

# COLOMBIA NATIONAL ECONOMIC AND FINANCIAL EDUCATION STRATEGY (ENEEF)



Intersectoral Commission on Economic  
and Financial Education (CIEEF)

Bogota, Colombia June 2017



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## Intersectoral Commission on Economic and Financial Education (CIEEF)<sup>1</sup>

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1 Created by Decree 457 of February 28, 2014.

Cover photo

**Teresa in her house and shop from Buga**

Teresa del Carmen, 70 years, in her house and store in Buga, department of Valle del Cauca, Colombia. Teresa worked seasonally with the producer's alliance of passion fruit.

Photo by: Charlotte Kesi/World Bank.



# ACKNOWLEDGMENTS

The Commission would like to thank the World Bank for the technical assistance provided throughout the development of the National Economic and Financial Education Strategy, with special recognition for the team led by Rekha Reddy and Luis Treviño, including Elisa Villa, Dan Iannicola, Beatriz Marulanda and Marulanda Consultants, and technical reviewers Margaret J. Miller and Douglas Randall, and the support of the State Secretariat for Economic Affairs (SECO) of the Swiss Confederation, through the Federal Department of Economic Affairs, Education and Research (EAER).

The Commission would also like to express its thanks to the various industries, trade unions, academic institutions, and solidarity economy and nonprofit organizations that participated by providing information and recommendations for the development of the ENEEF, as well as officials<sup>2</sup> of the member entities and permanent observers of the CIEEF and its technical subcommittees, which are leading and coordinating the various activities for the development of the ENEEF.

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**Meiber**

Meiber Ardila cuts cocoa in the firm of his father in San Jose de Oriente, Valledupar, Cesar department, Colombia. January 13, 2016. Photo by: Dominic Chavez/World Bank.



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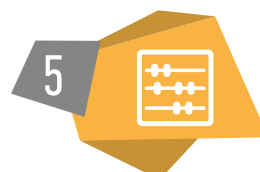
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# INTRODUCTION

Economic and financial education (EFE) refers to the process by which individuals improve their understanding of financial products and services and concepts and risks, develop the skills and confidence to be more aware of financial risks and opportunities and make informed financial decisions to improve their well-being (OECD, 2005). EFE is thus an internationally recognized public policy that is also a responsibility of the financial system, which involves ever more advanced and complex concepts that may be difficult for the general population to understand.



Portrait of Emma Churio, sitting silently in the corner of Guacoche, Valledupar, department of Cesar, Colombia, January 13, 2016. Emma is the widow of community leader Alegmiro Quiroz, assassinated in 1996. Photo by: Dominic Chavez/World Bank.

In Colombia a great deal of public and private effort has been invested in EFE.<sup>3</sup> Nevertheless, metrics in this area indicate that the population still lacks the minimum financial knowledge and skills needed to make informed economic and financial decisions. It is estimated that 64 percent of the population plans for a horizon of less than one month or has no financial plans, 58 percent has difficulty covering expenses, and 41 percent of the population under the age of 60 has taken measures to cover all of their old age expenses (World Bank, 2013).

For this reason, the national government considers it very important to promote a National Economic and Financial Education Strategy (ENEEF) aimed at improving the way in which economic and financial education is offered to the population at the various stages of their lives. The strategy is based on the principles and standards issued by the Organization for Economic Cooperation and Development (OECD), and the World Bank provided technical assistance for its development.

This document, which contains the ENEEF for Colombia, is divided into three chapters in addition to the introduction: the first chapter describes the international standards in the area of public policy on economic and financial education; the second provides an assessment of the legal and institutional framework applicable in Colombia, progress with the initiatives or programs developed, and the reasons for developing EFE policies and implementing a strategy in support of them; and the final chapter presents the ENEEF action plan, scope and recommendations for its implementation.

3 For example, the drafting of Law 1328 of 2009 and the creation of the Intersectoral Commission for Economic and Financial Education in 2014 have provided some general guidelines and an institutional framework for the development of this kind of education. It is estimated that there are today 113 public and private institutions that are developing more than 290 economic and financial education initiatives across the country (Banco de la Republica, 2016).





Computer class in a rural  
secondary school in  
La Ceja de El Tambo,  
department of Antioquia,  
Colombia.  
Photo by: Charlotte Kesi/  
World Bank.



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# INTERNATIONAL STANDARDS FOR ECONOMIC AND FINANCIAL EDUCATION POLICIES



**Importance of EFE.** According to the specialized literature,<sup>4</sup> a coordinated and well- directed EFE policy facilitates the reduction of poverty and inequality, ensures greater effectiveness of financial inclusion and consumer protection actions, and contributes to the development of the financial system and a country's development in general.

An EFE imparted to children and young people from the early stages of life through formal education provides the basic psychosocial and cognitive skills and training needed to promote a culture of savings and planning, which promotes informed economic and financial decision making in the future (OECD, 2005).

In the case of adults, EFE allows individuals to achieve a better quality of life based on knowledge, skills and the confidence to manage their finances effectively, take advantage of investment opportunities, better handle risks, and understand the ever increasing variety of financial products and services.

Given the importance of EFE, the promotion of this type of education has become an ever higher priority for governments. According to OECD data, 59 countries had or were in the process of developing specific national strategies to promote EFE (OECD, 2015).

**Principles, practices and recommendations.** Multilateral organizations have been guiding the development and publication of principles, guidelines and good practices for the development of EFE policies (OECD, 2013) (IOSCO, 2014).

Some of the recommendations made by these organizations are provided below as examples of international standards in the areas of institutional structure, target audiences, delivery channels, and impact monitoring and evaluation schemes, based on efforts in the United States,<sup>5</sup> Brazil,<sup>6</sup> and the United Kingdom,<sup>7</sup> which have been recognized as leading jurisdictions in the implementation of national EFE strategies and the development of programs and implementation of projects

4 Ministry of Finance and Public Credit, et al., 2010.

5 The United States developed its first EFE strategy in 2011 and in 2016 published an update of that policy. More information is available at: [www.my-money.gov](http://www.my-money.gov).

6 Brazil implemented such a strategy in 2007 and has been improving it since that time. More information is available at: [www.vidaedinheiro.gov.br](http://www.vidaedinheiro.gov.br).

7 The United Kingdom has adopted the National Financial Capability Strategy. The first version was developed by the FSA in 2006, and in 2015 an update of the strategy was published under the auspices of Money Advice Service. More information is available at: <http://www.fincap.org.uk>.



in this area.<sup>8</sup> All of these principles, practices and international experience were considered for the development of the ENEEF in Colombia.

First, the need to define EFE policies on the basis of *assessments* and *mapping* to determine the level of financial knowledge of the population and the available supply of public and private programs was identified. This not only makes it possible to determine the current situation in each of the jurisdictions in terms of the various components of EFE, but also to promote the efficient distribution of resources based on the distinct challenges identified in the ENEEF.

It is also recommended that an action plan be adopted that focuses on specific objectives and outcomes, prioritizes population segments, and establishes a specific time frame for achieving the goals. This plan should include mechanisms for coordination, cooperation and articulation between the various programs and initiatives with a view to avoiding unnecessary duplication of resources.

Emphasis is also placed on the need to ensure that the implementation of these policies is accompanied by impact assessments and monitoring methodologies to rigorously measure the effectiveness of the plans and their impact on the financial knowledge and behavior of individuals (World Bank, 2013).

In developing such a standard, most countries, including Brazil, the United States, the United Kingdom and Australia, used national surveys to measure the level of financial knowledge, habits and behaviors of the population. These studies served as a baseline and their updating allows for an assessment

8 The EFE strategies implemented in Mexico, New Zealand, Australia and Italy were also analyzed for this paper.

There is a consensus that it is important that the policies focus on actions and efforts targeting specific audiences and populations and that the content, methodologies and delivery channels be adapted to the characteristics and contexts of each of the specific age groups.



of impact on the behavior of the population in the key areas defined in the corresponding strategies.

In addition, strategies include quantitative and qualitative guidelines for promoting the assessment of the individual impact of each of the private sector program as a process for strengthening program effectiveness and raising the quality of EFE in general.

In a number of countries, institutional coordination arrangements have been developed for the various initiatives. In the United States, for example, the strategy is headed by the Financial Literacy and Education Commission (FLEC), which was created by the Fair and Accurate Credit Transactions Act of 2003. This Commission is headed by the Treasury Department and is made up of 21 government agencies, including various financial system regulatory and supervisory agencies.

Brazil follows a similar standard. In 2010, the Brazilian Government created the National Financial Education Committee (CONEF) as the government entity responsible for directing, supervising and promoting the EFE strategy in Brazil. Eight public entities and four representatives of the private sector participate in this committee, which also has an educational support group and a subcommittee made up of members of the private sector responsible for coordinating and implementing the crosscutting actions included in the strategy.<sup>9</sup>

Finally, in the case of the United Kingdom, the Financial Services Act of 2010 created a financial education agency that is today called Money Advice Service as the entity responsible for leading the EFE strategy. This agency offers personalized services to assist individuals in handling specific situations in the area of money management and personal finance affecting their well-being. The advice is offered by the government with the aim of ensuring that the information provided is free and impartial.

There is a consensus that it is important that the policies focus on actions and efforts targeting specific audiences and populations and that the content, methodologies and delivery channels be adapted to the characteristics and contexts of each of the specific age groups. The recommendations of multilateral agencies note the importance of specifically targeting vulnerable populations, includ-

<sup>9</sup> The Financial Education Association of Brazil (AEF-Brazil) is a nonprofit agency created in 2011 by ANBIMA, BM&FBOVESPA, CNSEG and FEBRABAN. More information is available at: <http://www.aefbrasil.org.br/>.



ing EFE in school curricula, and promoting a culture of savings for retirement across all segments.

In Brazil, for example, the EFE strategy is divided by age group (children, young people, adults and seniors), education level, level of income, economic activity (teachers, public employees, military, dentists) and geographic regions. The United States uses a similar division, grouping initiatives on the basis of the various interest groups targeted by the strategy (FLEC, 2016).

The EFE policy of the United Kingdom differentiates content and initiatives based on the various life milestones and specific situations that may present themselves, such as the start of educational studies, purchase of a home, illnesses and accidents, etc.

Recommendations have been made for EFE programs that target the vulnerable population to strengthen their impact, bearing in mind the characteristics and specific contexts of this population. For example, a Fundación Capital guide (2013) suggests clearly estab-

lishing the goal of this type of program and promoting alliances with the government, particularly with social welfare schemes such as conditional cash transfer programs, as they make it possible to take advantage of previously established organizational structures for EFE delivery at a lower cost.

It is also recommended that various delivery channels be combined, using messages that are short, clear, forceful, continuous and reasonable and that generate confidence to dispel the myths around the supposed adverse effects of joining the financial system.

In international practice, internet portals have also been developed in which the various EFE tools, content and programs are consolidated and public awareness is raised. These pages are mainly used as digital tools for consulting relevant information on personal finances and the operation of financial services. Some examples of EFE websites are: *Vida e Dinheiro* in Brazil ([www.vidaedinheiro.gov.br](http://www.vidaedinheiro.gov.br)), *Moneysmart* in Australia ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)), *My Money* in the United States: ([www.mymoney.gov](http://www.mymoney.gov)), *Finanzas para Todos* in Spain ([www.finanzasparatodos.es](http://www.finanzasparatodos.es)),



The education offered must be impartial, help to understand the benefits and risks of the various types of financial services, and be provided in a clear and simple language, where possible using interactive formats, taking advantage of opportunities to provide this information and promote the use of new technologies that are sustainable and can be scaled up.

*Sorted* in New Zealand ([www.sorted.org.nz](http://www.sorted.org.nz)) and *Money Advice Service* in the United Kingdom ([www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)).

But web portals are not the only delivery channels. In Brazil, for example, in addition to the *Vida e Dinheiro* webpages, printed booklets for students and teachers are used, prizes are given for the best initiatives,<sup>10</sup> and the organization of mass awareness-raising campaigns such as the Financial Education Week<sup>11</sup> are promoted. In the case of the United Kingdom, in addition to the webpage for the strategy, educational guides that can be printed free of charge by the population are used along with awareness-raising videos involving real cases.

10 CNVM print prize ([http://www.cvm.gov.br/menu/investidor/educacao/premio\\_imprensa.html](http://www.cvm.gov.br/menu/investidor/educacao/premio_imprensa.html)).

11 <http://www.semanaenef.gov.br>.

In addition, multilateral organizations have identified principles and best practices for EFE programs and campaigns. One of the main principles is to clearly distinguish between EFE offerings and commercial advice for the purchase of financial products or services. The education offered must be impartial, help to understand the benefits and risks of the various types of financial services, and be provided in a clear and simple language, where possible using interactive formats, taking advantage of opportunities to provide this information and promote the use of new technologies that are sustainable and can be scaled up (OECD, 2005).

Finally, there is a consensus on the importance of ensuring that EFE policies not only




guarantee the supply of programs but also adopt minimum quality criteria on the content and methodologies for the delivery of those programs to ensure that they effectively bring about a change in the economic and financial decision making and behavior of individuals. In recent years in particular, the need to incorporate elements of behavioral economic theory in EFE programs has gained momentum (IOSCO, 2014).

Brazil is a clear example of the implementation of the criteria that EFE programs should meet. Its strategy includes the ENEEF Seal, which recognizes EFE initiatives that are aligned with the strategy and that contribute to the dissemination of this topic throughout the country.

To obtain the ENEEF Seal, a program must comply with the information, orientation and training focuses defined in the ENEEF strategy, include an educational methodology that

is appropriate for the target public and content based on the EFE educational guideline documents. It must be free, continuous and have no relationship with commercial advice or the promotion of products or services, and include a monitoring and, if appropriate, evaluation methodology.<sup>12</sup>

12 <http://www.vidaedinheiro.gov.br/entrar.html>.



**Poultry farm in Colombia**  
A woman attends to her poultry farm in San Nicolas, Valle del Cauca, Colombia. Photo by: Charlotte Kest/World Bank.





3

# COLOMBIAN ASSESSMENT AND REASONS FOR THE IMPLEMENTATION OF A NATIONAL ECONOMIC AND FINANCIAL EDUCATION STRATEGY



### 3.1 EFE regulatory framework and institutional structure

The 2010-2014 National Development Plan, which is part of Law 1450 of 2011, assigned responsibility to the national government, together with the private sector, for creating a national strategy to provide high-quality EFE to the population at all socioeconomic strata and all levels of access and use of financial services.

In developing this strategy, the government issued Decree 457 of 2014 in which it defined EFE as "... the process by which individuals develop the values, knowledge, skills and behaviors needed for responsible financial decision making requiring the application of basic financial concepts and an understanding of the effects that changes in the main macro-economic indicators have on their well-being."

The regulatory framework comprises provisions that promote EFE both in the context of formal education and in vocational training and education for human development.

For formal education, the legal justification is found in Article 31 of Law 115 of 1994 (the General Education Act), which includes economics as one of the fundamental and mandatory subjects in upper secondary education: "for the achievement of the objectives of upper secondary academic education, the subjects required in lower secondary education at a more advanced level will be mandatory and fundamental, in addition to economics, political science and philosophy."<sup>13</sup> Moreover, Article [5(9)] of Law 115 of 1994 also refers to "the development of a critical, reflexive and analytical capacity that strengthens [. . .] the cultural enhancement and quality of life of the population, participation in the search for alternative solutions to problems, and the social and economic progress of the country."

Since 1998, the Ministry of National Education (MEN) has published guidelines and standards for the various areas, which set out the objective of developing the basic and social responsibility skills considered important for the training of individuals who have the ca-

<sup>13</sup> It should be borne in mind that educational institutions are independent in the design of their curricula and that skills-based education does not require the establishment of particular teaching positions for all subjects.



capacity to make better use of their economic resources, make wise life decisions and be socially responsible for their actions. These skills defined by MEN support an EFE that contributes to the complete development of the individual and society as a whole.

Law 1328 of 2009 established that EFE is a guiding principle for relations between financial consumers and supervised entities and is one of the objectives of government intervention in the financial sector. In particular, it established that the financial consumer has a right to obtain adequate instruction on the various products and services and his or her rights and obligations and that financial entities have a specific obligation to develop

programs and campaigns to provide such education to their customers.

For the institutional structure of EFE in Colombia, the aforementioned Decree 457 of 2014 created the National Economic and Financial Education Administration System (SANEED) as a network for coordination of public and private activities to achieve an adequate level of high-quality EFE for the population and the Intersectoral Commission for Economic and Financial Education (CIEEF) as the entity providing high-level oversight and coordination for the system.

The functions of the CIEEF include proposing guidelines, methodologies and tools for the adoption of a national strategy and recommending the mechanisms for financing, management and coordination between the private and public sectors that are needed for the implementation and execution of the strategy.

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The CIEEF is made up of voting members<sup>14</sup> and permanent observers.<sup>15</sup> The chair alternates each year between the Ministry of Finance and Public Credit and the Ministry of National Education, and the technical secretariat is provided by the Special Administrative Unit for Financial Regulation Research and Drafting (URF). The commission has operating by-laws, which were issued in April 2014.

The decree for the creation of the CIEEF authorized the establishment of technical subcommittees for the study of particular topics and provided for the participation of civil servants from government entities and representatives of the private sector and civil society. To date, the commission has created six technical subcommittees that are leading EFE discussions in the following areas:

Table 1. CIEEF Technical Subcommittees.

Technical Subcommittee	Lead
Formal education	Ministry of Education
Active stage	Fogafín
Vulnerable population	Banca de las Oportunidades
Microentrepreneurs	Banca de las Oportunidades
Provision for retirement and old age protection	Ministry of Finance
Measurement and evaluation	Banco de la Republica

Source: CIEEF.

The decree for the creation of the CIEEF authorized the establishment of technical subcommittees for the study of particular topics and provided for the participation of civil servants from government entities and representatives of the private sector and civil society.

14 Minister of Finance and Public Credit (MHCP) or his or her delegate; Minister of National Education (MEN) or his or her delegate; Superintendent of the Financial System of Colombia (SFC) or his or her delegate; Superintendent of Economic Solidarity (SES) or his or her delegate; Director of the National Administrative Planning Department (DNP) or his or her delegate; Director of the Financial Institutions Insurance Fund (Fogafin) or his or her delegate; Director of the Cooperative Entities Insurance Fund (Fogacoop) or his or her delegate; and Director of the Special Administrative Unit for Financial Regulation Research and Drafting (URF) or his or her delegate.

15 Manager of the Banco de la Republica and the Director of the Banca de las Oportunidades Investment Program.



The CIEEF also created an Advisory Subcommittee for coordination with the private sector. This subcommittee is made up of representatives of the private sector<sup>16</sup> with the main function of submitting recommendations to the commission for the preparation, evaluation and development of the ENEEF.

## 3.2 Financial capability in Colombia

**a. Adults:** National measurements of the financial capability of the adult population have been conducted in Colombia in recent years by the World Bank in 2012 and by the Development Bank of Latin America (CAF) in 2013, including a comparison with other countries in the region.<sup>17</sup>

According to the survey conducted by the World Bank, there is a difference between the expected and real financial behavior of individuals. Although 94 percent of Colombians reported that they planned their budget, only 23 percent knew exactly how much they had spent in the previous week. Despite the fact that 88 percent expressed concern at having to deal with major expenses in the future (for example, retirement), only 41 percent had plans for covering their old age expenses and just 1 in 5 would be able to handle major unexpected expenditures.

16 As of April 2016 the subcommittee was made up of: Banking Association of Colombia (Asobancaria), Colombian Association of Microfinance Institutions (Asomicrofinanzas), Colombian Association of Universities (Asuncun), Colombian Pension Administrator (Colpensiones), Colombian Association of Pension and Severance Fund Administrators (Asofondos), Association of Financing Companies (Afic), Association of Stock Brokers of Colombia (Asobolsa), Federation of Cooperatives of Colombia (Confecoop), Federation of Colombian Insurers (Fasecolda), Securities Market Self-Regulator (AMV), Association of Trustees of Colombia (Asofiduciarias) and National Association of Employee Funds (Analfe).

17 The World Bank conducted the National Survey of Financial Capability in Colombia in 2012 and published it in 2013. The Development Bank of Latin America (CAF) conducted a measurement of financial capability in the Andean region (Bolivia, Colombia, Ecuador and Peru) in 2013 and published it in 2014.

The Banca de las Oportunidades and the Office of the Superintendent of the Financial System of Colombia in 2015 developed and published a demand study to analyze financial inclusion in Colombia. In addition, Banco de la Republica has been conducting the household financial indebtedness and education survey for more than 10 years, focusing on the three cities of Colombia.



Although more than half of those who use financial products compare prices and analyze terms and conditions before selecting the products, that analysis may be deficient because 81 percent of the population lacks the knowledge needed to calculate a simple interest rate.

The measurement done by the CAF had similar results. Its survey shows that although the majority of Colombians receive high marks for their knowledge of simple economic and financial concepts, a smaller proportion answered correctly on the estimation of a simple or compound interest rate or on knowledge of bank deposit insurance, which are concepts that allow for better financial decision making.

The same regional survey by CAF revealed high skills in terms of attitudes toward the responsible use of finance and a moderate approach to financial risk-taking, although there remains a significant focus on the present (for example, “I prefer to spend money rather than save for the future” is frequently heard).

In the area of controlling expenditure and saving, approximately 60 percent of all adults prepare a budget, control expenditure and save at least daily, although the majority do so outside the financial system. The results show heterogeneity between the various levels of income, geographic location, gender and employment situation.<sup>18</sup>

**b. Children and young people:** For the measurement of the financial capability of children and young people, the Ministry of National Education (MEN) in 2012 participated in the Program for International Student Assessment (PISA) to assess the financial literacy of lower and upper secondary school students.

<sup>18</sup> The survey measuring financial capability in Colombia was coordinated by the Andean Development Corporation (CAF) and conducted by IP-SOS-Napoléon Franco. It covered both urban and rural areas.



The measurement done by the CAF had similar results. Its survey shows that although the majority of Colombians receive high marks for their knowledge of simple economic and financial concepts, a smaller proportion answered correctly on the estimation of a simple or compound interest rate or on knowledge of bank deposit insurance, which are concepts that allow for better financial decision making.

The results of the assessment reveal areas of opportunity: the average score was 379, which was below the average for the OECD countries. Some municipalities performed better, such as Manizales at 417, Medellín at 414, Bogotá at 379 and Cali at 389, while the score for the rest of the country was 372.

The national results show that more than 50 percent of students are below the baseline. These results, together with the results of other national tests such as the SABER tests, are an important factor for the design, development and feedback on study plans and educational materials to improve performance in the EFE provided in high school.

In 2014, MEN, in cooperation with public and private institutions such as Asobancaria, Fasescolda, the Office of the Superintendent of the Financial System of Colombia, the Banco de la Republica and the Development Bank of Latin America (CAF), developed Document

No. 26 setting out Educational Guidelines for Economic and Financial Education, “Mi Plan, mi vida y mi futuro” (My Plan, My Life and My Future), with a view to providing a guide for teachers and promoting EFE in Colombia’s high schools. This document was provided to some 120 educational institutions with a view to educating and guiding teachers during a series of workshops and visits to educational institutions and education secretariats.

In 2015, Banco de la Republica and CAF conducted a qualitative assessment of this process with a view to analyzing its effectiveness and the aspects to be taken into account in broadening its coverage. A number of recommendations arose from this analysis: (i) define an implementation roadmap that will guide the support actions and provide clear and timely information to educational institutions and territorial entities in a focused manner; (ii) train teachers so that they feel confident in transmitting the content in the



classroom and provide them with feedback on ways of incorporating EFE in their study plans; (iii) supplement the guidelines document with educational materials, activities and games that can be used in the classroom; (iv) develop an instrument to monitor the incorporation of EFE in educational establishments at the various levels; and (v) establish an information network in which stakeholders in the educational community, certified territorial entities and MEN can share their experiences and lessons learned.

<sup>19</sup> In 2014, the Banco de la Republica conducted a mapping exercise covering all institutions that implement EFE programs, including financial institutions, public sector organizations, academic institutions, nonprofit organizations, donors, etc. This exercise was updated in 2016.

### 3.3 Program mapping

It should be noted that a large number of institutions are actively implementing EFE programs and activities, including public and private organizations, solidarity economy entities, educational and research institutions, and national and international nonprofit organizations and donors.

According to the last mapping exercise conducted by the Banco de la Republica in 2016, there are 113 institutions that implement more than 132 EFE initiatives across the country.<sup>19</sup> Approximately half of these institutions are private sector or solidarity economy institutions, 17 percent are government agencies, 16 percent are nonprofit institutions, foundations and research organizations, and 9 percent are primary, secondary and higher education institutions.

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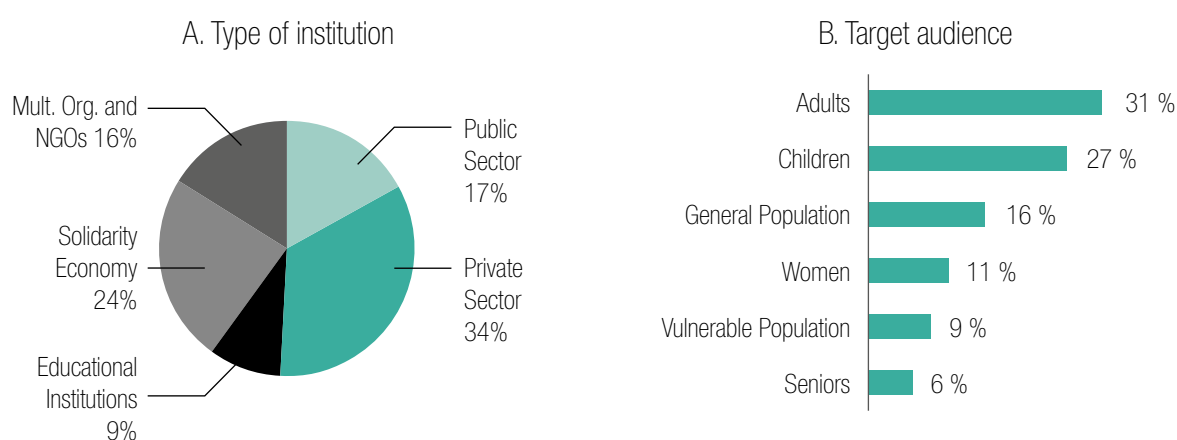
The mapping revealed that institutions focus on different target audiences, which means that the existing programs and initiatives currently reach a diverse audience and are broad in their scope. These programs and initiatives include efforts by primary schools, high schools and universities, both public and private, in cooperation with some financial and solidarity economy institutions to develop programs and educational content directed at children and young people.

Financial institutions are also developing initiatives directed at the general public and at their customers or users to help them better manage their personal finances and financial products. There are also various government agencies that supplement their social benefit

assistance programs in vulnerable communities with specific EFE programs, including in some cases for women and seniors.

Generally, the programs seek to raise the capability and knowledge of their audiences based on the social interests of the institutions and use various tools and channels in line with their resources and coordination with other organizations. The most common topics for the 113 entities are those related to improving knowledge on economic and financial subjects and, in particular, improving the management of personal finances and financial decision making.

Figure 1. Mapping of EFE Programs in Colombia



Source: Banco de la Republica (2016).



According to the mapping exercises, the tools and channels used are still mainly traditional. Some 70 percent of the entities surveyed confirmed that they use booklets, pamphlets, books and audiovisual materials and 63 percent of the initiatives involve talks and general seminars. There are also many web portals and websites that can have an impact on young audiences in particular. Although the initiatives cover the entire country, there are more initiatives in the most populated locations according to both the mapping study and the study of financial inclusion demand conducted by the Banca de las Oportunidades and the Office of the Superintendent of the Financial System in 2015.

Finally, the mapping also revealed that more than half of the initiatives lacked strategic alliances to supplement or expand efforts (43 percent of the institutions surveyed maintain some kind of partnership) and fewer than half of the institutions seek technical assistance or evaluate the scope and impact of their initiatives. This creates opportunities for the ENEEF to promote media or platforms for identifying initiatives, promoting program evaluation and monitoring techniques that are accessible and can measure their scope and impact, and identifying opportunities where coverage is lacking or to eliminate duplications.







Members of the passion fruit grower's  
producer's alliance of Buga

Photo by: Charlotte Kesi/World Bank

# NATIONAL ECONOMIC AND FINANCIAL EDUCATION STRATEGY IN COLOMBIA



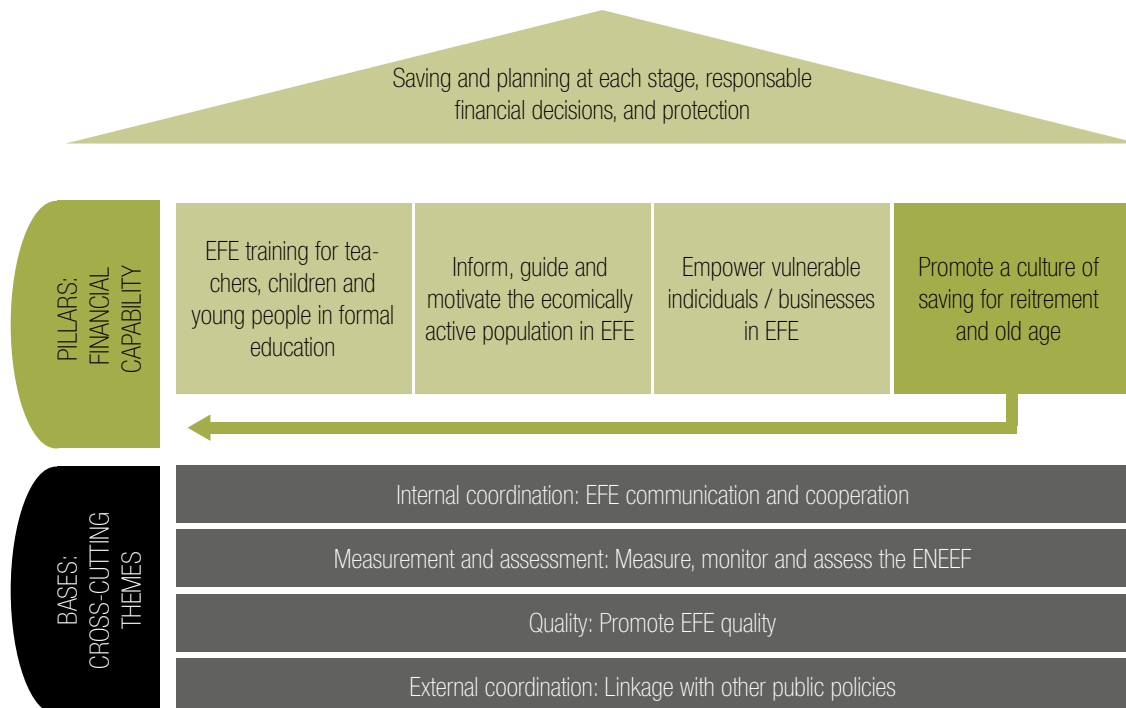
## 4.1 Vision and principle

Given the above, it is important to continue to increase the economic and financial knowledge of the Colombian population to improve the well-being of society and promote greater access to financial services. It is in this context that the national government, via the CIEEF, is presenting its National Economic and Financial Education Strategy: “Alliance for Sustainable Economic and Financial Education for Colombians,” which aims to coordinate the design and implementation of public and private EFE programs and initiatives and

promote the adoption of tools and delivery channels that facilitate the dissemination of their content.

The development of the ENEEF has been based on international principles and standards, particularly those issued by the OECD, and responds to the challenges faced in the implementation of EFE. The ENEEF focuses on the following four strategic pillars: (i) strengthening communication and coordination with the EFE community; (ii) improving the program measurement standards; (iii) promoting quality criteria for EFE initiatives and (iv) linking the EFE with other related public policies.

Figure 2- Conceptual Framework for the ENEEF



Source: World Bank.



The ENEEF focuses on the following four strategic pillars: (i) strengthening communication and coordination with the EFE community; (ii) improving the program measurement standards; (iii) promoting quality criteria for EFE initiatives and (iv) linking the EFE with other related public policies.

Based on this approach, a work plan has been developed that includes actions that are tailored to each of the target audiences based on their particular context and needs and that aims to link the various initiatives and programs developed by all of the stakeholders

## 4.2 Objectives and goals

The following objectives and goals are presented as guidelines for the implementation of the ENEEF and, more generally, all EFE programs being developed in Colombia:

**General objective:** To promote EFE to contribute to the development of the knowledge, attitudes and behaviors and/or skills of the Colombian population that impact responsible and informed economic and financial decision making at the various stages of their lives.

**Specific objective 1. To coordinate the efforts of the various entities that participate in the ENEEF.**

Goals:

- To optimize the available resources.
- To avoid duplication in economic and financial education initiatives.

- To promote greater effectiveness of the results and scope of the economic and financial education initiatives.
- To work toward the coordination of the objectives of entities that are responsible for financial inclusion policies and those that are responsible for financial education.

**Specific objective 2. To promote planning and savings habits in the population at the various stages of their lives.**

Goals:

- To increase the proportion of the population that has knowledge and/or skills on basic economic and financial concepts.
- To increase the proportion of the population that prepares a personal, family and/or business budget.
- To increase the proportion of the population that recognizes the importance of savings for the various stages of their lives.



- To increase the proportion of the population that is aware of risks resulting from financial problems and natural or other disasters that can affect family incomes or result in unexpected expenses or a loss of assets and are aware of tools and methods for preventing and/or mitigating risk situations.

**Specific objective 2.1. To promote planning and savings habits in the population for old age protection and retirement.**

Goals:

- To increase the proportion of the population that is aware of and/or uses retirement savings mechanisms and schemes available for those who cannot aspire to a pension, such as the Periodic Economic Benefit Program (BEPS).

**Specific Objective 3. Promote the responsible use of credit by the population.**

Goals:

- To increase the proportion of the population that makes credit decisions on the basis of their economic capacity.
- To increase the proportion of the population that is aware of the impact of excess debt and the cost of credit in the short and medium term.

**Specific objective 4. To promote prevention behaviors in the population in connection with situations of potential fraud or appropriation of income or assets.**

Goals:

- To establish mechanisms for informing the population on potential fraud or harmful practices that infringe on their rights.

## 4.3 Population groups and segments

As indicated above, the ENEEF targets the entire population at the various phases of their lives.<sup>20</sup> Nevertheless, to guide the work of the public and private sectors and society in general, it is deemed that efforts must be prioritized for some population groups and segments, bearing in mind the social and economic reality of the country, the existence of populations in special or vulnerable conditions owing to their age or life cycle or socioeconomic circumstances, and the principles and good practices set out by the OECD. The main characteristics of these population groups and segments are identified below.

<sup>20</sup> Criterion used to determine that the ENEEF targets all Colombian citizens and population segments in the community, including minority groups based on ethnicity, disability, etc.



## 4.3.1 Population groups

### 4.3.1.1. Formal education

In this group the focus is the fundamental role played by educational institutions in “generating changes in the attitudes and behaviors of students vis-à-vis economic and financial processes and providing the tools to enable them to plan their futures, manage their resources efficiently, make responsible decisions, and integrate themselves in the economy by identifying alternatives that will promote their development.”<sup>21</sup>

21 Ministry of National Education in coordination with Asobancaria: “My plan, my life and my future.” Educational Guidelines for Economic and Financial Education. Document No. 26. Bogotá, D.C. 2014. Page 21.

This segment includes the following subgroups:

(i) early education (initial years of life and pre-school); (ii) primary education (grades 1 to 5); (iii) lower secondary school education (grades 6 to 9); (iv) upper secondary school education (grades 10 and 11); (v) higher technological, technical and university education; and (vi) teachers, teachers in managerial positions, heads of household and employees of education secretariats.

According to MEN figures, students registered in official and unofficial educational institutions in 2015 numbered:

Table 2. Students Registered in Educational Institutions (Official and Unofficial)

Education level	2015	
	Official	Unofficial
Pre-nursery - Nursery	39,484	179,944
Transition + Disability	587,063	146,161
Primary + Accelerated	3,783,209	696,009
Lower secondary	2,945,357	513,112
Upper secondary	1,065,741	283,065
Total	8,420,854	1,818,291

Source: MEN-SIMAT.

This segment includes the following subgroups: (i) early education (initial years of life and preschool); (ii) primary education (grades 1 to 5); (iii) lower secondary school education (grades 6 to 9); (iv) upper secondary school education (grades 10 and 11); (v) higher technological, technical and university education; and (vi) teachers, teachers in managerial positions, heads of household and employees of education secretariats.



The following table shows the number of teaching and managerial staff in official lower and upper secondary schools in Colombia:

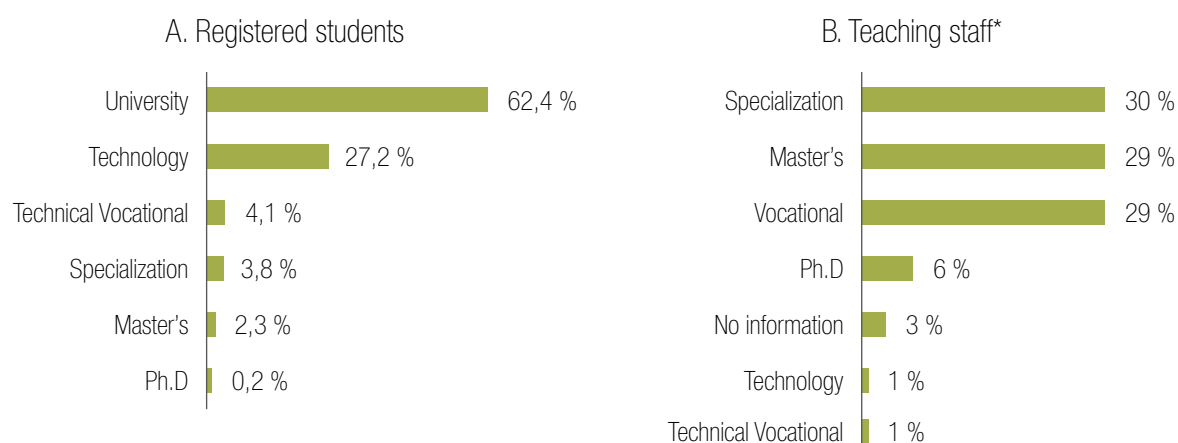
Table 3. Teaching and Managerial Staff in Lower and Upper Secondary School

Positions	Total
Classroom teachers	288,475
Teachers with support functions	809
Teachers with guidance functions	3,856
Tutors	3,091
Teacher support leaders	208
Managerial teaching staff	20,362
Administrative	30,221
<b>Total</b>	<b>347,022</b>

Source: MEN- SINEB. As of December 31, 2016.

In 2015, 2,293,550 students were registered in higher education, most of whom were attending university (62 percent). The higher education teaching staff totaled 149,280 at the national level in 2015, of which 59 percent were specialists or had a master's degree.

Table 4. Higher Education by Level of Training (2015)



Source: MEN – SNIES.

\*This information is shown disaggregated by department in Annex 1.



This group corresponds to the economically active population, consisting of individuals between the ages of 18 and 55 capable of entering the labor force, and focuses on the various points in the lives of individuals that are considered particularly important for EFE, including: the start of higher education, the purchase of a home, the start of the person's working life, marriage, children, etc.

#### 4.3.1.2. Active stage

This group corresponds to the economically active population, consisting of individuals between the ages of 18 and 55 capable of entering the labor force, and focuses on the various points in the lives of individuals that are considered particularly important for EFE, including: the start of higher education, the purchase of a home, the start of the person's working life, marriage, children, etc.

Based on data from the DANE Continuous Household Survey, this group comprises some 24,613,000<sup>22</sup> individuals, of which 51.1 percent are women and 48.9 percent are men. The economically active participation makes up 50.5 percent of the total population of the country.

22 Number of inhabitants in 2017: 48,747,708 (Banco de la Republica – Time Series).

#### 4.3.1.3. Vulnerable population

This segment covers the population in vulnerable conditions owing to sociodemographic and economic circumstances, which justifies particular attention within the ENEEF with a view to providing them with basic tools to enable them to plan for their economic and financial situation even in such circumstances.

This group, which can be mobile depending on the social needs of the country, includes those individuals who, owing to their characteristics, encounter barriers to income generation and also are subject to other privations related to multidimensional poverty (education conditions of the household, childhood and youth conditions, work, health, home public services and housing conditions) or victimization owing to armed conflict.

To identify this group the following concepts should be taken into account:

- **Poverty:** complex situation combining low consumption, malnutrition, precarious housing conditions, low education levels, poor sanitary conditions and unstable insertion into the productive apparatus (Altimir 1979, cited in CEPAL 1999). To identify the population in poverty, the DANE indigence and poverty guidelines (direct and indirect measures) will be used.



- **Victims:** individuals suffering from victimizing events in the context of armed conflicts such as: murder, massacres, kidnapping, forced disappearance, torture, offenses against freedom and sexual integrity in the context of conflict, antipersonnel mines, unexploded munitions and improvised explosive devices, terrorist acts, fighting, harassment, ambushes, forced displacement and forced disposition of land. To identify the victim population, the Sole Registry of Victims (RUV) established by the Victims Unit will be used.

In Colombia, 13.3 million people live in poverty (28 percent of the total population in 2016) and 4 million in extreme poverty (8.5 percent of the population in 2016).<sup>23</sup> In addition, 8.3 million individuals are registered in the Unique Registry of Victims, of which 6.3 million are receiving attention.<sup>24</sup>

The vulnerable population is characterized by lower levels of education and unstable and low incomes and predominantly lives in rural communities or sparsely populated rural areas,<sup>25</sup> which creates information, education and services constraints. In addition, only a small proportion of this population actively uses financial products and services. For example, 61 percent, 53 percent and 45 percent of all adults in socioeconomic strata 1, 2 and 3, respectively, do not have any financial products.<sup>26</sup>

This overview shows the need for work that targets this population, particularly consid-

ering that generating financial capability in the lowest income segments enables them to take advantage of new opportunities for social and economic inclusion and thus reduces inequality.

#### 4.3.1.4. Microentrepreneurs

In our regulatory context, a microbusiness is understood to be an economic unit that has assets of up to 500 current legal minimum monthly wages and fewer than 10 employees (Law 905 of 2004).<sup>27</sup>

For this group, it is calculated that 62.2 percent of self-employed workers in Colombia

23 DANE, Technical Bulletin on Income Poverty and Multidimensional Poverty in Colombia, 2016. Taken from [http://www.dane.gov.co/files/investigaciones/condiciones\\_vida/pobreza/bol\\_pobreza\\_16.pdf](http://www.dane.gov.co/files/investigaciones/condiciones_vida/pobreza/bol_pobreza_16.pdf). Consultation date: March 2017.

24 Victims Unit. Taken from: <http://rni.unidadvictimas.gov.co/RUV>. Consultation date: March 2017.

25 DANE, Technical Bulletin on Income Poverty and Multidimensional Poverty in Colombia, 2016. Bogotá, March 2017.

26 Banca de las Oportunidades and Office of the Superintendent of the Financial System of Colombia. Study on Financial Inclusion Demand in Colombia. Bogotá, 2015.

27 This definition was amended by Article 43 of Law 1450 of 2011, according to which one or more of the following criteria may be used for classification of the business size: (i) number of workers; (ii) value of gross annual sales; and (iii) value of assets. The definition contained in Law 905 of 2004 remains in effect until the regulations for Law 1450 of 2011 enter into force.



are informal.<sup>28</sup> Out of the total number of commercial microestablishments, 68.4 percent indicate that they have a bookkeeping system of some kind, 15.7 percent prepare a general balance sheet, 22.5 percent use a daily journal and 31 percent use other types of accounts.<sup>29</sup>

According to the Study on Financial Inclusion Demand,<sup>30</sup> 68 percent of the microentrepreneurs surveyed are informal (based on the Commercial Registry) and 43 percent have seasonal businesses, 72 percent conduct only cash transactions, 87 percent pay for public services in cash, 79 percent pay their suppliers in cash, 70 percent pay their employees (if any) in cash, which indicates a high degree of informality.<sup>31</sup>

One of the characteristics identified for this sector is that access to credit, insurance and other financial services is limited, as they do not have sufficient collateral.

28 Private Competitiveness Council, 2016-2017 National Competitiveness Report. Informality is understood to mean the percentage of workers that does not contribute to a pension.

29 DANE, 2016-2017 Survey of Microestablishments.

30 Banca de las Oportunidades and Office of the Superintendent of the Financial System of Colombia. Study on Financial Inclusion Demand in Colombia. Bogotá, 2015.

31 Banca de las Oportunidades and Office of the Superintendent of the Financial System of Colombia, 2015. Demand Study.

### 4.3.2. Crosscutting theme: Provision for retirement and old age protection

This component covers all defined population groups (formal education, active stage, vulnerable population and microentrepreneurs), to take advantage of the channels targeting these populations to introduce information on retirement schemes, pension systems, old age protection mechanisms as well as the BEPS and old age savings planning.

It also covers (i) pensioners, who are defined as individuals whose pension rights are recognized; and (ii) seniors without pensions who are potential targets for old age protection policies.

Currently 65 percent of the economically active population (EPA), equivalent to 14 million adults in Colombia, does not contribute to any retirement plan, 26 percent of the EPA (5 million persons) contributes to the Individual Solidarity Saving System (RAIS) and 9 percent of the EPA (2 million persons) contributes to

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the Average Premium Plan. Moreover, of the total number of seniors that are currently of pension age, only 25 percent are receiving a pension, and 46 percent of seniors in vulnerable circumstances are covered by the Colombia Mayor program while the remaining 29 percent receives no pension income.

Moreover, ECLAC projections estimate that the population over the age of 65 in Colombia will increase from 5 percent in 2015 to

14 percent in 2030 and 20 percent in 2050. In addition, recent statistics estimate that 22 percent of seniors in Colombia are in vulnerable circumstances and have no access to government social resources. An opportunity therefore exists to promote more protection for seniors.

Table 5. Statistics on Provision for retirement and Old Age Protection by Population Segment

General statistics (thousand)	2016
Total population	47,584
Working age population	38,083
Economically active population	24,613
Employed <sup>32</sup>	22,461
Unemployed	2,152

Pension contributions by the employed population	
35.27% contribute	7,22
64.7% do not contribute	14,378
1.3% receive a pension	293

Pension contributions by the senior population <sup>33</sup>	
Population >= 60 years	5,542
37.53% have pension coverage	2,080
22.3% living in poor households	1,005
Colombia Mayor recipients <sup>34</sup>	1,499

Registered with BEPS <sup>35</sup>	
Total registered	585,467

Source: CIEEF. Data through December 31, de 2016. Colombia Mayor data as of January 5, 2017.

\* This information is disaggregated by zone and gender in Annex 2.

32 Employed: Persons who were in one of the following situations during the reference period:

1. Worked for at least one hour with remuneration in the reference week.
2. Did not work during the reference week, but had a job.
3. Family workers without remuneration who worked at least 1 hour during the reference week.

33 Under Law 1251 of 2008 a "senior" is a person aged 60 or older.

34 The Colombia Mayor program seeks to protect seniors in extreme poverty by means of a subsidy of around 75,000 pesos per month.

35 Source: COLPENSIONES – Information as of December 2016. The Periodic Economic Benefits are an individual, independent, autonomous and voluntary system of old age protection offered as part of the Complementary Social Services and forming part of the Old Age Protection System to enable persons with few resources who participate in this system to receive an individual, personal, periodic income until their death.



EFE is also fundamental for young people in lower secondary school, since it provides the foundations for developing an understanding of basic economic and financial concepts and their application to financial issues that the students will face in their adult lives.

The national government has thus determined that one of the components of the EFE strategy is the need to adopt concrete guidelines for the creation of incentives for pension savings and old age protection across the entire population, seeking to ensure that a larger proportion of present and future generations contribute actively to their long-term savings and old age protection.

## 4.4 Action plan

Bearing in mind the interrelations between the individuals making up the above groups and population segments, coordinated work between these groups and segments is needed to achieve better coverage and impact for the ENEEF. To this end, the following lines of actions are presented, including specific lines for each group or population segment as well as crosscutting lines that are relevant overall:

### 4.4.1 Formal education

**Lead entity:** Ministry of National Education, Formal Education Subcommittee and partners

There is a national and international consensus on the advantages of introducing EFE at an early age and preferably in a crosscutting manner (as part of different subjects such as mathematics and social sciences). This contributes to students' cognitive development and the formation of critical thinking. EFE is also fundamental for young people in lower secondary school, since it provides the foundations for developing an understanding of basic economic and financial concepts and their application to financial issues that the students will face in their adult lives. Based on this, the following specific lines of actions are proposed for formal education:

- 1. EFE-related educational guidelines.** Develop an educational model that promotes EFE based on risk management and the development of basic and social responsibility skills, in line with Educational Guidelines Document No. 26, the Basic Standards, and the Educational Guidelines of the Ministry of National Education.



## **2. Measurements of the financial capability of lower and upper secondary school students.**

These measurements will be used to identify methods of acquiring and taking ownership of EFE knowledge and involve the development and incorporation of economic and financial capability metrics for lower and upper secondary school students in the internally administered tests of the Ministry of National Education, such as the Supérate tests.

## **3. Education materials for high schools.**

This line of action involves contributing to the development of educational materials on risk management in financial and economic education at the lower and upper secondary school levels.

The aim is also to provide educational guidelines that allow for an approach to economic and financial education that is based on teaching sequences in mathematics, which are linked with the Basic Learning Rights and Educational Guidelines of the Ministry of National Education, depending on the level of education of the students.

**4. Mobilization.** Finally, to ensure the effectiveness of the above-mentioned lines of action, educational institutions should be encouraged to report significant experiences in the area of economic and financial education during the mapping exercise led by the Banco de la Republica.

## **4.4.2. Active stage**

**Leader:** Fogafín, Active Stage Subcommittee and partners.

For this area, implementation of a digital strategy is a fundamental line of action to reach this population, which is generally connected to electronic communications media and is attracted to technological innovations and digital access to information, in a sustainable and scalable manner.

The national government has, via the CIEEF, worked on the creation of the Pesos Pensados website ([www.pesospensados.gov.co](http://www.pesospensados.gov.co)), which will be administered by Fogafín<sup>36</sup> and will comply with the “Government Online” guidelines.

<sup>36</sup> Fogafín will maintain the webpage and support the creation of content with the Active Stage Subcommittee with the assistance of the other technical subcommittees.

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This portal will be kept up-to-date to invite citizens to understand the content offered in the context of the ENEEF, especially that directed at the population in the active stage. It will also serve as a channel of communications to direct users to other websites or public and private applications on the subject.

The digital strategy was based on research and analysis of international best practices on EFE delivery standards, tools, content, focus, language and approach for the active population.

In general terms, the aim is to convert the Pesos Pensados site into the most consulted reference website in the country for information relating to economic and financial education, risk management or personal finance guidance and to contribute to informed decision making by the population. To this end the CIEEF will promote the following actions:

**Short- and medium-term activities:**

- Launching of the webpage and webpage dissemination and positioning strategy. These activities include messages on social networks and the use of the available channels of the entities making up the CIEEF.

- Creation of an editorial committee comprising entities that are members of the CIEEF to be responsible for defining the minimum quality criteria for all content published on the webpage.
- Personalization of content for users who consult the webpage.
- Coordination with public and private entities for the generation of content for the webpage and webpage dissemination and positioning. This action will promote the sharing of best practices and provide the portal with information and/or links to documents, pages and materials prepared by public and private entities.

**Long-term activities:**

The Active Stage Subcommittee will continue analyzing other economic and financial education tools, including face-to-face methods developed jointly with the private sector to identify the needs of the population.



Specifically, the aim is to encourage a larger proportion of the population to actively contribute to the pension system and to contribute consistently to their long-term savings.

#### 4.4.3. Provision for retirement and old age protection

**Lead:** Ministry of Finance and Public Credit, Provision for Retirement and Old Age Protection Subcommittee and partners, with the support of public and private entities that play a key role with this population segment, such as the Ministry of Labor, Colpensiones, Fasescolda and Asofondos.

As recommended by the OECD, EFE focusing on saving schemes for retirement is one of the most critical areas and an area in which most countries face the biggest challenges owing to the lack of motivation of individuals to build up long-term savings and, sometimes, a lack of knowledge on the operation of pension savings funds and schemes.

As indicated above, in Colombia a large percentage of the population does not contribute to any pension plan or belong to a formal old age savings scheme, demonstrating the need to offer EFE in a crosscutting approach at all stages of life to promote retirement and old age protection savings.

Although EFE is not the only option for ensuring that a larger proportion of the popu-

lation saves voluntarily for retirement, it is a critical factor that helps to consolidate the pension systems and the Periodic Economic Benefits Program (BEPS) in a context in which the proportion of the older population will gradually increase significantly in the next 30 to 40 years.

For this reason EFE is necessary to help individuals take ownership of the importance of beginning to save at an early age and make informed savings and investment decisions, bearing in mind the options they have available to them depending on their age and the type of pension or old age savings they opt for.

Specifically, the aim is to encourage a larger proportion of the population to actively contribute to the pension system and to contribute consistently to their long-term savings. In this context, the ENEEF is contemplating the following lines of action:

##### **1. Identify pension programs and perceptions:**

(i) Review and analyze the relevance of public and private studies and research conducted on issues facing seniors, based on a segmentation of income



and pension benefits and the objectives to be achieved via the ENEEF in terms of old age protection and provisions, identify programs that are aligned with the defined objectives, and target pension and old age protection in the mapping exercise led by the Banco de la Republica.

**2. Identify potential partners for the delivery of programs on provision for retirement and old age protection:** Identify and promote alliances with public, private and other entities and organizations to deliver old age protection and provision for retirement programs to seniors and other population groups.

**3. Disseminate information on old age protection programs such as the BEPS:** This line of action seeks to improve the dissemination of information on social welfare programs, facilitate alliances and work plans with various public and private entities, and achieve a rational management of resources.

**4. Design a delivery strategy for workers:** Design a strategy that includes mechanisms for the delivery of EFE materials to workers, specifically on topics related to old age protection and provision for retirement.

**5. Train teachers and guidance counselors:** Develop a guide for teachers to show them how to tackle EFE in the classroom, including topics related to long-term planning and savings habits and the operation of the two pension savings schemes.

**6. Develop and/or supplement entertaining educational materials directed at students in formal education:** Develop and/or supplement entertaining educational materials on long-term savings and the promotion of planning habits that are accessible to students in lower and upper secondary school.



#### 4.4.4. Vulnerable population

**Lead:** Banca de las Oportunidades, Vulnerable Population Subcommittee and partners, with the assistance of the Ministry of Information Technologies and Communications (MINCIT).

The national government has, via the CIEEF, considered the need for the ENEEF to establish spaces and platforms for even greater coordination with the community of program implementers targeting this population so as to adapt existing programs to methodologies, channels and networks that are appropriate for distributing EFE to this population, bearing in mind the context and needs of the population and promoting consolidation of a learning community that shares best practices and experiences in the field.

Specifically, the aim is to ensure that EFE on formal financial knowledge directed at this population promotes a culture of planning and saving and strengthens skills in the management of resources and handling of income shocks. To achieve this the following lines of action are proposed:

##### **1. Cooperation and coordination among public and private entities:**

Through the permanent dialogue of the subcommittees and public and private entities working with this population to harmonize the various strategies and methodologies (and thus generate efficiency of resources and effectiveness in the strategy actions to be implemented), the objective will be to coordinate these efforts with EFE initiatives put forward by high-impact, recognized entities such as organizations of international cooperation, universities, etc.

##### **2. New digital delivery channels and networks for the provision of EFE programs:**

Actions must be developed to diversify and increase the access of this population to various training spaces, such as by taking advantage of government networks (for example, digital kiosks) to promote new channels for awareness-raising and education of the population.

The aim is to ensure that EFE on formal financial knowledge directed at this population promotes a culture of planning and saving and strengthens skills in the management of resources and handling of income shocks.



This requires a strategic dialogue with MINCIT to develop an action plan aimed at increasing access to EFE programs through non-face-to-face initiatives using the government's digital networks.

Advantage will also be taken of the Digital Strategy tools and its webpage, *Pe-sosPensados*, to incorporate content and information directed at the vulnerable population so that resources and easy-to-access content using language inclusive of this population is available.

**3. Measurement and evaluation:** Having statistical data and information that is both demand-based (surveys) and supply-based (mapping) is key to EFE work with the vulnerable population, as it makes it possible to adapt the scope of the actions required and make the adjustments needed in the intervention to ensure that it is more effective and has greater impact.

To achieve this, it is proposed that the mapping exercise led by the Banco de la Republica be used to coordinate projects and promote mechanisms for the monitoring and evaluation of the strategies for this population so as to adapt to the challenges and focus the supply

**4. Methodology and content:** Mass face-to-face and virtual strategies should be maintained in the actions for this population group and they should be combined with methodologies that are adapted to the context. In addition, channels and technologies that serve as support and promote the generation of knowledge, confidence and new attitudes toward responsible financial decision making should be used.

It is therefore proposed that there be permanent dialogue and coordination on the lessons learned, that directives be prepared to ensure the adaptation and specialization of the content based on the profiles and culture of the region, and that channels be adapted, based on the context, by incorporating appropriate new technologies.

**5. Training for trainers:** This line of action involves the creation of a community of learning directed at the management of knowledge. The purpose of this community will be to facilitate the direct exchange of experiences and lessons learned with the various methodologies used for particular audiences so as to strengthen the training for trainers strategies and have skilled human capital available for these actions.



### 4.4.5. Microentrepreneurs

**Lead:** Banca de las Oportunidades Program, Subcommittee on Microentrepreneurs and partners.

Although the ENEEF has specific actions to promote EFE to the economically active population, which could cover microentrepreneurs, specific lines of action are needed for microentrepreneurs in vulnerable situations or endeavors.

This requires developing and promoting the use of methodologies that are easy to understand and apply, sustainable and scalable over time, and at the same time are easy to disseminate through innovative, technology-based face-to-face and non-face-to-face channels that facilitate adaption to the context of microbusinesses in rural areas.

The following are the lines of action for microentrepreneurs, in which education in the effective administration of household and

business resources, responsible management of loans, tools and conditions for accessing financial products and management of endeavors are considered a priority:

#### **1. Cooperation and coordination between public and private entities:**

Coordination is essential to achieve efficiency in the use of resources and maximize activities, particularly in the case of microbusinesses, which requires greater harmonization to avoid duplication of efforts. In this context, the aim is to involve all public and private entities related to this segment in promoting the best strategies targeting this population.

**2. Focus of the work:** For all of the lines of action, the focus that will guide the development of content and actions with the population must be defined jointly. Therefore it is proposed that guidelines be developed based on concepts ranging from the most basic to the most advanced, to enrich the experience of the microentrepreneur. This gradual approach should also lead to new methodologies and the most appropriate delivery channels that will promote the adoption of these courses of action.

This requires developing and promoting the use of methodologies that are easy to understand and apply, sustainable and scalable over time, and at the same time are easy to disseminate through innovative, technology-based face-to-face and non-face-to-face channels that facilitate adaption to the context of microbusinesses in rural areas.



### **3. Strategic alliances to expand the content and delivery channels:**

Similarly, evaluations of entities that have developed actions aimed at enhancing the financial capability of microentrepreneurs should be identified so that experiences that are easy to adapt and replicate, based on the criteria and focus of the work defined for this population, can be identified.

This requires the establishment of alliances with other institutions that complement the work involving the promotion and facilitation of guides for microentrepreneurs, including nonprofit organization, unions, consumer associations, entrepreneurs, solidarity economy organizations, communications media, to encourage them participate in the development of EFE programs.

### **4. Enhance the quality of the methodology and content for microentrepreneurs:**

One of the recurrent aspects identified in the assessment conducted for EFE development relates to the relevance of the various tools and content developed for the EFE work with this population group. The quality of the methodologies and content should result in appropriate tools aligned with the needs and profile of the population and their capabilities.

The development of innovative content and methodologies should include new technologies that supplement and strengthen more traditional face-to-face practices. For example, the development of messages and reminders using mobile technology (bidirectional SMS), workshops and courses to remind microentrepreneurs to save, pay themselves wages and calculate household and business flows may be effective.<sup>37</sup>

<sup>37</sup> The CGAP Technical Memorandum, which describes the research in various countries on the effect and adoption of practical reminders for microentrepreneurs, is recommended. CGAP. Marina Dimova and Mukta Joshi. Using Behavioral Science to Design a Customer-Centric Financial Management Training for Microentrepreneurs. Final Report of the Qualitative Research on Client Financial Management Practices, April 2016.



## 5. Promote innovative training for trainers:

Entities' experience has made it possible to understand that it is difficult for microentrepreneurs to set aside time and space for face-to-face training given their workload and the need for these individuals to give priority to taking care of their business for subsistence, which limits the scope for face-to-face actions.

There are currently public and private entities, institutions and foundations that use virtual channels such as tutorial videos and tablets to reach a wider audience more efficiently and in a more timely fashion, which can be studied and adapted to link them with the new innovations that they wish to develop.

For this reason the creation of innovative schemes for training trainers on the basis of courses using a mix of methodologies (virtual and face-to-face) designed to provide information remotely and thus increase knowledge and the development of financial capabilities and abilities in this segment of the population is deemed essential.

## 6. Adapt methodologies to microentrepreneurs operating in rural areas:

Finally, the development of a special line of action is needed to enhance activities for the most vulnerable microentrepreneurs in rural areas so that the actions in these contexts, which contribute to Colombia's rural development, may be strengthened.

For this purpose a specific assessment is proposed to identify developments and share innovative methodology (face-to-face or virtual) that incorporate technologies already developed and adapts them to the rural context. In this area it is also important to make use of the tools of the information center headed by the Banco de la Republica.



## 4.4.6. Crosscutting activities

In line with the above-described endeavors, the ENEEF includes various strategic focuses to be targeted in its actions, and it is hoped that some of the initiatives included in each of the pillars will be combined with and support others. Thus, with a view to strengthening coordination and quality in the development of the various actions, the ENEEF has identified the following crosscutting activities that will be implemented under the leadership of the Financial Regulation Unit in its capacity as technical secretariat of the CIEEF, with the support of the other entities that are members of the Commission.

### **1. Cooperation and coordination with public and private entities:**

Adequate implementation of the ENEEF requires the participation and cooperation of the various public and private stakeholders to ensure its effectiveness and expand its coverage. To this end, many of the ENEEF lines of action seek to strengthen the public and private EFE initiatives, tools and programs that are being developed across the country.

Therefore, with a view to promoting better communication, coordination and collaboration between public and private entities that offer EFE programs, the CIEEF will propose the harmonization of initiatives to integrate themes and supplement content and to promote strategic alliances for the sharing of methodologies and content.

In addition, cooperation and collaboration with the Advisory Subcommittee will be strengthened to facilitate the identification of potential alliances, including with the public sector, for coordination with other public policies, such as financial inclusion, consumer protection or social reintegration policies, when this is deemed to be mutually beneficial for the objectives of those strategies.

The CIEEF will encourage the Advisory Subcommittee to perform the following functions: (i) provide feedback to the Commission to strengthen the design of EFE initiatives through the sharing of experiences and best practices; (ii) advise and inform the Commission periodically

Adequate implementation of the ENEEF requires the participation and cooperation of the various public and private stakeholders to ensure its effectiveness and expand its coverage.



on trends or problems experienced by financial consumers; (iii) cooperate with the Commission in the delivery and implementation of initiatives targeting the various population groups and geographic areas; and (iv) cooperate in the promotion and organization of EFE forums and workshops for the exchange of experiences and best practices in the design, implementation, monitoring and evaluation of EFE initiatives broadly to multiple program implementers, etc.

**2. Annual Economic and Financial Education Forum:** The organization of an annual forum with specialists and members of the community that offers EFE programs will be promoted for discussion of progress and challenges and sharing of experiences on specific topics for the development of the strategy, dissemination of best international practices and strengthening of EFE program quality standards and evaluation.

The first forum will take place in the second half of 2017 and will provide platforms for sharing experiences and methodologies that focus on financial education for the vulnerable population and microentrepreneurs to identify needs and opportunities, available channels and methodologies, and challenges and possible solutions for these groups.

**3. Enhancement of EFE quality:** The CIEEF will define the minimum content and methodology criteria or recommendations to improve the quality and innovation of EFE programs. In addition, the dissemination of information on best practices, the recognition of high performance initiatives and the training of professionals involved in EFE programs will be promoted with a view to enhancing the creation, implementation and measurement of these programs.

The organization of an annual forum with specialists and members of the community that offers EFE programs will be promoted for discussion of progress and challenges and sharing of experiences on specific topics for the development of the strategy, dissemination of best international practices and strengthening of EFE program quality standards and evaluation.



To this end, with a view to including the behavioral change theory as one of the minimum EFE criteria, the CIEEF will, in coordination with CAF and Acción Internacional's Center for Financial Inclusion (CFI), develop a technical training program for the technical subcommittees on this focus and its incorporation in strategy programs and initiatives.

Furthermore, training sessions will be held on this focus for trainers and professionals in EFE programs specifically targeting vulnerable populations and microentrepreneurs.

**4. ENEEF management system:** The CIEEF has developed a specific methodology to manage the progress of and strengthen the ENEEF.

Specifically, the lead entities in each technical subcommittee will be responsible for coordination between the public and private sectors, and with civil society in general, within the thematic areas and groups or population segments that they cover. They will present a consolidated progress report on the various lines of actions for which they are responsible to the CIEEF. In addition, URF, in its capacity as technical secretariat for the CIEEF, will present a report on the status of the crosscutting themes of the ENEEF.

A consolidated progress report will be submitted to the Advisory Subcommittee at its periodic meetings and will also be shared with the larger community during the EFE Annual Forum.



### 4.4.7. Measurement, evaluation and monitoring system

International standards note the importance of having an information and measurement system to assess progress made, identify obstacles and allocate resources efficiently to achieve the objectives.

The CIEEF will therefore create a monitoring, evaluation and measurement system for the ENEEF will assess its results and promote sound evaluation processes in EFE programs and initiatives across the country with a view to strengthening programs and initiatives and positively impacting the behavior of Colombians.

This system will be constructed on the basis of baseline and monitoring indicators in accordance with the time frames of the action plans and will regularly review certain key indicators to monitor the general results of the strategy.

The system will consist of the following three aspects and lines of action:

**1. Measurement:** Establish indicators that will monitor the results and assess the progress of the strategy. The first measurement will take place in 2018 based on baseline data collected in 2017, and measurements will thereafter be taken every two years.

The indicators will be based on a connection between the objectives and targets of the ENEEF and the lines of action, with basic performance indicators at two levels: impact indicators that show the progress of the economic and financial education efforts and factors external to the ENEEF, and intermediate indicators that reflect intermediate results attributable to the activity and its implementation.

The data source for the indicators will consist of the demand surveys and program mapping, which will involve existing institutions and work in this area.

**2. Evaluation:** Component in which recommendations will be made for EFE program and initiative developers on what, how and when to assess programs and initiatives.

*Recommendations or Options Guide:* For the measurement and evaluation of economic and financial education programs and initiatives.



**3. Monitoring:** To ensure that a periodic mapping exercise for the economic and financial education programs is conducted.

*Mapping of programs and initiatives:* To be developed and disseminated on the basis of questions on monitoring and evaluation of the results of the mapped programs and initiatives. Based on this mapping,<sup>38</sup> follow-up will be provided to the indicators on the quality of the EFE programs offered.

The measurement, evaluation and monitoring system will make it possible to strengthen the results and impact of the programs and initiatives developed in Colombia and will provide a better overview of the stakeholders and resources used in this policy, allowing them to establish better alliances

An effective system will help to identify improvements for the design and enhancement of programs through the identification of more beneficial aspects and ensure that objectives are well defined.

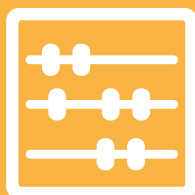
38 The following minimum criteria are established for the mapping of programs and initiatives: (1) Quantitative criteria: (a) Scope Criterion: which measures the proposal, its duration and the number of recipients with a view to identifying the scope and representativeness of the economic and financial education programs being provided in Colombia. (b) Criterion of rigor in the monitoring and evaluation system: which measures, on the basis of a variable that summarizes the observable characteristics of the monitoring and evaluation system, whether an impact evaluation is included and its methodological characteristics. The rigor of the monitoring and evaluation system is an indicator of the potential for an initiative/program to provide lessons. (2) Qualitative criteria: Innovation Criterion established qualitatively on the basis of evidence of the use of innovative programs/initiatives in the organization, content and distribution of information or knowledge. Initiatives that innovate in some way in the use of implementation strategies can provide valuable lessons, for example: programs that are innovative in terms of their target public, programs that are innovative in terms of the type of training methodology (including techniques that changes in behavior), programs that are innovative in terms of the channels or networks used for training, etc.

The CIEEF will therefore create a monitoring, evaluation and measurement system for the ENEEF will assess its results and promote sound evaluation processes in EFE programs and initiatives across the country with a view to strengthening programs and initiatives and positively impacting the behavior of Colombians.





5



**A young student runs to class**

A young student runs to school in the rural area of San Jose in La Ceja de El Tambo, department of Antioquia, Colombia. Photo by: Charlotte Kesi/World Bank.

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## Annex 1. Higher Education Teaching Staff by Department

Department	2015							2015 total
	Technical-Vocational	Technology	Professional	Specialization	Masters	Phd	No Information	
Amazonas			4		8	6		18
Antioquia	281	331	6,517	6,256	8,694	1,955	1	24,035
Arauca			1	1	2	2		6
Atlantico	16	50	1,296	2,365	2,387	469	3	6,586
Bogota D.C.	529	1,343	20,682	17,834	17,430	4,296	4,745	66,859
Bolivar	15	24	1,111	1,502	861	119		3,632
Boyaca	14	2	793	1,055	1,029	105		2,998
Caldas	5	14	654	462	1,000	272		2,407
Caqueta			144	228	234	17		623
Casanare	1		83	78	18			180
Cauca	2	1	525	583	577	115	2	1,805
Cesar			182	433	251	20		886
Choco			360	438	223	16		1,037
Cordoba			524	440	439	74	1	1,478
Cundinamarca	11	82	512	843	1,382	198	52	3,080
Huila		1	249	346	345	38	1	980
La Guajira	3		409	406	179	35	1	1,033
Magdalena	22	2	281	791	622	71		1,789
Meta	1	1	208	414	149	15	19	807
Narino	4	23	681	619	395	107		1,829
Norte de Santander	9	25	630	1,207	688	149	2	2,710
Putumayo		1	51	56	8			116
Quindio	4	3	431	449	292	33		1,212
Risaralda	17	50	854	421	763	130	8	2,243
San Andres y Providencia					1	9		10
Santander	46	101	2,476	3,187	1,886	333	13	8,042
Sucre		2	164	518	238	13		935
Tolima	7	2	554	1,018	703	143		2,427
Valle del Cauca	68	73	2,990	2,555	3,052	737	42	9,517
Grand Total	1,055	2,131	43,366	44,505	43,856	9,477	4,890	149,280

Source: MEN – SNIES. As of May 16, 2016



Annex 2. Statistics on Provision for Retirement and Old Age Protection by Population Segment, with Rural Disaggregation

General statistics*	2016
Total population	47.584
Total working age population	38.083
Economically active population	24.613
Employed <sup>38</sup>	22.461
Unemployed	2.152

\*Thousand

Of the employed population	
<b>Total: Contribution to pensions</b>	
35.27% contribute	7.922
64.7% do not contribute	14.378
1.3% retired	293
<b>Urban: Contribution to pensions</b>	
41.9% contribute	7.323
58.05% do not contribute	10.175
1.5% retired	337
<b>Rural: Contribution to pensions</b>	
12.4% contribute	598
87.6% do not contribute	4243
0.6% retired	135

Of seniors <sup>39</sup>	
Population >= 60 years	5.542
Men >= 60 years	2.513
Women >= 60 years	3.029
37.53% have pension coverage	2.080
22.3% live in poor households	1005
Colombia Mayor recipients <sup>40</sup>	1.499

Members of BEPS <sup>41</sup>	
Total members	585.467
Women 68.5%	401.603
Men 31.5%	183.864
Urban areas 86%	505.321
Rural areas 14%	80.146

Source: CIEEF. Information as of December 31, 2016. Colombia Mayor program data as of January 5, 2017.

38 Employed: Persons who were in one of the following situations during the reference period:

1. Worked for at least one hour with remuneration in the reference week.
2. Did not work during the reference week, but had a job.
3. Family workers without remuneration who worked at least 1 hour during the reference week.

39 Under Law 1251 of 2008 a "senior citizen" is a person aged 60 or older.

40 The Colombia Mayor program seeks to protect seniors in extreme poverty by provision of a subsidy of around 75,000 pesos per month.

41 Source: COLPENSIONES – Information as of December 2016. The Periodic Economic Benefits are an individual, independent, autonomous and voluntary system of old age protection offered as part of the Complementary Social Services and forming part of the Old Age Protection System to enable persons with few resources who participate in this system to receive an individual, personal, periodic income until their death.



## Annex 3. Summary of the ENEEF Action Plan

General Line of Action	Lead(s)	Period
<b>A. Crosscutting themes</b>		
Public and private cooperation and coordination	CIEEF	2017 – 2020
Annual Forum		
Quality enhancement		
Tracking, monitoring and management system		
<b>B. Formal Education</b>		
<b>Goal: Increase the financial capability of children and young people in formal education</b>		
Educational guidelines on risk and prevention	MEN	2017 – 2020
Measurement of the financial capability of students in lower and upper secondary school		2017 – 2020
Educational materials for high schools		2017 – 2020
Mobilization		2017 – 2020
<b>C. Active Population</b>		
<b>Goal: Develop a digital strategy targeting the active population</b>		
PESOS PENSADOS webpage	Fogafín & CIEEF	2017 – 2020
<b>D. Provision for retirement and old age protection</b>		
<b>Goals: To promote long-term savings and protection schemes and improvements and knowledge about pension systems.</b>		
Identify pension programs and perceptions about pensions	MHCP	2017 – 2020
Identify potential partners for the delivery of old age protection and provision for retirement programs		2017 -2020
Dissemination of BEPS programs		2017 -2020
Dissemination of strategy for workers		2018
Develop and/or supplement entertaining educational materials directed at formal education students		2018
<b>E. Vulnerable populations</b>		
<b>Goal: Promote the empowerment and economic and social inclusion of vulnerable groups through economic and financial education</b>		
Cooperation and coordination among public and private entities	Banca de las Oportunidades	2017 – 2020
New digital channels and networks to deliver EFE programs		
Measurement and evaluation		
Methodologies and content		
Training for trainers		

Continued on the next page



General Line of Action	Lead(s)	Period
<b>F. Microentrepreneurs</b> <b>Target: Promote the empowerment and economic and social inclusion of vulnerable groups through economic and financial education</b>		
Cooperation and coordination among public and private entities	Banca de las Oportunidades	2017 – 2020
Work focus		
Enhancement of the quality of methodologies and content for microentrepreneurs		
Promote innovative training for trainers schemes		
Adapt methodologies to microentrepreneurs in rural areas		
<b>G. Measurement, evaluation and monitoring system</b>		
Establish key indicators	Banco de la Republica	2017-2020
Recommendations guide for program measurement and evaluation		
Program mapping		

Source: CIEEF



