

Financial education to support the scaling up of digitalized Planned Savings at FECECAM in Benin

1. Financial education context

Given the challenges of financial inclusion, the Government of Benin has established its National Financial Inclusion Strategy (NFIS) covering the period 2022-2026. This strategy focuses on three strategic orientations: i) strengthening the institutional, legal, and regulatory framework, ii) developing and improving the provision of financial products and services, iii) promoting financial education.

Financial education (FE), a key driver of financial inclusion for populations, has been placed at the heart of the government's strategy in Benin. It aims to improve the financial well-being of individuals and society, both in the present and in the future, and enable them to participate in economic life. Strategic orientation 3 of the NFIS related to financial education focuses on: i) enhancing the capacity of the population in financial education and digital skills, ii) strengthening mechanisms for information, education, and communication on the rights of consumers of financial services and products.

In 2021, the Beninese authorities had developed a financial education guide and conducted a study on the practices of the rights and duties of consumers of financial services. The implementation of the financial education strategy has led to the development of several financial education tools and the training of nearly 150 facilitators from 14 microfinance institutions affiliated with the Professional Association of Decentralized Financial Systems in Benin (APSFD Benin).

2. Intervention approach

Financial literacy needs assessment

In order to strengthen financial literacy among the population in Benin, SCBF provided funding support to CIF to assist FECECAM-BENIN in financial education for its clients. The project is designed to support the scaling up of the digitization of the flagship product called "Epargne Planifiée / Digital Planned Savings" for which the network had initiated a pilot to digitize the offering process. The intervention is aimed at increasing financial inclusion among vulnerable groups, especially women, youth, and smallholder farmers in rural areas.

The client profile of FECECAM-BENIN is predominantly rural and illiterate, consisting of small traders, artisans, and small-scale agricultural producers who are not very familiar with information and communication technology. Their transactions mainly involve retail sales, stockpiling goods for resale, setting up workshops, and financing agricultural inputs, with choices on services often made through mimicry. The goal was to enhance their knowledge so they could better interact with the financial landscape and make informed choices about products and services offered by FECECAM-BENIN. This would enable them to take advantage of the opportunities offered by Digital Planned Savings for their income-generating activities.

The level of financial education among current clients of FECECAM-BENIN is relatively low, particularly regarding digital financial services and technology use. Traditional financial education at FECECAM-BENIN was usually conducted alongside credit disbursement sessions, focusing more on cooperative life education covering topics such as meeting contractual obligations regarding credit and cooperative life. There was no specific financial education program to guide clients in accessing and using digital financial services. There was a need to promote and disseminate knowledge and best practices across the FECECAM-BENIN network to improve clients' attitudes, particularly regarding responsible finance and digital usage.

At the project's outset, approximately 43% of clients had expressed satisfaction with traditional financial education at FECECAM-BENIN. The constraints and challenges related to this were two-fold: (i) At the financial institution level, there was a lack of financial resources (equity) and expertise, (ii) At the client level it was illiteracy, the influence of misinformation about financial institutions, generally fueled by informal sources, a reluctance to openly engage, socio-cultural barriers (some men don't feel comfortable allowing their wives to attend meetings), and pandemic-related barriers during the COVID-19 pandemic.

Main activity areas (goal, targets, resources and time frame) and outputs

The FE initiative within the project aims to enhance the knowledge of clients and populations (women, youth, and smallholder farmers in rural areas) about the products and services offered by FECECAM-BENIN to encourage new subscriptions to Digital Planned Savings and increase financial inclusion in rural populations.

To achieve this goal, three (3) financial education themes were identified following an analysis of the client journey: Savings, Credit and Debt Management, and Budget Planning with a focus on digital risks. These modules were then digitized into animated video spots lasting 2 to 3 minutes and translated into major local languages (Fon, Dendi, Bariba, Yoruba, and Mina etc.) to facilitate understanding by populations, some of whom are illiterate.

The aim was to reach 13,200 new clients, of which 60% will be women, within two years. To accomplish this, the project strategy involved establishing a pool of 41 trainers. These trainers then empowered 244 trainers consisting of FECECAM-BENIN employees who, in turn, disseminated financial education within clients and the general population.

Various channels were identified for raising awareness with clients using educational capsules: (i) client discussion forums, (ii) Waiting screens in agency halls, (iii) Focussed Group discussions, (iv) Account opening points and credit disbursement sessions, (v) Community radios

Financial sector partners

The intervention was implemented by the West African Financial Institutions Confederation (CIF), with FECECAM-BENIN as the beneficiary financial institution, and SCBF providing financial support to the project.

[CIF](#) represents the solidarity of six major national federations of savings and credit cooperatives and mutuals and provides financial services, including second-generation services, to over 5 million clients, primarily women, youth, and small-scale producers predominantly located in rural areas in Benin, Burkina Faso, Mali, Senegal, and Togo. Its mission is to promote financial inclusion, ensure compliance with regulations, and foster cooperation and synergies for the sustainability and profitability of cooperative and mutual financial networks, particularly for clients.

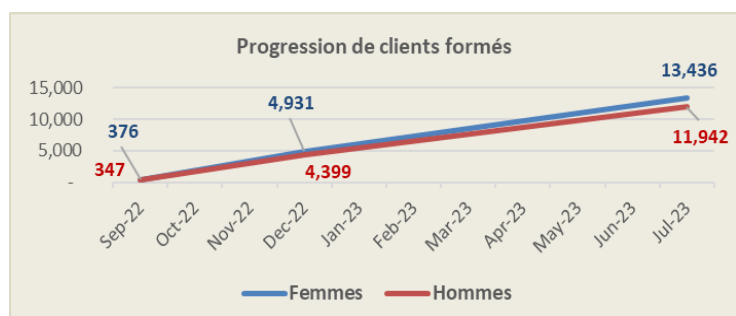
[FECECAM-BENIN](#) is the association of 33 Local Credit and Mutual Agricultural Banks (CLCAM) offering financial services (credit products, savings products, insurance products, money transfer services, fund transfers, and digital services) and non-financial services such as client education and training through 135 service points across Benin. It has over one million clients and represents one-third of the microfinance market share in Benin.

3. Results achieved and not achieved

Client level

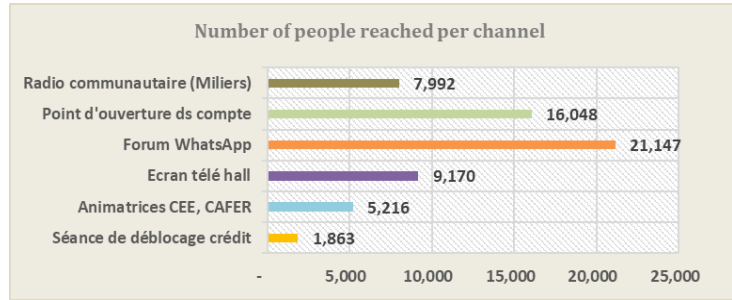
After the design of digital financial education modules and the training of FECECAM-BENIN employees, financial education was extensively deployed across the entire territory of Benin, catering to the languages commonly spoken in the localities. Dissemination happened through various channels: i) 168 client discussion forums where financial education themes were continuously discussed with participants, ii) Waiting screens in agency halls where financial education spots were looped to clients in queues, iii) Focus groups with women gathered within Economic and Social Interest Groups (GIES), iv) Account opening points and credit disbursement sessions, v) On 14 community radios where financial education spots were aired at key times of the day.

The program reached rural areas (80%) and urban areas (20%). Financial education sessions targeted both new and existing clients. Among the new clients, **25,378** out of the total 50,469 new clients registered for the scaled-up Digital Planned Savings (9,330 individuals via WhatsApp and 16,048 through account opening points at various sites). As for existing FECECAM-BENIN clients, **11,817** received financial education through WhatsApp discussion forums, **1,863** during



credit unlocking sessions, and **5,216** via women's economic interest group activities.

A survey conducted with community radios, which served as mass dissemination channels for financial education capsules, revealed an audience of **7.9 million** individuals within Benin and beyond its borders. The continuous broadcasting of financial education messages on television screens installed in entity halls also reached **9,170** clients as they waited in line for transactions at the cashier.



A survey conducted among the population revealed a satisfaction rate of 74% regarding digital financial education, compared to 43% at the start of the project. Digital financial education reached **16,924** new clients in rural areas.

The effect of the financial education program is felt in the habits and daily lives of the population. Data from a field survey conducted in June 2023 revealed that out of five clients engaged in income-generating activities, four increased their revenues following the financial education training. The knowledge acquired through financial education has also enabled more than one in two customers to increase the daily investment previously subscribed. Some customers went from 500 FCFA daily stake to 10,000 FCFA or more thanks to the effect of financial education. We also note a change in clients' savings habits, with an average deposit growth of 34% and an average credit growth of 4%.

Following the financial education sessions, young people aged 18 to 25 showed a greater willingness to request credit (3800 individual loans received for a total amount of 1.5 billion FCFA), accounting for more than a third of the institution's overall digital credit portfolio. Additionally, the pace of savings growth among young people has also positively changed, with an average deposit growth of around 8%.

Financial education sessions conducted within the Economic and Social Interest Groups (GIES)



GIES CLCAM Ouando



GIES CLCAM Zokpota



GIES CLCAM Bantè

Financial education in the lobby of the CLCAM in Pobè before clients approach the counter



Financial sector partner level

The financial education had a significant impact on the scaling up of the Digital Planned Savings (DPS) and the performance of FECECAM-BENIN. Indeed, the innovation brought by financial education with digital technology has generated enthusiasm among the populations and promoted the DPS product. The analysis of statistical data from the scaling up of DPS highlights the following points:

- (i) A monthly subscription rate increase to the DPS product by 1.4 percentage points, rising from 3.6% to 5%.
- (ii) Savings collection activity was boosted, leading to an 83% growth in savings volume (from 34.3 billion FCFA before the start of financial education training to 62.9 billion FCFA at the end of the project).
- (iii) There was also an increase in DPS credit requests for income-generating activities in terms of both number and amount, respectively by 54% and 56%. Additionally, the volume of DPS credit amounted to 4.4 billion FCFA at the end of the project.
- (iv) DPS credit default rates improved, with the 30-day Portfolio at Risk (PAR) decreasing from 7.27% (May 2020) to 1.32% (May 2023).

4. Lessons learnt

The digital financial education program was a major innovation in terms of non-financial services offered to FECECAM-BENIN clients. Its implementation was conducted effectively and efficiently by FECECAM-BENIN with technical assistance from experts assigned to the project by CIF and support from SCBF. Without the need to travel, populations were sensitized, reaching a large number of people. The program's originality lies in the speed and ease of access to the information conveyed by the modules without distorting the content of the messages.

The financial education program implemented with SCBF's support enabled CIF and FECECAM-BENIN to learn lessons on conducting an e-learning project for a population mostly illiterate and unfamiliar with digital technology:

- Firstly, an approach that puts the client at the center of the process (analysis of client journeys, collection of financial education needs, identification with populations of local languages, and channels for message dissemination).
- Secondly, the digitalization of thematic content into easy-to-understand educational videos and their translation into local languages, as well as the diversification of awareness channels, made the messages more accessible (social networks often used by populations, community radios with high audience, on-site and within production sites).
- Finally, managing the change brought about by the introduction of digital technology for financial education.

Given its contribution to the daily lives of populations, SCBF was right to support the implementation of the digital financial education program, which is a first in Benin. The program continues in the field but requires follow-up for its sustainability.

It should be noted that the project took place in a context marked by security risks in the north of the country, the high cost of living induced by the Russo-Ukrainian crisis, and the decrease in purchasing power of the target population to acquire tools and materials necessary for e-financial education. The financial footing of some basic entities also did not facilitate covering the costs associated with the intervention. However, the following factors contributed to the project's success:

- Commitment of FECECAM-BENIN's top management to succeed in financial education differently, with the introduction of digital supports after experiences with classroom meetings.
- Level of mastery and commitment of the experts provided for the project.
- Constant supervision of activities by the General Director of CIF and the General Director of FECECAM-BENIN, not to mention their good collaboration for the project's success.
- Support and guidance from SCBF.

In addition to this, the establishment of the Certificate of Merit for the best performers motivated employees to redouble their efforts for the sustainability of financial education. This reward instilled in the recipients a sense of pride in having effectively contributed to achieving project results.

Digital financial education requires ongoing support in terms of financial resources for the partner financial institution, materials, and technological support for clients, not to mention change management considering

the introduction of technology. Populations have expressed their wish for financial education to be expanded to other themes, for dissemination to be done in more local languages, and for action to be sustained by FECECAM-BENIN.

In this regard, it is necessary to:

- Have financial resources allocated to FECECAM-BENIN to design more digitized financial education modules in local languages to impact more populations in a country with a little over 56 local languages.
- Empower more employees for widespread dissemination of financial education.

At the end of the project execution phase, a workshop bringing together various stakeholders was organized to capitalize on achievements and learn from the deployment of financial education with digital technology. The tools provided to the network, the transfer of skills, and the operational efficiency induced by financial education enable FECECAM-BENIN to sustain the achievements while also learning from other ongoing initiatives in the field.

Some clients expressed their views on financial education as follows:



Madam Godonou, Client CLCAM Bohicon

"After joining the CLCAM, the EPD promoter added me to a WhatsApp group where I could access information on how to manage my business and best practices for credit and savings.

Today, I can easily manage my daily income and separate my personal finances from my business income."

Madam Léocadie GODEME

"Thanks to financial education, I have understood the importance of having a savings plan and the discipline required in managing savings."

