

**CENTRAL BANK OF KENYA**



**SPEAKING NOTES**

BY

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CENTRAL BANK OF KENYA AND  
CHAMPION OF THE FINANCIAL EDUCATION AND CONSUMER  
PROTECTION PARTNERSHIP (FEPP)**

AT THE

**FEPP TASKFORCE AND MEDIA PRACTITIONERS RETREAT**

Great Rift Valley Lodge, Naivasha  
22<sup>nd</sup> October, 2010

**Ms. Bilha Maina, Project Manager, FEPP;**

**Facilitators;**

**FEPP Members;**

**Media Practitioners;**

**Distinguished Guests;**

**Ladies and Gentlemen:**

I am pleased to join you this afternoon at this important retreat at which FEPP is reflecting on its three years of existence. More importantly, the partnership is charting a path for the future. I am also privileged to serve as the Champion of FEPP, a responsibility that has been rewarding and satisfying.

The partnership has made an important contribution in creating a platform to discuss and exchange knowledge on financial education and consumer protection. In this regard, I commend the project manager and members of the partnership for the role they have played towards this end.

Financial education and consumer protection are drawing global attention as critical cogs in the financial inclusion agenda. As you may be aware, at the Pittsburgh G20 Summit in September 2009, the G20 Leaders committed to improving access to financial services for the poor and directed the establishment of a G20 Financial Inclusion Experts Group (FIEG). The group was tasked with identifying innovative ways of scaling up access to financial services to the poor through innovation and identifying successful SME financing models that could be replicated to enhance access to finance for SMEs.

The FIEG has formulated nine principles that can be adopted by countries to scale up access to finance by the poor. Of particular relevance are principles on protection and empowerment. The principal on protection encourages a comprehensive approach to consumer protection that recognises the roles of government, providers and consumers. While the principle on empowerment

recommends the development of financial literacy and financial capability programmes.

The principles are expected to be tabled for adoption at the G20 Seoul Leaders Summit scheduled for mid November 2010. Developing countries have had an input into these principles particularly through the Alliance for Financial Inclusion (AFI). AFI together with the Consultative Group to Assist the Poor (CGAP) acted as the Joint Secretariat for the G20 FIEG. AFI brings together policy makers from over 50 developing countries from Africa, Latin America, the Middle East and Asia to share knowledge on cutting edge financial inclusion policies.

We anticipate that with the adoption of the financial inclusion principles, a significant resource envelope will be available to support financial education and consumer protection initiatives. This retreat should therefore come up with concrete work plans that can leverage on these resources. The Central Bank of Kenya is the current Chair of AFI and we are willing and ready to showcase FEPPs initiatives through this global platform.

On the Domestic Scene, Kenya's financial sector continues to experience phenomenal growth. Close to 13 million Kenyans access mobile money transfer services while the banking and deposit taking microfinance institutions house close to 12 million accounts. Just five years ago, the banking sector only held 2.5 million accounts.

Kenya has indeed become a global showcase of how innovative policies and use of technology can rapidly and massively upscale financial reach and depth. But as Kenya banks millions every year, enhanced consumer protection and financial education become imperative. These programs should cover the three categories of consumers that most of you in the partnership are aware of i.e. the **“underserved and unbanked”**, the **“middle income disciplined**

**planners”** and the **“elite but sometimes risky banked segment”**. But of course financial education is critical as a first step.

The recent promulgation of the New Constitution is also noteworthy. The new Constitution entrenches consumer protection in the Bill of Rights and compels Parliament to enact consumer protection legislation. These local developments provide FEPP with opportunities to contribute to and shape the national agenda on financial education and consumer protection. The partnership’s experience in the last three years puts it in a vantage position to provide leadership as the country puts in place a comprehensive consumer protection and financial education framework.

In a nutshell therefore, the partnership must now sharpen its focus and provide leadership locally but also leverage on its membership to shape the global agenda. In the next phase of the partnership’s life, let’s aspire to leave a footprint through development of a comprehensive national financial education strategy and consumer protection framework.

I wish to end my remarks at this juncture and allow for an interactive session where we can sharpen the key priorities that you have identified over the last few days.

**I thank you**