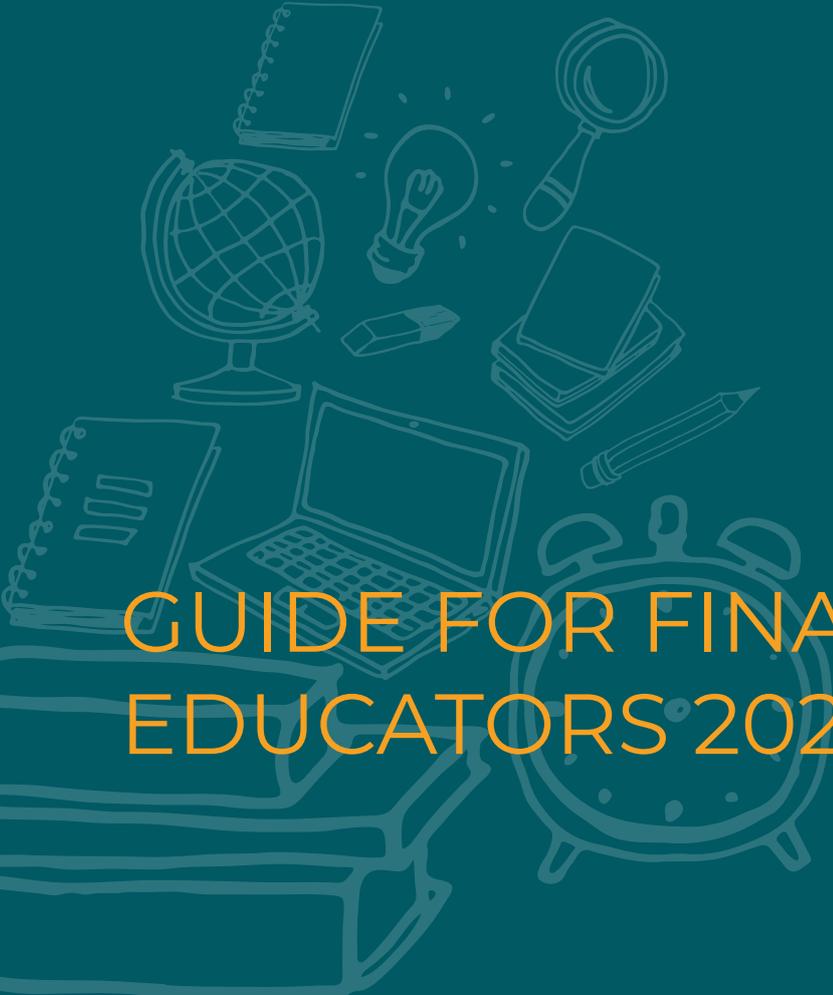


# NATIONAL COUNCIL FOR FINANCIAL INCLUSION



GUIDE FOR FINANCIAL  
EDUCATORS 2023-2028



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# ACRONYMS

BOT	Bank of Tanzania
DP	Development Partner
DFS	Digital Financial Services
FI	Financial literacy
FinCap	Financial Capability Survey
FSPs	Financial Service Providers
MSME	Micro Small and Medium Size Enterprise
NC	National Council
NFEF	National Financial literacy Framework



# FOREWORD

The status of financial literacy in Tanzania is dire given that the majority of the adult population have a low level of financial literacy, limiting Public and Private sector initiatives in enhancing usage of a broad range of quality financial products and services. To address this gap, the National Council for Financial Inclusion has developed this Guide to enhance financial literacy for the off-schooling population in the country.

The off-schooling population accounts for the economically active segments of the population using financial services; it is therefore imperative for such a population to be equipped with adequate financial capability to interact with financial service providers and facilitate in making prudent financial management decisions.

This Guide aims to standardize the delivery of financial literacy programs offered by financial educators in the country. It also provides guidance on certification of financial educators and minimum financial capability areas that will be used in the delivery of financial literacy programs.

On behalf of the National Council for Financial Inclusion, I wish to thank stakeholders for their commitment and tireless efforts in developing this Guide. I trust that through collaborative implementation of this Guide, the level of financial capability in Tanzania shall be enhanced.



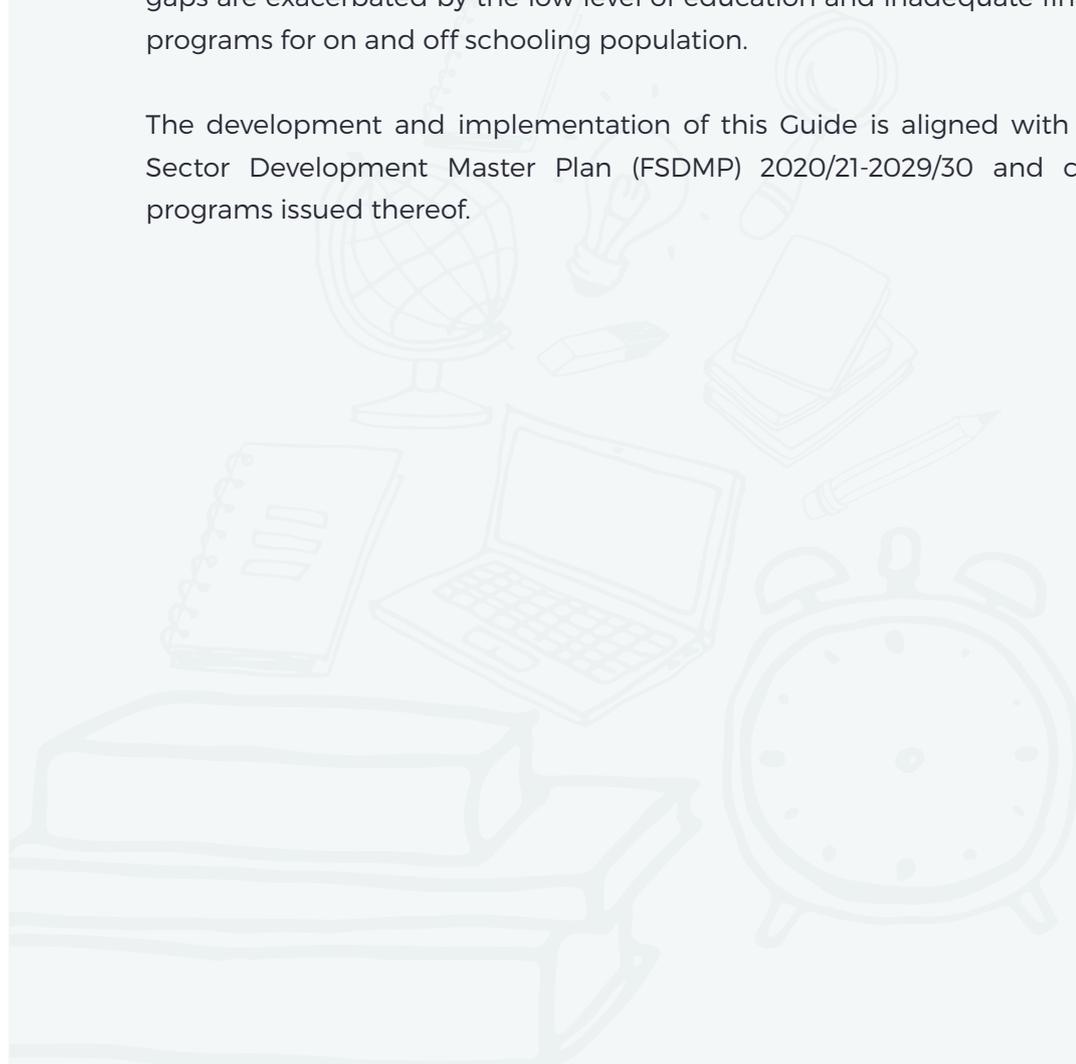
Mr Emmanuel M Tutuba  
Chairperson National Council for Financial Inclusion

# INTRODUCTION

Tanzania has made notable achievements to the development of financial sector as the result of supportive legal and regulatory frameworks, macroeconomic conditions and innovations of digital platforms. These developments have resulted to increased financial services and products with wider range of delivery channels raising a concern for a need to improve consumers' financial capability. Thus, it is therefore important for consumers to be an integral part in the process of developing the financial sector. Consumers must be supported to increase their ability to manage financial matters and derive the full benefits from the use of financial products and services.

According to Financial Capability Baseline Survey (2014), Tanzania had low level of financial capability with only 40 percent of adults having financial knowledge and skills. Similarly, the FinScope survey of 2017 revealed that there was a low level of knowledge and skills particularly in numeracy, awareness of financial products and services; and low level of confidence in dealing with financial service providers. These gaps are exacerbated by the low level of education and inadequate financial literacy programs for on and off schooling population.

The development and implementation of this Guide is aligned with the Financial Sector Development Master Plan (FSDMP) 2020/21-2029/30 and corresponding programs issued thereof.



# RATIONALE

Despite the efforts undertaken to enhance financial literacy for off schooling population, there is still a gap in providing capacity to financial educators to be able to deliver standardized and quality financial literacy programs. This Guide complements the national initiatives under the FSDMP by specifically targeting individual financial educators to enhance their capacity to effectively deliver public financial literacy training.

# OBJECTIVE

The main objective is to create a critical mass of abled financial educators to enhance the quality of delivering of financial literacy for empowerment of consumers and the public.

Specific objectives are to:

- (i) ensure quality of delivering of financial literacy programs;
- (ii) ensure standardized approach of delivery of financial literacy;
- (iii) optimize resources in the provision of financial literacy programs; and
- (iv) ensure sustainability of delivery of financial literacy programs in the country.

# APPLICATION

This Guide will be used by Financial educators in implementing financial literacy interventions to the public both in Tanzania mainland and Zanzibar.

Financial educators means individuals that are certified to deliver financial literacy programs to the public. Financial educators may be independent consultants or individuals affiliated to an institution

# GUIDING PRINCIPLES

The implementation of this Guide shall adhere to the following principles:

## **Inclusiveness**

Financial literacy should be accessible to all population segments.

## **Collaboration**

Financial literacy is a shared responsibility among private, public, social, and civil organisations.

## **Professionalism**

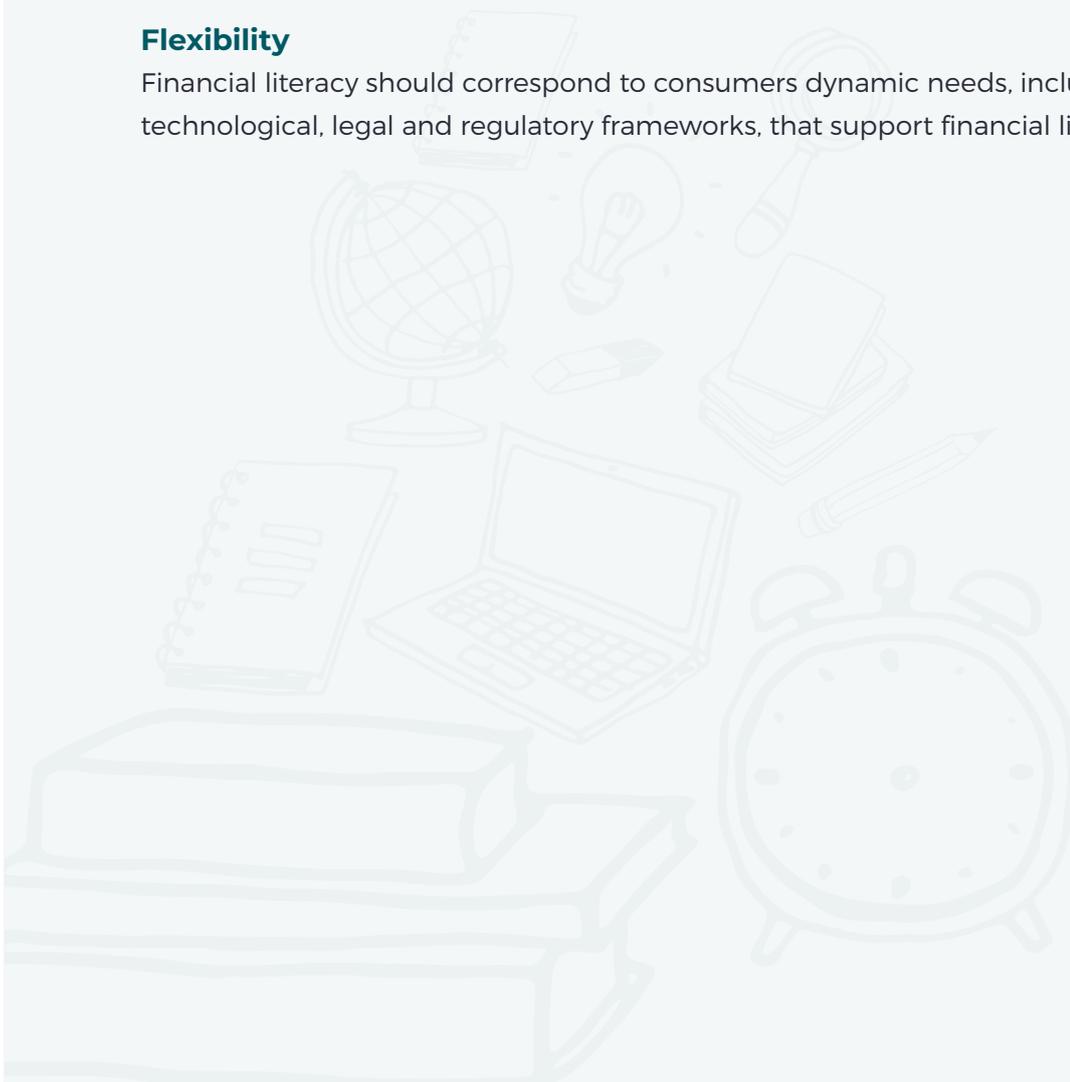
Financial literacy must be delivered with integrity, ethical values, and competence.

## **Creativity**

Financial literacy must be delivered using simple contents, appropriate and innovative channels and relevant training methodologies.

## **Flexibility**

Financial literacy should correspond to consumers dynamic needs, including technological, legal and regulatory frameworks, that support financial literacy.



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# FINANCIAL EDUCATORS

Financial educators are certified individuals who have successfully completed a financial educator program provided by a designated institution in line with the requirements of this Guide.

The financial educator program shall be delivered in three levels of certification: Level-one (basic); Level-two (intermediate); and Level-three (advanced). Level-one shall include eight (8) training modules that are tutored at basic level. Level-two shall include 11 training modules that are tutored at intermediate level. Level-three shall include 14 training modules that are tutored at advanced level.

In determining the depth of the training models, the designated training institutions shall include details of financial capability that may require more case studies, practical aspects, duration of the training and nature of assessment.

## CERTIFICATION FOR FINANCIAL EDUCATORS

Considering the size of the off-schooling population, geographical distribution of population segments, variations in financial capability needs that encompass behavioral aspects of understanding financial management in a holistic manner and various services issued by multiple financial providers. The National Financial Inclusion Council (NFC) sought the need to leverage on the experience and resources of existing academic institutions to address the financial literacy gaps.

For effective coordination of this initiative, the NFC has adopted the approach of designating selected institutions to offer financial literacy training of trainers (TOTs) programs after complying with requirement for offering financial literacy certification.

The procedures and toolkit for selecting, applying and collaborating with academic institutions that are to offer financial literacy capabilities stipulated by this Guide shall be issued by the Secretariat of the National Financial Inclusion Council -BOT.

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# THE REGULATORY REQUIREMENTS FOR USE OF FINANCIAL EDUCATORS

To ensure that financial literacy training is conducted by certified financial educators, it is important that enforcement mechanisms are established. In this regard, consumer regulations under the purview of Financial Regulators should provide a requirement of delivering public financial literacy programs to be only for certified financial educators. Entities that conduct public financial literacy programs should also ensure that they use only certified financial educators

## CAPABILITY AREAS FOR FINANCIAL LITERACY

In implementing this Guide, the trainer (designated institution) is required to enable the Financial Educator to gain the capabilities to train financial services consumers and the public on personal financial management (financial capabilities). At minimum the following financial capability areas are provided.

## 1. Basic Numeracy Skills

1. Have numeracy skills for financial planning.
2. Demonstrate basic addition and subtraction skills.
3. Compute basic multiplication and division.
4. Compute simple interest in financial products and services.
5. Develop confidence in the use of numeracy skills in making financial decisions.

## 2. Currency

1. Differentiate fake notes and coins from the original.
2. Understand the disadvantages of fake notes and coins in the economy.
3. Understand measures to be taken when informed of a person planning to circulate fake notes and coins.
4. Demonstrate proper ways of handling and preserving notes and coins.
5. Understand measures to be taken when encountering scrap or damaged notes/coins.

## 3. Savings

1. Understand why saving is a need or basic component of a household budget;
2. Appraise saving opportunities, risks and benefits of each option;
3. Practice the concept of pay yourself first;
4. Prepare savings based on realistic targets and aspirations;
5. Break-down specific saving goals, time frames and an approach to achieve them;
6. Organize savings for expected expenses (such as insurance, education and investments) and unexpected (such as emergencies) expense;
7. Practice saving money in regulated, supervised and affordable formal financial solutions/services; and
8. Develop confidence to exercise their judgment in saving decisions.

#### **4. Budgeting (managing income and expenses)**

1. Appreciate the importance of having financial goals towards achieving financial well-being.
2. Understand the importance of budgeting.
3. Underscore the importance of monitoring income and expenses.
4. Derive how personal or household life events may affect income and expenses.
5. Demonstrate how to seek for and use money advice objectively.
6. Demonstrate how to use a budget (in discussions with family members and loved ones), using appropriate tools, if available, to plan income, savings, and expenses.
7. Demonstrate how to analyse and reduce unnecessary expenses – prioritise needs versus wants.
8. Demonstrate how to compare income and expense and adjust where necessary.
9. Demonstrate how to create ways of resisting pressure to make unplanned spending.
10. Demonstrate how to build alternative income streams and sources to keep to the budget.
11. Develop confidence to exercise their judgment on budgeting decisions.

#### **5. Loans Management**

1. Appreciate the risks involved in borrowing and how to do so responsibly.
2. Assess the overall loan commitments, terms, and conditions before borrowing.
3. Solve interest rate calculations by prevailing calculative methods.
4. Choose loans with low-interest rates and friendly terms.
5. Practice timely repayments on loan commitments.
6. Solve issues related to debt before they become a burden.
7. Develop confidence to exercise their judgment in loan management decisions.

## 6. Risk Management and Insurance

1. Understand risks and protect themselves.
2. Create an emergency fund for unexpected events.
3. Determine the time required to build an emergency fund that could cover at least three months of income and contribute towards it.
4. Demonstrate how insurance operates.
5. Appreciate the role of insurance in risk management.
6. Understand how health, funeral, and property insurance products operate and how to obtain the same.
7. Understand the importance and differences of insurance policies and how to make an insurance claim.
8. Choose appropriate insurance covers, including those delivered via digital means.
9. Develop confidence to exercise their judgment on risk management and insurance decisions.

## 7. Long-Term Financial Planning

1. Understand the importance of planning for retirement.
2. Understand the importance of long-term financial goals.
3. Show the difference between savings, investments, assets and liabilities.
4. Comprehend the value of investments that may increase or decrease.
5. Justify the importance of diversifying their investments.
6. Choose financial products available to achieve long-term financial goals.
7. Create a written plan for achieving financial freedom and security in old age.
8. Build long-term plans even when short-term needs are pressing.
9. Modify their long-term financial plans whenever necessary.
10. Relate and take a positive attitude towards life in retirement.
11. Treasure creating a will.
12. Develop confidence to exercise their judgment on long-term financial planning decisions.

## 8. Taxation

1. Understand the role of taxation in the economy.
2. Appreciate why taxes are collected.
3. Comprehend the consequences of tax evasion.
4. Understand different types of taxes in the country.
5. Calculate and pay appropriate taxes.
6. Develop confidence to exercise their judgment on taxation matters decisions.

## 9. Financial Service Providers, Products and Services

1. Understand the different types of financial service providers and their modes of operation.
2. Assess information on advantages and disadvantages and consider alternatives before choosing a financial product or service.
3. Comprehend the benefits of using formal payment methods.
4. Choose different formal payment methods.
5. Relate and engage with financial service providers.
6. Develop confidence to exercise their judgment on financial service providers, products, and services.

## 10. Financial Consumer Empowerment

1. Understand consumer risks, rights, and responsibilities.
2. Understand recourse and complaint-handling mechanisms.
3. Appreciate the consequences of lodging fake financial complaints.
4. Appreciate that financial service providers must treat consumers fairly.
5. Choose financial service providers covered by relevant regulations and supervision.
6. Treasure personal data, financial information, passwords, and PINs.
7. Solve justified financial complaints.
8. Develop confidence to exercise their judgment on consumer risks, rights, and responsibilities.

## 11. Digital Financial Services

1. Understand legal and regulatory frameworks governing Digital Financial Services (DFS).
2. Understand types of DFS and their providers.
3. Understand consumers' risk associated with DFS.
4. Identify the benefits of using DFS.
5. Understand data usage and ownership in DFS.
6. Understand key elements of the data privacy policy.

## 12. Record Keeping

1. Appreciate the benefits of record keeping of the financial needs and transactions;
2. Understand the use of formal record books such as journals and ledger;
3. Understand the basic double-entry system useful for business venture;
4. Understand the basic accounting recording such as cash book; profit and loss statement etc;

## 13. Responsibilities

The purpose of training (what educators should accomplish) is to enable learners to:

1. Understanding different personal responsibilities to be honored with finances.
2. Ability to be responsible to pay obligations (societal, contractual or Government).
3. Understand consequences of not honoring your obligations and responsibilities

## 14. Unlawful financial activities

The purpose of training (what educators should accomplish) is to enable learners to:

1. Understanding unlawful financial activities.
2. Signs of unlawful financial activities.
3. Ability to avoid unlawful activities.
4. Understanding the consequences of being involved in unlawful activities

# KEY CONSIDERATIONS DURING DELIVERY

During the delivery of financial literacy programs, financial educators will consider the need to:

1. Apply the key financial capability areas stipulated in Capability areas for financial literacy 1-14
2. Tailor the financial capability based on the audience in terms of considering geographical locations (to include religion, language and culture), level of education, gender, physical and mental ability, and occupation of the target audience; and
3. Avoid misleading the audience by marketing financial products or services or delivering misinformation or misleading the audience to use unlawful financial services.



# ASSESSMENT OF LEARNING

Financial Educators should conduct pre-intervention class assessment to determine learner's (learning) needs, expectations, fears and background (psychological and cultural factors), hence appropriately focus on training on their needs, content knowledge and preferences. Following the completion of the training, financial educators will conduct post-intervention assessment to capture actionable feedback by measuring learner's new content knowledge and attitude against the desired criteria as well as learner's expectations.



# MONITORING AND EVALUATION

The National Council shall be responsible for overall oversight of implementation of Guide. For effective implementation of this Guide, the National Council through the Secretariat (Bank of Tanzania) shall periodically receive feedback on implementation of financial literacy initiatives from designated institutions across the country.

In addition, designated institutions shall establish its monitoring and evaluation mechanism for assessing delivery of financial literacy program. For effective monitoring, information on the number of programs conducted and beneficiaries in disaggregation based on demographic characteristics shall be reported to the Secretariat on a quarterly basis.

# REVIEW OF THE GUIDE FOR FINANCIAL EDUCATORS

The Guide shall be reviewed at least once every five years or when the need arises.

