



Securing Financial Prosperity



Children's Financial Literacy Program
Cambodia 2016-2020

TEACHERS MUTUAL
BANK LIMITED



COVID-19

CAMBODIA

The Kingdom of Cambodia detected its first Covid-19 case on the 27th of January of this year. As the cases rose, the country decided to take strict measures, suspending foreign nationals from entering Cambodia, and declaring a state of emergency on the 10th of April. Schools were closed to slow the spread of the virus, and e-learning curriculums hastily developed to meet educational demand. Currently 274 cases have been detected, albeit with a low testing rate of 2000 per million, the country is vulnerable to suffer a health crisis compounding the existing financial hardship endured by those already living in poverty.

EDUCATION SYSTEM

On the 16th of March, the government decided to close educational institutions nationwide. Some Cambodian provinces such as the Takeo, Kampong Chhnang, and Svay Reing are heavily reliant on the education sector. Government spending on education has tripled since 2014 to \$848 million in 2018. As 70% of the country's economy heavily relies on tourism, manufacturing exports, and construction, future education spending will be at risk. To ensure children can maintain study habits, the Cambodian Ministry of Education, Youth and Sport has shifted its focus to online learning, providing children with online resources in Khmer, English, and almost 30 other languages. While this program offers interactive support to children, its implementation has failed to expand to children in rural areas where access to computers and the internet is limited.

CUFA STAFF

After the closure of schools, Cufa staff were unable to provide the Children's Financial Literacy program for over a month. As restrictions were slowly lifted by the end of May, Cufa staff shifted to providing home visits and providing training to small groups in their villages. As a result, despite the decreased number of lessons given to children, Cufa staff were able to provide financial literacy lessons at a reduced level. Cufa was also able to visit over 200 homes in a period of 2 months.

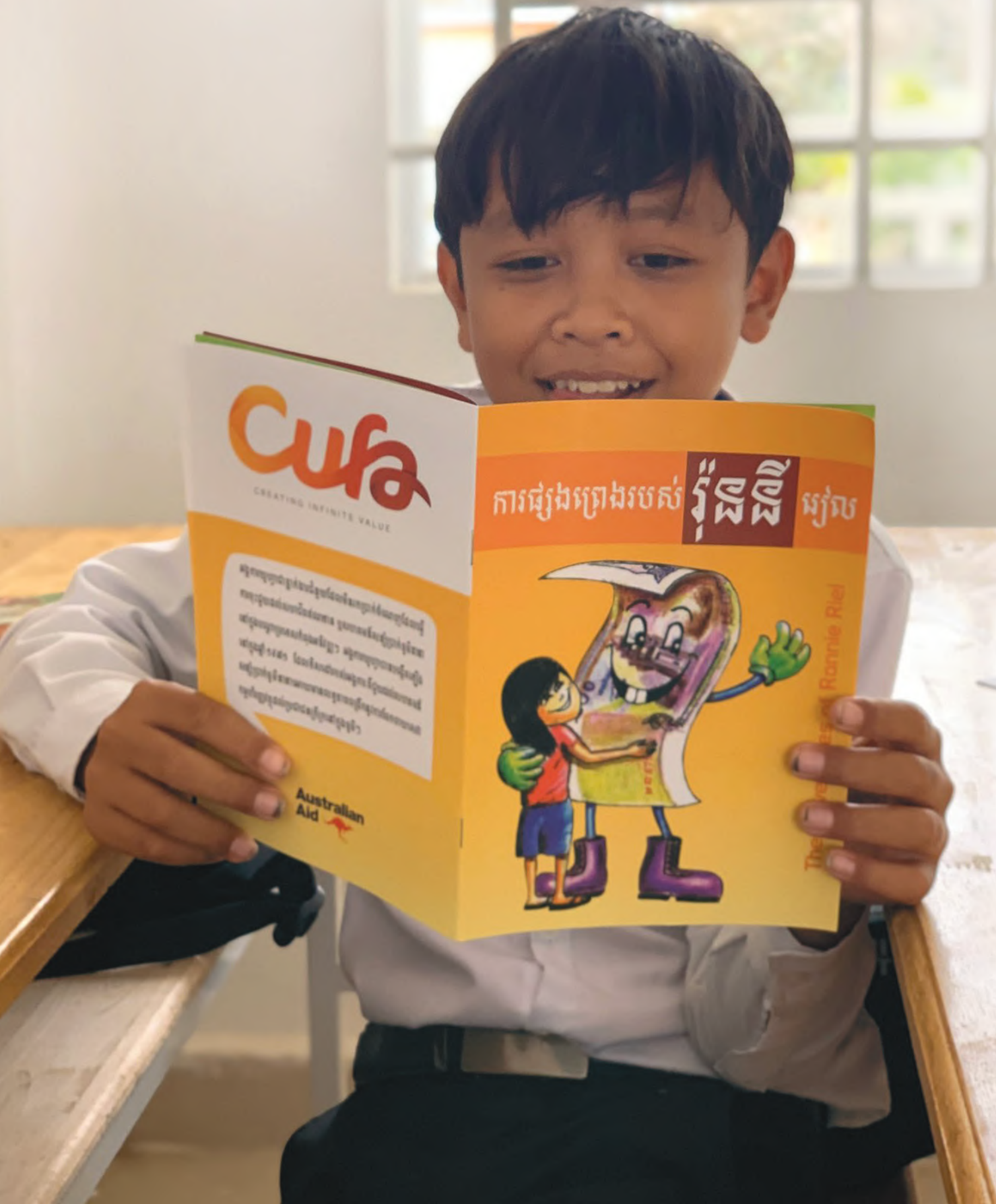


PROGRAM OVERVIEW

The Children's Financial Literacy Program (CFL), operated by Cufa has received great support from the partnership with Teachers Mutual Bank (TMB). Cufa and the TMB have constantly enriched children's knowledge on financial literacy through the implementation of the CFL Program. The aim at the beginning of the 2019-2020 Financial Year was to reach 9,000 children from 43 schools in Takeo, Kampong Chhnang, and Svay Reing Provinces. 6,000 of these students were funded by TMB, and the other 3,000 funded by the Department of Foreign Affairs and Trade (DFAT). Due to Covid-19 limiting Cufa staff members' movement, and the Ministry of Education closing the schools, Cufa was unable to meet the original targets.

The CFL has been successful in its mission of teaching children and engaging with regional communities from all over Cambodia. The Children's Financial Literacy Program consists of five core topics covering key components of financial literacy. A further focus is placed on the application of theoretical and practical engagement of the program. Among these practical applications there are visits to the children's families and visits to a local savings bank or a financial institution.

To achieve these goals, Cufa, with the support of TMB and DFAT, implements a combination of digital technologies as well as print material. An important feature of the program is the incorporation of local stories into fun materials for children, such as the "Ronnie Riel" stories. This book explains the importance of savings by following the story of Ronnie Riel. The story was created by Cufa using the local currency "Riel" and representing local images and language.



A group of children are gathered around a tablet computer. The tablet screen shows a colorful cartoon character with a blue cap and a white body, standing in a green field with a white cow and a small house in the background. The children are looking at the screen with interest. The background is slightly blurred, showing other children and a wooden table.

CFL'S MISSION

The Children's Financial Literacy Program takes a holistic approach to enhance the knowledge of financial literacy for children affected by poverty, and how their early financial choices will impact their future. Trained field officers monitor the program and provide educational materials, including engaging interactive games to assist the children in the retention of key information. The successful implementation of the program is only possible thanks to the collaboration with partners such as the Teachers Mutual Bank, whose investments have allowed over 24,000 children to be trained in financial literacy.

While the CFL program primarily focuses on teaching kids from the age of 6 to 12, the structure ensures that all members of the community gain a deep understanding of the program's purpose, its implementation, and its impact. Field officers constantly maintain a high level of engagement with local educators and families over the course of the program. This approach allows the whole community to have a positive outcome on financial literacy increasing their awareness about the future; also, by training local educators, the CFL Program allows teachers to educate children once Cufa officers finish the program.

THE IMPORTANCE OF FINANCIAL LITERACY FOR CAMBODIA



Cambodia is a developing country with a national GDP of \$28.8 billion USD with an annual GDP growth of 8%. Due to the Covid-19 crisis, the World Bank believes this growth will be reduced to 2.9%. This reduction, a level not seen since 1994, is a result of mass closures of the manufacturing and tourism sectors which represent 70% of their economy.

The percentage of Cambodians living in poverty was reduced from 50.2% in 2003, to 16.5% in 2016¹. Given the ongoing lockdown measures, it is too early to state the effects that Covid-19 will have on the poverty rate. As the current unemployment rate remains high, there are fears that this rate will increase dramatically. This compounds serious challenges for a country that continues to experience severe poverty, inequality, corruption, and limited human resources, among other social issues. Therefore, investment in areas such as education relies heavily on foreign aid. Since 1999, Cufa has been working in Cambodia pursuing the creation of financial inclusion and poverty reduction. One of the most important tools to tackle all these social and economic issues is through early education. Cufa believes financial literacy to be one of the four core pillars in empowering people to break the poverty cycle.

The Children's Financial Literacy Program reinforces Cufa's beliefs by providing children with essential knowledge such as smart savings, key investments, and long-term financial planning. In 2015, Cufa integrated a financial literacy app, which engages with children using five stories to better understand savings and assist in smart spendings.

¹ US Government, CIA World Fact-Book 2020,
< <https://www.cia.gov/library/publications/the-world-factbook/geos/cb.html> >

FINANCIAL LITERACY LESSONS



1. Understanding Money and Savings
2. Understanding Community Savings Banks, and the benefit of becoming a member
3. Setting Financial Goals
4. Budgeting
5. Borrowing and Lending



To ensure students are able to come away from the lesson with an understanding of, and an enthusiasm for saving, Cufa focuses on 5 fundamental topics in its lessons.

Each lesson runs for an hour, during which Cufa's officers explain the main theme of each course and its importance for their financial future. Some further materials such as iPads are provided to children, which they use to play interactive games about financial literacy. The first lesson also includes a visit to a local community savings bank.

After the first lesson, Cufa's officers conduct a home visit where parents are equally encouraged to start saving and support their kids with their financial goals. Given the high number of students in the CFL Program, home visits are limited and are chosen randomly. After the second lesson, children are expected to start thinking of saving for the future, whether they save it in savings banks or at home. At the end of the last 3 lessons, students will be able to understand all the core elements of financial literacy, resulting in saving habits and investments that will last well into their future.



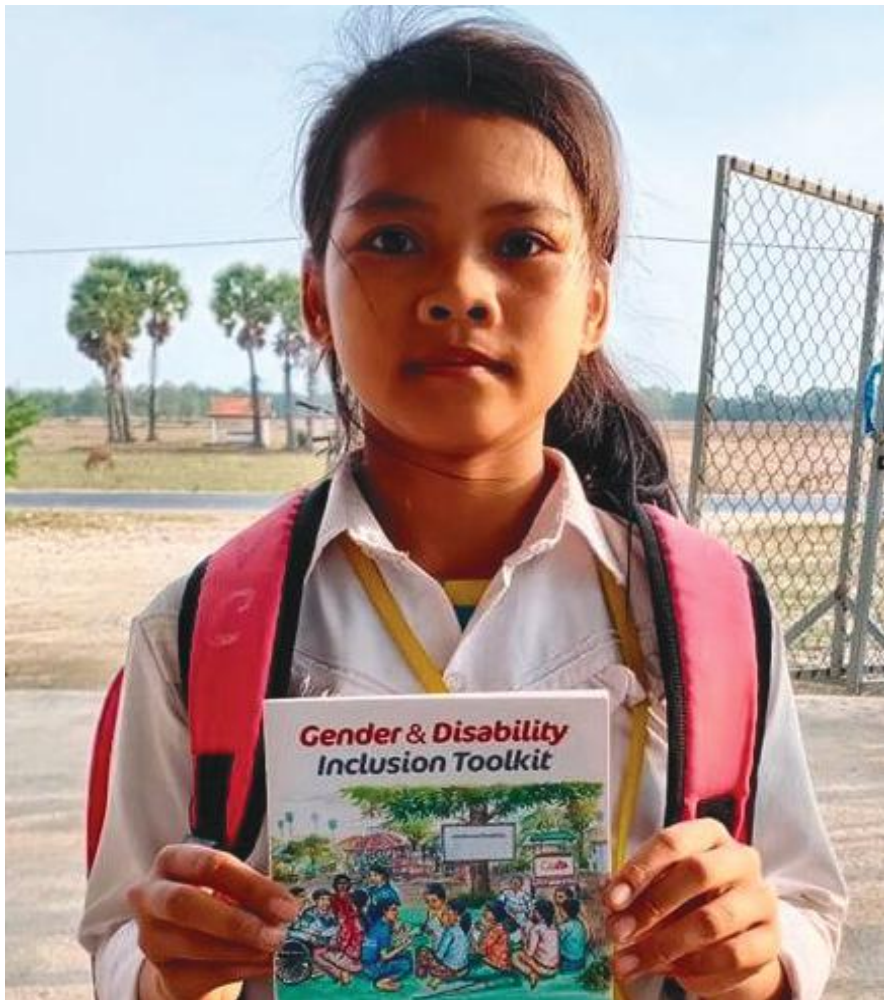
HOW TMB CFL CONTRIBUTES TO CROSS CUTTING ISSUES

Youth

Around the world, it is accepted that young people are at the forefront of how new technologies and ideas can change the world, and the Cambodian youth is no different. The Cambodian youth have become very active online thanks to the proliferation of smartphones. They have the opportunity to debate and discuss politics and social issues with their peers through the use of social media. The inclusiveness of this is still limited at the moment, and there continues to be a wide mistrust of political engagement online, with many seeing their involvement as too risky.

The Cambodian youth face a series of challenges, including unemployment, vulnerability to violence, exploitation, and access to quality education. Due to an underdeveloped education system and a lack of connection between learning and the labour market, youth often struggle to find meaningful work. Young people are more vulnerable to a wide range of physical dangers and mental health problems, with orphans and young migrants being the most at risk of exploitation and violence.

Reproductive and sexual health is a major challenge for the Cambodian youth, with a lack of information being a primary problem. These health risks are not universal experiences for all youth, with differences being based on ethnicity, gender, marital status and economic status¹.



Disability

In the last two years, the CFL has coached 25 children with disabilities, as well as a teacher with a disability who participated in the teacher's workshop. Due to the nature of their disabilities, Cufa ensures these children receive the extra support needed for them to attend the program. On top of this, Cufa's officers also visit their families to encourage the CFL program and ensure their integration and full support into the program.

To further help kids understand disabilities, Cufa has created "Gender & Disability Inclusion Toolkit", a reader-friendly book using culturally relevant pictures to help children understand disabilities, and how to implement disability inclusion in the classroom, and into their lives.

¹ OECD, Key issues affecting youth in Cambodia, 2019, <https://www.oecd.org/dev/inclusivesocietiesanddevelopment/youth-issues-in-cambodia.html>

Gender

Cufa believes in equal opportunities regardless of gender. Despite the country's patriarchal society, Cufa has a set of operating principals, among which is non-discrimination on the grounds of gender; thus, Cufa encourages the CFL to have equal participation of boys and girls. In the past three years, around 12,695 girls have participated in the program, totalling 46% of all the participants.

Social

Due to the legacy of war, youth are often cautious about participating in socio-political activities. Civic and political engagements are seen as pointless, divisive, and not worth the risk. These challenges and beliefs often come from parents who have been victims of the legacy of the Khmer Rouge, and these ingrained social ideologies of improvement have become difficult to challenge. Cufa challenges these norms and tackles inequality, underdevelopment, and poverty through its Children's Financial Literacy Program. As home visits are one of the main activities offered by the CFL, this time is used to encourage parents and members of the community to engage with the financial opportunities over the long-term. These visits encourage communities to become more approachable and engage in other social issues.

Rural Development

Only 23% of Cambodians live in urban areas. Rural communities are often at risk of food security, limited infrastructure, and poor allocation of resources by the Cambodian government. Although the pandemic has increased financial pressure, the remoteness of these communities decreases the possibility of an outbreak. These communities, however, are much less prepared to deal with the impacts of the pandemic. The lack of access to adequate sanitation and health services, and the migratory nature of the rural workforce increases the potential impact of Covid-19. Cufa acknowledges the need for financial inclusion, and development in the most excluded regions of the country, and the CFL targets these areas due to their disadvantage and inequality as compared to urban centres. Teaching financial literacy will help these communities become more independent and financially capable of sustaining themselves over the long-term.



HOW WE MONITOR THE PROGRESS OF THE CFL

- Collection of attendance rates of each lesson.
- Application of quizzes that test all knowledge retained by children after each lesson.
- Creation of monthly, and quarterly reports analysed by program managers.
- Project managers undertake one or two visits to document progress made where the CFL Program is implemented.
- Cufa analyses the outcomes and outputs of previous years to monitor and compare progress and to discuss whether program activities are being implemented and goals are met. Cufa shares these reports with partners, local NGOs, and other organisations to further expand knowledge and drive more effective implementation of future programs.

CFL's Footprints

Cufa's commitment to teaching financial literacy in Cambodia has resulted in thousands of children being educated on the importance of money, smart savings, budgeting, plus short and long-term financial goals. After the implementation of CFL, Cufa estimates that 60% of students maintain smart savings. The program also employs every opportunity to engage with parents, teachers, directors, and other community members.

Thanks to the support of TMB, every investment of \$1 into the CFL program creates a social value of \$8. As Cufa integrates local educators into the CFL Program, these students will be well educated by local teachers in the long-term regarding financial literacy and will achieve their financial goals more easily.

KEY ACHIEVEMENTS OF The TMB CFL 2019-2020



5 Financial Lessons Throughout the School Year

Over 5,600 students (Including 2,892 girls) already attended the first and second lessons of the program. The program's efficiency is demonstrated as Cufa delivered 111 sessions planned for the students, out of 102. Since the commencement of the CFL Program 2019-2020, 5,770 students have been taught financial literacy. The original intention was to provide a further 26 training sessions, but due to Covid-19 limiting travel and school closures, the training sessions were postponed.

Home Visits

Each visit usually takes about 20 minutes, in which Cufa staff gather information such as children's habits after being exposed to the CFL program. Due to the effects of Covid-19, Cufa decided to increase its home visits. Over the course of the 2019-2020 program, Cufa successfully visited 466 households.

Teacher Module Training

Project officers not only educate children and families but also encourage local educators to teach financial literacy in their schools. This ensures local teachers can spread the important knowledge needed for Cambodian children to be mindful about savings in the long term. In January, 68 teachers, 27 of them females, completed their training modules in 5 host schools. Since the beginning of the program, 16 schools and 215 teachers, including 114 women have been part of the training modules resulting in a higher achievement number than initially forecast.



STUDY TOUR

Each tour has approximately 80 students from grades 4 to 6. Due to the emigration of local communities to other provinces and formal banking institutions expanding to remote areas, there has been a slight decrease in the number of children opening savings accounts with community savings banks. However, since June 2019 143 boys and 156 girls have opened and begun saving money in community saving banks, as well as other children are depositing savings into their parents' savings accounts. Cufa provides technical support to community saving banks in the areas of governance, leadership, bookkeeping and self-sufficiency.

Target of Children Saving

The key objective of the CFL Program is to equip children with financial knowledge and skills to ensure their positive financial future. To achieve this objective, one of the aims of the CFL Program is for 60% of participating children to be saving money at home or with their community saving bank. The support of TMB and DFAT has allowed Cufa to achieve and exceed this target with 63% of children saving. Cufa expects this percentage to increase as Cufa continues to implement the CFL Program and provide technical support to community saving banks.





Outputs for 2019-2020

- 1.** Originally, the aim was for the TMB CFL program to reach 6,000 children by the end of June 2020. However, due to school closures, Cufa was able to provide the full five literacy lesson plan to 5,770 children.
- 2.** Project officers have conducted 466 home visits to further educate and reiterate to parents the importance of smart savings and budgeting.
- 3.** Up to 80% of teachers were included in the training modules.
- 4.** Four study tours were conducted annually. This activity also included a visit to a local savings bank to understand the benefits of becoming a member of safe and stable savings banks. For the most remote schools, the program invited the savings banks to give a presentation.
- 5.** Over 60% of children have started saving or have opened a savings account, including a shared account with their parents.

2016-2020 Cumulative Output

Over 24,000 children have received financial literacy training, with over 48% being female participants, and over 2,000 financial literacy classes have been conducted. 14,734 students, including 7,683 females have already started saving in their piggy banks and their local community savings banks. At the end of the 2019-2020 program, over 60% of participant children started saving. 70 Schools have benefited from the CFL Program, in which around 500 teachers participated in the teacher workshop. Due to the lockdown measures in Cambodia, Cufa's team was able to increase home visits to a total of 1,544 including 466 this year.

CFL'S ACHIEVEMENTS 2016-2020

Cufa sets an annual target of 9,000, a culmination of 6,000 from the partnership with TMB, and another 3,000 from the partnership with DFAT. These partnerships have allowed Cufa to continue delivering life-changing programs to children in Cambodia.

No.	Output Achievement	Organisation	Activity results		Participants			
			Target	Achieved	Male	Female	PWD-M	PWD-F
1	Children received financial literacy training	TMB	24,000	24,196	12,387	11,809	6	12
		DFAT	12,000	12,333	6,199	6,134	26	26
		Total	36,000	36,529	18,586	17,943	32	38
2	Financial education lessons conducted	TMB	2,080	1,719	12,387	11,809	3	10
		DFAT	1,440	1,473	6,199	6,134	26	26
		Total	3,520	3,192	18,586	17,943	29	36
3	School reached	TMB	70	70	12,387	11,809	3	10
		DFAT	39	39	6,199	6,134	26	26
		Total	109	109	18,586	17,943	29	36
4	Trained children started saving (including savings account)	TMB	60%	60%	7,051	7,683	1	4
		DFAT	60%	67%	3,390	4,958	9	11
		Total	60%	63%	10,441	12,641	10	15
5	Study tours conducted to saving banks	TMB	19	7	389	387	0	0
		DFAT	16	6	209	260	0	0
		Total	35	13	598	647	0	0
6	Teacher Workshops conducted	TMB	61	61	283	244	2	0
		DFAT	35	33	164	143	1	0
		Total	96	94	447	387	3	0
7	Home visits conducted	TMB	1,440	1,506	2,094	3,148	0	2
		DFAT	720	1,023	1,132	1,378	1	1
		Total	2,160	2,529	3,226	4,526	1	3

*PWD= Person with Disability

TMB'S IMPACT 2016-2020

The TMB has not only funded two-thirds of the programme, but its investment also has successfully maximised its value with an average annual donation of \$60,000.

	2016	2017	2018	2019	Total
TMB Investment	\$60,000	\$60,000	\$57,000	\$57,000	\$234,000
Social Return on Investment (SROI) Generated	\$480,000	\$480,000	\$456,000	\$456,000	\$1,872,000
Total TMB Impact	\$540,000	\$540,000	\$513,000	\$513,000	\$2,106,000

Social Return on Investment

The Social Return on Investment (SROI) acts just like the Cost/Benefit analysis tool that allows Cufa, and its supporters to understand and obtain quality information about the positive impacts and social benefits of the programs. The SROI demonstrates the value of increasing its beneficiaries and quality of life. Cufa ensures every dollar spent becomes an investment opportunity. Due to the expansion in scope and scale of Cufa's development programs, the ratio has increased from 1:8 in 2014 to 1:12 in 2018. The Children's Financial Literacy Program is expected to maintain a ration of 1:8. Since 2016, TMB has invested over \$234,000, whose value is expected to create an estimated social value of \$1,872,000, and with the inclusion of other financial programs in these communities, its value will maximise even further.





Teacher's Mutual Bank Contribution to the CFL Program

Since Cufa's partnership with the Teachers Mutual Bank in 2013, TMB has been a key element in the development of the Children's Financial Literacy program and its success. In 2016-2017, TMB created a large impact by allocating a combined amount of \$60,000 towards Cufa's CFL Program. TMB's continuing investment has supported the program implementation and outcome reaching over 24,000 kids to become financially literate, and allowing 1,000 teachers to engage in the program. TMB's contribution of \$57,000 for the development of this year's program, and with the improvement of the SROI to 1:8, Cufa estimated a social return on investment of around \$456,000. Given the current global situation with Covid-19 and school closures, not all children were able to access all five financial literacy lessons this year. Cufa is committed to maximise every investment in education, and as Cambodian schools begin to reopen after the pandemic, Cufa will ensure that all five lessons are taught to children under Covid-19 regulations.

Program Consumable and Activities

- Ronny riel booklet – 6200 booklets
- Lesson booklet – 6200 booklets
- School materials for children (notebook, pens, pencils)
- TMB CFL class training material
- Copy and printing for class lessons
- Saving bank study tour

Implementation Staff Cost:

- 2x Project Officers – 3 days training to Cufa staff to ensure they are equipped with the appropriate skills and knowledge
- 1-hour workshop for teachers and school directors at each school. A total of 22 hours for the TMB CFL Program 2019-2020
- In-country travels and monthly monitoring of the program.



TMB Study Tour

Each year, the Teachers Mutual Bank is invited by Cufa to observe all the activities that Cufa has been implementing in the Children's Financial Literacy Program. Last year, the tour comprised of four days full of activities that varied from cultural and historical activities, to visiting Cufa's projects and learning about some of the participants' stories. The tour began by learning about the history of Cambodia. The group was taken to the Tuol Sleng Genocide Museum as well as the killing fields. This exposed the study tour to the impacts of the Khmer Rouge and the current progress in the country and why organisations such as Cufa and TMB are needed. After this tour, visitors travelled to villages where the CFL Program is implemented. In these villages, they witnessed how Cufa, supported by TMB, implemented the lessons and provided visits to local savings banks. In the following days, the TMB team was further exposed to activities explaining financial concepts, savings institutions, and traditional games where they learned how to craft pots with local business owners. On the final day, the group visited sites that have been supported by former Cufa projects and were given a glimpse of the footprints Cufa has left in Cambodia.

The tour was accompanied by two Cufa officers. One of which said:

"I enjoyed showing our guests the Children's Financial Literacy and Village Entrepreneur programs and as most of our guests had banking backgrounds, the objectives of these two programs is very aligned with their expertise. The Children's Financial Literacy kids are always very interested to learn about the saving habits of Australian kids and how they save. I feel like the guests could learn a lot from the kids and Village Entrepreneur families"

- Sreyneang Pok, Project Coordinator Cufa

This year, Cufa has again invited TMB to join them in monitoring project activities through interactive learning with the children and communities they have been supporting, and to see how their contribution to the project will impact these communities in their financial future.

CASE STUDY



Cheng Sievching

Cheng is an 11-year-old primary school student at Kampong Chhnang Province. He is an active student who has received financial literacy training through the TMB's CFL Program. Cheng said "I had no idea of saving money at all. I always spent all the money my mother gave me daily and even saw my older sister put her money in her piggy bank, but I did not follow her". After being taught the basic concepts of financial literacy, Cheng has completely changed his spending habits, "Now I keep 1000 riels (AUD \$0.37) per day for saving in a piggy bank like my sister, as my mother gave me 2000 riels (AUD \$0.74) per day. I hope at the end of the year, I will have enough money to buy my own school uniform and materials. And if I do, my mom promised me to buy a car toy."

Kum Tola

"Saving to become a doctor"

Kum is a grade 3 student at Chombork Kantranh primary school, Kampong Chhnang Province. He is a 9-year-old, second child in a family of 3 children. He and his siblings currently live with his grandmother whilst their parents work in Phnom Penh. Before participating in Cufa's financial literacy training, Kum spent all his money on toys and snacks, and when his grandmother asked him to reduce expenses, he became frustrated and sad.

Once Kum received financial literacy training, he became aware of the importance of savings and completely changed his spending habits. He started reducing unnecessary expenses and now realises how hard his parents work to earn money for him and his siblings. In addition, Kum now spends more time helping his grandmother doing housework and raising their animals. During the home visit to Kum and his grandmother, she told Cufa "Kum started saving some of his pocket money, he has saved 1000 riels (AUD \$0.37) a day, and is opening a savings account with Tang Thnong Community Savings Bank, which is located in the village"



Kum also mentioned to Cufa

"I want to save for my future career as a doctor, so I think that by saving in the Community Saving Bank I will reach my long-term saving goal"

Children's Financial Literacy Program, Cambodia.



ABOUT CUFA

Cufa is an Australian Development Agency that has been operating for nearly 50 years, alleviating poverty and creating infinite value across the Asia-Pacific. The organisation believes in providing a hand up, not a handout; providing skills, knowledge, and resources required for people to break the poverty cycle.

Cufa's work focuses on developing and supporting financial cooperatives in communities that previously had little or no access to a financial institution. A locally developed financial cooperative allows a safe place for people to store their money and to take-out loans, better understand how to manage their money, and begin to save for the future. This creates employment opportunities for villagers, empowers women and people with a disability, and improves the wellbeing of the community at large through financial independence.



Our Mission

To facilitate the development of economic capacity through education, employment and enterprise opportunities to create infinite value and self-reliance.



Our Vision

Our vision is for communities of the Asia-Pacific region to be free of poverty through economic development and self-determination.



Our Values

Integrity, passion, innovation, collaboration and financial prudence.



Our Impact

For every \$1 of donor funding \$12.33 of value is created by our development programs.

CUFA'S TEAM

Cufa has a dedicated professional team in Cambodia and Australia.

- Cufa is governed by a board of seven highly skilled professionals, and a dedicated company secretary, who meet up to four times a year to report on Cufa's achievements and projects. Their responsibilities include the strategic vision of the organisation.
- Cufa's Program Managers and CEO work together to manage the operations and ensure its progress according to project plans, budgets, and donor requirements.
- International Development Working Group (IDWG) further contributes expertise to Cufa's international projects, meeting quarterly to provide input, advice, and feedback on Cufa's projects. The IDWG performs the function of an advisory group to the CEO to assist with the innovative delivery of projects to reach the most marginalised.
- The Program Manager works with the Project Proposal Designer and Programs Officer to design projects, manage and support staff in the country, ensuring appropriate reporting frameworks are in place. They establish and maintain strong relationships with partner organisations and monitor financial expenditure according to project budgets.
- Cufa operates 30 staff members spread across 3 countries, 10 of them in Cambodia.
- At the Country level, each country is managed by a Country Program Manager who supervises and manages local staff. The program manager works closely with Project Coordinators on projects such as the Children's Financial Literacy Program, ensuring that projects remain on track and identifying areas of further development.

Appendix A

The Australian Government

ACFID

Cufa has been an active member of the Australian Council for International Development (ACFID). This organisation has over 130 members working in 90 developing countries and is supported by over 1.5 million Australians. ACFID stands as a standard-bearer for good practice in the international development and humanitarian world. Its agenda includes influence, unity, teamwork, quality, and effectiveness. All these goals are possible through the Code of Conduct, an industry code which aims to improve the outcomes of international development by maintaining transparency and accountability of its members. As a proud member of ACFID, Cufa rigorously complies with ACFID obligations. Every year, Cufa supplies ACFID with its Financial and Annual reports, and every three years Cufa supplies ACFID a comprehensive assessment that verifies its compliance with the code.

DFAT

Alongside the TMB CFL Program, the Australian Government, through the Australian NGO Co-operative Program (ANCP) delivers financial literacy lessons to 3,000 students each year. At the beginning of each year, Cufa submits a development plan, and by the end of the year, a performance report is completed. Both these documents ensure that Cufa is compliant with DFAT's thorough reporting requirements, and as part of a DFAT's monitoring and evaluation framework, an annual monitoring trip is conducted by ANCP personnel.

Government Relations

Cufa is a registered NGO in Cambodia and has a Memorandum of Understanding with relevant ministries of the Cambodian Government. As part of this MoU, Cufa endeavours to act in cooperation with the Government, allowing for projects to be reviewed. Cufa also has a strong working relationship with the directors and the teachers from the schools in which Cufa currently cooperates; the Ministry of Education, Youth, and Support, as well as Provincial Governments, endorse the Children's Financial Literacy Program.



APPENDIX B

1	Official Name	Kingdom of Cambodia
2	Capital	Phnom Penh (2.078 million)
3	Population	16,926,984
4	Area	181,035 sq km
5	Border Countries	Laos 555km, Thailand 817, Vietnam 1,158 km
6	Language Groups	Khmer (official) 96.3%, 3.7% Other
7	Major Religions (%)	Buddhist – 97.9 Muslim – 1.1 Christian – 0.5 Other – 0.6
8	Population Growth	(Annually) 1.4% (2020 est.)
9	Population Distribution – Urban : Rural	23.8:76.2
10	Human Development Index Rank	0.581
11	Percentage of Population in multidimensional poverty	37.2
12	Corruption Perceptions Index Perceived level of public sector corruption	20/100 161/180
13.	Human Rights Issues	Media Freedom Human Rights Defenders Women Rights Forced Evictions International Justice
14	Literacy Rate(>15 years of age) Male:Female	80.5% 86.5:75
15	Life Expectancy at birth	65.9 years
16	Fertility	2.39
17	Infant Mortality Rate (Deaths/1000 live births)	43.7
18	Labour Force Participation Rate (% ages >15) Male:Female	87.6:75.2
19	GDP (Per Capita. USD)	\$4,000
20	GDP (official exchange rate USD) 2014.est	\$22.09 Billion
21	% GDP Comparison by Sector: Agriculture Industry Services	25.3% 32.8% 41.9%

2,3, 6-9,14-17,19-21: US Government, CIA World Fact-Book 2020, <<https://www.cia.gov/library/publications/the-world-factbook/geos/cb.html>> 10-11 & 18: UNDP, Human Development Index 2019 <<http://hdr.undp.org/en/countries/profiles/KHM>> 12: Transparency International, Corruptions Perception Index 2019, <<https://www.transparency.org/cpi2019>> TMB Report 2019-2020 21

** These results are expected to change as the impacts of Covid-19 are felt across the globe. According to the Lowy Institute, "The situation is dire. Cambodia's main GDP growth drivers such as the garment, tourism and construction industries are faltering. Almost 200 garment factories in the country have suspended operations, and around 170 companies in the tourism industry have been shut down."

APPENDIX C

THE STATE OF CAMBODIAN EDUCATION

The Cambodian school system involves a compulsory primary and lower secondary education (to the equivalent of Year 9), then a further Upper Secondary Education for another 3 years, with the option of attending a vocational school instead. The school curriculum is focused on teaching the knowledge of the Khmer language, mathematics, scientific principles, and the natural world, an understanding of national identity, civic responsibilities, and competence in a foreign language.

Cambodian education faces significant, cross-cutting challenges. Compared to its neighbours in Thailand and Vietnam, and lower-middle-income countries in general, Cambodia performs poorly. According to the MoEYS, only 8% of students achieved the minimum level of proficiency in reading, and only 10% achieving the minimum level in mathematics. To address this issue, the Cambodian government, as well as national and international NGOs (Including Cufa) have invested heavily in all levels of education.

Primary education enrolment has been steadily growing, with net enrolment rates remaining high at 98% for the past five years, and the completion rate has grown to 80% for primary education². In secondary school, the enrolment rate begins to drop to 56.8% for lower secondary school, but this is an improvement on past years performances³.

Some of the challenges that Cambodian children and teenagers continue to face, particularly in rural areas, is the need to support their families financially and a lack of skilled teachers. Due to excessive debt in families, many struggle to put their children through school, and as they grow up, many are required to begin assisting the family business or seek out employment.



Rural divide

A major divide, as is the case in many countries, is the division between rural and urban communities. 76.2% of Cambodia's population is rural, and the schools in these areas are undeveloped, with poor facilities, and fewer skilled teachers. This has resulted in a considerable disparity between the two, as rural schools are outperformed by their urban counterparts to an equivalent of one year's worth of schooling. Government attempts to attract teachers to the rural areas have been insufficient, with urban areas instead experiencing a surplus of teachers. Significant challenges remain in ensuring that the rural schools are not left behind, but with International Support from organisations such as Cufa, rural schools can receive the support they need to thrive.

² MoEYS (2018). Education in Cambodia: Findings from Cambodia's experience in PISA for Development. Phnom Penh.

³ MoEYS (2016). Midterm Review Report in 2016 of the Education Strategic Plan 2014-2018 and Project to 2020. Phnom Penh.

Teachers

Cambodia's educational system was destroyed during the Khmer Rouge period of 1975 to 1979, with teachers of all levels being either killed, put into forced labour or exiled⁵. After this period, teachers were trained at a rapid rate, from courses lasting a week to up to a month. This pragmatic decision has led to a continued lack of qualifications in teaching, with only 693 teachers receiving pedagogical training, out of a combined 84,312 teachers nationwide⁵.

Teaching remains an undesirable career, as teachers are paid on average 60% of what other professionals with a similar education would receive, and struggle to find career progression in the role⁶. The Government has made attempts to improve the conditions and salaries of teachers, as well as to encourage more teachers to rural areas. The Government of Cambodia decided to ensure a supply of teachers in rural areas, and as a result the educational requirement was reduced by three years, requiring that the teachers only have graduated the grade nine equivalent⁵. As teacher quality is important to the learning outcomes of the students, this adds to the list of challenges that students in rural areas face. Improvements are being made in the quality of teachers, with 72.1% of all teachers now having their equivalent high school diploma⁶.



⁵ Pich, K (2017). Challenges facing the implementation of teacher education policy and its impacts on teacher quality in Cambodia. UC Occasional Paper Series, 1(2), 39-59.
⁶ MoEYS. (2015). Teacher Policy Action Plan. Phnom Penh



Mr Pann Uon

Since 2008, Cufa has been implementing the CFL Program in the Takeo province. As this year's program is working in Sreronong Primary School, one of Cufa staff has met with School Deputy Director, Mr. Pann Uon. During the meeting, he addressed the children's improvement before and after the CFL Program. Before the students knew about financial literacy, Mr. Pann said "They spent money extravagantly on unnecessary stuff such as junk food, and particularly on toys, toy guns, balloons, stuffed animals and they hardly listened to our advice and their parents. Once the school had an event that required a small contribution towards a student who was in an accident and became seriously ill, but they didn't have money to donate". After receiving the CFL program, many children have rapidly

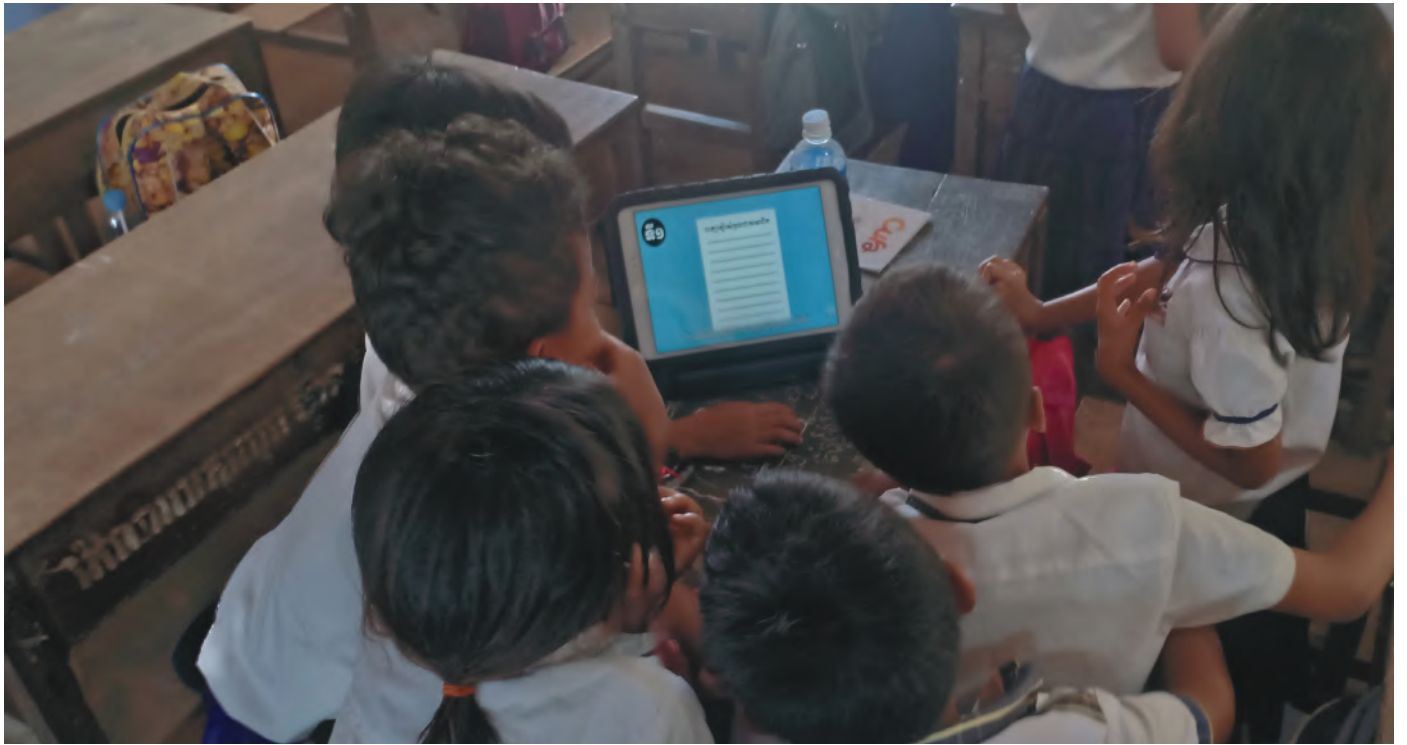
changed their behaviour. "They started saving money with their peers and teachers at school for particular purposes, and also have started saving with their parents. Noticeably, they spent less on toys and now they know how to spend their money wisely. Proven from their change in behaviour is a positive achievement of the CFL project to children's lives which the school is truly happy about it". Mr. Pann keeps encouraging his teachers to remind students about the importance of financial literacy even after the conclusion of the program.

Appendix D: The Cambodian Financial Sector

The Cambodian financial sector is growing, despite access to traditional banking services being limited to only 17% of the adult population. Currently, 42% of the adult population has access to other formalised forms of finance, including microfinance institutions, savings and credit unions, and co-operatives. The remaining are excluded or in informal forms of finance. Nonetheless, there is a strong drive in Cambodia towards financial inclusion. In the post-conflict period, there has been a growth of village-based savings banks and financial institutions in rural Cambodia. These areas were developed by national and international NGOs who brought in credit. As these organisations were primarily supported by overseas credit, they did not build capacity within the targeted community. This led in some cases to programs being withdrawn due to depleted resources, which meant that many lost their savings. The credit union movement is instead a pro-poor approach, looking to develop savings banks run locally, with the interest from the loan returning to the development of the community. Cufa successfully operated a Building Institutional Capacity Program that worked towards supporting these community-based saving banks.

According to the Cambodia Roadmap 2018, organisations such as Cufa are “driving financial inclusion in Cambodia”, and assisting Cambodians to move away from traditional, high-risk forms of savings and investment. As Cambodia has struggled to retain students into secondary school due to potential students leaving to work with their parents and support their families, a holistic financial literacy approach must be taken to ensure parents, as well as children are being taught vital financial literacy. Parents will feel less pressured to withdraw their children from school if a stable and sustainable business is achieved.

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