



# Completion Report

---

Project Number: 48152-001  
Technical Assistance Number: 8768  
June 2017

## Thailand: Advancing National Financial Literacy

This document is being disclosed to the public in accordance with ADB's Public Communications Policy 2011.

**Asian Development Bank**

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

TA Number, Country, and Name:  TA 8768-THA: Advancing National Financial Literacy		Amount Approved: \$500,000	
		Revised Amount: Not Applicable	
Executing Agency: Bank of Thailand	Source of Funding: TASF-other sources	Amount Undisbursed: \$296,187	Amount Utilized: \$203,813
TA Approval Date: 25 November 2014	TA Signing Date: 29 December 2014	Fielding of First Consultant: 27 March 2015	TA Completion Date Original: 31 March 2016 Actual: 31 March 2017  Account Closing Date Original: 31 March 2016 Actual: 31 May 2017

### Description

Surveys conducted in 2013 on financial literacy by the Bank of Thailand (BOT) in cooperation with the National Statistical Office and the FinScope survey under TA7998-THA: Development of a Strategic Framework for Financial Inclusion in Thailand found that the level of financial literacy for most of the Thai population is low. The development of a more inclusive financial system is at risk if users have a poor understanding of financial products, discipline, and choices. To strengthen inclusive finance in Thailand through improved financial literacy and consumer protection, the BOT requested ADB's support to conduct a national survey on financial literacy based on a toolkit developed by the Organization for Economic Co-operation and Development (OECD) Measuring Financial Literacy Program. The country analysis from the result of the survey would form a basis for a development of BOT's financial literacy program and contribute to improved consumer protection regulations.

### Expected Impact, Outcome, and Outputs

The expected impact is improved personal awareness and skills to manage financial transactions of the Thai population. The expected outcome is clear direction and a better coordinated nationwide strategy for financial literacy programs. The expected outputs are 1) a financial literacy assessment system and 2) framework for BOT's financial literacy program.

### Delivery of Inputs and Conduct of Activities

The formulation of technical assistance (TA) scope and implementation arrangement is assessed as appropriate. TA design and implementation received strong guidance and cooperation from the BOT. The TA originally mobilized a national financial literacy survey firm, an international financial consumer protection expert, and a national communication strategy specialist. The national firm was engaged to carry out a national survey based on OECD/International Network on Financial Education (INFE) Toolkit to Measure Financial Literacy and Financial Inclusion and to develop a web-based questionnaire and data processing system. The BOT and the OECD helped to ensure that the survey questionnaires developed by the firm are in line with the OECD/INFE framework and that important country specific aspects are included. A national survey of 10,000 sample was successfully carried out and the cleaned data were submitted to the OECD within the required timeframe. A country specific analysis was done in close cooperation with the BOT. The web-based survey processing system was installed on the BOT server with test run and training workshops conducted. Based on the country specific analysis, discussions with relevant agencies and international experiences, the international financial consumer protection expert concluded his work with a presentation at the BOT and submitted a final report on financial consumer protection. Based on the survey result and analysis, BOT planned to improve financial management awareness and behavior of young adults with less than 5 years working experience (first jobber). This was included in the Financial Master Plan Phase III (2016–2020).

The TA was first extended for 9 months because BOT wished to finalize the draft Financial Master Plan Phase III before moving forward with financial literacy strategy and the timing of planned activities had to shift accordingly. The final report by the national communication strategy specialist based on analysis of various survey results and focus group discussions concluded that BOT's financial literacy program for first jobber should be designed around two important factors: 1) digital lifestyle of young adults and 2) BOT as a neutral financial advice provider. The report recommended that BOT should launch a financial literacy program for first jobber on various digital platforms to reach the targeted group. There was no need to create new content from scratch as existing BOT's financial knowledge content can be adapted. BOT requested that the TA also support to implement a pilot program. Three national consultants and four resource persons were then engaged. The objectives of the pilot program were to raise awareness and encourage saving behavior of young adults and, in the process, to give BOT better understanding and insights of young adults' financial behavior. The TA was extended for another 3 months to end March 2017 because some activities were put on hold due to the mourning period on the demise of the late King. A

campaign called “effortless saving” on social media platforms was launched with great media coverage. The TA turned over “effortless saving” Facebook, Instagram, Twitter accounts, social media monitoring methodology and a web-application developed to BOT after the launch period. The performance of the consultants was satisfactory. The performance of the executing agency (EA) was satisfactory. The performance of ADB was satisfactory and well-acknowledged by the EA.

The full TA amount was not disbursed because 1) BOT took great ownership of the project and extended much larger in-kind support than originally envisaged; 2) the consulting team set a challenge for themselves to make the greatest savings possible in developing the pilot financial literacy campaign to coincide with the objective of “encourage saving”; 3) the use of digital platforms for financial literacy program was significantly less costly than traditional financial literacy programs which involve printing materials, trainings and events and 4) some activities planned for the financial literacy pilot program were postponed and will later be implemented by the BOT themselves due to the mourning period on the passing of the late King.

#### **Evaluation of Outputs and Achievement of Outcome**

Output 1 was successfully completed. The data from the survey was sent to the OECD and a cross-country analysis report on OECD/INFE International Survey on Adult Financial Literacy Competencies was published in 2016. The web-based survey processing system developed under the TA will enable the BOT to do the next rounds of a national survey efficiently. The country specific analysis of the survey results provided important inputs for the Financial Sector Master Plan Phase III. Based on recommendations from the report on financial consumer protection, BOT supported the Thai Bankers’ Association (TBA) to complete the Banking Code of Conduct which was adopted in March 2017. Output 2 was also successfully completed. A series of public messages were launched under the effortless savings campaign and the “train nee” debt management campaign by the TBA. BOT’s financial literacy content on social media platform and the “effortless saving” web application is available for public use.

The outputs contributed to the outcome of clearer direction and better coordination of financial literacy strategy and programs among relevant organizations. For the medium term (2016–2020), BOT identified young adults as their target group for enhancing financial discipline through saving campaign and coordinated with the TBA to give knowledge on formal debt management to the public. Meanwhile, Ministry of Finance (MOF) is focusing on informal debt issues. Investment knowledge are handled by capital market agencies.

#### **Overall Assessment and Rating**

The TA is rated successful. The TA outputs were completed despite slight delays due to above mentioned reasons. The outcome was achieved and the momentum is sustainable. The continued implementation of the outputs will help achieve the intended TA impact.

#### **Major Lessons**

The success of the TA was largely due to the high-level and strong ownership and commitment to the project by the EA from the outset. This was partly because the TA was designed in close collaboration with the EA to begin with and partly because the project team gained trust and confidence from the EA early in the implementation phase. Having a project officer in the field working closely with the EA and the project team was essential. Another important lesson from this project is that digital technology and content are playing an important role today and must be integrated into financial sector development and financial inclusion. Digital technology and innovation are very much cost-effective and thus help to ensure sustainability of the program.

#### **Recommendations and Follow-Up Actions**

Due to the fast pace of digital technology development in the financial sector, it is important that regulators such as the BOT and MOF adjust and adapt regulatory framework, supervision regulations and consumer protection accordingly. ADB will continue to work with relevant agencies in Thailand to enhance financial inclusion through digital innovations.