to facilitate effective co-ordination and knowledge-sharing between organisations and individuals who are working to improve financial literacy.

Expected Outcomes

The intended outcomes are:

- a. Improvements across the population in the following;
 - making ends meet (i.e. ensuring that spending does not consistently exceed income),
 - keeping track of one's finances (i.e. knowing the details of one's personal finances),
 - planning ahead (i.e. making financial provision for the future which is appropriate to one's circumstances), and
 - choosing and using financial products (i.e. making sound and informed choices about financial products).
- b. Improvements in people's understanding, and exercising of their rights as regards their treatment by financial institutions; and improvements in people's understanding of, and adherence to, their responsibilities to financial institutions;
 - Increased levels of financial inclusion,
 - Increased levels of personal savings,
 - Lower levels of over-indebtedness,
 - Increased use of insurance by consumers,
 - Increased investment by consumers in the capital markets,
 - Fewer people fall victim to financial frauds and scams, and



- Financial institutions offer products and services which are more competitively priced and more tailored to the needs of specific groups of the population (e.g. farmers).

3.2 Bank of Sierra Leone

The implementation, together with the further development of the National Financial Literacy Framework in Sierra Leone is being led by the Bank of Sierra Leone.

During the process leading to the publication of the framework document, there was wide agreement among stakeholders that Bank of Sierra Leone should continue to lead financial literacy work in Sierra Leone. Among the reasons for this view were; that the Bank of Sierra Leone is influential, widely respected, has a legal mandate and has a track record of leading other major initiatives in the field of financial services.

A further consideration is that financial literacy and financial consumer protection are closely linked and mutually reinforcing. So, there is advantage in Bank of Sierra Leone leading the work on financial literacy as well as leading work on financial consumer protection, for customers of Bank of Sierra Leone regulated financial institutions.

The role of Bank of Sierra Leone as leader is to spearhead the implementation and further development of the Framework – not to attempt to do everything itself. In particular, its role is to provide focus, momentum and effective coordination; and to ensure that the Framework is implemented. In addition, it will;

- Anchor the implementation of the financial literacy framework;
- Design and ensure implementation of sensitization and capacity building programs for financial institutions and regulators;
- Collaborate with financial institutions and other stakeholders on financial literacy initiatives;
- Establish a coordinating committee to serve as the national secretariat of financial literacy;
- Conduct a baseline survey on financial literacy nationwide in collaboration with Statistics Sierra Leone to formulate strategies to reach target groups;
- Identify gaps and design appropriate measures to convene a national stakeholder's workshop on financial literacy;
- Convene a national conference on financial literacy;
- Follow up with the financial literacy working group to monitor achievement of annual set targets and implementation of initiatives itemised in the financial literacy framework in collaboration with other stakeholders;
- Review the framework of financial literacy involving other financial services regulators and supervisors. supervisors;
- Design and implement capacity building programs for staff and operators within their supervisory purview;
- Collaborate with other stakeholders in the implementation of the financial literacy framework; and



- Sponsor mass enlightenment campaigns on the benefits and risks of product and services offered by operators in their respective sub-sectors.

3.3 Key stakeholders

Ministry of Education

- Provide policy direction to adopt financial literacy as a compulsory module in schools.
- Design curriculum and monitor implementation of Financial Literacy program in schools and other educational institutions.

Ministry of Information

- Design and implement appropriate policies and strategies for dissemination of information on financial literacy.
- Disseminate information of financial literacy through government owned media.
- Engage in sensitization and capacity building programs for media practitioners.

Banks and Other Financial Institutions

- Collaborate with Bank of Sierra Leone and other stakeholders in the implementation of financial literacy initiatives.
- Design in-house training programs and capacity building for staff.
- Educate consumers on product and/or service being offered especially terms and conditions, fees, charges and risk associated with such product.
- Establish free financial counselling for target groups.
- Provide capacity building to micro and medium enterprises to improve their financial literacy and enhance their credit worthiness.
- Enhance the delivery of financial services and to also embark on promoting financial literacy to enable the clients to make informed financial decisions.
- Air educative TV and Radio jingles on financial products in various local languages.
- Continuously review all processes of the framework document.

Civil Society Organisations

- Sponsor and organise awareness programs on financial literacy especially in rural areas
- Carry out advocacy activities to promote financial literacy.
- Organise capacity building for members and other target groups.



The other stakeholders include but are not limited to: Professional bodies & Trade Unions

- The Legislature
- Development Partners
- Consumer Groups
- Faith Based Organisations
- Other corporate bodies

3.4 Financial Literacy Working Group

In order to strengthen the Bank of Sierra Leone's capacity to champion the implementation of this Framework and continuously review same, Financial Literacy Working Group which was established under the National Strategy for Financial Inclusion will be charged with the responsibility of implementing the framework that will report to the two bodies that are established in the financial inclusion strategy as indicated below:

a. The Financial Inclusion Steering Committee (FISC);

The Steering Committee as the highest governing committee for the implementation of Financial Inclusion in Sierra Leone is charged with providing financial inclusion policy direction for the financial industry. In providing oversight to financial inclusion in the country.

b. Financial Inclusion Technical Committee (FITC);

The Technical Committee is a standing committee for the implementation of Financial Inclusion Strategy in Sierra Leone. It is therefore charged with the specific objectives that are derived from and supportive of the mandate of the Financial Inclusion Secretariat. The Committee shall be comprised of identified stakeholders for the NSFI and representation drawn from the financial service sector as well as other relevant sectors.

The Technical Committee will be responsible for providing advisory oversight in the implementation of the NSFI. In addition, the committee will be responsible for providing reports to the Steering Committee on the implementation status as well as issues relating to the strategy. These inputs are required to support policy decisions made by the Steering Committee in furtherance of the achievement of set targets.

c. Financial Literacy Working Group (FLWG);

The FLWG is one of the five working groups formed for each of the intervention areas in the NSFI. The FLWG will generally take responsibility for addressing financial education and capability of consumers, so as to improve their understanding of the concepts and make informed financial decisions.



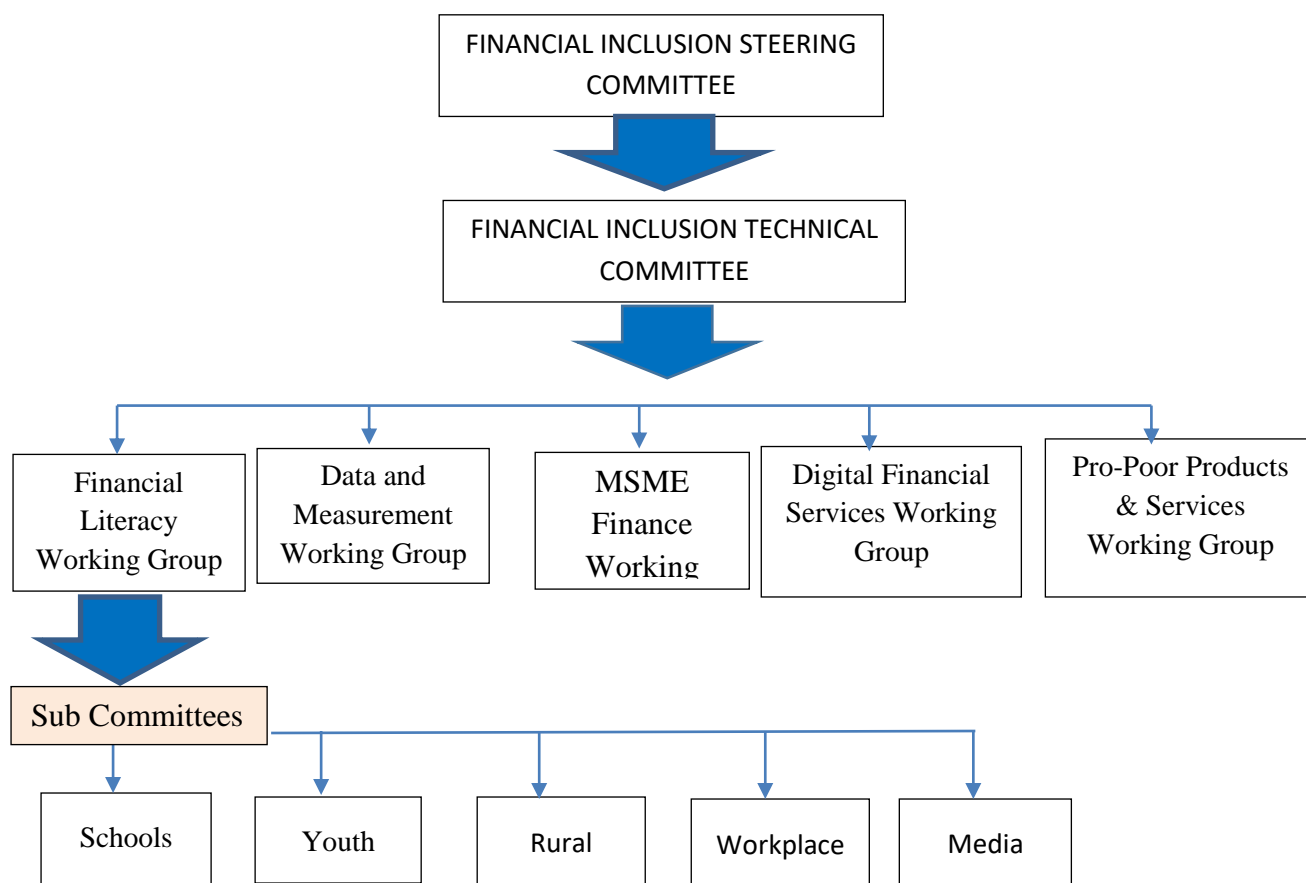
The aim is to ensure that stakeholders adopt practical steps that would increase the nation-wide coverage of financial inclusion.

d. Financial Literacy Sub-committees.

Sub-committees will be established to take care of the five priority strands: schools, youth, rural outreach, workplace, and the media.

.

Figure 3: Governance structure of the Financial Literacy Working Group



The goals of the Financial Literacy Framework, (2020-2024) will be achieved by a work plan developed by the Financial Literacy Working Group and presented to the Financial inclusion Technical Committee for approval on an annual basis.

3.5 The five priority strands

There are many types of financial literacy programmes which could potentially be undertaken. However, resources are limited, so, it is important to prioritise, and focus on those types of programmes which are likely to achieve the greatest impact for any given level of resources. Additional programmes could be undertaken in future, if more resources become available.

Following consultations with stakeholders, it was decided to focus initially on five strands as follows:

- Schools
- Youth
- Rural outreach
- Workplace



■ Media

Adult Women form a cross cutting strand in the above and special consideration will be given.

The main reasons for selecting these strands are summarised below. Within these strands, there will be a particular focus on the disadvantaged, including those who are disabled³.

Schools

Financial education needs to be taught in schools. People tend to form their attitudes to basic financial matters early in life. So, it is important to provide children with knowledge and understanding and to develop responsible, and well-informed, attitudes through providing them with financial education while they are at school. This is also the only opportunity to provide financial education directly to most of those in a particular age cohort. Financial education in schools is of particular importance in Sierra Leone, given that a very high proportion – around 41.23% – of the population is below the age of 15.

Personal finance is an important life skill and equipping schoolchildren with this skill will not only help them to participate fully in society as they move into adulthood but will also promote national development.

There is currently a small amount of financial education in schools' curricula, mainly in elective subjects such as commerce, economics and accounting. Extra-curricular activities which incorporate elements of financial education are undertaken in some schools. However, much more needs to be done if children are to leave school with a good understanding of the basics of personal finance.

Youth

Many youth are taking responsibility for managing their finances for the first time. Yet, as things stand, they will have received little or no financial education while at school. Young adults account for a significant proportion of the population.

Rural outreach

More than 80% of the population live in rural areas. People living in rural areas are particularly vulnerable to bad or uninformed financial choices. Their incomes are largely low and irregular, and thus any loss or imprudent use of money has significant consequences for them. In many rural areas, even the most basic financial information is lacking (Savings, Credit, Insurance, or Payments)

Workplace

Workplace-based programmes have been established in a number of other countries, for example Namibia, South Africa and the UK. For employers with large numbers of employees,

³ 4.3% of the population is disabled. SL Household Survey 2018



these programmes can be an efficient and effective way of reaching significant numbers of people. From employers' perspectives, they are offering their employees something which many employees will value. Moreover, employees with serious financial problems can suffer worry, stress and illness, all of which can make them less productive at work: personal finance education and training can help reduce the risk of people developing serious financial problems.

Almost 80% of the labour force (ILO, 2018) are employed in the informal (10%) and agrarian (70%) sectors. Income is often infrequent rather than being a constant flow. Informal sector workers face particular challenges in managing their finances well. They are reasonably well organised in associations and similar bodies. Many of these workers can therefore be reached through targeted initiatives via their associations and similar bodies.

Media

The mass media has the ability to reach a wide audience. Radio in particular is affordable and accessible to many – even those excluded from other communication channels. TV, radio, print media, news media and social media can provide a forum for debate and two-way communication which enables feedback and correction of misinterpretations. Media, if used the right way, has the persuasive power to bring about behavioural change.

3.5.1 Priority Activities

A sub-committee should be established for each of the six priority strands. The sub-committee would identify priority activities, from the list below. A short-term work plan for easy wins (low hanging fruit) would be developed combining all the strands in a facilitated workshop.

I. Schools

Incorporation of Financial Literacy into the Secondary School Curriculum.

The incorporation of Financial Literacy into the Secondary School Curriculum can be achieved as part of the overall reform process of the secondary curriculum. This will require training of Teachers in the new curriculum and preparation and production of new textbooks.

The Teaching of Financial Literacy in Primary Schools

The next reform of the primary school curriculum by the Ministry of Basic & Senior Secondary Education should incorporate financial literacy into the primary school curriculum as part of the reform process. To bridge the gap until the new curriculum comes into effect, this initiative provides for:

- a. The development of “supplementary materials” for teachers to support the current curriculum. The supplementary materials would comprise simple topic maps, lessons activities and amplified guidance for teachers, with a focus on practical “learning by doing” activities for



students. These would need to be easy for teachers to use in a range of different school contexts and enable financial education to be provided as part of literacy and numeracy in P1-P3; English language and mathematics in P4; and English, Mathematics and Social Studies in P5. Financial literacy could also be included, as a cross-cutting topic, in a wider range of subjects (e.g. music);

- b. the integration of financial literacy questions into the national Primary leaving exams and into schools' own continuous assessments; and
- c. the training of primary school teachers, and students at teacher training colleges, in financial literacy – both to assist them to manage their own personal finances responsibly and to enable them to deliver financial education to their pupils in an effective way.

II. Youth

Extra-Curricular Activities on Financial Literacy

This initiative seeks to promote Financial Literacy via existing Youth Clubs and associations (e.g. religious clubs, social clubs and enterprise clubs). Capitalising on the tendency of the youth to socialise and to influence one another as peers, the initiative works with existing youth clubs, associations and support organisations to entrench financial literacy in a variety of Youth-centred activities. At the core of this will be community Financial Literacy mentors who will be the focal points and coordination agents. They will use provided with a toolkit which they can adapt and roll out to different clubs and associations. The toolkit will include training modules on Financial Literacy, presentations on Financial Literacy debate questions and guidelines, drama scripts, quizzes, brochures, topics for guest speakers, etc. Use will also be made of social media. The community Financial Literacy mentors will, in addition, advice and assist the youth in opening and maintaining personal savings accounts with clear personal targets for savings and/or investment. Partnerships with national youth associations will be used to reach down to their district levels. Where this is not possible, district level associations and clubs will be identified. Village level clubs and associations will be directly identified by the community Financial Literacy mentor who will work with them.



III. Rural outreach

Financial Literacy Trainings for Rural Communities Capitalising on Existing Mentors, Trainers and Leaders

The training of trainers and leaders to enable them to deliver financial literacy training to people with a particular focus on people who live in rural areas.

This initiative aims to spread financial literacy to the public through well-tailored adult trainings. Based on the Financial Literacy core messages, training modules will be developed and tailored for the mass training of adult trainers, illiterate, semi-literate and moderately literate, as well as literate, people in rural areas. The training modules will take full account of issues relevant to people who live in rural areas (e.g. lack of access to formal financial services) and include a module on how to pass on the information and skills to children⁴. Existing mentors, trainers and leaders within the communities (e.g. religious leaders, leaders of local drama groups, community development workers, extension workers, village health teams, functional adult literacy trainers etc. will receive training of trainers (ToT) on Financial Literacy. Some of them will then pass on the financial literacy training within their other activities (e.g. religious leaders can spread Financial Literacy contents after prayers;); others will need to be facilitated, as volunteers, to deliver the financial literacy training to communities at local level.

Special attention will be given to the adaptation of training contents and design to the respective geographic areas and target groups.

Participatory Community Information Sharing

The use of informal channels to deliver financial literacy messages – with a particular focus on people who live in rural areas.

This initiative aims to promote financial literacy through less formal means than training. It uses a variety of information dissemination/ sharing mechanisms in communities to communicate issues relating to financial literacy. The contents will take full account of issues relevant to people who live in rural areas (e.g. lack of access to formal financial services) and will be tailored, where appropriate, to take account of the particular audience. Among the key mechanisms to be used under the initiative are:

⁴ Not all the Children are in school plus, this also reinforces what those children in school have learned.



- a. **Giant megaphones or loudspeakers** placed at a vantage point in the community where important announcement are made. Financial Literacy messages can be disseminated, especially on market days, a big audience can be reached in this way.
- b. **Radio talk shows on local FM stations** in local languages. Financial Literacy resource persons can appear on local radio stations to deliver short, clear messages and then respond to listeners' comments and questions.
- c. **Community parliaments:** These are community discussions on one specific topic. Community parliaments on financial literacy related issues can be organised.
- d. **Local councils, community leaders and other local leaders to include financial literacy messages in their meetings:** At various scheduled or regular local meetings of local leaders, Financial Literacy can be put on the agenda. The meeting leaders and/or the facilitator would make it a point to pass on short Financial Literacy messages during the meetings.
- e. **Local interest groups and associations:** In rural areas, there are many mutual support groups and associations. Leaders of such groups can be engaged to deliver Financial Literacy messages to their members.
- f. **Short documentaries / video skits:** these can be shown in local video halls before the main video show.
- g. **Local “low cost” billboards,** incorporating photos, cartoons, etc. As the dissemination of Financial Literacy messages via these various channels needs to be coordinated and driven from the ground, this activity will build on the community Financial Literacy mentors as described under the “Provision of Financial Literacy via Youth Clubs and Associations” heading above.

IV. Workplace

Financial Literacy for Formal Sector Employees

Strengthening financial literacy of employees in formal employment through presentations, courses and peer educators. Employers and Workers Unions will play a big role in making this happen.

Provision of a flexible package of Financial Literacy activities to formal sector workplaces will include the following;

- a. Delivery of standard presentations (by external presenter, staff member or on DVD);



- b.** Incorporation of Financial Literacy in existing (e.g. staff orientation, preparation for retirement, peer education) courses for employees; and
- c.** Establishment of “Financial Literacy Champions” (peer educators) to drive Financial Literacy from within (e.g. through the incorporation of Financial Literacy in existing workplace-based clubs).

To support the above activities, workplaces will be provided with standard Financial Literacy materials (e.g. personal finance tool, brochures) which will be developed in the context of this Framework.

Financial Literacy for Informal Sector

The promotion of financial literacy to informal workers will be made through presentations and peer educators. Trade Unions and other informal sector organisations will play a role in these activities

Strengthening the financial literacy of informal workers via informal sector associations (e.g. associations of market vendors) through:

- a.** Short (and, where appropriate, entertaining) presentations and trainings delivered at gatherings facilitated by associations which comprise informal sector workers;
- b.** Establishing “Financial Literacy Champions” within associations which comprise informal sector workers; and
- c.** Providing informal workers with standard Financial Literacy material.

V. Media

Financial Literacy through Website and Publications

- a. Develop and promote a Financial Literacy page under the NSFI website with:**
 - A range of information, guides, budget planners, calculators, tips, warnings and games aimed at consumers;
 - Resources for partners and others who are delivering Financial Literacy initiatives; and
 - Information for stakeholders on the progress of the implementation of the National Financial Literacy Framework and on the National Strategy for Financial Inclusion.
- Additional (probably longer-term) possibilities for the website are:



- The provision of a platform for information exchanges between partners. This part of the website might perhaps be password protected and restricted to a closed membership. It might be prudent, at least initially, for the website manager to filter entries, rather than for users to have complete freedom to upload anything they wish to; and
- A facility for volunteers who are willing to provide Financial Literacy support (e.g. to deliver financial literacy presentations) to post their contact details and for schools and others to be able to search for volunteers who are in their location.

It is essential that the website has a lively and vibrant appearance and contents. It therefore needs to have a very different look, feel and tone from conventional financial services websites.

The promotion of the website will in part be through social media (e.g. WhatsApp) and through other Financial Literacy activities (e.g. workplace presentations, which can explain to attendees that they can obtain further information and tools by accessing the Financial Literacy webpage).

- b. Develop and distribute user-friendly printed financial literacy resources** (e.g. illustrated leaflets). These could potentially be made available to (among others) individuals who participate in other financial literacy initiatives.

Develop and issue monthly on-line newsletters, each of which will feature (e.g. via personal stories and other lively and user-friendly articles) a small number of personal finance issues, and which will prompt newsletter subscribers to revisit the Financial Literacy webpage. The personal stories can potentially be adapted from those which are developed for other purposes (e.g. for use in magazine articles and radio scripts).

Financial Literacy through the Radio

Promoting financial literacy through the radio.

The development of a “financial literacy package” to facilitate the delivery of financial literacy content via radio stations. The initiative will have two major components:

- a.** Development and provision of content (e.g. oral testimonies, talk shows, drama skits, tailored “core messages”); and
- b.** Support to radio staff (e.g. DJs, presenters, editors) to include financial literacy in programming.

Financial Literacy through Print Media



Promoting financial literacy through the print media:

- a. Development and provision of content (e.g. regular columns, articles, features, pull-outs); and
- b. Support print journalists to include financial literacy in their outputs (capacity building).

Financial Literacy through New Media

The initiative has two major objectives:

- a. Raise awareness about activities/resources under the Framework; and
- b. Use new technologies to deliver financial literacy messages, in particular in conjunction with other activities (e.g. to facilitate interactive interaction with users).

The main channels will be:

- a. Mobile phones (e.g. SMS)
- b. Social Media (e.g. Facebook, What's App, blogs) as well as web-based platforms (e.g. YouTube).

Financial Literacy through Road Shows

Promoting financial literacy through road shows and filmed performances.

Road shows or plays, and filmed performances, with financial education messages worked into story lines. They might be accompanied by music and dance to attract people to attend.

Financial Literacy through Television

Promoting financial literacy through popular television shows.

The objective of the initiative is to promote financial literacy messages via popular TV shows. Depending on funders' interest, this can be done via the following:

- a. Incorporation of financial literacy messages into existing TV programmes; and
- b. Production of a new entertaining TV programme with Financial Literacy messages woven into the story line ("edutainment").



4.0 Monitoring and Evaluation

Financial literacy programmes need to be monitored and evaluated. Monitoring and evaluation will enable assessments to be made on whether a programme has strengthened the financial literacy and behaviours of the target audience and on the cost-effectiveness of programmes (for example, their reach and impact compared with their costs). It will enable implementers to learn from each another, so that they do not repeat things that do not work, and they do not reinvent things that have been shown to work well. It will assist implementers to make improvements to the design and delivery of programmes.

Monitoring involves the regular collection of data on a programme or service. It tends to result in the regular flow of information on progress being made towards the intended outcomes. This will be done at the Financial Literacy Working Group Secretariat.

Evaluation on the other hand involves a one-off in-depth analysis of performance against pre-determined objectives and anticipated outcomes. Evaluation uses monitoring as well as other data. Evaluations are often done by people independent of the execution of the activity.

The monitoring and evaluation of each financial literacy activity will form an integral part of the design of the activity. Different outcomes (desired changes in financial capability) will require different types of data to be collected at pre-determined periods. The measurement of the changes in the components of financial capability, i.e. Knowledge, Skills, and possibly Attitudes (KSA), can be done at the specific training activity. However, the evaluation of the impact of a financial education campaign presupposes that a baseline survey has been carried out and or the use of a control group to have meaningful results.

Some of the indicators previously used by the DFID Financial Education Fund to monitor and evaluate some of its projects in Africa are listed below;⁵ They are not standard indicators but different indicators to measure specific desired outputs or outcomes:

- Number of people trained in financial education,
- Number of training sessions,
- Number of episodes aired,
- % increase in number of banked respondents,
- % increase in number of respondents who know how much money they have available,
- % increase in number of ATM transactions per month, and

⁵ These are not exhaustive. Indicators vary by activity and there are many possible financial capability activities.



The National Financial Literacy Framework (2020 – 2024)

- % decrease in the number of respondents who prefer to live for today rather than save tomorrow.



Monitoring and evaluation will help to identify those programmes which should be continued and replicated elsewhere without modification, those which should be modified and those which should be discontinued. It will also help funders to see how their investments have been used and to decide where future investments in financial literacy programmes should be made.

The complexity of multitude of implementers, multitude of approaches and multitude of target groups and the general difficulty of measuring behavioural change will make a rigorous and comprehensive monitoring and evaluation of the entire plan impossible. To strike the balance between rigour and practicality, a multi-layered approach, based on four building blocks, will be used:

Overall impact at the country level: FinScope survey containing a number of financial literacy-related questions is being considered to be carried out. When the survey is repeated in future years, this will provide some indication of broad-based changes in financial literacy among the population since the previous survey. However, any change cannot necessarily be attributed to the Framework – other factors will also have had an impact.

Monitoring and evaluation of individual activities by implementers: Bank of Sierra Leone will issue guidance to assist those who are implementing financial literacy programmes to undertake pre-testing and monitoring and evaluation (both quantitative and qualitative) and for recording the results.

Rigorous impact assessment of selected activities: Rigorously evaluating a programme is very costly and requires specific technical expertise which is not commonly available among implementers. Various organisations which specialize in impact assessment might, however, be willing to partner with implementers under the framework.

Collection and sharing of data: Bank of Sierra Leone will collect reports from implementers including information on the major activities implemented, number of people reached, impact measured (if any) and lessons learnt from testing. Bank of Sierra Leone will collate the results and disseminate these, and the lessons learned to stakeholders generally.



Guiding principles: The guiding principles which will govern the implementation and further development of the National Financial Literacy Framework in Sierra Leone are summarised below:

- a. Working in partnership;
- b. Using a broad range of methods and channels;
- c. Building on existing initiatives and experiences;
- d. Prioritising;
- e. Taking advantage of teachable moments;
- f. Taking account of gender differences;
- g. Modifying materials and activities to take account of the specific context;
- h. Consumer testing of proposed initiatives and materials;
- i. Learning from experience, including from other countries, other sectors and other disciplines;
- j. Communicating effectively; and
- k. Maximising cost-effectiveness.



5.0 Costs and funding

Bank of Sierra Leone will incur the costs of those staff who are designated to carry out the leadership and co-ordination of financial literacy work. While some of the initial costs of particular priority activities could be met by development partners, or through public/private partnerships (PPPs), longer-term recurrent costs associated with leadership and coordination of the Framework as a whole will need to be met without external support and on a continuing basis.

Costs for priority activities will depend on a range of factors, including the extent to which organisations are able and willing to meet – either as part of their normal activities or (in the case of commercial organisations) as part of their corporate social responsibility budget – the costs which they incur.

Costs associated with particular activities will be kept as low as possible through, for example:

- adapting programmes and resources which have already been developed elsewhere;
- using the same resources in a variety of contexts – for example, through the development of core messages – rather than developing a number of different resources, each of which is intended to serve more or less the same purpose; and
- avoiding unnecessary duplication – for example, developing one financial literacy website, rather than a number of organisations each producing their own Financial Literacy website.

Various in-kind resources can be made available which do not need to be paid for separately. For example, if financial education is included within the curriculum, no additional payment needs to be made for teachers' time.

Bank of Sierra Leone will explore with development agencies and other potential funders their potential willingness to provide funding and other support for financial literacy initiatives.