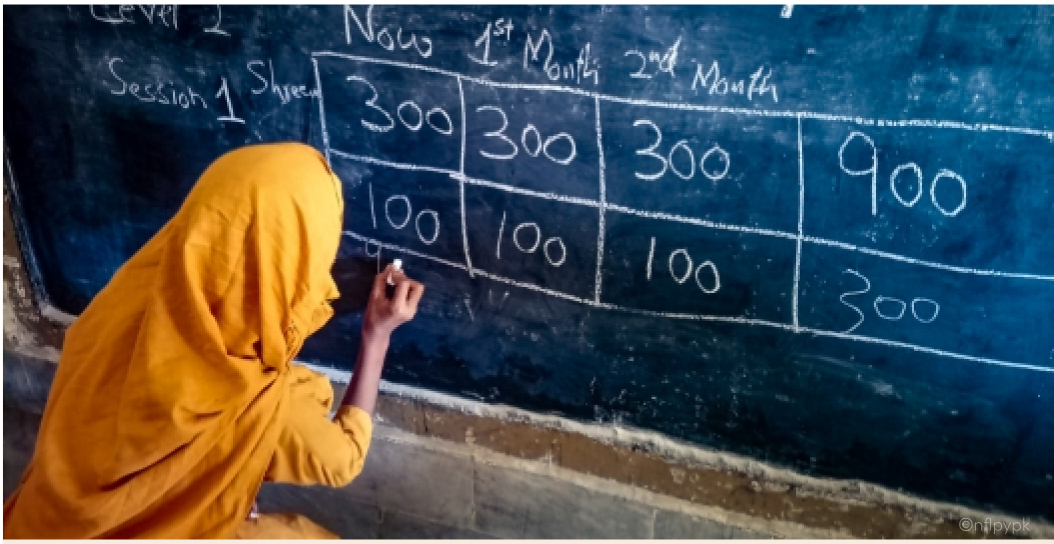
SOCIAL PROTECTION POLICY PAPER – 1

The Enabling Role of Financial Literacy in Graduation-Focused Cash Transfer Programmes:

Best Practices and Recommendations



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1. Introduction

Financial literacy has come to dominate the development and social protection literature in recent years. It achieved policy salience in the aftermath of the 2008 financial crisis which was traced partly to consumers accepting financial products such as sub-prime mortgages without fully understanding the implications of their financial decisions.[1] This has led to a global focus equally on financial literacy and consumer protection measures. As less developed countries begin to introduce multi-faceted financial products and services, and expand social safety nets, the issue of financial literacy attracts the attention of both policy makers and development practitioners.

Financial literacy is defined as the ability to understand financial concepts and the skills to handle money and resources.[2] Without a basic un-

1. Miller, Margaret J.; Reichelstein,Julia Elaine; Salas Pauliac, Christian Henri; Zia,Bilal Husnain.2014. Can you help someone become financially capable? a meta-analysis of the literature (English). Policy Research working paper; no. WPS 6745 Washington, D.C.: World Bank Group
2. Askar, M. W., B. Ouattara, and Y.-F. Zhang. 2020. Financial Literacy and Poverty Reduction: The Case of Indonesia. ADBI Working Paper 1097. Tokyo: Asian Development Bank Institute. Available: https://www.adb.org/publications/financial-literacy-poverty-reduction-case-indonesia

derstanding of financial concepts, people are unable to make informed decisions about saving, borrowing, and investing with far-reaching implications for their economic wellbeing.[3] At around the same time the financial crisis unfolded, parallel work on the importance of financial literacy within the cash transfer programme was also gathering momentum. An earlier study looking at the effect of financial literacy within cash transfer programmes showed that savings linked to Conditional Cash Transfer (CCT) improved saving behaviour among beneficiaries.[4] As a result, a considerable body of literature is available now to suggest that financial literary has a positive impact on people's awareness of available financial services; this in turn leads to greater financial inclusion and improved economic wellbeing.[5]

This growing research base is accompanied by often interchangeable and interconnected concepts of financial literacy, financial education, and financial capability which are central to teasing out how financial literacy plays out in cash transfer programmes. Though they are interconnected, the preferred approach in relation to cash transfer programmes is one of the financial capabilities which goes beyond the concept of financial literacy normally confined to financial knowledge alone. By contrast, financial capability is wider in conception, encompassing interaction of knowledge, attitudes, and behaviour.[6]

Cash transfer programmes are largely going digital increasing potential access of these services to the on-grid areas. Thereby, focus on financial literacy, especially regarding these digital programmes, has also been intensified as most of the beneficiaries of cash transfer programmes are women with low literacy and numeracy skills. This has been confirmed by many surveys of the global south. One survey in 2017 on financial literacy found financial illiteracy widespread across the globe, with huge variations according to population groups and countries. For example, women, the poor, and the less educated tend to have low financial literacy and financial knowledge.[7] On an average, 55 percent of the adult population in advanced Western countries are financially literate compared to only 24 percent of adults in Brazil, Russia, India, China, and South Africa (BRICS countries).[8] Another finding of the survey is that financial literacy is higher among high income groups in rich countries. However, governmental policies on consumer protection and financial education are net contributors to this higher financial literacy.[9] More importantly, from the viewpoint of development, financial inclusion, partly an outcome of financial literacy, is also linked to poverty and inequality reduction outcomes.[10] This growing knowledge base has led to the proliferation of financial inclusion programmes within the larger poverty alleviation and poverty graduation efforts all over the world. Social protection schemes targeting the poorest of the poor have embedded elements of financial literacy and financial inclusion into these efforts.


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The long-range vision of cash transfer programmes is to graduate the poor from dependence on cash transfers through improving their skills in financial management, budgeting, account handing, and digital literacy, as well as offering vocational training. Such an approach can not only improve financial inclusion but also creates pathways out of poverty. Bangladesh Rural Advancement Committee's (BRAC) much-praised targeting of the ultra-poor is an example of a graduation focused programme which includes financial inclusion and financial literacy as its complementary components.

3. World financial literacy survey 2017
4. Jamie, Z., Yves, M. Saving Linked Conditional Cash Transfers, a new policy approach to poverty reduction, 2009, New American Foundation.
5. Does financial inclusion reduce poverty and income inequality in developing countries? A panel data analysis Journal of Economic Structures- April 2020 https://journalofeconomicstructures.springeropen.com/articles/10.1186/s40008-020-00214-4
6. Integrating financial capability into cash transfer programme, 2018, the world bank
7. World financial literacy survey 2017
8. Ibid
9. Ibid
10. Omar, M.A., Inaba, K. Does financial inclusion reduce poverty and income inequality in developing countries? A panel data analysis. Economic Structures 9, 37 (2020). https://doi.org/10.1186/s40008-020-00214-4

2. Global Experiences

Ever since the roll out of cash transfer programmes in Latin America in 2002, these programmes have taken off in the rest of the globe. The scale-up efforts further boosted government-led cash transfer during the COVID-19 pandemic. With exponential growth of cash transfer programmes, poverty graduation tools have also entailed incorporation of financial literary and financial inclusion elements into them. Many long-standing cash transfer programmes such as Peru's Junto have led with piloting financial literacy approaches. Furthermore, the integration of the financial literacy component into government cash transfer programmes has the potential to ensure better financial inclusion through improving provision of financial services to vulnerable and underserved people, as well offering them training and routes into education programmes.

2.1 Economic inclusion and financial literacy in cash transfer programmes

In recent decades, conditional cash transfer programmes have attracted the attention of policymakers as a form of social investment policy innovation.[11] Even since Mexico's famed Properso programme was launched in 2002, policymakers in Africa, Asia and Latin America have adopted the model with great zeal and local variations. The CCT programmes act both as social protection and social investment tools, providing not only emergency economic support but also encouraging attitudes and behaviours with long term positive effects on economic wellbeing and poverty graduation through a combination of incentives and conditionalities. To achieve these policy goals, cash transfer programmes are increasingly incorporating financial inclusion and financial literacy in their design.

According to the latest figures, there are 219 programmes on economic inclusion in the implementation phase in about 75 countries.[12] These programmes constitute a bundle of coordinated, multidimensional interventions focusing on individual households while displaying a great degree of variation across settings. The recent surge in economic inclusion interventions is due also to the unprecedented scale-up of government-led programmes which tend to build on existing social protection and financial inclusion investments. Although financial inclusion programmes are being run by both non-government and government sectors, the lasting effects of scale-up can only be achieved if programmes are adopted by government actors.[13]

Financial inclusion and cash transfer programmes are closely intertwined as cash transfer programmes tend to promote wider financial inclusion through financial literacy. These insights are informed by a growing evidence base and learnings gleaned from the poverty graduation programmes originated in the non-profit sector. The prime example of the latter is the Bangladesh Rural Advancement Committee (BRAC) targeting the ultra-poor which has spawned copycat pilot programmes the world over (with necessary local customisations).

The recent scale-up of efforts was further boosted by unanticipated higher levels of poverty during the Covid-19 pandemic. One estimate puts the number of those living in extreme poverty to grow to 479 million in the wake of the pandemic's lasting impacts. In 2020 alone, an estimated 80 million were pushed into poverty because of the COVID-19.[14] Many countries around the world scaled up cash transfer payments during the crisis, including the BISP programme in Pakistan which reached 12 million beneficiaries through emergency cash payments. The World Financial Inclusion report makes a strong case for leveraging government-led social protection systems to achieve the desired goal of greater financial inclusion and financial literacy.

11. Jamie, Z., Yves, M. Saving Linked Conditional Cash Transfers, a new policy approach to poverty reduction, 2009, New American Foundation
12. Economic inclusion report 2020 world bank
13. Ibid
14. Ibid

Box 1: Cash Transfer Programmes

A Conditional Cash Transfer Programme is an anti-poverty social policy tool that targets qualified households or individuals based on conditional behaviour. In general, these programmes seek to provide economic assistance to poor, excluded families, with special emphasis on women, children, persons with disabilities, marginalised minorities, and other disadvantaged populations. The conditions generally refer to investing in human capital (education, health, nutrition), but may also address other aspects of behaviour. The aim of these programmes is to foster economic stabilisation and social inclusion by encouraging regular school attendance and health check-ups for children; pre- and post-natal care for pregnant or lactating mothers; incorporation into the formal education system; participation in job training courses conducive to socioeconomic incorporation/reincorporation; and, sometimes, participation in productive or community development projects or community services.

Unconditional cash transfers (UCTs) are provided to beneficiaries or families unconditionally. These programmes are often less costly to administer than the CCTs because they don't require monitoring and follow-up, but they can help to maximise the utility and purchasing power of beneficiaries by trusting them to manage their own money best. The UCTs are also well suited to assist recently displaced or disaster-affected populations. Such programmes are increasingly complemented by innovative e-payment methods that allow recipients (often refugees or temporarily displaced persons) to receive payments or make them to family members (either domestically or abroad) as needed. As UCTs do not require as much follow-up, detailed assessment of potential touch points for financial capability provision will be imperative.

Source: Savings Linked Conditional Cash Transfers , New America Foundation , April 2009.

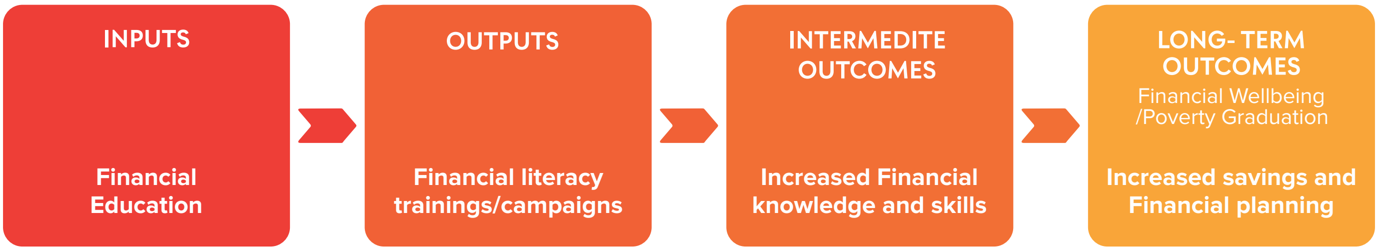
2.2 Integrating financial literacy into cash transfer programmes

Cash transfer programmes, which form part of the wider government-led poverty alleviation efforts, have been instrumental in catalysing debates around the role of financial literacy in enhancing financial knowledge of recipients of government to person (G2P) payments.[15] As government-led cash transfer programmes are leaning on increasingly digital disbursements and e-payment to the previously unbanked and financially fewer savvy recipients, the need for enhancing financial literacy of the recipients has assumed higher policy and programmatic salience as one of the enabling tools to be used in ongoing efforts to graduate beneficiaries out of poverty. The underlying premise is that enhanced financial knowledge will spur saving habits and active recourse to other financial products such as microfinance loans, skills, and vocational training to find pathways out of poverty.

Worldwide, at least 35 countries have incorporated some elements of financial literacy and education into government social assistance cash programmes as evidenced in the 2017 Global Financial Inclusion and Consumer Protection Survey. On the strength of the success of these programmes, and the growing evidence base becoming available, the integration of financial literacy and education into government cash transfer programmes has become a key policy objective; theory of change has also been postulated to this effect (see figure 1). This trend is further supported by findings from a recent study of the Colombian cash transfer programme where the recipients receiving financial education training were able to plan budgets much more effectively, establish clear-cut savings goals and build up confident and sustained interface with financial institutions.[16] One study in Nepal showed that in areas with low penetration of bank accounts, access to bank accounts with zero fees and local proximity led to higher uptake and usage of accounts.[17]

15. Integrating financial capability into cash transfer programme, 2018, the world bank
16. Ibid
17. Prina, S, (2015), Banking the poor via saving account: Evidence from a field experiment, Journal of Development Economics, 2015, vol. 115, issue C, 16-31

Fig 1. Financial Literacy and Poverty Graduation: Theory of Change (adapted)



Similarly, in Mexico (Prospera), the transition from cash payments to electronic payments in savings accounts saw the poor favouring bank accounts over informal saving arrangements.[18]

Peru's flagship conditional cash transfer, the Juntos Programme, has piloted six financial literacy initiatives with positive findings. An evaluation of its pilot financial education programme, the Programme for the Promotion of Savings Culture, found that intention to save among the programme beneficiaries increased from 9 to 28% and the proportion of those who saved in banks increased by more than 15% as a direct result of the pilot.

An evaluation of another financial literacy initiative, Scaling Up Financial Education, showed that attitudes towards savings in a bank improved from 47% to 88% as did awareness of having a saving account from 4 to 46%.[19]

One study in Indonesia established the positive impact of financial literacy on downstream welfare benefits such as poverty reduction.[20] The study found that financially illiterate people were largely concentrated among women, people living in rural areas, and those with the least education.

Based on these proven approaches, cash transfer programmes worldwide are increasingly embedding financial education into their design. Cash transfer programmes are understood to enable households to socially mobilise, promote livelihoods, reduce vulnerability, and enhance poverty graduation. In this way, the objectives of financial literacy/capability and cash transfers are interconnected.

For example, beneficiaries need to receive their cash transfers safely, and must be better equipped to understand financial concepts and products to invest or save to improve their incomes and livelihoods as a pathway out of poverty.[21] Strengthened financial capability results in improved programmatic goals such as poverty graduation.

The integration of a financial literacy component into government cash transfer programme offers an ideal opportunity to ensure better financial inclusion. This integration policy results in the following benefits:

Improves the provision of financial services to vulnerable and underserved populations which cash transfer programme seek to reach.

The cash transfer programme also embeds a range of training and education programmes which can be tweaked to leverage financial education; and

it can reach economy of scale as cash transfers are large scale and large volume programmes reaching millions.

The process of integrating the financial education component into cash transfer programmes involves seven key steps:

18. Serena Masino & Miguel Niño-Parazoa (2020) ' Improving Financial Inclusion through the Delivery of Cash Transfer Programmes: The Case of Mexico's Parazoa Programme', The Journal of Development Studies, 56:1, 151-168, DOI: 10.1080/00220388.2018.1546845
19. Franz Gómez, Franz; Villada, Ivonne (2015) 'Peru "Juntos" Conditional Cash Transfer CCT Financial Education Programs' Women World Banking & Fundacion Capital, Case Study publication.
20. Askar, M. W., B. Ouattara, and Y.-F. Zhang. 2020. Financial Literacy and Poverty Reduction: The Case of Indonesia. ADBI Working Paper 1097. Tokyo: Asian Development Bank Institute. Available: https://www.adb.org/publications/financial-literacy-poverty-reduction-case-indonesia
21. Integrating financial capability into cash transfer programme, 2018, the world bank

Figure 2: Seven Key Steps to Integrate Financial Education into a Cash Transfer Program

Step		Description
1	**Prepare**	Desk research and taking stock of best practices to un-derpin financial capability programming and integration in-to cash transfer programmes, including mapping of programmes and taking stock of available quantitative and qualitative research (including relevant indicators).
2	**Conduct a needs assessment**	Analyse the cash transfer programme, its recipients, and the various touch points and life cycles of cash transfer programming and make recommendations for financial education delivery mechanisms and content. This should include a specific review of any financial lit-eracy or saving programmes specifically targeted at women.
3	**Design and develop programme content and specifications**	Design and finalise a financial capability programme with specific delivery mechanisms, and develop local-ised, contextualised financial education content for the target populations.
4	**Design the implementation plan and M&E framework**	Develop an implementation plan and monitoring and evaluation (M&E) framework for a full-scale rollout among implementation partners.
5	**Pilot and evaluate the programme**	Conduct pilot tests or rigorous evaluations with target populations to test the effectiveness of the proposed fi-nancial capability programming, and then redesign and revise programmatic components based on the evi-dence and results of the pilot testing phase. If applica-ble, provide training to staff involved in the initial pilot.
6	**Roll out the programme on a national scale**	Train additional trainers, implement the programme on a national scale, and integrate financial capabil-ity training within the cash transfer programme.
7	**Monitor and evaluate progress**	Operationalise the M&E framework, track pro-gramme progress, and evaluate results to inform future iterations of the programme.

3. Financial Literacy and Poverty Graduation in Kifalat and Ehsaas Framework

The Benazir Income Support Programme (BISP) was launched in 2008 as the premier social safety net programme exclusively for women from an ultra-poor background. It currently benefits an estimated over 6 million women. The programme is largely an unconditional cash transfer programme designed with a conditional

component – Waseela-e-Taleem - making additional payments contingent upon children being enrolled in school.

In 2018, the Government of Pakistan reorganised and expanded the BISP and renamed under the broader framework as Ehsaas. This development was partly a result of the COVID-19 pandemic and the GOP's emergency cash response to it. Pakistan's social protection system has historically been dispersed across many government ministries and institutions. In an attempt to bring together these disparate programmes, federal level social safety net programmes have been bundled together under the umbrella of the Poverty Alleviation and Social Safety Nets Division (PASSD). More importantly, the flagship component of the BISP programme comprising the Unconditional Cash Transfer (UCT) and CCT programmes, has been renamed as the Kafalat programme with expanded scope and coverage of over 6 million beneficiaries. One signature policy associated with the Kafalat programme is the Kafalat financial inclusion strategy. As opposed to its previous limited mandate and cash out only account, the Kafalat programme is seeking to focus on improving access to full mandated saving bank accounts, mobile phones, financial literacy, digital hubs as well as offering poverty graduation opportunities.[22] Twin objectives of strengthening safety nets and increasing financial inclusion are built into the design of the Ehsaas framework.[23]

The post-COVID-19 Ehsaas strategy recognises the need for new and expanded forms of social protection in the wake of the devasting effects of the pandemic.[24] The revamped Ehsaas framework is constitutive of 4 pillars and 5 objectives. The safety net under pillar 2 is envisaged to be vastly strengthened through increasing social safety spending, expanding scope and coverage, a strong governance mechanism, a new database for precise targeting, enhancing efficiency and integrity, and a one-window Ehsaas framework.

3.1 Financial literacy and financial inclusion in Kifalat

As well as complementing other financial inclusion initiatives included in the national financial inclusion strategy (NFIS) launched in 2019, Kafalat financial inclusion strategy aims to promote "one woman and one bank account". The Kafalat inclusion strategy underscores the centrality of financial education and financial literacy in the cash transfer programme.[25] It pinpoints a lack of financial literacy, particularly among women who are the principal recipients of cash transfers, as a key obstacle to achieving the goals of the financial inclusion strategy. The Kefala financial inclusion strategy expands the target to include 7 million recipients of whom 90 percent are envisaged to be women.

The Pakistan financial insights survey conducted in the aftermath of the COVID-19 pandemic clearly shows that financial inclusion in Pakistan has increased from 21 per-

22. Dr Sania Nishter , The Ehsass strategy, The new , 17 September , 2019 , https://www.thenews.com.pk/print/527570-the-ehsaas-strategy Accessed 19 September, 2021
23. Post covid ehsass strategy 2019, Govt of Pakistan
24. Ibid
25. Kafalat financial inclusion strategy, the government of Pakistan, 2019

cent of adults pre-pandemic to 25 percent of adults in late 2020. However, the same survey shows a huge gulf between men and women.[26] The survey finds 40 percent of men financially included compared to only 11 percent of women. The gender gap in mobile ownership was also stark with only 37 percent of women owning a mobile phone as compared to 70 percent of men. Another challenge is poor women's inability to interact with financial institutions due to low literacy and numeracy. Women often find it difficult to remember their own pin codes as navigating Automated Teller Machine (ATM) menu is difficult for these women, BISP beneficiaries.[27]

Based on these findings, the Kafalat programme has engaged experts on designing and piloting financial literacy component as part of the Kafalat financial inclusion strategy. One ADB study on the design of financial literacy programmes has already been completed. The complementary work on designing and surveying financial literacy scene is currently underway. Once these two strands of work come together, the pilot roll-out of Kafalat financial literacy programme is expected to follow swiftly. Since 2010, many financial literacy programmes have been launched in the country with an eye to financial inclusion. In 2010, the State Bank of Pakistan piloted its first financial literacy programme with the aid of the Asian Development Bank (ADB). In addition to the SBP, many organisations such as Microfinance Network, NRSP, Kashf Foundation and PPAF are also engaged in financial literacy activities. In a study focusing on financial inclusion and financial literacy initiatives in Pakistan, four major financial literacy programmes were identified.[28] These financial literacy programmes are being provided by the State Bank of Pakistan, Microfinance Providers, and National Rural Support programmes. The duration of these courses runs from one day to 4 days with course content differing from provider to provider. Globally, financial education components have used financial literacy workshops consisting of 600-1000 beneficiaries run by the contracted financial institutions responsible in Prospero programme in Mexico. In India, the CCT focusing on reducing maternal mortality rates has engaged accredited social health activists (ASHA), community health workers and educators to train the beneficiaries in financial capability and financial literacy concepts. In other programme, such as Peru, Juntos, a combination of tv soap operas, radio messages, awareness campaigns and in class training and other delivery mechanism have been used.

In recent years, the SBP has rolled out national financial literacy programmes for youth as well. The PPAF is running its financial literacy programme as part of its national poverty graduation programme which has potential synergies with the Kafalat's planned financial literacy initiative to educate its beneficiaries in digital financial literacy and financial capability concepts. Though the Kafalat planned financial literary module may differ from other current financial literacy programmes (since it is more focused on enhancing digital financial literacy as well general financial literacy relevant to the Kafalat financial inclusion strategy and One Woman One Saving account and mobile wallet initiative), there may be potential lessons from other initiatives which the Kafalat initiatives can build on.

26. Financial inclusion insights Pakistan survey 2020
27. Promoting financial inclusion and literacy via G2P systems, world bank report
28. Khadija, A, et, (2012), Promoting financial inclusion and literacy via GAP payments programmes , the World Bank

4. Key Recommendations

Old on-going initiatives should be harmonised with the new ones when the Ehsaan programme is seeking to bring all these initiatives under one umbrella.

4.1 Harmonising existing financial literary programme under the Ehsaas framework

The financial literacy component of the Kafalat is being rolled out in a phased manner. The programme is in the curriculum design phase and the pilot will get underway afterwards. This component will contribute to the Kafalat financial inclusion strategy as well as enhancing the uptake of the mobile wallet and the One Woman One savings account. As the financial literacy programme also feeds into the poverty graduation agenda, this component can be coordinated with NPGI which runs its own financial literacy programme as well sharing the BISP beneficiaries list. This can be organised by appointing a focal person from within the Kafalat programme, particularly for research and operational collaboration with the NPGI on developing financial literacy synergies of both programmes.

4.2 Potential entry points for leveraging financial literacy programmes

The financial literacy component of the Kafalat is being rolled out in a phased manner. The programme is in the curriculum design phase and the pilot will get underway afterwards. This component will contribute to the Kafalat financial inclusion strategy as well as enhancing the uptake of the mobile wallet and the One Woman One savings account. As the financial literacy programme also feeds into the poverty graduation agenda, this component can be coordinated with NPGI which runs its own financial literacy programme as well sharing the BISP beneficiaries list. This can be organised by appointing a focal person from within the Kafalat programme, particu-

larly for research and operational collaboration with the NPGI on developing financial literacy synergies of both programmes.

Many potential entry points for leveraging financial literacy programmes into the Kafalat programme are becoming available in line with its expansion. These potential entry points include BISP regional offices, Point of Sales Agents, the BISP beneficiaries' committees, Kafalat complimentary programmes and partnerships, the Pakistan Poverty Alleviation Programme and national poverty graduation initiatives, as well as nutrition centres. Given that the Kafalat beneficiaries are overwhelmingly less educated, the design and content of the financial literacy programme should be in local languages, employing a spectrum of delivery channels ranging from radio and mobile messages, pictorial material and instructional videos, beneficiaries' awareness campaigns through print and broadcast, theatre, documentary, soap operas, as well as classroom teaching.

4.2.1 BISP regional offices

The BISP regional offices are the key point of contact for all cash transfer beneficiaries. As such, they provide the best and most trusted route into rolling out the financial literacy programme. With beefed up staff and additional support groups, beneficiaries can be imparted financial education via classroom training sessions, video, radio, tv and mobile messages tailored to the educational level and needs of the beneficiaries.

4.2.2 Point of Sales (POS) agents

The BISP's cash transfer beneficiaries' sustained interaction is with the Point of Sales Agents nominated by the two banks involved in the cash transfer process. In other countries, contracted financial intuitions have performed this function. This entry point should also be considered as one of the options.

4.2.3 BISP beneficiaries committee

The BISP beneficiaries' social mobilisation was done through the Benazir Beneficiaries Committees (BBCs) in the initial roll out of the programme. The BBCs, previously managed by a national NGO, are being reconfigured right now. The newly reconfigured committees can offer entry into leveraging financial literacy programme.

4.2.4The Pakistan Poverty Alleviation Fund and the National Poverty Graduation Initiatives

The PPAF under the NPGI is similarly engaged in disbursing interest free loans and assets and caters to a big chunk of the BISP beneficiaries. Moreover, the NPGI also aims to graduate 50 % of the beneficiaries of the Kafalat programme out of poverty. The NPGI and the PPAF offer additional pathways into weaving in the financial literacy component into the wider Ehsaas framework. Since both programmes operate under the aegis of the PASSD, the process can be accomplished in terms of administrative and policy cohesion and joined up programmatic terms.

4.3 Mechanisms of delivery of the financial literacy content

As the Kafalat beneficiaries are overwhelmingly less educated, the design and content of the financial literacy programme should be in local languages, employing a spectrum of delivery channels ranging from radio and mobiles message, pictorial material and instructional videos, beneficiaries' awareness campaigns through print and broadcast media, theatre, documentary, as well as classroom teaching. The selection of delivery channels should be guided by consideration of literacy and numeracy levels of the beneficiaries as well as the results of the pilot phase and the previous evaluation of literacy initiatives in Pakistan. The financial literacy programme should be delivered to coincide with teachable moments when the beneficiaries are most likely to make key financial decisions. These teachable moments are the days when payments are made to the beneficiaries. Financial literacy training /campaigns /messages should be timed around the days of cash transfer to be effective, lasting, and enduring in line with global evidence.

Conclusion

Financial literacy has significantly permeated development and social protection litera-ture in recent years. As less developed countries begin to introduce multi-faceted fi-nancial products and services and expand social safety nets, the issue of financial lit-eracy is attracting the attention of both policymakers and development practitioners. Ever since the roll out of cash transfer programmes in Latin America in 2002, govern-ment-led cash transfer programmes have snowballed into poverty graduation tools. As cash transfer programmes are increasingly going digital, so has the focus on financial literacy, as most of the beneficiaries are women with low literacy and numeracy skills. The integration of a financial literacy component into government cash transfer programmes ensures better financial inclusion through improving provision of financial services to vulnerable and underserved people, and offers them training and routes into education programmes to climb out of poverty.

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