

ROADMAP FOR A NATIONAL STRATEGY FOR FINANCIAL EDUCATION IN **TAJIKISTAN**



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Exchange rate

As of May 1, 2018:
USD 1 = TJS 8.9010¹

Abbreviations and acronyms

ABT	Association of Banks of Tajikistan
AFI	Alliance for Financial Inclusion
AMFOT	Association of Microfinance Organisations of Tajikistan
ATM	Automated teller machine
BMZ	German Federal Ministry for Economic Cooperation and Development
CIS	Commonwealth of Independent States
CIBT	Credit Information Bureau of Tajikistan
DIF	Deposit Insurance Fund
ECA	Eastern Europe and Central Asia
FCP	Financial consumer protection
GDP	Gross domestic product
GIZ	German International Cooperation
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IMF	International Monetary Fund
INFE	International Network for Financial Education
IOM	International Organisation for Migration
MFI	Microfinance institution
NBT	National Bank of Tajikistan
NGO	Non-governmental organisation
NSFE	National Strategy of Financial Education
OECD	Organisation for Economic Co-operation and Development
SBFIC	Savings Banks Foundation for International Cooperation
TJS	Tajik Somoni (local currency)
USD	United States Dollar
WB	World Bank
WBG	World Bank Group

¹ <http://nbt.tj/ru/kurs/kurs.php?date=01.05.2018>

1. Short background of the CIS project and the OECD/INFE work on NSFE

Building on internationally-recognised expertise and longstanding commitment to advancing financial literacy around the world, the OECD/INFE is leading a three-year technical assistance project on Financial Education in the Commonwealth of Independent States (CIS)/Eurasia. The project will provide dedicated guidance and technical support for the design, implementation and review of evidence-based financial education strategies and policies in six CIS/Eurasian economies: Armenia, Azerbaijan, Belarus, Kazakhstan, the Kyrgyz Republic and Tajikistan. This project will draw on OECD/INFE outputs and the expertise and experience of its wide membership to support the design, implementation and evaluation of effective financial education strategies and policies as a complement to financial consumer protection and inclusion approaches.

The project involves four work streams focused on the following priority areas to be adapted to each country context and particularities:

- Advanced data collection and analysis of financial literacy levels and gaps
- Developing, implementing and reviewing effective national strategies for financial education
- Addressing youth's financial literacy needs through schools and out-of-schools initiatives
- Identifying and meeting the financial literacy needs of migrants and their families

Where relevant, the project will benefit from the global expertise of the G20/OECD Task Force of Financial Consumer Protection. This project is being undertaken with financial support from the Ministry of Finance of the Russian Federation and benefits from its technical expertise and participation in project activities.

2. Relevant context

a. Geography and population

The Republic of Tajikistan is a mountainous, landlocked country in Central Asia covering an area of 143,100 square kilometres. It is bordered by Afghanistan to the south, Uzbekistan to the west, Kyrgyzstan to the north, and China to the east. Mountains cover 93% of Tajikistan's surface area;² as of 2014, only 5.3% of Tajikistan's territory was arable land, which represents a gradual decline from 6 % in 1995.³

Tajikistan consists of four administrative divisions. These are the provinces of Sughd (capital Khudjand) and Khatlon (capital Kurgan-Tyube), the Region of Republican Subordination – the administrative centre of which is also the national capital Dushanbe, and the autonomous province of Gorno-Badakhshan (capital Khorog). Gorno-Badakhshan is located in the Pamir Mountains and

² Source: U.S. Library of Congress: <http://countrystudies.us/tajikistan/12.htm>

³ Source: World Data Atlas: <https://knoema.com/atlas/Tajikistan/topics/Land-Use/Area/Arable-land-as-a-share-of-land-area>

makes up almost 45% of the country, but only about 2.5% of the total population.⁴ About 90% of the population are concentrated in the valley areas of Tajikistan, which represent about 7% of its territory.⁵ Seventy-three % of people are living in rural areas.⁶

Tajikistan has a population of about 8.8 million people.⁷ The majority of the population are Tajiks (84.3%) with ethnic minorities including Uzbeks (13.8%), as well as Russians, Kyrgyz, Turkmens, Tatars and Arabs (collectively, less than 2%). Tajikistan is a secular country, but the post-Soviet era has seen a marked increase in religious practice. The population of Tajikistan is 90% Muslim (approximately % Sunni and 5% Shia).⁸ The official language of Tajikistan is Tajik with many people speaking Russian as their second language. Uzbek is spoken by the respective ethnic minority.

b. Economic and social situation⁹

Since its independence in 1991, Tajikistan gradually followed the path of a transition economy, reforming its economic policies. With foreign revenue dependent upon exports of cotton and aluminium, the economy is highly vulnerable to external shocks.

Table 1. Tajikistan: Key statistics, 2017.

Population, million	8.8
GDP, current USD billion	7.2
GDP per capita, current USD	812
School enrolment, primary (% gross)	98.0
Life expectancy at birth, years ⁽²⁰¹⁶⁾	71.05
Unemployment (% of total labour force)	10.3

Source: World Bank.

Tajikistan's GDP growth accelerated to 7.1% in 2017 from 6.9% in 2016, per official estimates. Official inflation remained broadly stable at 5.9% (annual average). The economy was largely fuelled by private consumption, supported by remittances and net exports and boosted by metallic minerals. On the supply side, growth was supported by both the tradable and non-tradable sectors, with the highest contribution from industry followed by agriculture and services. Exports grew by over 23% in the first nine months of 2017 year-on-year, bolstered by the higher production of metallic minerals, while imports declined by 3%. Foreign direct investment contracted to 2.1% of

⁴ Source: Agency for Statistic at the Office of the President of the Republic of Tajikistan. 2016. The Population of the Republic of Tajikistan as of 1 January 2016.

http://www.stat.tj/ru/img/7a20337ca019c92e18235196b4e62aaa_1470198679.pdf

⁵ Source: CIA. The World Factbook: <https://www.cia.gov/library/publications/the-world-factbook/geos/ti.html>

⁶ Source: Agency for Statistic at the Office of the President of the Republic of Tajikistan. 2016. The Population of the Republic of Tajikistan as of 1 January 2016.

http://www.stat.tj/ru/img/7a20337ca019c92e18235196b4e62aaa_1470198679.pdf

⁷ Source: The World Bank 2017: <http://www.worldbank.org/en/country/tajikistan/overview>

⁸ Source: CIA. The World Factbook: https://www.cia.gov/library/publications/resources/the-world-factbook/geos/print_ti.html

⁹ Based on: <http://www.worldbank.org/en/country/tajikistan/overview>, <http://www.worldbank.org/en/country/tajikistan/overview#3> and <http://www.worldbank.org/en/country/tajikistan/publication/poverty-diagnostic-drinking-water-sanitation-and-hygiene-conditions-in-tajikistan>.

GDP between January and September 2017 compared to 2.9% of GDP in the corresponding period of 2016. The financial sector remains partially insolvent despite a reduction in the number of nonperforming loans from 47% in 2016 to 35.8% by end-2017.

Despite strong growth, poverty fell only slightly from 30.3% in 2016 to 29.7% by September 2017. Extreme poverty declined from 18.2% in 2013 to 14% in 2016 and remained stagnant at 14.1% in 2017. Income from employment and remittances remains the primary driver of poverty reduction, but lower remittances in 2014-2016 slowed the pace of poverty reduction in the country. Food expenditure accounts for about 75% of total consumption for poor households.

While Tajikistan's pace of poverty reduction over the past 15 years has been remarkable, progress has been slower in reducing non-monetary poverty. Recently available micro-data suggests that limited or no access to education (secondary and tertiary), heating, and sanitation are the main contributors to non-monetary poverty.¹⁰ These three are the most unequally distributed services, with access to education varying by income level and heating and sanitation by location.

Accessible drinking water, sanitation and hygiene are among the most severely limited and unequally distributed services in the country. While 57% of urban households have access to safely managed water, only 31% of rural households have so.

Tajikistan suffers from high prevalence of childhood undernutrition and stunting; the latter has been found to be strongly associated with deprivations relating to access to adequate drinking water and sanitation, food deprivation, and care practices.

c. Financial sector¹¹

The financial sector of Tajikistan is dominated by credit organisations comprised of banks and microfinance institutions (MFI). Banks account for 84% of the total financial sector assets and MFIs account for most of the remainder.¹² The country's insurance, capital markets and leasing sectors are very small and under-developed.

The financial sector has been going through difficult times, being affected by such factors as the slowdown of the Russian economy, commodity price shocks (especially cotton and aluminium), directed lending, high foreign currency exposures, and poor risk management, among others.

The number of credit organisations that was steady between 2011-2014 reduced from 138 in 2014 to 123 in 2015, and further declined to 104 in 2016 and then to 83 in March 2018.¹³ The decline is mostly due to the liquidation of smaller MFIs, however several banks have been closed down, too. Two large banks continue to function only due to government support received in December 2016 – January 2017. As of March 2018, the aggregated total assets of the credit organizations were TJS

¹⁰ Source: The World Bank 2017: <http://www.worldbank.org/en/country/tajikistan/overview>

¹¹ Based on: IFAD. Community-based Agricultural Support Project. Working paper: Rural Finance Sector Assessment. March 2017, unpublished.

¹² International Monetary Fund. Republic of Tajikistan. Financial Sector Stability Assessment. February 2016.

¹³ http://nbt.tj/upload/iblock/b4e/Niz_bonk_march_2018_ru.pdf

20,617 million (USD 2.32 billion) showing a small decline of about 2.5% as compared to January 2017. The total net loan portfolio has been declining during in the period 2016 – 2018; in March 2018 it dropped by 12.8 % as compared to the year before and was equal to TJS 8,118 million (USD 912 million).

The banking sector remains small as compared to other Eastern Europe and Central Asia (ECA) countries. It has assets of less than 30% and loans of 15% of GDP, and consists of 17 commercial banks, including one fully state-owned, one majority state-owned, and seven majority foreign-owned institutions. The six largest banks account for 81% of total bank assets, and majority foreign-owned banks account for 10.5%, according to the International Monetary Fund (IMF). The microfinance sector in Tajikistan represents nearly 15% of the financial sector. The sector is concentrated, with six largest MFIs accounting for around 70% of the total MFIs' assets and competing with banks in the microenterprise and SME segment.

Overall, the financial system of the country has been in a critical condition and is characterised by poor asset quality, negative returns, poor risk management and extreme vulnerability to risks.

Tajikistan has a Credit Information Bureau (CIBT) established in 2010 with support from the World Bank.¹⁴ As of April 2018, CIBT had both positive and negative credit information on about 2 million data subjects¹⁵ – individuals and small-and-medium enterprises – borrowers of over 88 providers of financial services (banks, MFIs, and leasing companies). This represents about 39.5% coverage of the adult population in Tajikistan.¹⁶ Yet the awareness among financial services consumers of CIBT is low – according to a baseline financial literacy survey conducted by the World Bank in 2014, 91% of the population had never heard of CIBT.

Foreign investment in the economy and the financial sector are made more difficult by Tajikistan's poor business climate, weak financial sector, burdensome bureaucratic regulations, and inconsistent administration.¹⁷ International funders' funding commitments for financial inclusion fell from USD 156.5 million in 2015 to about USD 107 million in 2016.¹⁸ Most of the funding (USD 95 million) in 2016 has been committed to fund the portfolios of several banks and MFIs either directly or through the government. Debt funding has been committed in the amount of USD 62 million, with USD 25 million committed in the form of grants. Equity investment represented only USD 12 million in 2016; structured finance and guarantee instruments – USD 11 million and USD 3 million, respectively.

¹⁴ Based on: <http://www.worldbank.org/en/results/2015/04/28/tajikistans-first-credit-bureau-for-private-sector-development>

¹⁵ Source: <https://www.cibt.tj/ru/services/financial-institutions>

¹⁶ Source: <http://www.doingbusiness.org/data/exploreconomies/tajikistan#getting-credit>

¹⁷ Source: The World Bank 2017: <http://www.worldbank.org/en/country/tajikistan/overview>

¹⁸ CGAP Cross-Border Funder Survey 2016 and 2017.

d. Financial inclusion¹⁹

According to the G20 Global Partnership for Financial Inclusion, financial inclusion is measured in three dimensions: (i) access to financial services; (ii) usage of financial services; and (iii) the quality of the products and the service delivery.²⁰ The state of financial inclusion in Tajikistan is described per these three dimensions below.

Access to financial services

The dimension of access covers physical and mobile points of service as well as interoperability of points of services. Tajikistan has not reported data on access to IMF since 2013 when the number of branches per 100,000 adults was reported at 6.51, and the number of ATMs per 100,000 adults at 10.4.²¹

However, using the statistics of the World Bank on the number of adults of 5.7 million²² and the National Bank of Tajikistan (NBT) statistics of the number of credit organisations' offices of 1,857 as of December 2016, the number of banks' and MFIs' branches per 100,000 adults would be 33 which is a good indicator of access (to compare, Tajikistan's neighbours Uzbekistan and Kyrgyzstan had 36 and 8 in 2016, respectively). This figure needs to be confirmed and more information would be necessary to understand the functionality of these offices (some of them may be providing only basic services such as remittances), as well as their location and accessibility to people living in remote areas.

An analysis conducted by the International Finance Corporation (IFC) in 2013²³ sheds light on the regional variations in terms of access of the population to physical financial service access points of credit organisations. According to this analysis, of the four regions, three – Khatlon, Sughd and the District of Republican Subordination (excluding Dushanbe city) had the largest shares of the population and the lowest access rates, with nearly 20,000 persons served by 1 branch of a financial institution (bank or MFI) in each region. Dushanbe, with 10 % of the population, had the highest concentration of persons per square kilometre in Tajikistan, and the highest level of access with 7,459 persons per branch. In comparison, the Gorno-Badakhshan autonomous region, with less than 3% of the population, had relatively greater access to financial institutions with 6,238 persons per branch. The analysis demonstrates a clear need for the geographical expansion of financial access service points in Tajikistan, and updated data would be helpful to better understand the access gaps.

Use of financial services

The dimension of usage covers the use of basic financial services by individuals – such as accounts, credit, savings, insurance and remittances. By 2017, Tajikistan has reached remarkable progress in most of the key usage indicators since 2011, though is still behind its peers in some of them (Table

¹⁹ Based on: IFAD. Community-based Agricultural Support Project. Working paper: Rural Finance Sector Assessment. March 2017, unpublished.

²⁰ <http://www.gpfi.org/data/g20-financial-inclusion-indicators>

²¹ IMF Financial Access Survey: <http://data.imf.org/?sk=E5DCAB7E-A5CA-4892-A6EA-598B5463A34C&ss=1460043522778>

²² World Bank. 2018. "The Little Data Book on Financial Inclusion 2018." Washington, DC: World Bank.

²³ Draft Microfinance Sector Development Strategy in the Republic of Tajikistan for the period of 2015-2025.

2). The share of adults with an account at a financial institution reached 47% in 2017, compared to 11.5% in 2014 and just 2.5% in 2011. Still, in the ECA region and in lower middle-income countries, account ownership was over 65% and close to 58%, respectively, in 2017. Account ownership is lower among low-income people (38%), women (42%), and people living in rural areas (46%). This growth has been driven by the development of the Tajikistan's National Payment System, Korti Milli, linking government officials' wages, pensions and other government payments to bank accounts. Korti Milli was launched in 2013 and has been actively rolled out in the last few years. As of July 2017, roughly 30% of the adult population owned Korti Milli debit card.²⁴

Significant growth was registered between 2014 and 2017 in the use of both credit and savings. In 2017, almost 34% of adults in Tajikistan reported borrowing in the past year, with almost half of them (15.5%) borrowing from formal financial institutions, as compared to just 3.8% of adults borrowing formally in 2014. This is higher than in lower middle-income countries where this figure was about 10%, though lower than in ECA with 24% of adults borrowing formally in 2017.

The use of formal savings grew from 1.5% of adults in 2014 to over 11% in 2017. In 2014, the use of formal savings in Tajikistan was five- to six times lower than in the peer countries, but in 2017 this figure became closer to the use of formal savings in the ECA region (14%) and lower middle-income countries (16%). This growth is somewhat surprising given the critical state of the financial system; yet it may probably be a positive side effect of much higher account ownership, as many more people familiarized with the use of accounts in formal financial institutions.

The use of mobile channels for financial services remained non-existent, as mobile network operators are not allowed to engage in financial services provision in Tajikistan. Nevertheless, high account ownership has also led to 44% of adults using digital channels in 2017 versus only 8% in 2014.

Tajikistan is the country with the highest dependence on remittances worldwide. Each year, about 10% of the Tajikistan's 8.6 million population²⁵ leaves the country to seek employment opportunities abroad, according to the International Organisation for Migration.²⁶ Though the volume of remittances fell to about USD 1.9 billion in 2016 from USD 3.8 billion in 2014 due to the economic slowdown in Russia and the devaluation of the Russian rouble, it was still about 27 % of the country's GDP in 2016.²⁷ In 2017, the trend in remittances volumes started to grow again thanks to improving in the economic situation in Russia and reached USD 2.5 billion – 31% higher than the year before.²⁸ Despite the huge inflows of remittances every year, they leave little trace in the

²⁴ Source: NBT: http://nbt.tj/en/payment_system/card_market.php.

²⁵ <http://www.worldbank.org/en/country/tajikistan>

²⁶ www.iom.tj

²⁷ Source: World Bank 2016: <https://data.worldbank.org/indicator/BX.TRF.PWKR.DT.GD.ZS>

²⁸ https://tjk.rus4all.ru/city_msk/20180323/728533532.html

banking system of the country – most being fully withdrawn upon receipt.²⁹ As a result, the outstanding balance of individuals' bank deposits has been stagnant since 2013 at the level of around TJS 4 billion (USD 450 million)³⁰ even despite the higher share of people using formal savings, as noted above.

²⁹ Some of the reasons for the lack of take-up of remittance-linked products in Tajikistan are discussed in these blogs: <http://www.cgap.org/blog/remittances-russia-and-tajikistan> and <http://www.cgap.org/blog/powering-remittances-flows-between-russia-and-tajikistan>.

³⁰ Source: NBT Banking Statistics Bulletin No. 1, 2018: http://nbt.tj/upload/iblock/d73/january_2018.pdf

Table 2. Use of basic financial services, Tajikistan and peer countries, 2011 - 2017.

Europe & Central Asia		Lower middle income		
Population, age 15+ (millions)	5.7	GNI per capita (\$)	1,110	
	Country data	Europe & Central Asia	Lower middle income	
Account (% age 15+)				
All adults	47.0	65.3	57.8	
All adults, 2014	11.5	57.8	41.9	
All adults, 2011	2.5	44.8	28.9	
Financial institution account (% age 15+)				
All adults	47.0	65.1	56.1	
All adults, 2014	11.5	57.8	40.6	
All adults, 2011	2.5	44.8	28.9	
Mobile money account (% age 15+)				
All adults	..	3.2	5.3	
All adults, 2014	0.0	0.2	3.2	
Account, by individual characteristics (% age 15+)				
Women	42.1	62.5	53.0	
Adults belonging to the poorest 40%	38.5	56.3	50.7	
Adults out of the labor force	37.3	52.8	50.8	
Adults living in rural areas	46.3	61.7	57.6	
Digital payments in the past year (% age 15+)				
Made or received digital payments	43.9	60.4	29.2	
Made or received digital payments, 2014	8.3	46.1	19.7	
Used an account to pay utility bills	21.7	23.0	7.5	
Used an account to receive private sector wages	6.3	21.2	5.5	
Used an account to receive government payments	22.7	28.8	8.3	
Used the internet to pay bills or to buy something online	12.8	30.6	6.8	
Used a mobile phone or the internet to access an account	8.3	23.1	8.3	
Used a debit or credit card to make a purchase	10.8	38.5	10.0	
Inactive account in the past year (% age 15+)				
No deposit and no withdrawal from an account	9.4	6.6	21.6	
No deposit and no withdrawal from a financial institution account	9.4	6.7	22.0	
Domestic remittances in the past year (% age 15+)				
Sent or received domestic remittances through an account	11.7	12.8	10.1	
Sent or received domestic remittances through an OTC service	7.8	7.0	4.7	
Sent or received domestic remittances through cash only	10.2	8.0	8.8	
Saving in the past year (% age 15+)				
Saved at a financial institution	11.3	14.4	15.9	
Saved at a financial institution, 2014	1.5	11.0	14.4	
Saved using a savings club or person outside the family	8.8	5.0	13.0	
Saved any money	32.8	37.0	39.7	
Saved for old age	11.2	15.0	13.2	
Credit in the past year (% age 15+)				
Borrowed from a financial institution or used a credit card	15.5	24.2	9.8	
Borrowed from a financial institution or used a credit card, 2014	4.2	22.3	10.0	
Borrowed from family or friends	21.6	24.5	30.4	
Borrowed any money	33.7	44.0	42.9	
Outstanding housing loan	12.6	11.6	5.0	

Source: World Bank Global Findex 2018.

Quality of financial products and service delivery

The dimension of the quality of financial products and service delivery covers such aspects as financial literacy of consumers, financial consumer protection (both aspects are covered further below), and costs of usage.

With respect to the costs of basic services such as credits and deposits, official NBT statistics report average interest rates of 29 % per annum on loans to individuals (25.16 % to legal entities) and 5.75 % per annum on deposits for individuals (4.64 for legal entities) as of January 2018.³¹ However information received directly from banks and MFIs suggests that the lending rates may be even higher – up to 42% for individuals, making credit inaccessible for many people in Tajikistan.

Tajikistan's commitment to advancing financial inclusion

In December 2011, NBT became a member of the Alliance for Financial Inclusion (AFI) – a global organisation on financial inclusion policy and regulation. Under AFI's Maya Declaration³² (a statement of common principles regarding the development of financial inclusion policy made by AFI members), NBT has made the following five commitments:³³

1. “Achieve financial access of the population in rural places and remote districts of the country through microfinance by up to 40% by 2017;
2. Realise mobile financial services by up to 30% of the population by 2017;
3. Continue to be part of the AFI strategy and to continue sharing experience and knowledge from our diversified membership;
4. Promote development of a comprehensive consumer protection framework and education framework (Financial Literacy) in collaboration with our development partners during 2014 – 2017;
5. Further enhance its knowledge, understanding and skills to deepen financial inclusion in the country and continue to encourage the implementation of above goals.”

This explicit commitment of the country to advancing financial inclusion has led to remarkable progress in this area as discussed above, though the two quantifiable targets under the Maya Declaration have not been achieved in 2017. There is also some progress made towards the development of a consumer protection framework though it still needs much work (see below).

e. Financial consumer protection

The World Bank Diagnostic Review of Consumer Protection and Financial Literacy in Tajikistan conducted in 2013 concluded that while a general consumer protection law exists in Tajikistan, it lacks the detail to make it applicable to financial institutions. The law includes a provision for protection of the confidentiality of consumer information, but the common perception is that it is not widely enforced. Financial institutions generally provide information to consumers, but not

³¹ Ibid.

³² <http://www.afi-global.org/maya-declaration>

³³ <https://www.afi-dataportal.org/app/#dashboard-summary>

necessarily in a simple, standardised format that allows comparisons with other financial institutions. The microfinance industry supports a code of conduct for its members, but no such codes exist for the banking and insurance industries. Financial literacy is low, particularly in rural areas. The World Bank studies recommended bringing Tajikistan's financial consumer protection regime closer to international good practices. One proposal was to assign responsibility to NBT to monitor and enforce consumer protection in financial services and to develop a national financial education strategy.³⁴

Following the World Bank's recommendation, at the end of 2015 a Division for Consumer Protection was established at NBT. In 2017, it had a staff of 4 people. It will need additional resources and capacity building moving forward to fully meet its remit.

In 2011, Tajikistan adopted a law "On insurance of natural persons' savings" which established a Deposit Insurance Fund (DIF) with the primary objectives of protecting the rights of individual depositors and building trust in the country's financial system. DIF is supposed to provide coverage of natural persons' deposits both in banks and deposit-taking MFIs (microcredit deposit organisations) up to the amount equivalent to 350³⁵ calculation indicators³⁶ (currently TJS 17,500 – approximately USD 1,966).³⁷ In April 2018, 42 financial institutions participated in the DIF – 15 banks and 27 microcredit deposit organizations.³⁸

As of April 2018,³⁹ 96.8% of all individual depositors (842,887 people) had deposits not exceeding the insured amount per individual. DIF reports that the total insured amount is TJS 3.1 billion (USD 348 million). At the same time, the total assets of the fund (made up of mandatory contributions from banks and MFIs with deposit-taking license – member fees, calendar fees and additional fees) as of April 2018 were TJS 260 million (USD 29 million), or about 8% of the insured deposit base. There are currently 2 banks and 11 deposit-taking MFIs being liquidated.⁴⁰ The depositors' claims of the 2 banks were mostly settled in 2017 through the sales of the banks' assets⁴¹ with DIF compensating about TJS 16 million (USD 1.8 million).⁴²

3. Current needs/challenges faced by the population

³⁴ <http://www.worldbank.org/en/news/feature/2013/07/11/improving-consumer-protection-and-financial-literacy-in-tajikistan>

³⁵ This calculation was introduced in December 2015; previously the insured amount was stated as TJS 7,000 (USD 787). <http://ru.sputnik-tj.com/economy/20151223/1018044926.html>

³⁶ From January 2018, one calculation indicator is equal to TJS 50 (USD 5.6). Source: Law of the Republic of Tajikistan of 16 November 2017 No. 1469 "On the state budget of the Republic of Tajikistan for 2018". <http://minfin.tj/downloads/zakon-bujet-ru-2018.pdf>

³⁷ Law of the Republic of Tajikistan of 2 August 2011 No. 758 "On insurance of natural persons' savings", as amended. http://nbt.tj/upload/iblock/576/Zakon%20RT_sugur%20pasandoz_rus.pdf

³⁸ http://idif.tj/wp-content/uploads/2017/07/reestr_ru.pdf

³⁹ http://idif.tj/wp-content/uploads/2016/05/indicators_2018_ru.pdf

⁴⁰ http://idif.tj/wp-content/uploads/2017/07/liquidation_ru.pdf

⁴¹ <http://news.tj/ru/node/237664>

⁴² <http://www.toptj.com/News/2017/04/24/vkladchiki-prosyat-gosudarstvo-ustupit-im-ochered-v-poluchenii-deneg-ot-tadzhprombanka>

a. Financial literacy

The **World Bank Financial Capability Survey (2012)**⁴³ measured the knowledge of financial concepts and products, and attitudes, skills and behaviour related to day-to-day money management, planning for the future, choosing financial products and staying informed. To evaluate people's awareness of financial concepts and their basic numeracy skills, all respondents were exposed to seven questions where respondents were required to do simple calculations to show their understanding of inflation, interest rates, compound interest, risk diversification, and the main purpose of insurance products.

The survey covered nine main components of financial capability⁴⁴, some of which refer to attitudes or motivations, and others to behaviours. Each component was measured through a combination of the relevant questions, which were identified by using a statistical method (factor analysis), and scored on a scale between 0 (least capable) to 100 (most capable). Five components measure financial capability related to behaviours such as budgeting, not overspending, living within means, saving, planning for unexpected and old age expenses. Four financial capability components refer to attitudes and motivations such as attitudes towards the future, (non-) impulsiveness, attitudes towards information seeking, and achievement orientation.

The survey identified numerous financial capability issues across various segments of the population. The researchers concluded that although the vast majority of the population possessed the necessary skills to perform basic financial calculations, they lacked specific knowledge to make savings and investment decisions. Rural dwellers and people with lower educational attainment were less knowledgeable about basic financial concepts, such as inflation, interest rates, compound interest, and risk diversification, as compared to the rest of the population.

In the area of the awareness of financial concepts and basic numeracy skills, on average, Tajiks were able to correctly answer only 4.1 out of 7 financial literacy questions, and the majority lacked knowledge and understanding of basic financial concepts, such as simple interest rates or how inflation affects savings. Slightly more than half of the population was able to provide correct answers to at least 4 questions. Only around 12% of the population was able to provide correct answers to at least 6, and even less than 2% answered all 7 financial literacy questions correctly. A high fraction of all adults, around 13%, was not even able to provide more than 2 correct answers.

Regarding the awareness about financial services providers, on average, people were familiar with services provided by 3.8 different types of financial institutions out of 7. Money transfer operators and currency exchange offices were widely known as financial service providers (to 75% and 80% of respondents, respectively), while only slightly more than half of survey respondents were aware of the services provided by banks and MFIs. Ten% of Tajiks were not familiar with the services offered by any financial service providers.

⁴³ World Bank and Bank-Netherlands Partnership Programme. "Paving the Road to Better Financial Decision-Making in Tajikistan. Financial Capability and Consumer Protection Survey Report." May 22, 2013. <http://responsiblefinance.worldbank.org/~media/GIAWB/FL/Documents/eLibrary/FCCP-Survey-Report-Tajikistan-2013.pdf>

⁴⁴ The World Bank definition of financial capability is very similar to the OECD definition of financial literacy. In this roadmap, the term financial capability is used in reference to WB work.

Tajiks demonstrated high levels of financial capability in most areas, although they scored higher with regard to their attitudes and motivations than their financial behaviours. The highest average score (94 out of 100) was obtained for financial behaviour characterised by not overspending. Tajiks scored slightly worse with regard to living within means and budgeting. The lowest average scores were found for financial behaviours related to planning for one's own future: saving (66) and planning for unexpected and old age expenses (47.5).

The World Bank Diagnostic Review of Consumer Protection and Financial Literacy in Tajikistan (2013) concluded that:

- The financial literacy of the population in Tajikistan is relatively low – consumers in Tajikistan lack the basic knowledge required to make sensible financial decisions.
- There are several financial literacy initiatives in Tajikistan, but there is no comprehensive financial education programme in Tajikistan led by a government agency, the central bank, or other regulators.
- There is no comparative information of costs or terms and conditions of financial products.
- There should be a comprehensive financial education strategy led and implemented by NBT in coordination with multiple stakeholders.

A **baseline financial literacy survey** conducted in 2014 within the World Bank Group (WBG)/IFC Azerbaijan and Central Asia Financial Infrastructure Project and Azerbaijan and Central Asia Micro and Responsible Finance Project covered three areas related to financial literacy: financial behaviour; financial knowledge, and financial skills.

With respect to financial behaviour, the survey found that over 50% of the population did not keep records on their family budget. Only 12% of Tajiks said that they had some money left by the time they received their next income inflow; 24% of those who have money left spend it on expensive purchases. Only 17% of respondents regularly saved, and 50% never saved any money. Of those who did, just 15% saved in a financial institution.

In the area of financial knowledge, it was found that people viewed credit primarily as a means to address household liquidity shortages rather than an investment tool – only 26% believed that borrowed money could be productively invested. Twelve percent of respondents were not familiar with the concept of interest rate; 91% never heard of the Credit Information Bureau.

As for financial skills, 83% of Tajiks said they did not use any financial services. The most popular services turned out to be money transfers/remittances and currency exchange. The level of trust in financial services was very low – 30% of respondents said they believed their money would be lost if they use financial services.

The survey also asked respondents to assess their financial literacy level. Forty-two percent of Tajiks considered themselves financially literate, and 46% considered themselves financially illiterate. Respondents expressed the highest interest in learning more on the following topics: planning family budget to avoid indebtedness (20%), improving knowledge on setting financial goals (14%), and learning more about banking services (9.6%).

In 2014, the Standard & Poor's Ratings Services conducted the first **Global Financial Literacy Survey (S&P Global FinLit Survey)**⁴⁵ covering more than 140 economies, including Tajikistan. Financial literacy was measured using questions assessing basic knowledge of four fundamental concepts in financial decision-making: knowledge of interest rates, interest compounding, inflation, and risk diversification. In this study, a person is defined as financially literate when he or she correctly answers at least three out of the four financial concepts. Based on this definition, 33% of adults worldwide are financially literate. Country-level financial literacy levels range from 71% (highest) to 13% (lowest).

In Tajikistan, only 17% of adults can be considered financially literate per the definition above. This puts the country quite low in the spectrum of countries by financial literacy levels: it is one of the six countries with the least financially literate populations.⁴⁶ Tajikistan is outperformed by all the other Central Asian countries: Kazakhstan (40% of financially literate adults), Kyrgyzstan (19%), Turkmenistan (41%), and Uzbekistan (21%).

The **OECD survey of financial literacy and financial inclusion**⁴⁷ in CIS countries conducted in 2017 measured:

- Financial knowledge, based on people's responses to 7 questions checking their understanding of inflation, interest and compound interest, risks and returns, and the benefits of diversification;
- Financial behaviour, based on assessing 9 aspects related to financial control, financial resilience, and making informed financial product choice;
- Financial attitudes towards money and planning for the future; and
- Financial inclusion, in terms of products awareness and choice, and financial products holding.

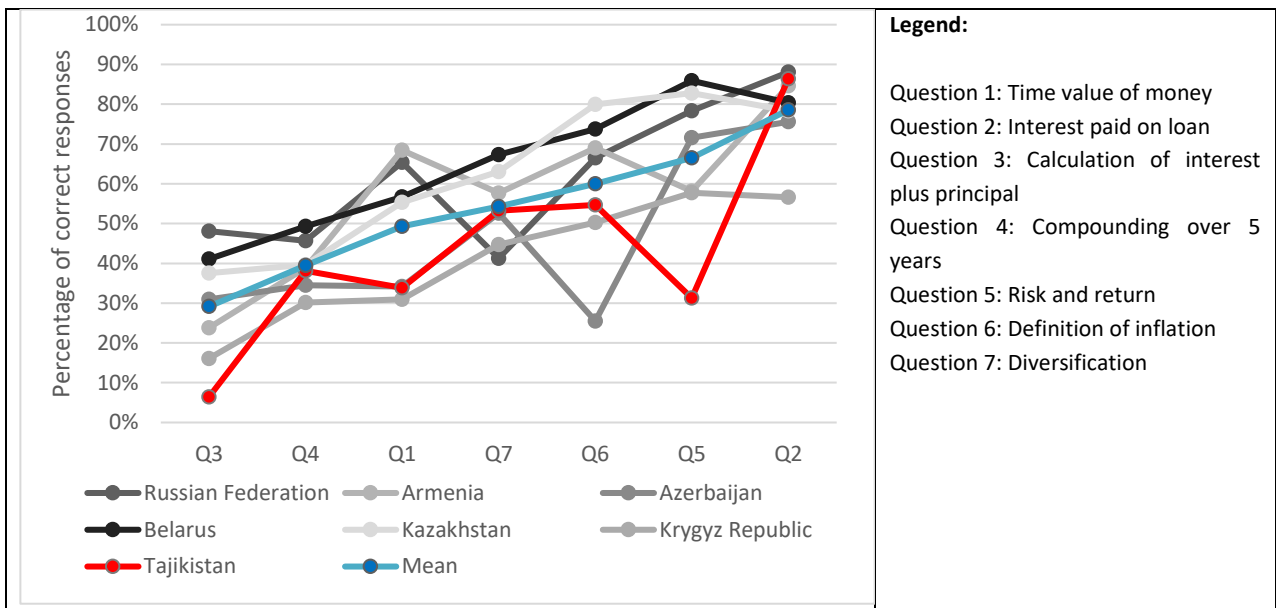
In terms of *financial knowledge*, Tajikistan's results were among the lowest among the 7 countries surveyed (Figure 1). In particular, among the least understood among respondents in Tajikistan were the concepts of the time value of money (only 31% answered correctly versus 49% as the mean indicator across the 7 countries); calculation of interest plus principal (7% answered correctly versus 29% on average); and the understanding of risk and return (31% correct versus 67% on average). Surprisingly, Tajikistan's score was among the highest in response to the question on loan interest rate (86% correct rate versus 78% on average); Tajik respondents also outperformed Russia and the Kyrgyz Republic in responding to the question on diversification (53% of correct responses versus 41% and 46%, respectively).

Figure 1. Correct responses to financial knowledge questions (share of respondents), 2017.

⁴⁵ Leora Klapper, Annamaria Lusardi, and Peter van Oudheusden. Financial Literacy Around the World: Insights From the Standard & Poor's Ratings Services Global Financial Literacy Survey. Standard & Poor's Ratings Services, 2015. http://gflec.org/wp-content/uploads/2015/11/3313-Finlit_Report_FINAL-5.11.16.pdf?x28148

⁴⁶ <http://www.gallup.com/poll/186680/two-three-adults-worldwide-financially-illiterate.aspx>

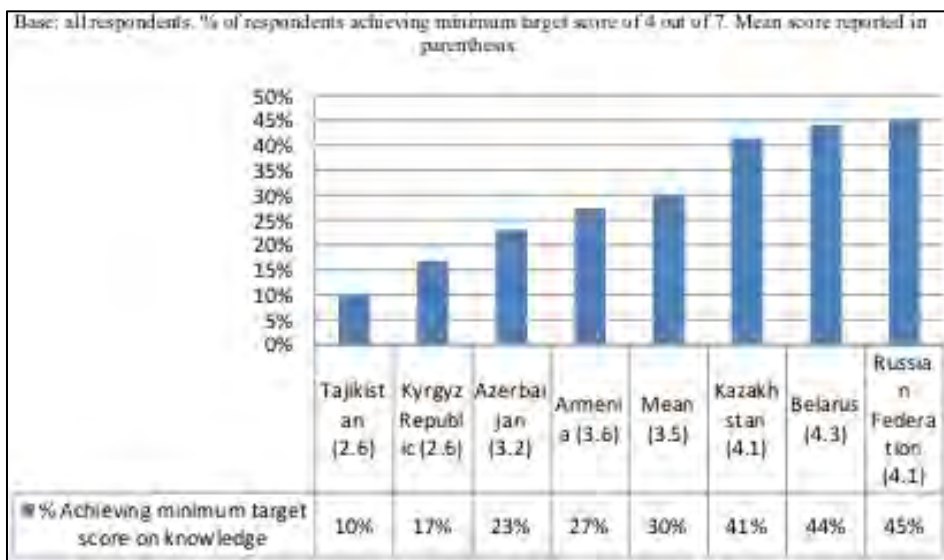
⁴⁷ Atkinson, A. (2018), OECD/INFE report on adult financial literacy in CIS countries.



Source: OECD/INFE financial literacy survey.

The survey measured the average countries' financial knowledge scores against the minimum target score of 4 out of 7. Tajikistan showed the lowest level of financial knowledge by this indicator, with only 10% of respondents achieving the minimum score. The country also showed the lowest mean score of 2.6 (together with the Kyrgyz Republic) as compared to the other CIS countries surveyed (Figure 2).

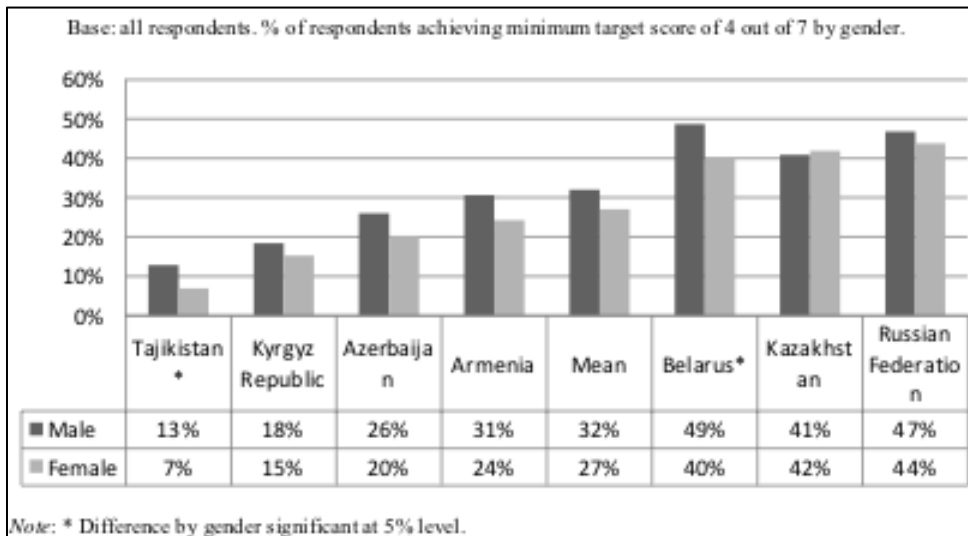
Figure 2. Achieving minimum target score for financial knowledge, 2017



Source: OECD/INFE financial literacy survey.

Tajikistan demonstrated a noticeable gender gap in terms of the minimum financial knowledge score of about 6 percentage points: 13% of men and only 7% of women in the country achieved the minimum score (Figure 3). This gap is wider only in Armenia (7 p.p.) and Belarus (9 p.p.).

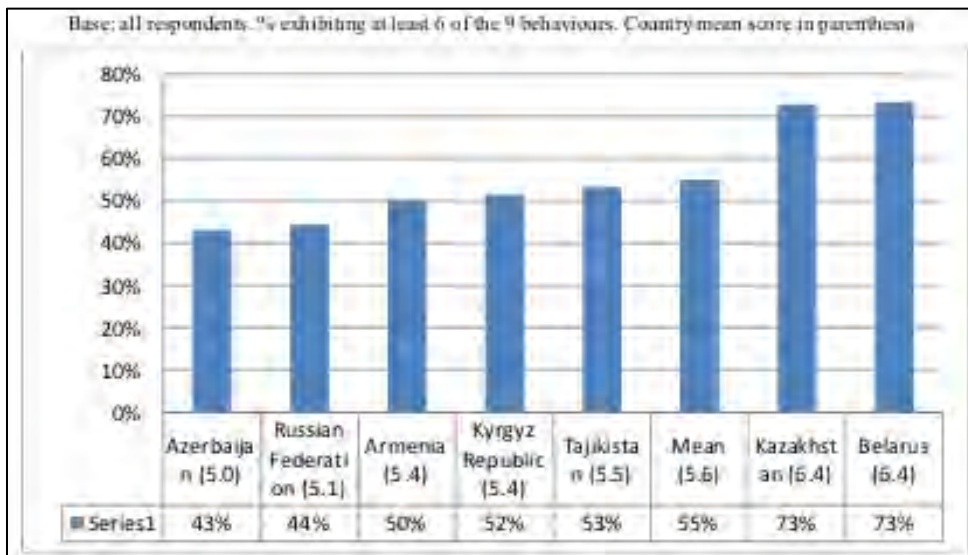
Figure 3. Achieving minimum target score for financial knowledge, breakdown by gender, 2017



Source: OECD/INFE financial literacy survey.

In terms of *financial behaviour*, Tajikistan performed better than the other CIS countries surveyed (Figure 4), with 53% of people demonstrating at least 6 sound financial behaviours out of 9. Yet with the average score of 5.5, the country has not reached the minimum target score of 6. Tajikistan is also the only country out of the 7 CIS countries surveyed where there are significant gender differences in financial behaviour: only 46% of women exhibited 6 out of 9 behaviours, while among men this figure was 60%.

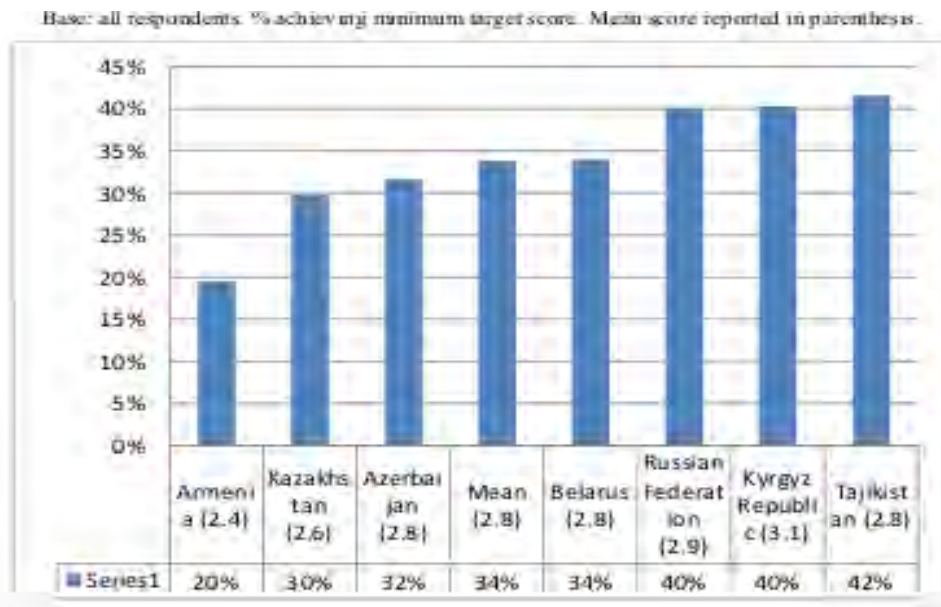
Figure 4. Achieving minimum target score for financial behaviour, 2017



Source: OECD/INFE financial literacy survey.

In the area of *financial attitudes* towards money and planning for the future, Tajikistan scored the highest among the 7 countries surveyed (Figure 5), with 42% of the respondents achieving a minimum target score of 3 (representing an attitude consistent with higher levels of financial literacy).

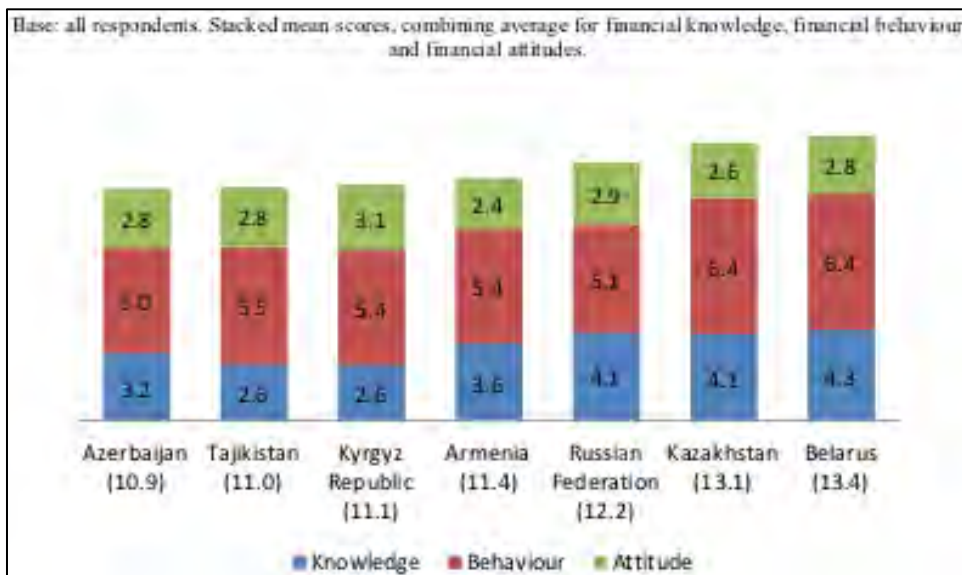
Figure 5. Achieving minimum target score for financial attitudes, 2017



Source: OECD/INFE financial literacy survey.

The resulting overall financial literacy score of Tajikistan is 11 out of 21 possible points, among the lowest of the countries surveyed (Figure 6). The survey concludes that while Tajikistan performs relatively strongly in terms of consumer behaviour, it needs to pay attention to the relatively low levels of knowledge as this could result in consumers acting on mistaken beliefs and thus making potentially damaging mistakes.

Figure 6. Components of overall financial literacy, 2017

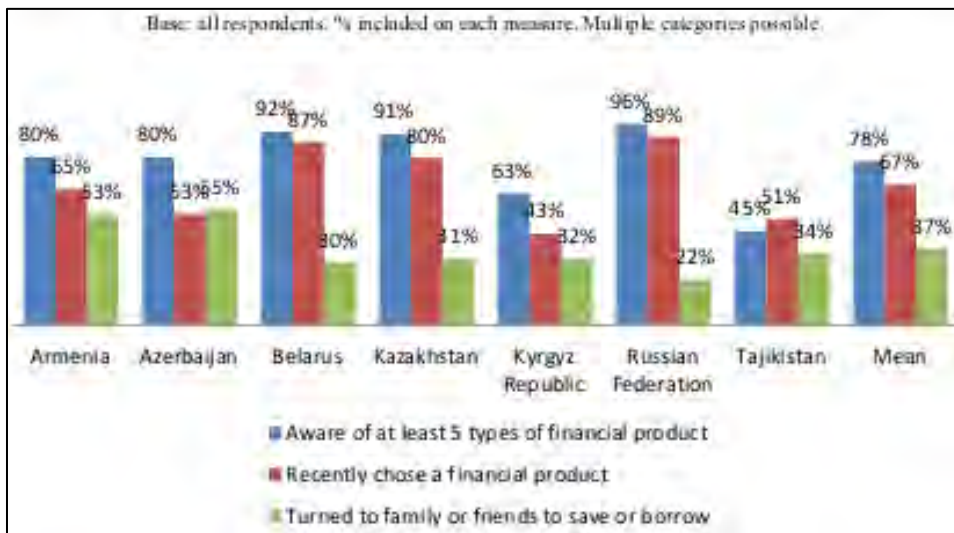


Source: OECD/INFE financial literacy survey.

The OECD survey provides additional insights into the extent to which people are financially included and active financial consumers, focusing on financial inclusion indicators from the consumers' perspective (Figure 7). Tajikistan's results in terms of people's awareness of at least 5

types of financial products and recent choice of financial products are among the lowest among the 7 countries surveyed, consistent with the World Bank Global Findex results of 2017. At the same time, respondents in Tajikistan more often than respondents in some other countries turn to family and friends for basic financial products such as savings and borrowings (34%); this figure is higher only in Armenia (53%) and Azerbaijan (55%).

Figure 7. Indicators of financial inclusion from the consumer perspective, 2017



Source: OECD/INFE financial literacy survey.

b. People's preferences regarding receiving financial education

A financial literacy baseline survey conducted by WBG in 2014 revealed that mass media are the preferred channel for people to receive financial education followed by commercial banks and universities (Table 4).

Table 4. Preferred channels for receiving financial education (% of population)

Mass media	27.1
Commercial banks	23.1
Universities	22.5
Government agencies	12.8
Non-governmental or international organisations	6.2
Independent financial consultants	3
Hard to say	5.2

Source: WBG/IFC financial literacy baseline survey 2014.

4. Description of the current status of the NSFE in the country

a. Institutional framework

The National Bank of Tajikistan (NBT) – the country’s central bank – has recently included financial education as part of its mandate. In 2016, under the NBT leadership (and facilitated by the World Bank), a group of stakeholders including national and international organisations, developed Strategic Priorities and an Action Plan for the Development of the Mechanism for the Protection of the Rights of the Financial Service Consumers in the Republic of Tajikistan for 2017-2019 (FCP Strategy). In this document, lack of financial literacy is recognised as a gap in the country and a priority for consumer protection activities of NBT. Specifically, the FCP Strategy includes an objective of the “organisation and implementation of education of financial service participants on the basics of financial literacy and the culture of financial behaviour.” In the FCP Strategy, financial education is defined as “increased financial skills of financial service consumers which gives them an opportunity to have a greater responsibility for their personal finance management.”

Per the FCP Strategy, NBT plans to take an active part in the development of the State Programme for Increasing Financial Literacy of the Population. In particular, NBT plans to develop and disseminate materials on key features and risks of financial products and publish information on effective interest rates on credit offered by various credit institutions, as well as on prices for other basic financial services.

Within NBT, the department in charge of financial education is the Division for Consumer Protection established in 2015. Its mandate includes four types of activities: (i) development of regulations for financial consumer protection (FCP); (ii) financial literacy and financial education; (iii) complaints handling; and (iv) monitoring financial service providers’ compliance with FCP regulations.

In the area of financial literacy and financial education, the Division has been implementing the following activities:

- Maintaining a web-page at the NBT website with information for financial service consumers and basics of financial education (brief comics covering topics such as credit and credit bureau, budgeting, savings, remittances, avoiding over-indebtedness, etc.);
- Manning a telephone hotline which can be used by consumers to ask questions about financial services and their rights as financial service consumers;
- Leading and supporting annual Global Money Week events (starting from 2015).

As noted earlier, advancing financial literacy is also part of NBT’s commitments under the Maya Declaration of the Alliance for Financial Inclusion. Specifically, NBT plans to “promote development of a comprehensive consumer protection framework and education framework (Financial Literacy) in collaboration with our development partners during 2014 – 2017.”⁴⁸

⁴⁸ <https://www.afi-dataportal.org/app/#dashboard-summary>

b. State Programme for Increasing Financial Literacy of the Population as a basis for the NSFE

Tajikistan has no National Strategy on Financial Education (NSFE). In 2016, the Government adopted the National Development Strategy of the Republic of Tajikistan for the Period Until 2030 (National Development Strategy) that provides for the development and implementation of the State Programme for Increasing Financial Literacy of the Population. The National Development Strategy does not specify targets with respect to financial literacy, but sets a number of targets that would require, among other things, increased levels of financial literacy and substantial financial education efforts. In particular, the National Development Strategy expects to reach at least 50% of households with banking services and have a share of non-cash payments in retail trade of at least 50% by 2030. These are ambitious targets, but the country is on the way to reaching them with significant progress achieved between 2014 and 2017, as documented by the World Bank Global Findex (2018).

The NSFE could be part of the State Programme for Increasing Financial Literacy of the Population mentioned above. To start the development of a NSFE, a legal basis is necessary – i.e. a government decree specifying the officials and agencies in charge of the Programme. Per the World Bank recommendations, the lead agency should be NBT, which in coordination with multiple stakeholders would develop and implement the NSFE. For the NBT to play this leading role, the capacity of the NBT Division for Consumer Protection should be strengthened and additional resources should be allocated for this purpose.

c. Summary of existing financial education activities

Financial education programmes in schools/for youth

There is no formal financial education programme for schoolchildren in Tajikistan, but a pilot project is currently underway, implemented by German **Sparkassenstiftung für internationale Kooperation** (Savings Banks Foundation for International Cooperation - SBFIC). This pilot is part of the “Savings banks partnership project for the introduction of dual vocational training in the financial sector of Kyrgyzstan, Tajikistan and Turkmenistan” (2014-2020) funded by the German Federal Ministry for Economic Cooperation and Development (BMZ).⁴⁹ The counterpart for the project is the National Bank of Tajikistan. Among the objectives of the project is the integration of financial education in high schools’ curricula.

The first stage of the development and introduction of a curriculum for basic financial education in schools in Tajikistan included the identification of the so-called “multipliers” – i.e. people who would be “master trainers”. During the second stage, the multipliers would train the trainers – local schoolteachers. The start of the third stage was planned for October 2017 when teachers were to start teaching high school students (16-17 years old). The materials for the first stage were developed by SBFIC with the funding from BMZ. The Ministry of Education and Science of Tajikistan provides in-kind contributions and will be approving the content of the curriculum for schoolchildren.

⁴⁹ <http://www.sparkassenstiftung.de/en/projects/projects/region/caucasus-central-asia-and-middle-east/projekt/regionalprojekt-einfuehrung-der-dualen-berufsausbildung-zum-bankspezialisten/0/1.html>

As of March 2017, the project has identified 15 multipliers and was in the process of identifying schoolteachers who would deliver the financial education curriculum to high school students. The project had to expand the profile of these teachers to include not only teachers of economics but also of other subjects as well as teachers of all ages (initially the idea was to train young teachers, but the project faced constraints given the average age of schoolteachers in the country that did not match this profile). The training for the teachers will consist of two parts – the financial education content (with a strong focus of savings) and the training methodology; both developed by SBFIC and translated into Tajik and Russian. Based on the results of this pilot, SBFIC will decide on the targets for the rollout of the project.⁵⁰

Since 2014 Tajikistan has been participating in the **Global Money Week** – an annual global event initiated by Child and Youth Finance International in 2012 and aimed at inspiring children and youth to learn about money, saving, creating livelihoods, gaining employment, and becoming an entrepreneur.⁵¹

Since 2015, the Global Money Week activities have been led by NBT and reached scale. During March 9-17, 2015, NBT involved all banks and MFIs as well as their associations (ABT and AMFOT) in a wide range of financial literacy events and activities across the country, reaching over 5,000 children and youth both in urban and rural areas. Several educational institutions took part in the Global Money Week in 2015 (the University of Central Asia, the Technological University of Tajikistan, and the University of Entrepreneurship and Services of Tajikistan) as well as the German International Cooperation (GIZ) Tajikistan and the Aga Khan Development Network.

During March 14-20, 2016, the Global Money Week events led by NBT reached 10,810 children and youth directly and about 5,000 indirectly. More organisations joined in addition to the previous year's participants, including schools and junior colleges in all regions of the country, the Khorog State University, Mountain Societies Development Support Programme, Child Centre for Creativity in Khorog, two construction companies, and others.⁵²

The fourth Global Money Week held under the NBT leadership during March 27 – April 2, 2017, and it reached 8,070 people of whom over 5,000 were schoolchildren. All credit organizations, as well as the Association of Banks of Tajikistan and the Association of Microfinance Organizations of Tajikistan (AMFOT) took part in the Global Money Week events that covered all regions of the country.⁵³

Financial education for migrants

No formal financial education programme for migrants exists in Tajikistan, though the need for educating both migrants and their families on the use of remittances is recognised by the

⁵⁰ The target for the three project countries (Kyrgyzstan, Tajikistan and Turkmenistan) is to train at least 3,000 students. See: <http://www.sparkassenstiftung.de/en/projects/projects/region/caucasus-central-asia-and-middle-east/projekt/regionalprojekt-einfuehrung-der-dualen-berufsausbildung-zum-bankspezialisten/0/1.html>

⁵¹ <https://www.globalmoneyweek.org/about/about-global-money-week.html>

⁵² <http://www.childfinanceinternational.org/resources/publications/2016-global-money-week-report.pdf>

⁵³ http://nbt.tj/ru/Protection/?ELEMENT_ID=449302

government. The fact that migrants and their families have been using most of the remittances for unproductive consumption has been a concern for the government for the last ten years.

There are two organisations that currently actively work with migrants – the International Organisation for Migration (IOM) and the Ministry of Labour, Migration and Employment of Tajikistan. Their activities could potentially be used as a basis for the dissemination of financial education among migrants.

The **International Organisation for Migration** programmes for labour migrants primarily include capacity building opportunities to increase migrants' skills prior to their departure abroad. IOM together with its partners has also been providing services for migrants and their families to help them use their incomes earned abroad in a more productive way, save, and invest.⁵⁴

The **Ministry of Labour, Migration and Employment** is in charge of 61 primary vocational training centres for youth (offering 2-year curricula) and 73 centres for professional training of adults (offering 3-month curricula). In 2016, the youth vocational training centres had 25,523 students (including 20.7% of female students). There are 1,457 teachers working in these vocational training centres and 1,096 skills trainers. The professional training centres for adults taught 105,815 unemployed people and labour migrants in 2016.⁵⁵

The Ministry maintains contacts with 81 Tajik organisations, cultural centres and diasporas in Russia where the majority of the country's migrants go.⁵⁶ Through cooperation with these institutions, the Ministry disseminates information and advice among migrants, primarily on topics related to legal issues of the migrants' stay and employment in Russia.

In 2016 the Ministry conducted a research on migrants' usage of remittances. The research confirmed that migrants' remittances are mostly used for consumption and very little is invested in productive activities or savings.⁵⁷

Other financial education projects

In 2014-2015, the WBG/IFC developed and rolled out a **Financial Literacy Programme**⁵⁸ that covered about 140,000 people, or 2.6% of the adult population of Tajikistan. The Programme was highly efficient – the total costs were about USD 88,000 (provided by the Government of Switzerland) of which USD 55,000 was covered by financial institutions participating in the Programme. These financial institutions included three banks (AccessBank Tajikistan, First Microfinance Bank, and Bank Eshkata) and four MFIs (FINCA, IMON International, Arvand, and Humo). AMFOT participated in the “second wave” of distributing the WBG/IFC Financial Literacy Programme materials among its member institutions. While the initial timeframe for the Programme

⁵⁴ <http://www.iom.tj/index.php/78-about-us/141-welcome-from-the-chief-of-mission>

⁵⁵ Based on information received from the Ministry of Labour, Migration and Employment.

⁵⁶ In 2016, there were about 870 thousand migrants working in Russia. Source: <https://news.tj/ru/news/tajikistan/economic/20170224/denezhnie-perevodi-migrantov-iz-rossii-ravni-treti-vvp-tadzhikistana>.

⁵⁷ Based on information received from the Ministry of Labour, Migration and Employment.

⁵⁸ World Bank Group. Presentation “Financial Literacy: A Stream of Knowledge. Tajikistan, 2016.”

was three years (2014-2017), all of the targets were achieved by the end of 2015.

The Financial Literacy Programme had three components:

- *Training of trainers* provided to 50 trainers from the participating financial institutions. These certified trainers then trained 134 staff of financial institutions, who, in turn, delivered 221 financial literacy training sessions in Dushanbe and 63 towns and villages in the rural areas of Tajikistan, reaching 3,945 people, of whom 2,091 were women.
- *Training of counsellors* was provided to 170 loan officers of participating financial institutions to equip them with the necessary knowledge on how to advise clients more effectively and improve relationships with potential customers. These loan officers then taught around 700 staff at the branches of participating financial institutions who, in turn, consulted 118,000 customers between 14 and 65 years of age.
- *Financial literacy information campaign*, launched in early 2015, including: (i) 5 short videos on financial literacy topics (family budget, expansion of a small business, remittances, over-indebtedness, and the role of the credit information bureau) broadcast 134 times in 73 branches of participating financial institutions all over Tajikistan as well as 267,300 times via 200 television screens in the Dushanbe International Airport and the biggest shopping malls in Dushanbe; (ii) 17 radio soap operas on various financial literacy topics (such as describing a Tajik family applying for a loan, regularly consulting with a loan officer of a financial institution and successfully meeting its financial obligations before this financial institution); (iii) 10,000 copies of information materials such as samples of shopping lists and income and expense diaries, and posters and comics books on key financial literacy topics. The comic books were distributed to all passengers of the Tajik Air airline.

For the development of the training content and marketing tools, the project involved local partners, international experts and experts on local culture, to tailor the materials to the needs, preferences, and cultural specifics of the local people.

Jointly with the participating financial institutions, the project also provided financial literacy training to 130 staff of the Tajik Air airline and the Dushanbe International Airport so that they are able to provide advice to passengers as the latter may have questions regarding financial literacy materials distributed in the airport.

In mid-2017, an evaluation of the impact of the WBG/IFC Financial Literacy Programme on the level of financial literacy of the population took place, through repeating the baseline survey and conducting a series of focus groups with institutions that participated in the dissemination of the Programme materials and the delivery of financial education trainings. The evaluation has shown a 6 percentage points increase in the number of people with savings (40% in 2017 compared to 34% in 2013), while nearly 4% more respondents noted that they meet their budget goals.⁵⁹

⁵⁹ <http://news.tj/en/news/tajikistan/economic/20171220/nbt-ifc-and-financial-institutions-continue-working-on-increasing-the-financial-literacy-of-the-tajik-population>

5. Description of the potential scope of the NSFE

a. Development of the NSFE

The need to increase the level of financial literacy is recognised by the government as the financial literacy level in Tajikistan is among the lowest worldwide. The respective task is included in the National Development Strategy for the Period Until 2030 that provides for the development and implementation of the State Programme for Increasing Financial Literacy of the Population.

There are multiple efforts and activities aimed at promoting financial literacy in Tajikistan, but they are fragmented and not always well coordinated among stakeholders. With the availability of high-quality data, these activities can be based on identified financial education needs of people. They should be comprehensive and coordinated by the national financial education champion. The WBG/IFC Financial Literacy Programme offers an example of an efficient intervention designed around people's needs in financial education and involving several stakeholders. However, this initiative was project-based, while national financial education efforts should be continuous.

There is a strong need in the National Strategy of Financial Education that could be integrated into the State Programme for Increasing Financial Literacy of the Population. The development of a comprehensive NSFE has been a recommendation of the World Bank since 2012 when the first financial literacy survey was conducted in Tajikistan. As has been emphasised by the OECD and the World Bank, high levels of financial literacy are essential complements to consumer protection as financially literate consumers are best able to understand their own rights and responsibilities, financial disclosures, and the risks and rewards of financial products.

A formal legal basis is necessary to start developing NSFE. The OECD highlights the importance of having an explicit mandate for financial education.⁶⁰ A legislative framework should be developed appointing officials and agencies in charge of the State Programme for Increasing Financial Literacy of the Population of which NSFE would be a part. Such framework will ensure that well-resourced and staffed institutions are tasked with the development and implementation of NSFE and that strong legal incentives exist for ongoing work in the area of financial education.

The National Bank of Tajikistan should continue to play the role of the national champion for the development and implementation of NSFE. Given its current responsibilities and the expertise of its staff, the NBT could be designated as the lead agency for financial literacy, and, in coordination with multiple stakeholders, could develop and implement a national strategy and programme on financial education. The NBT would benefit from the support of a working group consisting of a broad range of stakeholders, including the Ministry of Finance, Ministry of Education and Science, Ministry of Labour, Migration and Employment and other relevant ministries, financial institutions, financial industry associations, consumer associations, educational bodies, the media, NGOs, and

⁶⁰ OECD/INFE Policy Handbook. National Strategies for Financial Education. 2015. <http://www.oecd.org/g20/topics/employment-and-social-policy/National-Strategies-Financial-Education-Policy-Handbook.pdf>

other relevant partners. It is important that all stakeholders are consulted so that they are actively involved in the development and implementation of a financial literacy strategy and programme.⁶¹ As highlighted in the OECD/INFE High-level Principles on National Strategies for Financial Education, establishing an institutional framework tailored to national circumstances requires transparent co-ordination and governance mechanisms with an identified leading authority or body as well as shared but clearly defined roles and responsibilities for relevant stakeholders.⁶²

The capacity of NBT to lead the development and implementation of NSFE should be strengthened. Financial education is part of the responsibilities of the NBT Division for Consumer Protection that is also charged with the development of regulations for financial consumer protection, consumer complaints handling and monitoring financial service providers' compliance with FCP regulations. A separate unit within the Division, with dedicated staff and resources, may be necessary to develop and implement NSFE.

The dedicated data collection exercise and analyses will be a good opportunity for Tajikistan to assess the financial literacy from an OECD/INFE perspective and to benchmark the country regionally and internationally. The 2015 OECD/INFE toolkit adapted to the Tajik context was used in late 2017 to capture financial literacy levels in relevant segments of the population. For the survey implementation, the OECD collaborated with an international survey agency (in close cooperation with NBT and local survey agency).

The results of the OECD/INFE financial literacy survey should be used by the proposed working group to inform the design of financial education programmes and to evaluate them later. The results of this survey provide valuable inputs on the main financial literacy issues of the population and should inform the development of a national strategy and programme on financial education, as well as the regulator's work on financial consumer protection. Such a survey serves as a baseline for the macro evaluation of the financial education programme. The survey should be undertaken every 3-5 years to measure the impact of financial literacy initiatives, monitor developments, and tailor financial education programmes accordingly. The results should be widely disseminated, and the data should be made available to all relevant stakeholders.

A roadmap should be developed to support the NBT in designing a NSFE for Tajikistan, possibly as part of the State Programme for Increasing Financial Literacy. With increased capacity and resources, the Division for Consumer Protection within NBT should be the counterpart for this activity. The OECD support could help assessing the needs for financial education in the Tajik population, set up functioning governance mechanisms, define objectives and target audiences, delivery mechanisms, and monitoring and evaluation tools. The *Proposed approach to the design and implementation of the NSFE* presented further in this document can serve as a basis for this roadmap.

⁶¹ World Bank. "Tajikistan. Diagnostic Review of Consumer Protection and Financial Literacy. Volume I: Key Findings and Recommendations." April 2013. Europe and Central Asia. Financial and Private Sector Development Department. Washington, DC.

⁶² OECD/INFE Policy Handbook. National Strategies for Financial Education. 2015.

<http://www.oecd.org/g20/topics/employment-and-social-policy/National-Strategies-Financial-Education-Policy-Handbook.pdf>

There is an opportunity to use existing initiatives and infrastructure as a basis for the implementation of NSFE. These would include not only financial institutions (banks and MFIs) and educational institutions such as schools and universities, but also the infrastructure of vocational training centres of the Ministry of Labour, Migration and Employment, as well as that of other organisations that the Ministry works with (cultural centres, diasporas etc.) both in Tajikistan and abroad.

The contents of financial education programmes should consider the specific situation in the financial sector of Tajikistan. In particular, some of the common financial education messages (such as on benefits of saving in a financial institution) may need to be adjusted to account for Tajikistan's financial sector realities. When setting specific targets or recruiting financial institutions to disseminate financial education programmes, programme designers should take into account that consumer trust in financial institutions is very low. It will be important to coordinate these activities with other policies designed to strengthen the financial sector and thus increase trust and trustworthiness within the financial sector.

International experience and best practices should be used when developing financial education programmes in Tajikistan. With a few exceptions, most of the financial education materials have been developed in-house and their content, quality or delivery channels have not been checked vis-à-vis international recommendations or best international practices. There is virtually no awareness about the OECD's work and guidance in the area of financial education. Abiding by international recommendations and guidance will be of particular importance for any initiatives and materials of the national financial education champion. As noted by the OECD, more national strategies of financial education have now moved into implementation phase, and as more evaluation and research (including findings from behavioural economics and economic psychology) has been conducted on individual programmes, it is possible to identify some of the most effective approaches in the delivery of financial education to individuals as well as communities and target groups. National strategies can incorporate these findings on programme delivery within their roadmaps and include guidance on the delivery of financial education programmes.⁶³

Most of the financial education activities in Tajikistan have not been evaluated for their effectiveness. With a few exceptions, stakeholders that have been implementing financial education initiatives have not included qualitative criteria in their evaluation of results and have mostly been tracking only quantitative data on the number of people covered by these activities. As emphasised by the OECD/INFE, programme monitoring and evaluation are essential to ensure that a financial education programme is effective, to inform and influence future funding decisions, as well as to predict the overall impact of a programme and set well-defined policy targets.⁶⁴

b. Priorities for the NSFE

Financial education in schools

Develop a curriculum for financial education in schools as basic principles of financial literacy (such as budgeting, savings, consumer credit, etc.) should be acquired at a young age. There is mixed

⁶³ Ibid.

⁶⁴ OECD/INFE High-Level Principles for the Evaluation of Financial Education Programmes. January 2012. <http://www.oecd.org/daf/fin/financial-education/49373959.pdf>

international evidence on the effectiveness of school-based financial education programmes on changing consumer behaviours, indicating that it is essential to learn from best practices and ensure high-quality provision. For example, success has been observed when providing education in ways which students find engaging and interactive, training teachers on the content and techniques, integrating financial literacy in a variety of subjects, such as math, economics, social studies, etc.⁶⁵

Adopt the recommendations of the upcoming OECD policy handbook on financial education in schools and youth in CIS which will include guidance on the introduction and successful implementation of financial literacy in schools in the region, advice for the definition of core competencies for financial literacy in CIS, training of trainers and development of pedagogical tools for different age groups.

Financial education for migrants and their families

Develop financial education activities and materials adopting recommendations of the upcoming OECD regional report produced to analyse the needs of migrants and their families in terms of financial education in CIS. The report would be published in 2018-2019 and include an analysis of the Tajik case and provide recommendations on financial education for migrants and their families in the region.

Ongoing financial education activities for the public⁶⁶

Involve financial institutions in supporting and delivering financial education programmes, while ensuring that they are not mixing marketing and educational messages. By providing helpful, unbiased education, financial institutions can increase consumer trust. Many of them are also well positioned to reach a wide audience, maximize teachable moments related to key financial decisions, and to combine financial education with financial inclusion efforts. However, it is important to ensure that consumers receive adequate financial education without marketing messages or direct selling. Institutions may benefit from providing education to their existing customers by building brand awareness and customer loyalty, but they should be prevented from incorporating product offers into their education provision.

Involve not-for-profit organisations which can bring a number of benefits. Not-for-profit organisations can be especially well-positioned to address hard-to-reach audiences and can have expertise in specific fields (e.g., pedagogical expertise; working with women etc.). However, the involvement of not-for-profit organisations may also involve some shortcomings. Financial education initiatives of not-for-profit stakeholders, especially international ones, may lack coordination with other national initiatives, as well as rigorous evaluation. In addition, not all not-for-profit organisations possess an expertise in financial education and some may be tempted to manifest themselves as financial education providers only as a way to seek funding.

⁶⁵ Source: World Bank. "Tajikistan. Diagnostic Review of Consumer Protection and Financial Literacy. Volume I: Key Findings and Recommendations." April 2013. Europe and Central Asia. Financial and Private Sector Development Department. Washington, DC.

⁶⁶ Based on: World Bank. "Tajikistan. Diagnostic Review of Consumer Protection and Financial Literacy. Volume I: Key Findings and Recommendations." April 2013. Europe and Central Asia. Financial and Private Sector Development Department. Washington, DC and OECD/INFE Policy Handbook. National Strategies for Financial Education. 2015. <http://www.oecd.org/g20/topics/employment-and-social-policy/National-Strategies-Financial-Education-Policy-Handbook.pdf>

The NBT, in cooperation with other stakeholders, should develop guides on key benefits, features, and risks of financial products. Consumers should have reliable and objective information on financial sector issues (e.g., glossary of terms, brochures, etc.), showing them what they should expect and what their rights are. This information should be provided on the Internet and via printed publications.

The NBT could publish tariff surveys or tables with information on average effective interest rates offered by all financial service providers. The tariff surveys or tables could be published online and on newspapers, along with a consumer awareness campaign to promote comparison shopping. This information could help promote transparency and competition in the financial sector. In this type of a campaign, different channels should be used, including radio and road shows and visits to rural villages and community centres.

As the repository of information and data on remittance transactions, the NBT would be well placed to regularly publish and disseminate comparative price information on remittance transactions. Disseminating comparative fee information regularly through channels including newspapers circulated to potential recipients in Tajikistan and migrants in Russia and posting and continuously updating this information on the NBT website, could help maintain and further improve competition in the remittance market. This would increase transparency and boost public confidence and could result in a further increase of remittances sent through remittance service providers. The NBT could also raise awareness of the World Bank's Remittance Prices Worldwide,⁶⁷ publish its data related to the cost of remittances sent to Tajikistan and use the database as an example of the type of information that may be collected and published on the NBT's website.

A wide range of programmes could be used to deliver financial education. These programmes include introducing financial education in schools, in the workplace, taking advantage of “teachable moments,” setting up personal finance websites, undertaking informational campaigns in the media, using popular TV shows, soap operas, radio programmes to deliver financial education messages, producing publications and brochures, etc. Experience has shown that financial education works best when delivered to adults during “teachable moments”, such as the time a consumer is interested in taking out a mortgage loan, or when the consumer receives remittances.

⁶⁷ <http://remittanceprices.worldbank.org/>

6. Proposed approach to the design and implementation of the NSFE

Table 5. Summary of key areas and policy suggestions

Key areas	Policy suggestions
a. Mapping existing initiatives	<ol style="list-style-type: none"> 1. Taking stock of existing initiatives 2. Assessing the effectiveness of existing local initiatives 3. Review and assessment of relevant international research and literature
b. Institutional and governance mechanisms	<ol style="list-style-type: none"> 4. Establishing a formal legal basis to start developing NSFE and designating the National Bank of Tajikistan as the lead agency 5. Forming a multi-stakeholder working group 6. Developing principles, guidelines and quality standards on the design and implementation of financial education initiatives by stakeholders and establishing monitoring/ enforcement mechanisms to ensure compliance
c. Setting policy priorities and achieving objectives	<ol style="list-style-type: none"> 7. Analyse results of the OECD/INFE financial literacy survey and identify policy priorities
d. Targeting (also based on results from dedicated survey)	<ol style="list-style-type: none"> 8. Conduct segmentation of population and design targeting approaches to reach specific target groups (identified based on OECD/INFE financial literacy survey results)
e. Provision and delivery (by target groups, also based on results from dedicated survey)	<ol style="list-style-type: none"> 9. Develop detailed guidance on the use of most efficient delivery methods and tools (based on prior assessments, survey results, pilot programmes and international guidance) 10. Develop a comprehensive plan for the provision and delivery of financial education activities 11. Roll out financial education activities based on the plan
f. Funding/resources	<ol style="list-style-type: none"> 12. Develop NSFE budget and raise funding
g. Monitoring implementation and evaluating impact	<ol style="list-style-type: none"> 13. Monitor NSFE implementation, evaluate impact and disseminate monitoring and evaluation results

Based on: The OECD/INFE Policy handbook “National Strategies for Financial Education.” 2015: www.oecd.org/g20/topics/employment-and-social-policy/National-Strategies-Financial-Education-Policy-Handbook.pdf

a. Mapping existing initiatives

1 – Taking stock of existing initiatives

There are multiple efforts and activities aimed at promoting financial literacy in Tajikistan, but they are fragmented and not always well coordinated among stakeholders.

Mapping existing initiatives and stakeholders is a prerequisite to the establishment of national strategies and should ideally be conducted during the design (or update) phase. This stocktake of existing resources should focus on the domestic stakeholders providing financial education and on their programmes. It could start from the Mapping existing financial educational initiatives in Tajikistan conducted by the OECD in 2017, with the relevant updates from interview and consultations with key stakeholders. It should aim at providing a comprehensive picture of financial education initiatives; identifying partners that can support NBT in the design and implementation of NSFE; identifying overlapping programmes and duplication of efforts and potential opportunities for synergies among stakeholders; and identifying gaps in the provision of financial education.

2 – Assessing the effectiveness of existing initiatives

Most of the existing financial education activities in Tajikistan have not been evaluated for their effectiveness. Programme monitoring and evaluation are essential to ensure that a financial education programme is effective, to inform and influence future funding decisions, as well as to predict the overall impact of a programme and set well-defined policy targets.

It is suggested to use the results of WBG/IFC financial education programme's impact assessment to assess effectiveness of prior financial education efforts, as well as results of OECD/INFE financial literacy survey (2017) in comparison with results of earlier baseline studies to track overall progress. As a complement to quantitative evidence, stakeholders could be interviewed to obtain expert opinions. The results of the analysis should be disseminated to key stakeholders.

3 – Review and assessment of relevant international research and literature

With a few exceptions, most of the financial education materials in Tajikistan have been developed in-house and their content, quality or delivery channels have not been checked vis-à-vis international recommendations or best international practices. There has been no awareness about OECD's work and guidance in the area of financial education until recently.

Active participation in OECD/INFE meetings and activities, as well as existing instruments such as the OECD High-level Principles on National Strategies for Financial Education, can provide international guidance to policy makers in Tajikistan, with a view to developing evidence-based, coordinated and tailored approaches to financial education, and to benefit from international experience.

b. Institutional and governance mechanisms

4 – Establishing a formal legal basis to start developing NSFE and designating the National Bank of Tajikistan as the lead agency

There is no agency formally responsible for the implementation of the State Programme for Increasing Financial Literacy of the Population. The NBT appears to be the most appropriate authority to play the role of the national champion for the development and implementation of NSFE. Specifically, the Department for Consumer Protection is well positioned to play this role.

Establishing an institutional framework tailored to national circumstances and having a formal, explicit and clear mandate to improve financial literacy would facilitate and strengthen the implementation of the NSFE.

In Tajikistan, this could be done by issuing a government decree appointing the NBT as responsible of the implementation of the State Programme for Increasing Financial Literacy of the Population and the development and implementation of NSFE.

Once appointed as the lead agency, the NBT should ensure the separation of directive/executive and supervisory roles. The NBT should also have sufficient independence and make sure it has sufficient (financial, staff and other) resources to carry out the task. The resources of the Department for Consumer Protection are currently not sufficient and should be strengthened. The NBT financial education mandate should be permanent rather than time-bound (e.g. linked to the timeframe of the State Programme for Increasing Financial Literacy of the Population).

5 – Forming a multi-stakeholder working group

The NBT should be supported by a working group consisting of a broad range of stakeholders, including the Ministry of Finance, Ministry of Education and Science, Ministry of Labour, Migration and Employment and other relevant ministries, financial institutions, financial industry associations, consumer associations, educational bodies, the media, NGOs, and other relevant partners.

This working group should ensure the sound coordination among interested public sector bodies active in financial education. All key stakeholders included in the working group should be aware of their roles and meetings schedule. Membership of the working group should be reviewed periodically to ensure the relevance of stakeholder roles and to allow to expand/change the composition of the working group.

6 – Developing principles, guidelines and quality standards on the design and implementation of financial education initiatives by stakeholders and establishing monitoring/enforcement mechanisms to ensure compliance with principles/guidelines/standards

There are multiple efforts and activities aimed at promoting financial literacy in Tajikistan, but they are fragmented and not always well coordinated among stakeholders. With a few exceptions, these initiatives are not based on international experience and best practices. The increasing attention of policy makers to the role played by the private sector in the implementation of national strategies, as well as the number of programmes that are undertaken especially by private financial institutions, has brought increasing attention to the need to develop guidelines and codes of conducts.

As part of the institutional and coordination framework, the NBT should develop principles, guidelines and quality standards for stakeholders engaged in the provision of financial education initiatives. These materials should be based on OECD Guidelines for Private and Not-for-profit Stakeholders in Financial Education. They should have a status of an NBT regulation, to facilitate

enforcement. The NBT should also establish periodic stakeholder reporting requirements (in consultation with stakeholders) and monitoring mechanisms to keep track of financial education activities and ensure compliance with NBT principles, guidelines and quality standards.

c. Setting policy priorities and achieving objectives

7 – Analyse results of the OECD/INFE financial literacy survey and identify policy priorities

There are no set targets with respect to financial literacy, but the National Development Strategy sets a number of targets that would require, among other things, increased levels of financial literacy and substantial financial education efforts. NBT's commitment to advancing financial inclusion also requires increased levels of financial literacy.

The OECD/INFE financial literacy survey could be further analysed to identify key priorities covering the main areas (such as credit, insurance, pension, financial inclusion, financial consumer protection etc.) and to establish quantitative and qualitative targets. Targets may cover core competencies for the general public and specific target audiences. Short-term and intermediate outputs should also be agreed upon and a clear timeline for achieving objectives in the short, intermediate and longer term should be developed. These priorities should be shared by both public and private sector participants of the working group and should be aligned with broader national priorities (e.g. those outlined in the National Development Strategy and NBT financial inclusion commitments).

d. Targeting (also based on results from dedicated survey)

8 – Conduct segmentation of population and design targeting approaches to reach specific target groups (identified based on OECD/INFE financial literacy survey results)

Except financial education for schoolchildren/students, no other specific target populations have been identified and no specific segmentation of population with respect to financial education needs has been done to date.

The NBT should consider using the OECD/INFE financial literacy survey results to segment the population and design targeting approaches to reach specific target groups. The targeted segments should also be in line with those identified in the broader national priorities (e.g. those outlined in the National Development Strategy and NBT financial inclusion commitments).

e. Provision and delivery (by target groups, also based on results from dedicated survey)

9 – Develop detailed guidance on the use of most efficient delivery methods and tools (based on prior assessments, survey results, pilot programmes and international guidance)

With a few exceptions, most of the financial education materials have been developed in-house and their content, quality or delivery channels have not been checked vis-à-vis international recommendations or best international practices.

As part of the NSFE, it will be important that the NBT develops detailed guidance on the use of most efficient delivery methods and tools, based on prior assessments, survey results, pilot programmes and international guidance. This should draw on the growing evaluation and research, as well as on the findings from behavioural economics and economic psychology. Guidance documents should not be replicated without adaptation and should account for specifics of the

country situation (social, cultural, financial sector etc.). Stakeholder buy-in is necessary to ensure the adoption of the guidance.

Soliciting stakeholder feedback on draft guidance documents would also ensure stakeholders' sense of ownership.

10 – Develop a comprehensive plan for the provision and delivery of financial education activities

There is no national plan for the provision and delivery of financial education activities. Roadmaps and action plans are useful in providing directions and guidance to the organisations involved in programme delivery, which contributes to building consensus around the strategies' objectives.

As part of the NSFE, the NBT may consider conduct a planning meeting/workshop with the working group members to develop and agree upon the provision and delivery of financial education activities.. This should include a clear, comprehensive plan with a timeline and distribution of roles and responsibilities shared by all stakeholders.

It is important that the plan is formally adopted (e.g. as an NBT regulation) to ensure that it is followed as a guiding document by all stakeholders. The plan should be reviewed and adjusted periodically to reflect the implementation progress and any relevant changes.

11 – Roll out financial education activities based on the plan

Existing financial education activities have been fragmented and not always coordinated among stakeholders. The NSFE could be implemented through a number of coordinated activities. These may include:

- Train-the-trainers programmes (including the analysis of the experience of SBFIC)
- A single website/source of information for the population (including, as recommended by WB, guides on key benefits, features, and risks of financial products; tariff surveys or tables with information on effective interest rates offered by financial services providers; and comparative price information on remittance transactions)
- Mass awareness/communication campaigns (including using popular TV and radio shows and other mass media and taking advantage of “teachable moments”)
- Awards or certification for initiatives meeting certain quality criteria
- A financial literacy day/week/month (e.g. the Global Money Week)
- Programmes aimed at specific target audiences (e.g. youth, migrants and their families etc. per identified targets)

Such financial education activities should be monitored for effectiveness and efficiency, reviewed and adjusted periodically. Potential ways of multiplying success may include:

- Facilitating access to information and advice through multi-channel delivery;
- Accounting for timing and location and harnessing existing learning environments and networks;
- Supporting individual engagement, motivation and decision-making, by using the findings of behavioural economics and social marketing techniques, harnessing peer pressure and the community effect, or the new possibilities offered by games and social technologies.

f. Funding/resources

12 – Develop NSFE budget and raise funding

No dedicated budget exists for the development and implementation of NSFE. Long-term planning and multi-year budget horizons are instrumental in implementing effective financial education policies, due to the long-term nature of the behavioural change sought by these public policies.

A dedicated NBT budget for the NSFE and a comprehensive multi-year budget that includes a mix of funding sources would be instrumental in ensuring the sustainability of the strategy. . In consultation with stakeholders, NBT could also conduct broad fundraising activities covering both international funders and local stakeholders. The funds received should be ring fenced to ensure that they remain available for financial education. When private stakeholders are financially contributing to the national strategy, appropriate guidelines (based on the OECD/INFE Guidelines for Private and Not-for-profit Stakeholders in Financial Education) should be established to ensure the viability and objectivity of the strategy. Funding mechanisms (such as trust funds) that minimise possible conflicts of interest can also be considered.

g. Monitoring implementation and evaluating impact

13 – Monitor NSFE implementation, evaluate impact and disseminate monitoring and evaluation results

Most of the financial education activities in Tajikistan have not been evaluated for their effectiveness. Monitoring and evaluation of the overall NSFE is essential from an accountability perspective, to provide valuable evidence to improve financial education interventions and policies and contribute to their sustainability on the longer term.

It will be vital to include in the NSFE regular monitoring of financial education activities through NBT monitoring activities, stakeholder reporting and financial literacy surveys conducted every 3 to 5 years, involving independent expertise. The NBT could also monitor changes in financial literacy, attitudes and behaviour by including dedicated questions into its annual customer surveys. This can be done in addition to regular independent assessments. In developing impact assessments, stakeholders should refer for guidance to the INFE High-level Principles for the Evaluation of Financial Education Programmes and the related practical guides.

It is important to share results broadly among the relevant stakeholders and possibly also among the public, to ensure that all can benefit from the lessons learnt.

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Appendix

Table 3. Summary of financial literacy measurement activities in Tajikistan, 2012 – 2017

#	Organisation	Year	Name of activity	Thematic Areas/ Dimensions	Summary of key results	Sample	Contractor	Cost
1	World Bank	2012	Financial Capability Survey	<ul style="list-style-type: none"> Financial capability measured by knowledge, skills, attitude and behaviour 7 financial literacy questions 9 components related to financial attitudes and behaviour 	On average 4.1 correct responses out of 7 financial institutions are known out of 7	1,000 completed interviews (gross sample 1,486) of adults 18+	Centre of Sociological Research “Zerkalo”	Not available
2	World Bank	2013	Diagnostic Review of Consumer Protection and Financial Literacy in Tajikistan	<ul style="list-style-type: none"> Three financial segments: banking, microfinance, and insurance. Compare existing legal and regulatory framework, institutional arrangements, and market practices to international good practices and provide recommendations. 	Set of conclusions and recommendations	N/a	N/a	Not available
3	Standard&Poors Rating Services	2014	Global Financial Literacy Survey (S&P FinLit Survey)	<ul style="list-style-type: none"> Risk diversification Inflation Numeracy (Interest) Compound interest 	Financially literate adults: 17%	Nationally representative sample of adults 15+ (1,000 respondents)	Gallup (questions added to the Gallup World Poll survey)	Not available
4	WBG/IFC	2014	Baseline financial literacy survey	<ul style="list-style-type: none"> Financial behaviour Financial knowledge Financial skills 	83% do not use any financial services 50% do not keep records on family budget 12% have money left before new income comes, of them 24%	Nationally representative sample of adults 18+ (1,003 respondents)	M-Vector Research and Consulting	USD 88,000 (including Financial Literacy Programme)

5	OECD	2017	OECD/INFE Financial literacy and financial inclusion survey in CIS countries	<ul style="list-style-type: none"> Financial knowledge Financial behaviour Financial attitudes Financial inclusion 	<p>spend these savings on expensive purchases 17% regularly save, of them 15% save in a financial institution 12% not familiar with interest rates concept 91% never heard of Credit Information Bureau 30% believe their money would be lost if they use financial services</p> <p>10% achieve minimum score of 4 for financial knowledge 53% show 6 of 9 financial behaviours 42% achieve minimum score of 3 for financial attitudes Overall financial literacy score: 11 out of 21 45% aware of at least 5 financial products 51% recently chose a financial product 34% turned to family and friends to save or borrow</p>	Nationally representative sample of adults (18+)	NAFI center, Russian Federation	Not available

oecd.org/finance/financial-education/

