Evaluating Impact: From Promise to Evidence

FINANCIAL INCLUSION THROUGH FINANCIAL LITERACY IN GHANA

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Why Financial Literacy?
The 3 Northern Regions of Ghana
1. Intervention Summary

Program Description

2-year financial literacy pilot project to provide training for farmers in the rural areas of Northern Ghana.

• **Target Group**
  7200 farmers of villages in Northern Ghana

• **Where is it conducted?**
  240 villages in the 2 Northern Regions of Ghana

• **Implementation timeline**
  2nd Quarter of 2015 to End of 2017
STAKEHOLDERS

• World Bank- SIEF
• Ministry of Finance
• NGOs
• Credit Union Association
• Bank of Ghana
• Association of Rural Banks
• Farmers’ Co-operative Associations
• Ghana Microfinance Network
• Ghana Education Service...
2. Results Chain

- **Inputs:** financial resources: budget allocation
  human resources: playwrights and actors, training modules/package for officers and farmers, illustrators and graphic designers (for posters, brochures, banners, etc.), hiring and training of capacity building officers

- **Activities:**
  - **Awareness Level:** community mobilization, stage dramas, radio programs
  - **Knowledge level:** Community-based training sessions, Q&A sessions, illustrated posters and brochures, pocket guides (ABCs of savings, loans, investment, insurance)

- **Outputs:** Attendance of Training sessions, stage dramas, number of farmers who receive the brochures and pocket guides.
2. Results Chain

- More financial instruments utilized by the farmers
- Increase in knowledge and understanding of financial services such as loan, collateral, budget, saving account, microcredit, and investment.
2. Results Chain

- Increased savings at the household level
- Improved standard of living of farmers
- Increase the portfolio of the rural banks
- Increase in proportion of income from sale of farm produce managed at the bank
- Improved budgeting practices
- Scale-up of intervention to cover all rural communities across the country
3. Research Questions

• Has the knowledge of the farmers in financial services increased after the financial literacy training?

• Has the percentage of farmers using financial instruments changed over time?

• Are there significant differences between the outcomes of the 2 intervention arms, i.e. farmers who received the 5-week training and those who received the 2-week training?

• Has there been a change in household incomes of the farmers who partook in the financial literacy training by end 2017?
4. Impact Evaluation Design

A. Intervention Description:
   ▪ Treatment 1: 5 week financial literacy training for farmers in 80 villages
   ▪ Treatment 2: 2 week financial literacy training for farmers in another 80 villages
   ▪ Control: No financial literacy training for the farmers in the last 80 villages

B. Describe the sample size: 7200 co-operative society farmers from 240 villages
   ▪ Treatment 1: farmers from 80 villages
   ▪ Treatment 2: farmers from 80 villages
   ▪ Control: farmers from 80 villages

C. Program assignment rule:
   Step 1: random sample of 240 villages from the total population of villages
   Step 2: random assignment of 80 villages each to Treatment Arm 1, Treatment Arm 2 and the Control group
   Step 3: random sampling of 30 farmers from each of the villages: from the total number of farmers reported by the co-operatives
5. Data Collection

A. List program indicators to be collected:
   – Farmers’ knowledge of financial terms such as loan, collateral, budget, saving account, microcredit, investment, etc.
   – Demand: farmers yield, savings accounts, investments
   – Supply: records from the rural banks such as default rates of loans, portfolio of services provided, interest rates of loans

B. Method of data collection (e.g. electronic health worker interviews, admin data, etc.):
   baseline and follow-up household surveys for each village
   administrative data: records of administrative data from stakeholders; such as population census, list of farmers from co-operatives

C. Frequency of data collection:
   **baseline household survey**: before the intervention begins 2\textsuperscript{nd} Quarter 2015
   **intermediate follow-up data**: 6 months after the intervention
   **follow-up data**: 24 months after the intervention

D. Who will collect the data:
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