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Y INITIATIVE: FINANCE FOR YOUTH

Compendium of Global Good Practices

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ACRONYMS

ATM	Automated Teller Machine
BRAC	Building Resources Across Communities
BSO	Business Support Organizations
CBA	Commercial Bank of Africa
CGAP	Consultative Group to Assist the Poor
COVID-19	Coronavirus Disease 2019
DAC	Development Assistance Committee
FSP	Financial Service Provider
FTB	Financial Trust Bank
GEM	Global Entrepreneurship Monitor
HR	Human Resources
ID	Identification
ILO	International Labour Organization
IT	Information Technology
IVR	Interactive Voice Recognition
KPI	Key Performance Indicators
KYC	Know Your Client
LAC	Latin America and the Caribbean
LENS	Local Enterprise Support
MDI	Microfinance Deposit-Taking Institutions
MEDA	Mennonite Economic Development Associates
MENA	Middle East and North Africa
MFI	Microfinance Institutions
e-MFP	European Microfinance Platform
MFW	Microfund for Women
MIS	Management Information System
MSME	Micro, Small, and Medium Enterprise
NBFI	Non-Bank Financial Institutions
NFS	Non-Financial Services
NGO	Non-Governmental Organization
OECD	Organisation for Economic Co-operation and Development
PAR	Portfolio At Risk
SME	Small and Mid-Size Enterprises
SSA	Sub-Saharan Africa
SWOT	Strength, Weakness, Opportunities and Threats
UFC	Umutanguha Finance Company
UNCDF	United Nations Capital Development Fund
USAID	United States Agency for International Development
USD	United States Dollars
USSD	Unstructured Supplementary Service Data
WSBI	World Savings Banks Institute
WWB	Women's World Banking
YSO	Youth-Serving Organizations

CONTENTS

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INTRODUCTION

Rationale and Objectives of the Toolkit

The youth market segment in developing countries is large and offers unique opportunities for financial service providers (FSP) to expand their market base. At the same time, emerging models for serving youth and advances in digital technology are opening up new pathways for FSPs to profitably serve youth markets at scale. Nonetheless, FSPs sometimes struggle to understand this market, build the right business case, and design profitable products to serve it.

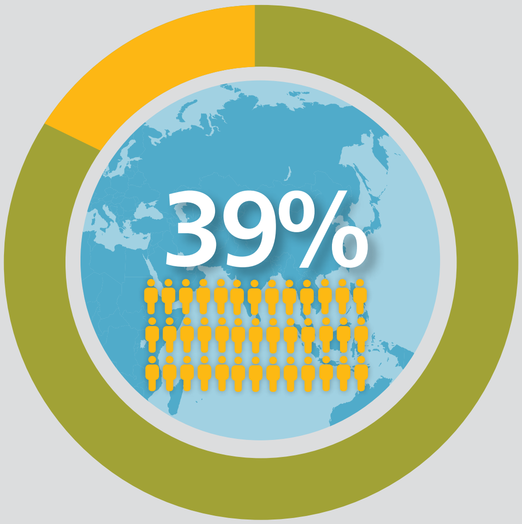
This compendium of good practices and tools has been developed in response. Based on research of successful youth finance initiatives and designed to provide practical guidance, the compendium will help FSPs to understand the youth market, improve their products, and broaden and deepen their institutional strengths, priorities, and resources.

This compendium was created with the following inputs:

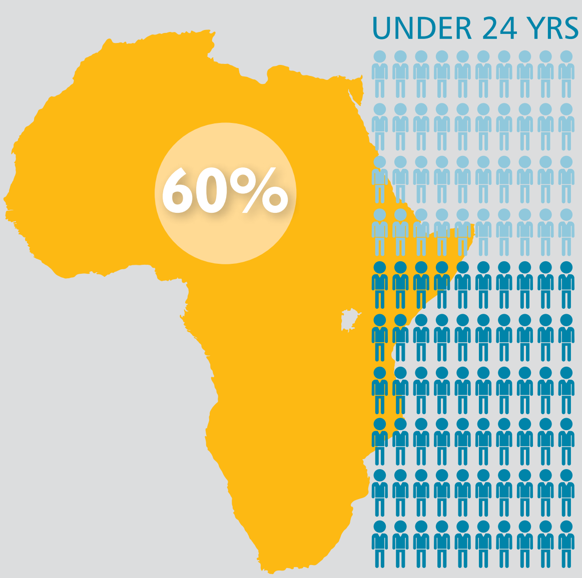
- Landscape analysis of global best practices and drivers of youth financial and non-financial services
- In-depth interviews with over twenty-five industry experts with expertise in youth and non-financial services
- Discussions with ten Youth-Serving Organizations (YSOs) to validate the youth personas

It contains the following chapters and annexes:

1. Introduction: Understanding Youth and their Financial Inclusion
2. The Product Development Cycle for Youth: Discovery, Design, Test and Implement
3. Key Considerations for Serving Youth: Non-Financial Services, Technology, Scalability & Sustainability
4. Recommendations for Youth Financial Inclusion: For Financial Institutions and for FMO
5. Tools (Annexes A-J)
6. Youth Personas (Annex K)



A large current market: Youth population in middle and low income countries as % of working adults.



The market of the future: 60% of Africa's population is under the age of 24

The Business Case for Serving Youth

The youth[1] population in middle and low income countries is 1.55 billion, which accounts for 39 percent of working age adults (UNDESA 2021). Nearly 90 percent of youth worldwide live in developing countries, with nearly 1 billion in Asia and Africa (UN, 2020). In regions such as Africa, the youth population is particularly large, with 60% of its population of 1.1 billion under the age of 24 (UNDESA, 2019). These figures underline the significance of the youth demographic as a market segment. Youth ages 18 to 34 are also more likely to be entrepreneurs. The rate of entrepreneurial activity among youth exceeds that of adults ages 35 to 64 in 36 of the 47 economies surveyed by the Global Entrepreneurship Monitor in 2020 (GEM, 2021). Graduates or those who have received a post-secondary degree, are also more likely than non-graduates to start their own businesses in 36 of the 47 economies (GEM, 2021).

The sheer size and dynamism of the youth population make it an important market for financial institutions to consider from a business perspective. However, youth financial inclusion has broad importance from an impact lens at three levels as well:

- At a macro level, this population segment is critical for the economic development of a country through increased savings and investments[2]
- At a meso-level, this segment can have positive externalities at the household and community levels through business creation, job creation, and spillover effects from training and education.
- At a micro-level youths can improve their livelihoods, their educational outcomes and their overall financial health or financial well-being[3]

Penetration of the youth market by financial institutions differs between countries. For those institutions that have sought to reach youth, there is growing evidence of the potential to profit from youth-focused savings and credit products over the medium to long term (three to five years). Research indicates that urban and older youth present the most potential for financial

[1] The UN and ILO define youth as between the age range of 15 to 24, but in some countries such as those in Africa, the African Youth Charter defines youth as between the ages of 15-35. For the purposes of this report, youth are defined as between the ages of 18-35 and this statistic is for the ages of 20-35 as a percentage of working adults, ages 20-69

[2] A CGAP analysis (2013) of youth financial inclusion showed a high correlation between account penetration among youth and macroeconomic factors, such as gross domestic product (GDP) per capita and secondary school enrollment.

[3] CGAP 2019

institutions, especially with cross-selling of services to other family members, though taking a savings-led approach can also be successful for younger and rural youth (UNCDF, 2013; Making Cents International, 2016). In addition, digital services such as automated teller machines, point-of-sale devices or mobile banking have demonstrated their potential to reach youth with relatively low operating costs.

In examining the business case for savings further, evidence shows that youth are active savers, sometimes more so than adults, and over time increase their average savings balance (UNCDF, 2017; UNCDF, 2013; CGAP, 2014; WSBI, 2019). Research from CGAP's financial diaries with smallholder families in Mozambique, Tanzania and Pakistan, indicated that the youth cohort (ages 15 to 30) saved an average of two to five times as much as adults (CGAP, 2018). Financial Diaries conducted in Nigeria, Senegal and Morocco over a 13-week period showed that young people are regular savers (WSBI, 2019) as well. A recent study on financial service usage in Cambodia reveals that youth are 37 percent less likely to have passive accounts[4] than older adults (>25 years) (UNCDF and UN Pulse Lab, 2018). Youth also like to save independently (SEEP 2013). At ADOPEM in the Dominican Republic, only 13 percent of the youth-opened accounts lost all of their deposits to dormancy fees in comparison to 44 percent of parent-opened accounts (WWB, 2015).

On the lending side, evidence indicates that the biggest worry of financial institutions – risk of default – may be overstated. An analysis of nine institutions, mainly across Africa and the Middle East Regions, showed that seven out of the nine financial institutions had a youth portfolio at risk (PAR) of 1.2 percent or less, whereas five of these institutions had a PAR of .02 percent or less (e-MFP, 2015). Similarly, the first start-up loan for youth in Jordan, developed by Microfund for Women (MFW) in partnership with MEDA resulted in a low PAR of around .5 percent. It remains one of their more profitable loan products compared to their flagship products. The loan's success inspired other banks in Jordan such as the National Microfinance Bank to develop similar start-up products for youth. Initiatives that work within a specific value chain or industry with other stakeholders have been shown to reduce risk even further. As FSPs engage more youth through deposit taking, this risk can also be mitigated by linking savings track records to the underwriting process.

Based on this evidence, there are several unique opportunities for FSPs to serve the youth market (that can be taken individually or together). These will be explored further in the compendium and include the following:

- Provide opportunities for start-up and growth capital for young entrepreneurs
- Leverage technology to lower costs and increase outreach mainly in urban and peri-urban areas and in rural areas where there is supporting infrastructure; this may include partnerships with FinTechs
- For banks, microfinance deposit-taking institution (MDI), and cooperatives/credit unions: Begin primarily with a savings led approach and then move to borrowing, linking savings track record to loan eligibility; this might include a focus on younger and rural youth
- For non-deposit taking institutions such as MFIs and Non-Bank Financial Institutions (NBFI): Take a credit led approach; focus on urban and older youth and partner with deposit-taking institutions
- Provide financial services linked to education (e.g., student loans) to promote improved educational attainment for youth
- Promote gender equality in access to youth financial services by focusing on this segment and/or through partnership with female-focused organizations

Understanding "Youth"

Youth as a Transitional Stage

Understanding the transitional nature of youth is critical to serving them with financial services. Youth pass through various transitions that are influenced by their status in the household (i.e., from a dependent to a contributor), formation of their own families and education and employment trajectories (Making Cents, 2019; AFI, 2020; UNCDF 2021). Youth between the ages of 12 and 14 are typically at a learning stage, while those aged 15—18 experience critical transitions as they start their journey into adolescence, moving back and forth between education and employment (MasterCard Foundation, 2015). As they move towards adulthood, around the age of 18, young people's choices and challenges include decisions about family, career, and entry into the labor market. Young adults (those aged 19–25) experience another complex transition as they move towards achieving measures of financial, residential, and emotional independence. Those aged 26–35 are more established in their job trajectory, continuously aiming to improve their overall well-being and that of their families and developing support networks to help them achieve this goal (UNCDF, 2021).

[4] Passive accounts are those defined as a total savings balance below US$5.

Youth face a number of barriers as they transition from adolescence to adulthood that can limit their social and economic independence. Some of these barriers include low educational attainment, poor-quality education and vocational training, lack of appropriate skills required by employers or to start a business (resulting in a skills gap and mismatch with the labour market), limited access to land and other productive assets, lack of employment opportunities in the formal sector and inadequate support networks to obtain a job or start a business. Access to finance can both mitigate some of these barriers and is constrained by them. Designing services that meet the needs of youth can help provide a critical link between economic opportunities and outcomes for young people, enabling them to manage emergencies, invest in their education, or start a business.

However, providing access to financial services alone may not be enough to improve the livelihoods of youth. To promote usage of financial services, it is often necessary to accompany the financial services with non-financial services such as training in financial education or entrepreneurship, mentoring or coaching, and other support services. With appropriate support, FSPs can deliver these services directly to youth or form partnerships with other organizations (e.g., YSOs, NGOs) that have the capacity and direct outreach or experience working with various youth segments. The right combination of financial and non-financial services gives youth the tools to make sound financial decisions, simultaneously helping youth build a strong asset base, create sustainable livelihoods, and make productive contributors to their families and communities (YouthStart, 2015).

Youth are Diverse

While youth are often lumped together, they are not a homogenous group – there are various market segments that must be considered as FSPs develop appropriate financial products. These segments can be defined by gender, education and geographic locale. A few key segments are described below and elaborated further in Annex K to give FSPs a better idea of the youth market's diversity, as well as different business strategies to serve them.

Mars Sector 6, Unsplash

TABLE 1: Demographic Characteristics and Financial Behaviors of Select Youth Segments

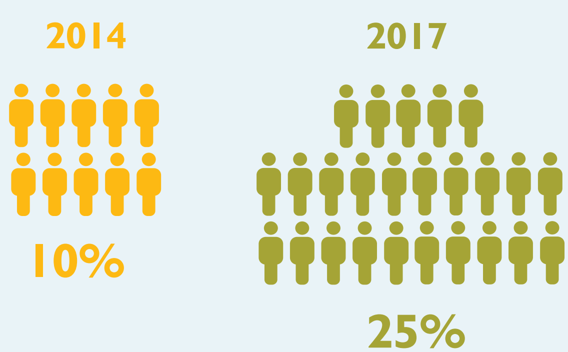
CATEGORY	RURAL YOUTH 	URBAN YOUTH 	YOUNG WOMAN 	YOUTH ENTREPRENEUR 	YOUTH MIGRANT 
DEMOGRAPHIC PROFILE					
Age	18 to 30	18 to 30	18 to 24	24-35	18 to 34
Gender	Male or Female	Predominantly Male	Female	Male or Female	Male or Female
Level of Education	Primary Level, some with secondary level	Mainly Secondary level, some post-secondary	Mainly primary, some secondary	Mainly Secondary level, some post-secondary	Primary and secondary level
Location	Rural area	Mainly urban, some peri-urban	Urban and peri-urban	Mainly urban, some peri-urban	Urban and peri-urban
LIVELIHOOD STRATEGY					
Type	Diversified seasonal income sources	Gig Worker	Informal employment or informal home-based businesses	Small Businesses	Temporary or part-time employment, informal sector
Sector	Agriculture, Services, Commerce	Service Industry: Logistics, App Based Delivery	Industry, Commerce, Services	Industry, Commerce, Services	Services, Commerce
FINANCIAL BEHAVIORS					
Use of Formal Financial Services	Few borrow formally Borrow for medical emergencies and to meet daily living expenses Few have formal savings account	Savings account or asset-based loan	Limited use of formal financial services May receive cash transfers linked to an account	Strongest users of formal financial services Personal savings account and some with business account if registered Loans from banks or MFIs	May send/receive money to/from family members in account More likely to use if more settled in new locations
Use of Digital Financial Services	Save money through mobile phone Use mainly for remittances to family/friends	Use mobile money for payments, to save and to send remittances to family	Limited use of digital financial services May receive electronic transfers from parents or spouse	Use digital platforms for payments Send remittances to family members through mobile money	May use digital transfers to send/receive money from to/from family members

Snapshot of Youth Financial Inclusion

Global Trends and Comparisons

Data from the Global Findex[5] and the Finscope Youth Dashboard[6] reveals the following global trends across the various regions as it relates to youth financial inclusion:

- **Youth save more at financial institutions than they do informally,** such as at home, with their family, or in savings groups in most regions except for Sub-Saharan Africa (SSA). In Europe, Central Asia, East Asia and the Pacific, youth are nearly three times as likely to save at a financial institution than informally, and in South Asia, they are nearly two times as likely (World Bank, 2017)
- **Youth are more likely to use financial institutions to save than to borrow.** This disparity may be largely due to high age restrictions to take out a loan (18 years old in most emerging markets) compared to age requirements to open a savings account (CGAP, 2019, World Bank, 2017). The situation is similar for adults, but more pronounced for youth.
- **There is a gender divide,** particularly in South Asia, where only one-third of young women have an account at a financial institution compared to one-half of young men (CGAP, 2019).
- **Ownership of mobile accounts among youth has increased dramatically** and is the same or has surpassed that of adults in most regions (with the exception of South Asia where it is the same). In 2014 in Sub Saharan Africa, averages of national Findex data indicate that 10 percent of youth 15 to 24 years old had a mobile money account; in 2017, this more than doubled to 25 percent of youth (World Bank, 2017; CGAP, 2019.)



Mobile money accounts are increasing for youth, ages 15-25

- **More educated youth are more likely to save or borrow at a financial institution.** Youth are more than two times as likely to save at a financial institution if they have a secondary education than a primary education in Latin America and the Carribean (LAC), East Asia and the Pacific and SSA and more than three times as likely in Middle East and Northern Africa (MENA). Similarly for credit, youth are nearly two times as likely to borrow from a financial institution if they have a secondary education as compared to a primary education in Europe and Central Asia and LAC and three times as likely in MENA (World Bank, 2017). ILO's School-to-Work Transition Surveys (SWTS) show that the proportion of youth who accessed formal financial services is over four times higher among the most educated with a tertiary education compared to the least educated with less than a primary education. (Sykes et al. 2016).

Youth with a secondary education are two times more likely to save at a financial institutions than those with a primary education

- **Financial services can increase the likelihood of youth entrepreneurship and youth entrepreneurship can lead to increased access to financial services (CGAP, 2019.)** Financial Diaries conducted in Nigeria, Senegal and Morocco over a 13-week period showed that young people are regular savers and that there is a positive correlation between economic activity and saving. (WSBI, 2019)

[5] The Global Findex defines youth as between the ages of 15 and 24.
[6] The Finscope Youth Dashboard defines youth as between the ages of 18 and 35.

Barriers and Solutions to Youth Financial Inclusion using Market Systems Approach

A market systems approach takes into account the different actors that play a key role in youth financial inclusion and works to strengthen the systems and relationships among these various actors (see Table 2). These actors may include the government, which plays a key role in the enabling environment; FSPs and fintech, training institutes, and youth-serving organizations (YSOs) that supply both financial and non-financial services to youth and the youth themselves (demand). This framework can be used to analyze both the barriers and opportunities to/for youth financial inclusion. It can also be used to analyze various dimensions of youth financial inclusion such as access, usage, quality, and welfare/impact.

While many constraints are similar for adults and the rural population, some of the more relevant barriers for youth on the supply side include inappropriate products and limited knowledge or capacity to serve youth and on the demand side include lack of collateral, credit history or business experience. These barriers have been exacerbated during COVID-19 particularly in terms of access to additional capital to offset the lower profits earned by youth micro, small, and medium enterprises (MSMEs). Conversely, recent research CARE conducted with nearly 1,500 female-owned MSMEs across Pakistan, Peru, and Vietnam found the top three drivers of resilience and growth during COVID-19 have been access to finance, network linkages, and technology adoption (CARE, 2021a).

TABLE 2: Market Systems Framework: Barriers of Financial Inclusion for Youth

LEVEL	BARRIERS	SOLUTIONS
ENABLING ENVIRONMENT/ REGULATORY	▸ Know Your Client (KYC): ID requirements (sometimes difficult to fulfill for youth) ▸ Minimum age requirements (typically 18) ▸ Collateral/guarantee and income requirements (too high for youth starting ▸ livelihoods) ▸ Credit reporting (youth have limited credit histories) ▸ Digital infrastructure (limited infrastructure is a hinderance	▸ Adopt flexible ID and age requirements (e.g. aligned with labour laws in country) or tiered KYC based on size of account ▸ Adopt flexible or limited collateral and guarantee requirements and repayment terms aligned with the economic activity of youth ▸ Enable youth to build credit history through savings or mobile transactions ▸ Expand digital infrastructure (e.g., agency banking)
SUPPLY	▸ Information asymmetries (limited credit information and risk aversion) ▸ Low-value, low-margin and inflexible products (inappropriate for youth) ▸ Limited knowledge and capacity to serve youth ▸ Financial infrastructure (insufficient to meet youth needs)	▸ Conduct diagnostic to identify financial needs and preferences of various youth segments ▸ Identify local and regional best practices for serving youth ▸ Develop youth-friendly products based on best practices and demand research ▸ Expand financial infrastructure internally or through partnerships (e.g., FinTechs)
DEMAND	▸ Lack of experience and knowledge of formal financial system ▸ Low levels of financial literacy and capability ▸ Low levels of digital financial literacy and capability ▸ Cultural, social and religious norms that inhibit utilization of formal servicesw ▸ Fear of over indebtedness ▸ Lack of business experience or business support ▸ Preference for informal sources over formal sources ▸ Perception that formal products are for wealthy people or for adults	▸ Provide training in financial education directly or in coordination with government and non-for-profit entities ▸ Provide or link to mentoring and business support services for entrepreneurs ▸ Obtain buy-in of key youth influencers (e.g., parents, spouse, community leaders)

Lack of knowledge of the financial system and distance from formal institutions are often the biggest barriers that prevent youth from accessing and using formal financial products. Fifty percent of the youth in both urban and rural areas in Uganda and the Gambia did not understand how to open and operate a bank account (FAO Uganda, 2020; UNCDF, 2017)). A study of youth in Ghana, Senegal, Uganda and Zambia showed that lack of digital financial literacy contributed to the lack of usage of digital financial services for youth, despite high awareness of these services (Mastercard Foundation, 2019). In Cambodia it takes on average more than 30 minutes for youth customers to reach a bank (UNCDF, 2018). The Finscope Youth Dashboard revealed that youth in Benin take on average 40 minutes to reach a bank agent, MFI or an automated teller machine (ATM), and that it is even longer for youth in Mozambique at 85 minutes (Finscope, 2018).

Youth often trust and prefer local networks and informal sources over formal financial institutions. As a result, many turn to informal financial services. For instance, youth viewed shopkeepers as more trustworthy and reliable since they had known these shopkeepers for extended periods of time (10-20 years) and because youth could access their money from the shopkeepers at any time with no additional cost implication. In addition, strong relationships with shopkeepers enabled youth to borrow goods from their shops during tough financial times (UNCDF, 2017). Youth prefer to borrow from informal sources, especially to start a business as they value privacy and friends and family are more understanding if they are unable to repay (SEEP 2013; Mastercard Foundation, 2021). In addition, there is often a mismatch between the desired and the actual product attributes, particularly of loans, as youth often want larger loan sizes, longer grace periods, quicker disbursement time and lower interest rates and fees (SEEP, 2013).

Access to finance is a key barrier for youth MSMEs. Self-employed youth indicated that the main barrier to growing their businesses is access to credit (Sykes, et. al, 2016). Research with 260 youth entrepreneurs in 2020 from Ghana, Kenya, Malawi, Rwanda, Tanzania, Uganda, and Zambia showed that the biggest barrier they faced to expanding their business was access to capital (73percent). Although the youth entrepreneurs were aware of places they could access capital, the process and requirements such as collateral and other documents (e.g. past bank statements) were too prohibitive or risky for them. As a result, they relied heavily on informal channels from friends and family because they were more reliable, trustworthy sources (Mastercard Foundation, 2021). On the supply side, youth MSMES are often perceived as high risk because they lack business experience and social capital, lack credit history and assets for collateral or proof of regular income (OECD 2020). At a regulatory level, there are many requirements and costs associated with formalizing a business that make it difficult for youth. These include registering and paying for a business license, accounting costs and paying taxes. As a result, many youth-owned businesses operate informally making it difficult to apply for credit.

Market barriers are more pronounced for rural youth who faced additional access challenges in rural areas where banks lack a physical presence, land tenure is granted to parents or legal guardians, and youth have seasonal and unstable or irregular cash flows (IFAD, 2019). According to the 2019 FinAccess Survey, only 1.2 percent of the rural youth in Kenya actually used their salary as collateral when applying for a loan (FAO Kenya, 2020). In low-income countries an average of 22 percent of the rural population (15+) has an account at a formal financial institution compared with 94 percent in OECD countries. (OECD, 2020). The FinScope Youth Dashboard revealed that urban youth in the Gambia take on average 43 minutes to reach a bank agent, MFI or ATM as compared to almost double the amount of time (83 minutes) for rural youth. On the supply side, reaching rural youth can be very costly due to poor infrastructure and dispersed populations and the lack of products aimed at agriculture and livestock may limit FSPs ability to fully penetrate this market segment (Making Cents International, 2016). At a policy level, discriminatory property rights and lack of access to production factors (e.g., water and land) make collateral requirements hard to meet especially for rural youth (IFAD, 2019).

Barriers for youth are more pronounced for young women who often work in the informal sector, and as a result lack the salaried source of income and property ownership that facilitates access to formal financial services. They also face challenging social and cultural norms that limit their mobility and their ability to open an account independently of their parents or spouses. Financial Diaries conducted in Nigeria, Senegal and Morocco over a 13-week period show that married young women may have less financial and economic independence while many are expected to marry by a certain age, such as by the age of 25 in Nigeria. For example, in Morocco women are expected to stop working after marriage. However, in some countries such as Nigeria young women can only access loans if they are married and their husbands have a job (WSBI, 2019). Influenced by social norms and male decision making, most households still share phones and mobile money pins, especially among couples, which decreases the use of digital financial services for young women (UNCDF, 2021). In addition, certain life stages of women relate directly to their use of financial services which include staying in school, entering the workforce, getting married, having a child and growing wealth as a matriarch. CGAP and IDEO's research in Kenya and South Africa found that newly married young women and new mothers have the lowest usage of digital financial services than at any other life stage, due mainly to social norms that dictate a focus on their role as spouse/caregiver and encourage them to quit their jobs (CGAP, 2022).

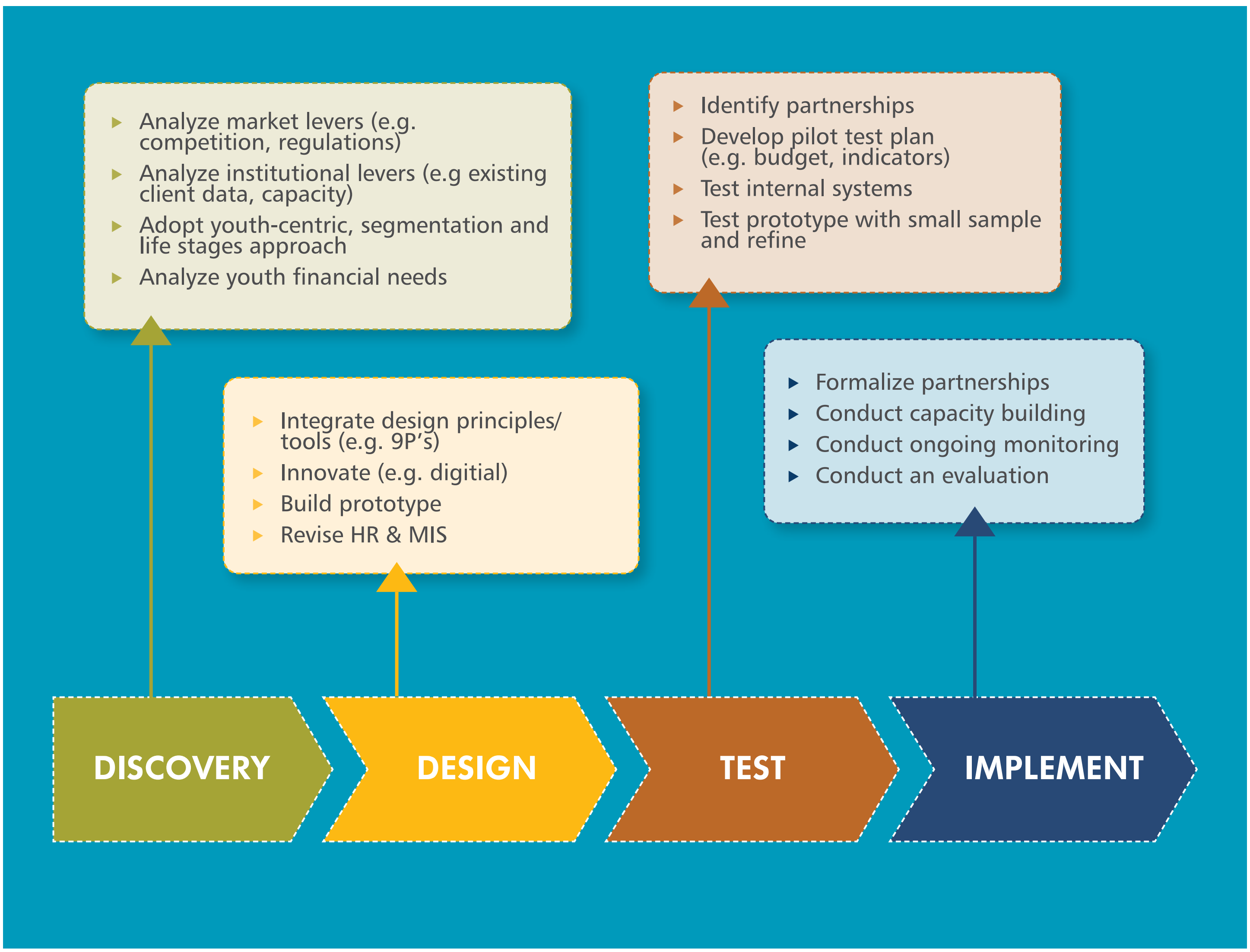
Quang Nguyen Vinh, Pexels

THE PRODUCT DEVELOPMENT CYCLE FOR YOUTH

Research indicates that successful FSPs have followed a systematic product development cycle to unlock the potential of the youth market. This cycle includes four main phases: Discovery, Design, Test and Implement (see Figure 1). This section will present these phases along with corresponding activities and guidance.

The discovery phase helps financial institutions to analyze the youth market and their internal strengths in order to develop the institution's business case for serving a specific youth segment. The design phase builds on the findings from the discovery phase to develop prototype services for the targeted youth market segment and prepare institutional systems and processes for prototype delivery. During the test phase the financial institution prepares and refines the youth product for the market and identifies potential partnerships to promote scalability and sustainability. During the last stage of implementation, the financial institution formalizes partnerships, builds the capacity of internal and external staff, promotes the product and conducts ongoing monitoring and evaluation to further refine and improve the profitability of services.

FIGURE 1: Market Systems Framework: Barriers of Financial Inclusion for Youth



Finance Trust Bank in Uganda follows a stage-wise approach similar to this one to develop products. The process begins with ideation from the internal or external team, followed by discussions on the idea. The bank then conducts:

- Market research to help understand youth-specific needs
- Interviews with youth for feedback and recommendations on whether the product meets their needs
- A cost-benefit analysis of the costs of partnerships, functional requirements, etc
- A presentation to senior management for their approval
- System integration and user acceptance tests
- If tests are successful, FTB runs a pilot in some branches, and if it succeeds, the product launches

Discovery Phase

The main objectives of the discovery phase are the following:

- Identify market opportunities
- Identify institutional strengths that align with the market opportunities
- Determine which youth segments to serve based on the market opportunities, institutional strengths and a cost-benefit analysis
- Analyze the financial needs of these youth segments

CGAP's Business Case Tool presents a useful tool for FSPs to determine their unique business case at this stage (see table 3)[7] , helping them to assess key levers as they decide which segments of the youth market are most viable to be served profitably.

TABLE 3: CGAP Business Case Tool

LEVEL	KEY DECISIONS
MARKET LEVEL	▸ How competitive is the environment? ▸ What are the regulatory parameters?
INSTITUTIONAL LEVEL	▸ What are the opportunity costs of offering youth savings as opposed to investing resources into other ventures? ▸ What is the institution's capacity and infrastructure to allocate resources to youth savings? ▸ How strong of a motivating role do social mission and corporate social responsibility play?
YOUTH LEVEL	▸ Which client subsegments should the institution target?
PROFITABILITY	Consider following cost and revenue drivers: ▸ Marketing ▸ Product ▸ Delivery ▸ Operations ▸ Credit and Reputational Risk

[7] CGAP 2014

FSPs must have a strong understanding of the market dynamics in their respective countries to identify unique market opportunities and ensure that the design of the youth financial services responds to their needs. This may involve a competitive benchmarking or mapping exercise to identify similar organizations that are offering youth financial services and the different product features. There may be unique opportunities to provide new types of financial products for youth that respond to a direct market need. For example, Umutanguha Finance Company (UFC) in Rwanda developed an asset-based financing loan for youth with fewer collateral conditions for different types of equipment (e.g. motor vehicles/cycles, hairdressing equipment, welding, machines for agri-processing such as juice production, sawing and sewing machines). This stage may also involve a scan of the regulatory environment and policies that might affect the implementation of youth financial services (e.g. KYC requirements such as ID, minimum age requirements; collateral requirements, credit reporting). The following example from Chancen International shows how it took advantage of a market opportunity to provide student loans.

At the institutional level, a FSP should look at its existing client data to see which segments of youth it may already been serving within the 18 to 35 age group. It may also be necessary to do an internal assessment or SWOT (Strength, Weakness, Opportunities and Threats) analysis across different departments such as Marketing, Business, Operations, IT, Risk and Compliance, Audit, Product Development and Customer Service to identify its existing capacity and needs in serving the youth market segment. This should involve interviews with staff from these departments to identify gaps or existing infrastructure and processes that can be leveraged to adapt or develop appropriate youth financial products. For example, marketing strategies may need to be adapted to include images of youth using financial services or IT systems upgraded to incorporate digital channels.

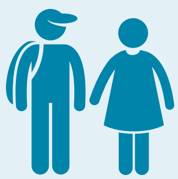
Once the market and institutional levers have been analyzed, a FSP can determine which market segment (s) is the most appropriate to serve and how. Deposit taking institutions may want to pursue a savings led-approach in order to build its base of youth clients for credit later, while credit-led institutions may choose to adapt adult products to similarly-situated youth segments as a starting point. . Either way, FSPs should adopt a youth-centric, segmentation and life stage approach to identify the financial needs and product preferences of its targeted youth market segment (s). For example, the financial needs of young women are very different than young men as are the needs of rural youth as compared to urban youth. In addition, youth pass through various transitions or life stages that result in different financial pressures and financial needs.

Seizing Market Opportunities: Chancen International

Many low-income students in Africa can not afford a quality tertiary education. Chancen International developed a market solution to respond to this need. Chancen's Income Share Agreements (ISAs) allow students to repay their education expenses as a percentage of their post-education salary for a set number of years. Students must meet a minimum income threshold first to ensure they can cover their basic living expenses first. Total repayment is capped to ensure high earners are not penalized typically around 10 percent and the repayment period varies but is on average five years. Chancen's agreements provide flexible terms that provides a greater opportunity for students to make on-time payments. The program started in Rwanda, has a pilot in South Africa and plans to expand to Kenya. It targets youth mainly between the ages of 18 to 24 with a focus on young women and rural youth. In addition, Chancen provides financial literacy and career readiness training for youth who access their loans to help them prepare for graduation and the repayment phases. To date, Chancen has reached nearly 1,500 students.

Financial Service needs change as youth transition to adulthood

Adolescence



Youth in early stages of adolescence may be focused entirely on education and are likely to need funds to pay for school and basic personal needs (Hopkins, 2013; AFI, 2021a). At this stage that may just need a basic savings account. But as they get older and diversify their income sources, their financial needs become more complex.

18 - 25

Youth entering adulthood (18-25) face increasing financial pressures, such as contributing to their parents' household income while also trying to establish their own financial independence. They may also want to continue their education. Youth in this stage may need savings and educational or business loans. If they need to access the money quickly for a regular or unexpected expense, a current account or mobile savings wallet may be the most appropriate product.

26 - 35

Young Adults aged 26–35 who are fully engaged in their work life, are concerned with providing for their own households and families, including their children's education and developing support networks in order to advance. For youth in this stage, educational loas and business loans are still in need in addition to possibly insurance. (MCI 2019; AFI 2020; UNCDF, 2021).

As a next step in the discovery stage, a FSP should conduct human-centered design based market research applying these various lenses with both existing clients or children of existing clients, non-clients, and front-line staff (e.g. loan officers, tellers). This exercise will provide the FSP with a greater understanding of the behaviors, motivations, and pain points of the different youth segments identified in the previous step. This can be conducted through individual interviews or focus groups with the targeted youth segment and relevant staff of the FSP[8].

Profiles of customer segments can be created from the market research findings and these profiles can then be crafted into 'personas', which help reflect important demographic and social norms characteristics that influence how youth use financial services. A persona is developed from a range of different sources, pulling together common characteristics of similar people into an "archetype" through which a group can be understood (CGAP, 2020). As mentioned previously, as part of this compendium, we have developed and validated five youth personas that can serve as examples for FSPs[9].

At the end of this phase, FSPs should consolidate the information gathered into a cost-benefit analysis to determine whether the market segment(s) chosen can be served profitability and under what conditions. Based on this analysis, a go/no-go decision can be made as to whether to proceed into the design phase.

[8] See Annex A for a HCD tool to provide insights into youth's financial needs, their experiences with and preferences for financial products, their touchpoints and additional support they might require.
[9] See Annex K

Design Phase

The main objectives of the design phase are the following:

- Build a prototype that integrates key design principles, innovations, and a segmentation strategy
- Prepare institutional systems and processes for the new prototype (e.g. MIS, Human Resources)

Once the discovery phase is complete, a FSP can analyze the information obtained in this stage (e.g. financial needs and preferences of youth, various persona profiles) to design appropriate, demand-driven financial products for youth. Youth value simplicity, flexibility, accessibility, affordability and privacy in their financial services (SEEP, 2013; UNCDF, 2017). Table 4 maps these desired characteristics to product design implications.

On the next page an example from BRAC provides an overview of a flexible loan product designed specifically for youth entrepreneurs in Bangladesh, particularly in response to the current pandemic.

TABLE 4: Financial Product Implications for Youth Based on Desired Characteristics

DESIRED FINANCIAL PRODUCT CHARACTERISTICS	FINANCIAL PRODUCT IMPLICATIONS
Simplicity	▸ Product information in simple terms ▸ Simple onboarding process ▸ Use of local languages, pictures and visual images ▸ Minimal transaction steps ▸ Simplified interface
Flexibility	▸ Tiered onboarding and KYC requirements (e.g., not require national ID or utility bills, biometric ID) ▸ Lower age requirements ▸ Loan products with flexible guarantees or collateral requirements ▸ Flexible loan repayment terms (e.g., longer grace periods, gradual payments) aligned with youth economic activity cycles ▸ Savings products with flexible deposit and withdrawal features ▸ Savings products with zero balance for those with low-income /seasonal income periods ▸ Alternative data sources for credit history (e.g., digital footprint, psychometric testing)
Accessibility	▸ Access points for onboarding and regular use in close proximity to where youth frequent, reside, work or attend school ▸ Operating hours that align with school and work schedules+ ▸ Leverage networks of agents and shopkeepers
Affordability	▸ Interest rates/payments linked to business growth stage or cash flows (e.g. seasonality for agriculture) ▸ Savings products with no account-opening fees, no minimum balance and no maintenance fees ▸ Digital financial services
Privacy	▸ Consumer protection measures regarding account or loan access by spouse or parent that promote maximum control by youth ▸ Limit use of personal data of youth for marketing purpose

Flexible Loan Products for Youth: Promise Program, BRAC International

The Promoting Business Incubation for Small Entrepreneurs (PROMISE) program, a joint initiative of BRAC Microfinance and BRAC Skills Development Programme (SDP) combines a business skill development program for young entrepreneurs with a small flexible loan product, the Unmesh-loan, to make entrepreneurship more accessible for disadvantaged youth who lack access to fixed-assets for collateral. The Unmesh-loan provides entrepreneurs with 20,000 to 300,000 BDT ($200-3,500 USD) in startup funding. Borrowers are required to match the loan amount and secure the endorsement of both a guarantor (family member) and referee (non-family member). The product charges similar interest rates to products for adults, but offers a flexible repayment period (12, 18, or 24 months). Youth borrowers are also provided two vouchers to use at any time during the loan term to extend the repayment period for two months without interest.

BRAC

During the design phase a prototype with various features should be developed for the youth financial product (s) that aligns with these design principles. Making Cents International adapted and developed a product development tool called the 9Ps that provides a useful framework during this design phase.[10] The framework includes the following features: product, price, people, promotion, positioning, place, physical evidence, process and preparation. Women/s World Banking also developed a tool for a youth savings product prototype.[11] As part of this phase, MEDA also develops and finalizes a Product Plan to assess the risks and rewards of the product and creates a budget for the pilot and rollout phases.[12] It is important to consider the various youth segments and their needs and desired characteristics for financial product to ensure appropriate products. Table 5 highlights these desired characteristics and corresponding types of financial products for each segment.

TABLE 5: Desired Financial Characteristics and Appropriate Financial Products for Youth Segments

CATEGORY	RURAL YOUTH	URBAN YOUTH	YOUNG WOMAN	YOUTH ENTREPRENEUR	YOUTH MIGRANT
Desired Characteristics of Financial Products	Access, Trusted Sources, Flexibility	Flexibility, Convenience, Fast/Efficiency	Young Woman Safety, Privacy, Convenience, Trust	Convenience, Flexibility, Secure, Efficiency, Speed, Larger loans	Privacy, trust, safety, convenience
Financial Services	Micro loans Asset-based lending Savings products (linked with savings groups	Digital credit Savings Payment products Asset-based loan	Micro loans Savings (linked with savings group) Payments/ transfers esp. linked with bank account Education loans	Small business loans Digital credit Savings (e.g. goal based/LT) Payments Venture capital Loan guarantees Insurance	Micro loans Transfer (digital and linked to bank account)

[10] See Annex C for the 9Ps Product Development Tools.
[11] See Annex C for WWB's Youth Savings Product Prototype
[12] See Annex D for MEDA's Product Development Cycle Tool.

It is also important to consider different design features within each product in addition to various models for delivery and key touchpoints to reach youth. Table 6 provides examples of different product design features, delivery models and touchpoints for a youth segmentation strategy that could be integrated into the design of a prototype.

As a last step in this phase, it is important to prepare institutional systems and processes for the new youth financial products such as human resources and the management information system (MIS). The MIS should be prepared to capture youth disaggregated according to the different youth segments identified (e.g. age, gender, occupation, geographic location). Systems and process may need to be adapted as well if the FSP plans to offer digital financial services for youth to ensure quick and efficient delivery at the client level.

In terms of human resource systems, it may be important to establish and align appropriate staff incentives such as a bonus for loan officers or tellers to reach a high number of young people with savings or loans products. It is also important to assign designated staff as 'youth champions' such as youth loan officers, youth promoters and youth ambassadors to help promote the new youth financial services.

TABLE 6: Segmentation Strategy for Design of Youth Financial Services

YOUTH SEGMENT	RURAL	YOUNG WOMEN	MIGRANTS	YOUTH WITH DISABILITIES
Design Features	▸ Simple transactions ▸ Pictures ▸ Agricultural related	▸ Stories/Use Cases ▸ Social Norms and Stereotypes ▸ Female-friendly marketing strategies (e.g. posters of young women)	▸ Pictures ▸ Materials in local languages	▸ Interactive Voice Recognition (IVR) ▸ A/V Materials ▸ Accessible Formats (e.g., Braille, symbols, closed captions)
Delivery Model	▸ Savings groups ▸ Church groups	▸ Savings Groups ▸ Church Groups ▸ Association Groups ▸ Female loan officers	▸ Informal groups or associations	▸ Family members/ caretakers
Touchpoints	▸ Community leaders/village chiefs ▸ Shopkeepers	▸ Other women who have experience with formal financial services ▸ Kiosks in Grocery Stores/Markets ▸ G2P Programs ▸ Salons and eateries	▸ Migration Centers ▸ Employment Centers	▸ Special Needs School ▸ Rehabilitation Centers ▸ Holiday camps

Source: AFI – Integrating Vulnerable Groups in National Financial Education Programs and Strategies

Test Phase

The main objectives of the discovery phase are the following:

- Identify partnerships
- Develop pilot test plan
- Test the prototype
- Test internal systems

A key component of the test phase is to identify partnerships. There are different types of organizations that FSPs can partner with and corresponding benefits for each type of partner (see Table 7). The FSP's segmentation strategy is a key factor to consider when developing partnerships. For example, if FSPs do not a have a strong presence in rural communities but want to reach rural youth, they should identify partner organizations that have an established presence and experience working in rural areas with youth. If FSPs want to provide digital financial services for youth but don't have the enabling infrastructure or agent network, they may need to partner with a FinTech.

WSBI developed a unique decision tree through its Scale2Save Initiative for FSPs to choose the most appropriate business model. This decision tree includes options for partnering with FinTechs based on costs (e.g. low cost - participate in an already existing FinTech programme; medium to high cost take an equity stake or acquire a FinTech company; high cost - set up a FinTech as a separate entity).[13] Corporations offer opportunities for FSPs to explore value chain financing. Business incubators provide existing outreach to MSMEs, many of whom are looking for business capital to start or expand their business. E-commerce platforms also provide existing outreach to large networks of MSMEs in addition to an existing payments infrastructure. Partnering with governments can help FSPs promote and scale the program and also align closely with the regulatory environment. It is important for FSPs to conduct a stakeholder mapping of potential partners based on their geographic location, target youth segment and services provided.

[13] See Annex E for WSBI's Decision Tree for Business Model Selection

Pavel Danilyuk,Pexels

TABLE 7: Types of Partners for Financial Institutions

TYPE OF ORGANIZATION/PARTNER	POTENTIAL BENEFIT OF PARTNERSHIP
Other FSPs	▸ Leverage more extensive network or infrastructure ▸ Incorporate other financial products from other FSPs if have more limited range of products
Corporations	▸ Value chain financing
Fin Tech	▸ Existing infrastructure and agent network to provide digital financial services
E-Commerce Platforms	▸ Existing outreach to large next work of MSMEs ▸ Existing payments infrastructure
Government (e.g. line ministries/regulators)	▸ Favorable legal context ▸ Advocacy and promotion of program ▸ Scale the program
YSOs/NGOs/Incubators	▸ Existing outreach to youth and MSMEs ▸ Capacity to deliver non-financial services
Media Outlets	▸ Social media presence for advertising products ▸ Radio or tv ads/PSAs for reaching rural/urban youth
Graphic Designers/ Public Relations Firm	▸ Development of marketing strategy and materials
Donors (foundations, bilateral, and multilateral organizations)	▸ Additional funding for financial and non-financial services ▸ Linkages to other initiatives/partners

It may also be necessary for FSPs to identify a segmentation strategy for its partnerships. Table 8 provides some examples of partnerships that are unique to five different youth segments.

TABLE 8: Partnership Models for Different Youth Segments

CATEGORY	RURAL YOUTH 	URBAN YOUTH 	YOUNG WOMAN 	YOUTH ENTREPRENEUR 	YOUTH MIGRANT 
FSP Partnership Models	Government programs Tri-partite agreements with agri-businesses Savings group linkages	Franchise Platforms Gig Associations	Savings group linkages CSOs	Platforms Chambers of Commerce Business Associations Business Support Organizations (BSOs)	Linkages with relief programs and graduation programs Employment centers

Kapital Access for Young Agripreneurs – Government/FSP partnership example

The Agricultural Credit Policy Council (ACPC), in partnership with the Department of Agriculture (DA) of the Philippines launched the Kapital Access for Young Agripreneurs (KAYA) program to support and encourage young farmers to pursue farming and fishing activities by making credit available and supporting them in building a viable business. The KAYA loan program offers zero-interest loans of up to Php 500,000 (~USD 9,550) payable for up to 5 years to finance the capital requirements of start-up or existing Agri-based business enterprises. The main implementers of this programme are financial institutions such as government banks, rural banks, cooperatives, and non-government banks who recouped costs through service fees. Beyond earning income from administering the program, financial service providers were introduced to the rural youth market and began offering them other savings and credit services. ACPC has also partnered with an e-wallet, PayMaya, for loan disbursements to digitize the process.

Considering that serving youth may be a new segment or require evidence of results for further scaling, another key component of this phase is to develop a pilot test plan for subsequent activities. A pilot test plan should consist of three main stages: preparation, implementation and assessment with key areas for each of these stages (e.g. product, marketing, outreach, operations/IT). It should also include a budget for the pilot along with some key performance indicators (KPIs) such as product uptake, growth in account balance and repayment rates (PAR). WWB developed a pilot test action plan template for a youth savings product combined with financial education that can be modified based on the product and linkages with non-financial services.[14]

During this phase, the prototype is tested and refined with a small sample of the various youth segment(s). This can be done through individual interviews or focus-group discussions with the youth segment(s). The product concept can be tested in addition to various touchpoints or marketing channels to reach youth. These touchpoints should have been identified previously in the diagnostic phase and are also a key category when developing youth personas. WWB developed a useful tool for prototype or concept testing.[15] When finalizing the prototype or the financial product it is useful to apply the following lens:

- **Desirability:** Consider what else you need to know about youth and their needs.
- **Feasibility:** Consider the realities and mechanics of how your solution will actually work.
- **Viability:** Consider how your solution fits into existing systems, and the business model necessary to make your idea sustainable.

It is also important for a FSP to test its own internal systems during this phase that it has modified in the previous phase (e.g., ensure data can be disaggregated by age, gender and other key indicators in the MIS according to the youth target segments). WWB also developed a pilot assessment guide that includes key questions and sources of data based on three key areas: market acceptance/customer receptivity, staff implementation and systems performance.[16] A pilot should typically run for three to six months and conclude when at least 75-80 percent of the targets (KPIs) as identified in the pilot test plan are achieved. It is important to have regular meetings of the pilot test team during this period in addition to presentations to the Board and or senior management as necessary. Once the targets are achieved, the prototype should be refined based on the results of the pilot and then rolled out across additional service points.

Implementation Phase

A first activity in the implementation phase is for FSPs to formalize the partnerships that have been identified in the previous phase. It takes time to identify, develop and formalize these partnerships and it is important for the FSP to clearly identify the roles and obligations of each partner, clearly communicate, and align expectations, particularly in areas where the FSP may expand beyond an initial pilot (UNCDF, 2015). One important consideration if a FSP partners with a FinTech is to ensure its infrastructure aligns with the regulatory environment or parameters established in the particular country context.

Once these partnerships have been formalized, the FSP should conduct internal capacity building. Capacity building is key to secure the buy-in and commitment of management and front-line staff (e.g., tellers, loan officers) and show that there is potential for building a long-term financial relationship with the youth segment. Management buy-in at both the branch level and headquarter level is critical for the integration of youth services into the FSP's systems and procedures, thus promoting the institutionalization of youth products across the FSP's product portfolio and ensuring sustainability (UNCDF, 2015). Management buy-in can also ensure adequate resources are allocated for training all staff how to work with youth.

MEDA's Youth Financial Inclusion Model is based on a two-pronged approach of supply and demand. On the supply side MEDA builds the capacity of MFIs in the following three areas (see Table 9).

[14] See Annex F for Women World Banking's Pilot Implementation Action Plan
[15] See Annex G for Women World Banking's Product and Marketing Prototype Testing Guide
[16] See Annex H for Women World Banking's Pilot Assessment Guide

TABLE 9: MEDA's Financial Inclusion Model: Supply Side Capacity Building

TOPIC	OBJECTIVE	TARGET
Customer Service	To develop youth friendly-customer service techniques and strategies	Front line MFI staff and management at branch and regional level
Product Development	To tailor current products or creating new products for the youth	Middle and top management MFI staff
Risk Management	To develop risk management strategies for MFIs working with youth	Upper management level staff

A key component of the implementation phase is to conduct ongoing monitoring and evaluation. The Key Performance Indicators (e.g. uptake, growth in balances, repayment rates) as established during the pilot should be reviewed regularly and updated as needed to include other indicators. To conduct a more extensive evaluation, a FSP could develop a logic model or theory of change that links youth financial inclusion to other key outcomes for youth such as improved livelihoods or improved economic opportunities (e.g. income stability, enterprise growth). OECD-DAC provides a useful framework that can be adapted to measure the relevance, effectiveness, efficiency, sustainability and scalability of the program.[17,18]

[17] See the next section for additional discussion on sustainability and scalability.
[18] See Annex I for an adaptation of the OECD-DAC Evaluation Framework.

KEY CONSIDERATIONS FOR SERVING YOUTH

Successful initiatives indicate that three key considerations drive youth financial inclusion:

- Non-financial services
- Technology
- Scalability and sustainability

Non-Financial Services

The provision of non-financial services to youth can increase the usage of financial services. Youth may save more frequently, save larger amounts or for particular savings goals after receiving some type of financial education as opposed to just opening a savings account (uptake vs. usage). NFS might also help them overcome their fear of borrowing due to repercussions from delayed payments, giving them the skills and confidence to plan for repayment and make their loan payments on time.

There are two main non-financial services topical areas:

1. **Financial Literacy/Financial Capability Training**
2. **Entrepreneurship Training and Support Services**

Building financial capability helps youth to understand basic products, know their rights, and practice behaviors that increase their successful usage of products. Key themes for a youth financial capability training should include the following:[19]

- Day to day money management (e.g. budgeting, bill pay)
- Long-term planning (e.g. saving goals and options)
- Resilience (e.g. emergency fund, insurance)
- Use of formal financial services (e.g. comparison of options, debt repayment capacity)
- Digital Financial Services (e.g. tracking, digital protection)
- Consumer Protection (e.g. rights, responsibilities and recourse; loan contract)

It is important to relate the content and delivery of non-financial services directly to the life stage of the youth, a similar approach that was recommended for providing youth financial services. For example, early adolescence (10 to 14) is an appropriate time to introduce young people to basic financial literacy concepts such as the value of money, earning, saving and spending. This may be in the form of short, targeted sessions that include spending prioritization games and other interactive activities (MCI, 2019). In late adolescence and emerging adulthood, more complex topics can be introduced, building on young people's growing experience with and reliance on money and their ability to access more formal financial services based on their age. This stage is a good time to build financial literacy skills such as financial planning and budgeting and soft skills that are important for financial health, such as planning, negotiation, problem-solving and decision-making (MCI, 2019).

Improving youth entrepreneurship skills will enable them to successfully launch and grow enterprises, increasing their overall utilization of financial services. Key themes for youth entrepreneurship should include the following topics:

- Soft skills training and personal development (e.g., leadership, negotiation, communication, social networking, time-management, presentation)
- Personal initiative training (e.g., self-starting behavior, innovation, identifying and exploring new opportunities, goal setting, planning and feedback cycles, overcoming obstacles)
- Business management (e.g., sales and customer management, staff management/HR, marketing and branding, product design, supply chain/ value chain management, inventory)
- Financial management (e.g., book keeping, cash flow analysis)
- Technology management (e.g. hardware and software, agricultural technology)
- Digital training (e-commerce, digital marketing)
- Sector-specific training/vocational training
- Business Formalization
- Risk Management and Evaluation

[19] See Annex J for key themes and learning objectives of a financial capability program for youth.

Though important, offering non-financial services can be expensive and FSPs should carefully consider to what degree they can and should integrate their non-financial and financial services among four basic models (Freedom from Hunger, 2001, UCNDF, 2015) (see table 10):

TABLE 10: Models for Integrating Financial and Non-Financial Services

DELIVERY MODEL	DESCRIPTION	EXAMPLE	PROS/CONS
Unified	Service delivery by one organization, same staff	Staff of one FSP such as loan officers deliver both financial and non-financial services	▸ FSP has direct control over NFS; NFS cost embedded in FS ▸ Staff may not have the capacity to deliver NFS; diverts staff from core job responsibilities; depending on amount of NFS, can be expensive
Parallel	Service delivery by two or more programs of the same organization	Staff of the FSP deliver financial services and staff of the foundation associated with the FSP deliver non-financial services	▸ Allows staff to focus on core jobs ▸ NFS need on-going subsidies ▸ NFS and FS need to be coordinated
Linked	Service delivery by two or more independent organizations	The FSPs partners with staff at a YSO or training institute to deliver the non-financial services while they continue to deliver financial services	▸ Allows staff to focus on core jobs ▸ NFS needs on-going subsidies ▸ Partner selection critical ▸ NFS and FS need to be coordinated
Hybrid	A combination of unified and linked model	Youth peers are trained and hired to deliver non-financial services to other youth (peer model)	▸ Relatively inexpensive service delivery model ▸ Quality control sometimes difficult

FSPs can apply the following criteria to determining which type of integration model is the most appropriate for a financial institution:[20]

- Institutional commitment and resources – Institutions that are more committed or have allocated significant resources to serving youth might choose a unified, parallel or hybrid approach, while for those that are less committed/resourced a linked approach might be better

- Existing Infrastructure –Institutions that already have existing internal capacity and space such as a training center to train youth, might choose a unified, parallel or hybrid approach while those with less capacity might choose a linked approach

Regardless of which type of model a FSP chooses to provide non-financial services internally, it is important to integrate global best practices into the design of the program, both in terms of the content and the delivery model. A few key best practices for the delivery of non-financial services to youth include the following:

- Leverage existing infrastructure, touchpoints (e.g., extracurricular activities or civic classes at school, groups or clubs, weekly meetings with loan officers, common congregation points), technology (e.g. virtual platforms, apps) and teachable moments (e.g., earning income from first job, opening savings account, starting business, taking out first loan, making first loan payment, planning for next planting season, purchasing first home, starting family) as this can greatly reduce the costs and time involved for FSPs

- Critical minimum approach that uses simple key messages that are standardized across channels, short sessions, minimum materials and simple facilitation techniques; this makes it easier for youth to understand and for teachers or facilitators not familiar with the technical content as this can also reduce the costs and time involved for FSPs (UNCDF, 2015)

- Multi-channel approach that raises awareness, provides direct training, and opportunities for practice and reinforcement and is situated within the local context and specific for each target segment

- Hybrid approach with mix of high touch (in-person) training or touchpoints and low touch (virtual, technology) to reach scale

- Community wide approach that integrates key youth influencers such as parents, caregivers, teachers, shopkeepers, community leaders/village chiefs, church leaders, mentors and peers

There are different channels for delivering non-financial services to youth. These include in-person or virtual training, technology based self-guided learning (e.g., e-leaning modules, apps), mentoring or coaching and business incubators. It is important to weigh the advantages and disadvantages of these different models. In-person training can be very effective in terms of the depth of the learning but is more expensive, while virtual training or self-guided technology-based learning can reach greater scale and is more cost effective but achieves more breadth as opposed to depth in terms

UFC Rwanda Uses Hybrid and Unified Model

UFC provides non-financial services for youth including, financial education and entrepreneurship training in collaboration with partner organizations, YSOs/initiatives. As part of the training methods, UFC has adopted a 'hybrid model', a peer-to-peer training approach using peer-to-peer youth trainers. This approach is considered beneficial in that the youth trainers have a positive 'mental' effect on the (potential) clients as they generally feel comfortable working with youths from within their communities. UFC also uses their staff as trainers, therefore applying a mix of both unified and hybrid models.

[20] Adapted from e-MFP, 2015

of learning. The coaching and mentoring model is an effective model for delivering youth non-financial services particularly, if it leverages key youth influencers, as it can provide reinforcement of learning and positive financial behaviors. Key best practices in mentoring and coaching include providing youth with continual mentoring, leveraging existing networks, using local champions as mentors, taking into account gender and monitoring (CYFI; YIA, 2018).

Technology: Financial Services

Technology is a key driver of youth financial inclusion. In many countries, youth are more digitally savvy (digital natives) and more active users of technology than adults. As mentioned previously mobile accounts of youth have equaled or surpassed those of adults in most developing countries (World Bank, 2017). Technology, when well adapted to the youth-user, provides an opportunity to provide faster, more efficient financial services particularly for those who are engaged in multiple income generating activities and gig work. It also provides an opportunity to bundle additional non-financial support services youth need such as information, training, networking and mentoring. If a FSP has technology already in place that can be leveraged to provide digital financial services for youth, this is ideal and low cost. However, if not, a FSP can link up with an already existing FinTech program (low cost), take an equity stake or acquire a FinTech company (medium cost) or set up a FinTech as a separate entity.[21]

Crowdfunding and Peer-to-peer lending platforms offer innovative alternative financing options for youth entrepreneurs who lack access to seed capital and collateral. As many young entrepreneurs typically seek start-up funds for their businesses from family and friends, crowdfunding offers the possibility of leveraging these networks, pooling these funds in a formal structure, while at the same time building a financial history which will allow them to build a relationship with a FSP. It also helps FSPs tap into an innovative mechanism to improve lending decisions, lower collateral requirements and interest rates and thus potentially overcome some of the demand and supply side barriers of serving youth. This model is well suited to youth due to its low delivery costs.

E-commerce platforms also provide an opportunity for integrated financing. Many e-commerce platforms provide payments infrastructure and may also provide additional support services (e.g. information or training on selling online). Very few platforms provide financing options for the MSMEs who sell on their platforms despite the high demand for this additional service and preference for a 'one-stop shop', but this may change as platforms gain deeper insights into their clients' activities. In addition, e-commerce platforms provide unique opportunities for young women to enter male-dominated sectors (e.g logistics and transportation), reach personal goals, meet basic needs, overcome restrictive social norms and create pathways to financial inclusion in addition to creating income generating opportunities (IFC 2021a; IFC 2021b; CGAP 2021).

Opportunity Bank Develops a Mobile App with Low KYC Requirements for Youth

Opportunity Bank Uganda Limited (OBUL) offers both savings and credit products mainly for youth aged 18-35 years. OBUL began providing financial services for youth in August 2020 through a dedicated youth program, the 'Youth Enterprise Challenge' financing rural youth. The initiative leverages its outreach to village savings and loan associations (VSLAs) to reach youth with savings and credit products. Opportunity Digital developed a mobile app so youth could more easily interact with the product. SmartPocket, the online wallet product, has low know-your-customer (KYC) requirements that require a mobile number, making it easier for youth to access bank services through digital channels. This account can be upgraded to a full account when the KYC process is complete. The simplified account only allows for small-ticket transactions similar to other wallet products. However, once the youth upgrade to a full account, the transaction history generated from the simplified KYC account can be used to establish a credit history and improve youth access to bank credit.

[21] See Annex E for WSBI's Decision Tree for Business Model Selection

Crowdfunding Platform in Ghana Promotes Quick Lending for MSMEs

In Ghana UNCDF partnered with Pezesha, a Kenyan Fintech firm to match the funding needs of MSMEs with the investment interest of investors (including banks, microfinance institutions and other retail lenders) who provide debt and receive periodic repayment. MSMEs can apply for a loan online in under two minutes. Pezesha uses a credit scoring process to evaluate the creditworthiness of enterprises and a framework to tailor the financing offer. A matching algorithm selects investment opportunities for investors based on their risk appetite and expectation of risk-adjusted investment returns. Local account officers assist in due diligence and servicing. Pezesha also offers financial education to drive responsible borrowing and improved financial decision making. (UNCDF, 2021)

Digital financial services can decrease barriers to credit for youth entrepreneurs MSMEs such as lack of credit history or collateral and lengthy approval and processing time for a loan. It can also provide data points on youth clients who don't have a formal credit history (e.g., transactional data, mobile call records, airtime purchase patterns and social media posts) to provide alternative credit rating mechanisms through a digital footprint. Digital technology can also facilitate account access through electronic know-your-customer (KYC) identification for youth without an official ID card. Insert example here,

Digital savings also offers a unique and secure opportunity for youth to save. M-Shwari is a combined savings and loans product launched through a collaboration between the Commercial Bank of Africa (CBA) and Safaricom. The M-Shwari account is issued by CBA but must be linked to an M-Pesa mobile money account provided by Safaricom. M-Shwari links a M-Pesa mobile money wallet to a savings account with low balances and flexibility. As a result, it is a very popular product among young people. Mercy Corps Agrifin Accelerate developed and piloted HaloYako in 2017 in Tanzania in partnership with Finca Microfinance Bank. HaloYako provides a digital loan, basic digital savings account and targeted savings account to save for a pre-determined term. The program didn't target youth initially but reached a large number of youth due to its marketing strategy (e.g. road shows, pictures of youth in posters, young sales agents). Over two-thirds of Halo Yako's registered users are below the age of 35 and many of them are located in rural areas (CGAP, 2019).

However, despite the many opportunities that technology may provide to youth, it is also important to acknowledge the risks for youth associated with these new digital technologies. Youth are more susceptible to improper advertising practices and fake advertisement due to their lack of experience with financial services and regular presence on online platforms. They are also more willing to share personal information online (OECD, 2021a). As such it is important to integrate guidance and information or training on digital consumer protection.[22]

[22] See previous section on Non-Financial Services

Technology: Non-Financial Services

Virtual platforms such as the internet, mobile apps, Zoom and social media sites (e.g. WhatsApp, Facebook and YouTube) can also be leveraged to serve as sources of information and instruction for youth to provide non-financial services. Gig platforms can provide customized, digital, personal financial management tools to aid young gig workers in effective financial management. They can also provide direct linkages to digital financial services to promote their uptake and usage. Online business incubators and accelerators typically offered by the private sector (e.g. Visa, MasterCard, Verizon) provide unique platforms to provide entrepreneurship training in addition to networking and mentoring opportunities during a three to six month time period

In 2016, Safaricom launched Blaze, a mobile platform aimed at youth aged 18–26, which provides mentorship, training, funding and networking services. In the context of such programs, youth are engaged in bootcamps, summits and TV shows to stimulate their entrepreneurial spirit. Blaze channeled its campaigns through the leading social media platforms: Facebook, Twitter and YouTube. It cost an initial $6.9 million USD to launch the Blaze platform, which had 3.2 million subscribers as of 2019. In 2019, the platform introduced an aggregator of e-learning resources, Blaze Link, to connect young Kenyans with new market opportunities and enjoy free courses such as sales and marketing, finance, agriculture, creative arts and IT programming. (FAO Kenya, 2020)

Ecobank Ghana in Ghana partnered with a FinTech in Ghana (OZE) to develop a mobile business app (OZE) for MSMEs to track sales, expenses and customer information. The partnership was brokered through UNCDF. The data is then analyzed to provide tailored recommendations, reports and business education through a coach, assess credit risk and connect them to capital. By March 2020, OZÉ had more than 37,000 registered businesses in Ghana, of which 35 percent were owned by women and 61 percent by youth. Over 1,000 entrepreneurs had applied for a loan. Initial results have shown that uptake and usage of digital solutions offered in areas outside the Greater Accra Region takes time due mainly to low digital literacy. However, providing OZÉ support staff on the ground has proven successful for uptake and usage of the solution to overcome this barrier (UNCDF, 2021b).

CARE Ignite Program: Leveraging Technology for Business Training of Young Women MSMEs

The CARE Ignite program targets mainly young women MSMEs in Peru, Pakistan, and Vietnam to provide them with flexible financing and business training. The program has found platforms such as WhatsApp and Zalo that facilitate interactive groups and two-way messaging to be very effective at providing information to women entrepreneurs and also connecting them together as a network. CARE has set up social media groups to apply training, introduce new financial products and services, and develop networks across all three countries. In addition, CARE Vietnam supported VPBank to build its own SMEConnect Portal - a comprehensive online hub for MSME customers that connects them with financial solutions (bank's financial products), capacity building (online training courses), diagnostic tool (45-minute business health assessment) and business connection (events, workshops).

Scalability and Sustainability

There is growing evidence of the potential for FSPs to achieve financial sustainability for their youth-focused savings and credit products over the medium to long term (three to five years). Urban and older youth might present the most potential for FSPs, especially with cross-selling of services and to other family members, while with younger and rural youth it might be more financially prudent to take a savings-led approach (UNCDF, 2013; Making Cents International, 2016). In addition, digital services such as automated teller machines, point-of-sale devices or mobile banking have the potential to reduce the operating costs of serving youth. As mentioned previously, identifying the unique market and institutional levers during the discovery phase can also help a FSP achieve sustainability.

It is important to ensure both the scalability and sustainability of youth financial services. One measure of scalability is the proportion of youth clients to the total number of FSP clients. The proportion of youth to the total number of clients can also be used to benchmark against the proportion of youth in the general population. On average, most countries have a youth population that is around 30 percent of their total population. Thus, a FSP would need to have 30 percent of all their clients be youth clients in order to achieved significant scale (e-MFP, 2015). Sustainability can be defined as the capacity of the FSP to generate sufficient direct or indirect revenue from the financial product to support the costs of both the YFS and NFS. Sustainability can be quantified by the break-even point of the services.

These two dimensions of scalability and sustainability are closely linked. A FSP cannot reach economies of scale that make services financially viable over time without achieving a certain volume of savings and/or loans. A FSP cannot serve significant numbers of young people without ensuring sustainability through institutionalization and capacity building, a key step in the implementation phase recommended previously.

Scaling up youth integrated services can be accomplished by leveraging existing infrastructure and networks for both outreach and implementation. This can also greatly reduce the costs and time involved for FSPs. For example, reaching youth where they already work or attend such as schools, vocational centers, marketplaces and platforms is effective in addition to reach youth through existing clients. The choice of financial product may also affect scalability. Savings products are the easiest to scale, especially through existing branch networks, schools, and youth savings group models. There is less potential for scale with lending due to youth's lower demand for credit, the cost of supportive services, and the difficulty that youth have to meet typical collateral requirements, unless the FSP is willing to offer more flexible loan terms and alternative requirements (e.g. digital footprint). Some FSPs have

Microfund for Women: First Movers for Youth Start-Up Loan in Jordan

Microfund for Women (MFW) in partnership with MEDA developed the first start-up loan for targeting youth in Jordan, the Intilaqati loan between 2016 and 2018. The loan provided initial start-up capital in the amount of 500 and 10,000 Jordanian Dinar ($700-1,400 USD) for a term of up to 5 years. Due to the risk involved in working with startups, the loan's interest rate was higher than standard loans but there was an initial six-month grace period to provide more flexible terms. It was initially challenging getting the buy-in of field staff as they saw youth start up loans as risky, thought it would increase PAR and that they wouldn't benefit from the newly created incentive program. However, most field staff came around after the first few months when they saw a low PAR and that they were gaining new clients. MFW has seen a 98% on-time repayment rate and low PAR of around .5%. It remains one of their more profitable loan products compared to their flagship products. The loan's success inspired other banks in Jordan such as the National Microfinance Bank to develop similar start-up products for youth.

experienced success in linking savings track record (e.g. set amount or set period of time) to eligibility for loans, thus starting with a savings-led approach.[23]

In general, providing non-financial services for youth can be expensive. There are various ways to minimize these costs that can make a program more sustainable. These include the following:

- Leveraging existing materials, technology infrastructure and platforms to reach a large number of young people. This could be done through partnerships with business incubators and accelerators who may have existing online business or financial education programs as well as an existing network of youth entrepreneurs (both current and alumni)
- Leveraging existing touchpoints to reach youth such as extracurricular activities or civic classes at school, groups or clubs, youth savings groups, weekly meetings with loan officers, Facebook or other social media groups
- Charging a small fee for training to offset some of the training costs. This may also increase the overall sustained participation throughout the program and make youth feel more invested or committed to completing the program. Another way to increase participation is to market the program as having a more rigorous selection process so youth feel that they are part of an 'elite club'
- Adopting a unified or parallel model where the non-financial services are delivered through internal staff of the FSP
- Adopting the peer educator model so that youth who meet pre-specified criteria and initially graduate from the program become facilitators for youth who follow them
- Adopting a critical minimum approach for both in-person and virtual training sessions that focuses on key messages, short sessions and simple materials or tools

Several models and approaches offer the potential for sustainability and scalability of youth financial and non-financial services. Youth savings groups offer a platform for training in entrepreneurship, and financial literacy and can promote both sustainability and scalability at the same time. They are particularly effective in reaching rural youth. The peer educator model and the critical minimum approach are also key approaches to reaching a large number of young people. Lastly, virtual and digital platforms such as Zoom and YouTube in addition to business accelerators or incubators offer the potential to reach scale with youth non-financial services.

[23] Two UNCDF partners experienced great success with this approach. Once youth saved a predetermined minimum amount in a business savings account for six months at Umutanguha in Rwanda, youth could qualify for the bank's loan products. When applying for a loan, youth were eligible for loan amounts equal to four times the value of their savings account plus interest. Youth clients of ACSI in Ethiopia were required to have a savings account open for one month and make a minimum of three deposits and up to eight withdrawals to be eligible for the youth business loan (World Bank, 2020).

RECOMMENDATIONS FOR YOUTH FINANCIAL INCLUSION

Outreach and Impact Strategy

1- Define the Market, Business Case, and Most Effective Product Approach

For FSPs, it is not a question of whether to serve youth, but which segments provide the best business case. As per the above product development process, FSPs should conduct a SWOT analysis to identify existing institutional capacity and infrastructure that can be leveraged (e.g. technology), including existing services and programs in the youth employment/ entrepreneurship space to leverage for outreach to potential borrowers. Once the market and institutional levers or opportunities have been analyzed, a FSP can determine which market segment(s) (e.g. age, gender, geographic location, occupation) has the most potential based on their unique market position, internal capacity and infrastructure and institutional priorities. It is important to ensure that the larger age segment of youth (18-35) is broken done into smaller segments (e.g. 18-24, 25-29, 30-35) as they have varying financial needs corresponding to the different youth transitions. The specific product approach will be determined by the type of financial institution and its strategy. For example, starting with a savings-led approach first and then moving to a credit-led approach might be more appropriate for deposit-taking MFIs, cooperatives/credit unions or banks, while a credit-led approach might be more appropriate for non-deposit taking or non-bank financial institutions (NBFI). This approach may also impact the type of youth targeted. For example, younger and rural youth could be targeted with savings accounts while urban and older youth could be targeted with credit.

2- Broaden and Deepen Outreach

FSPs should look at existing client data disaggregated by age to see which youth segments they might already be serving or how to reach youth through some of their existing clients (e.g. parents, peers). They should also identify existing touch points that can be leveraged (e.g., solidarity group meetings, onboarding meetings) to broaden their outreach to youth. Once the FSP has more clearly defined the different youth segments then it can be more intentional about serving youth and thus deepen its outreach.

3- Take a Long-Term View

It is important for FSPs to take a long-term view and be patient and flexible in working with youth as it may often take time to achieve sustainability and scalability. Youth provide a unique opportunity to reach others such through cross selling and are often strong ambassadors of the program. Establishing the customer loyalty of youth at a young age will reap long-term benefits particularly as they expand their financial portfolio when they earn more income.

Product Development Cycle

1- Adopt Systematic, Youth-Centric Approach

FSPs should follow the recommended product development cycle (e.g. discovery, design test and implement). They should also identify areas where technical assistance might be needed throughout this process. It is important to adopt a youth-centric, community wide and life stage approach through the product design and implementation process beginning with a segmentation strategy to design appropriate tailored financial services for youth such as savings and credit products. For example, credit products appropriate for rural youth might include microloans and asset-based lending, while for urban youth it might include digital credit in addition to asset-based lending and microloans. For youth MSMEs, approaches might include small business start-up loans in addition to the other credit products appropriate for urban and rural youth.

2- Capacity Building Promotes Institutionalization

Promoting capacity building of internal staff at various levels, including front-life staff most likely to interact with youth will ensure the buy-in of these key staff in addition to institutionalizing the program. FSPs can offer this capacity building internally if there is existing staff capacity or partner with another organization (e.g. YSO) to provide it. Key areas of capacity building include product development, marketing, customer service and risk management. Designating internal youth champions to serve as resources for on-going outreach and to coordinate technical assistance is also important for long-term success.

3- Build up Internal Systems and Processes

FSP should update the MIS to include age-disaggregated data by different youth segments (e.g. 18-24, 25-29, 30-35) as the different youth transitions impact directly their financial needs and preferences for youth financial services. FSPs should also develop youth product committees or name “champions” among existing staff to lead the process and be accountable for success. Champions can coordinate and collaborate with crucial stakeholders like Business & Distribution, Strategy,

Oscar Omondi, Unsplash

IT, Risk, Accounts and Operations to develop and institutionalize functional processes key to the successful launch and operationalization of the product.

Drivers of Youth Financial Inclusion

1- Provide Non-Financial Services

Providing non-financial services to accompany the financial services will promote usage of the financial services and improve the overall financial health outcomes of youth. This may include financial education or entrepreneurship training. To keep the costs low a critical minimum approach should be followed in addition to leveraging existing touchpoints, infrastructure, materials and programs such as business accelerators or incubators.

2- Partnerships are Fundamental

FSPs evaluate the most appropriate integration model for providing financial and non-financial services and explore a partnership model if a FSP doesn't have the internal capacity to offer the non-financial services. Partners should be evaluated through a set-criteria and FSPs should ensure alignment with their mission, target youth segment and geographic reach, in addition to adopting a sustainability and scalability lens. FSPs should partner with the government, whenever possible, to raise awareness about the program and ensure alignment with the regulatory environment.

3- Digitize Whenever Possible

As youth are very technologically savvy, FSPs should integrate digital innovations in both financial and non-financial services to increase the uptake and usage and to scale the program whenever possible. To integrate digitization, FSPs evaluate their existing technology infrastructure and partner with FinTechs as necessary. However, they may still need to adopt a 'high touch' model particularly in rural areas where the digital divide is more pronounced and during onboarding.

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Trickle Up India

ANNEX A: Interview Guide for Youth Financial Product Design

PURPOSE: To understand the needs and preferences of youth for various financial services

STEP 1: Welcome to the discussion - 5 minutes

Moderator say:

- Thank you for coming to this discussion, I know you are busy and your time is valuable. I would like to first introduce myself. My name is XX and I work with XX.
- I have come here today to discuss your experience with financial services. The information you share with me today will help us develop appropriate financial services for youth like you.
- We would like to record these discussions so that we do not miss any of the issues and ideas you give us. Your names and the details of our discussions will be confidential. No one outside of this discussion will be able to identiwwfy who said what. Would you agree to have our discussion recorded in order for us to document the process and results of our discussion? Thank you.
- Before we start do you have any questions?

STEP 2: Introduction of Participants - 5 minutes

Moderator say: Now, it is your turn to introduce yourself. So, I will ask you (read the questions on right hand side)	- What is your name? - What kind of business do you have? Or what do you do for living? - How long have you lived in this area? - What do you like to do in your free time?

STEP 3: Use of Financial Services - 45 minutes

CORE QUESTIONS	RELATED PROBING QUESTIONS
1. Describe your experience with saving money over the past six months	- Where do you typically save your money? At home? Savings Group? MFI or Bank? Mobile Money? - Why do you save there? - What have been your positive experiences saving at these places? Negative experiences?

2. What are you saving your money for?	▸ How often do you save money? Do you save it weekly, monthly, on another basis? ▸ Are you saving for something in the immediate future? ▸ Are you saving for something in the distant future?
3. What is important to you when choosing a savings product?	▸ Interest rate? Fees? Costs? ▸ Number of withdrawals allowed? Minimum balance? ▸ Operating Hours? Convenience? ▸ Privacy? Security? ▸ Efficiency? Speed?
4. What does your ideal savings product look like?	*Probe on previous product attributes identified in previous question.*
5. Describe your experience with borrowing money over the past six months.	Where do you go to borrow money? Friends or family? Money lender or shopkeeper? Savings and credit group? MFI, Cooperative or Bank? Digital credit?
6. What is important to you when choosing a where to borrow money?	▸ Interest rate? Loan fees? ▸ Processing time? ▸ Loan amount? ▸ Flexibility with loan payments? Grace period? ▸ Safety? Trust? ▸ Convenience?
7. What do you borrow money for?	▸ Business? ▸ Education? ▸ Personal Consumption?
8. What does your ideal loan look like?	*Probe on previous product attributes identified in previous question.*

STEP 4: Touchpoints and Additional Support - 5 minutes

9. How did you learn about these financial services?	▸ Friends? Family? Word-of-mouth? ▸ At school? At church? At community center? ▸ Social media? What sites/apps? ▸ Groups? Business associations?
10. What additional support do you need to better manage these financial services?	▸ Information? Through what channels (e.g. social media, videos, tips, hacks)? ▸ Training? Online? In-person? ▸ Mentor? Counseling? In-person? Online

CLOSURE

Thank you for your time. Your answers and discussion have been helpful and informative. Do you have any questions for us? Are there any other youth you think I should speak with?

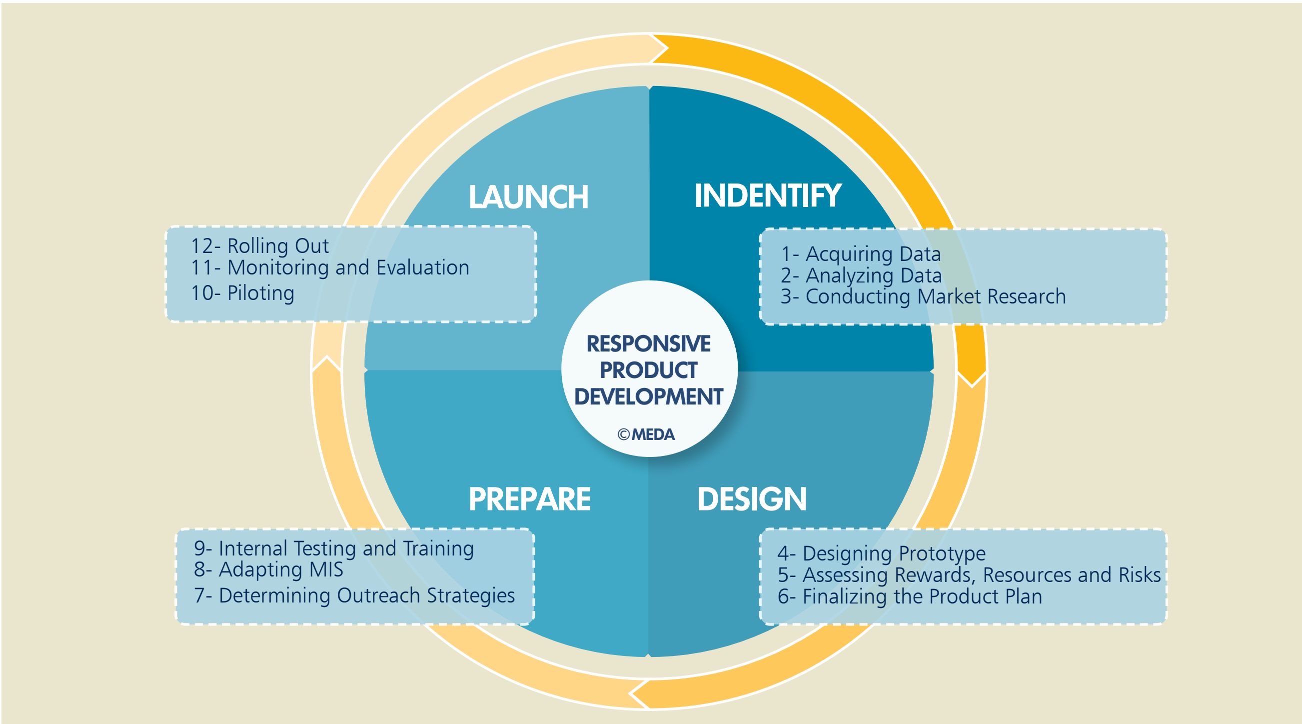
ANNEX B: 9P's Product Development Tool (Making Cents International)

COMPONENT	DESCRIPTION
1 - PRODUCT	The terms and conditions of the loan or savings product. (the loan tenor, repayment frequency, application documentation, collateral requirements
2 - PRICE	The cost of the product to the end user, set at a level to cover FSP costs (includes interest rate, fees, penalties, transaction costs, etc.)
3 - PEOPLE	The management and training of the full range of people involved in delivering the product (human resources; hiring, training, performance monitoring etc.)
4 - PROMOTION	How the product is presented to the client (marketing, advertising, public relations, including formats and delivery
5 - POSITIONING	Competitive advantage or niche in relation to other products/ institutions as perceived by the target customer
6 - PLACE	The product distribution and delivery channels (branches, outreach workers or Yeld agents, ATMs, mobile units, phones)
7 - PHYSICAL EVIDENCE	The paper or digital requirements for usage (passbook, promissory note, etc.)
8 - PROCESS	How the product is delivered (systems, manuals, operating procedures, forms, queues, turnaround time)
9 - PREPARATION	Design of non-financial service package to enable the client to use the product most effectively (e.g. financial literacy, business training; links to other resources)

ANNEX C: WWB's Youth Savings Product Prototype

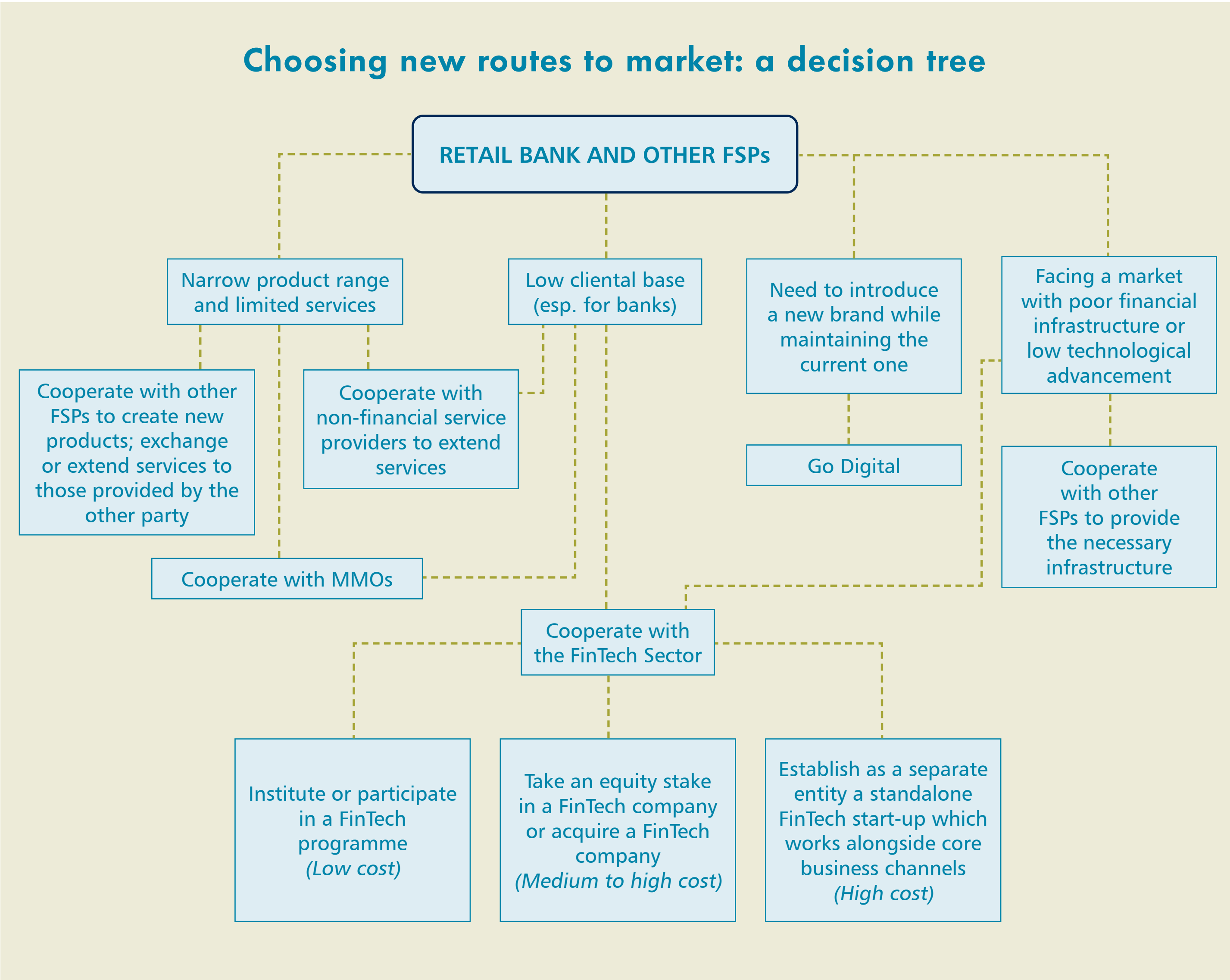
PRODUCT NAME	
Date to be introduced	
Target Customer	
TERMS AND CONDITIONS	
Type of account	
Form required	
Requirements to open	▸ Proof date of birth or Identification ☐ Birth Certificate ☐ School ID ☐ Passport ☐ ___________ ☐ ___________ ▸ Photos ▸ Parent or Guardian if ______________________________ ____
Minimum balance to open	
Minimum balance to maintain/operate	
Interest Rate	
Method of calculating and paying interest	
Transaction restrictions	
Fees	
Dormancy conditions, requirements	
Other conditions	
ATM/Debit card	
CHANNELS	
Withdrawals	
Deposits	
Inquiries	
BANKING TOOLS	
Passbook	
Incentives	

ANNEX D: MEDA's Youth Product Development Cycle



1. Acquiring Data: MEDA encourages financial institutions to engage in a variety of activities to acquire data related to the needs and preferences of their existing and potential clients.
2. Analyzing Data: Analysis takes into consideration customer feedback, attitudes and behaviors of the market, market gaps, competition, changes in the environment, and the institution's own strengths, mission and vision, this enables the institution to make an informed decision as to how to proceed with opportunities.
3. Conducting Market Research: Market research is conducted for a variety of reasons: to design a new product prototype, to modify an existing product, to assess the feasibility of bringing existing products into new geographical areas, among others.
4. Designing the Product Prototype: Based on the findings from market research a prototype will be designed.
5. Assessing Risks and Rewards: This process converts the product prototype into a Product Plan, integrating the market research into an assessment of the risks and rewards of the product prototype. A basic set of financial projections are produced for both the pilot and rollout phases and included in the Product Plan.
6. Finalizing the Product Plan: The final product plan identifies all other resource requirements and establishes budgets and plans for the pilot.
7. Determining Outreach Strategies: This first step prepares the institution to deliver new products or make changes to existing products.
8. Developing/Adapting MIS: Develop and/or adapt the Management Information System (MIS) with institution input.
9. Internal Testing and Training: This step reviews and tests the adequacy of the internal systems developed for the product.
10. Piloting the Product: Preparing for the pilot rollout will involve communication on the new or adapted product. Once all departments are duly notified, the pilot rollout should begin as structured in the Product Plan.
11. Monitoring and Evaluating: It is important to conduct ongoing monitoring throughout the pilot rollout and make adjustments as necessary.
12. Rolling Out the Product: The final step in the introduction and integration of a new product into the overall marketing and competitive strategy of the Bank.

ANNEX E: Scale 2 Save Initiative WSBI's Decision Tree for Business Model Selection



ANNEX F: Women's World Bank's Pilot Implementation Action Plan

<table>
<tr><td>Start date</td><td colspan="4"></td></tr>
<tr><td>Expected duration</td><td colspan="4"></td></tr>
<tr><td>Branches in pilot</td><td colspan="4"></td></tr>
<tr><td>Pilot Test Team</td><td colspan="4"></td></tr>
<tr><td>Selected Partners (if applicable)</td><td colspan="4"></td></tr>
<tr><td>Pilot Objectives</td><td colspan="4"></td></tr>
<tr><td rowspan="13">Elements of Pilot</td><td>Phase</td><td>Area</td><td>Documents / Materials needed</td><td>Target Date</td></tr>
<tr><td rowspan="6">Preparation</td><td>Product</td><td>• Application form
• Passbooks
• Data collection forms / MIS fields
• Staff training guide and materials
• Policies and procedures / operations manual</td><td></td></tr>
<tr><td>Financial education</td><td>• Curriculum
• Training-of-trainers guide
• Delivery plan and schedule
• Agreements with partners</td><td></td></tr>
<tr><td>Marketing</td><td>• Marketing materials: brochures, flyers, posters, banners, etc.
• Incentives scheme and rewards</td><td></td></tr>
<tr><td>Outreach</td><td>• Schedule of outreach activities
• Community support and buy-in</td><td></td></tr>
<tr><td>Operations / IT</td><td>• System user requirements
• Reporting and monitoring systems
• Finalize delivery and collection model</td><td></td></tr>
<tr><td>Training</td><td>• Develop training tools
• Implement training
• Assess training effectiveness</td><td></td></tr>
<tr><td rowspan="2">Implementation</td><td>Soft/Hard Launch</td><td></td><td></td></tr>
<tr><td>Monitoring</td><td>• Regular reporting, monitoring, and communication on KPIs and targets vs. performance</td><td></td></tr>
<tr><td rowspan="3">Assessment</td><td>Data Analysis</td><td>Quantitative assesment of pilot</td><td></td></tr>
<tr><td>Focus Groups & In-depth Interviews</td><td>Quantitative assesment of pilot</td><td></td></tr>
<tr><td>FE Effectiveness</td><td></td><td></td></tr>
</table>

Budget	Sample budget areas: • Banking tools (passbooks, etc.) • Marketing campaign and materials • Financial education materials • Training materials		
Initial Indicators & Projections	**Indicator**	**Explanation**	**Target**
	Take-Up		
	# accounts opened	Measure number of youth savings accounts opened during pilot period, disaggregated by gender, age, branch, grade level, and other relevant criteria.	
	# Financial education participants	Measure number of financial education participants, disaggregated by gender, age, branch, grade level, and other relevant criteria.	
	Average # participants per financial education session	Measure average number of participants in the financial training sessions, to ensure a small size.	
	Conversion rate from financial education	Measure account take-up from the financial education sessions by dividing account holders who received financial education by total financial education participants.	
	Growth in account balance		
	Average balance	Total deposits at the end of the pilot period divided by the number of accounts. *Analysis based on time account open can be done, if possible.*	
	Total deposits	Total savings balance across all accounts by the end of the pilot period.	
	Channel usage		
	% Deposits / Withdrawals by channel	To understand which channels clients use most for deposits and withdrawals.	
	Account activity		
	Account activity (%)	Of accounts open for at least one month, % that make two or more deposits (counting initial deposit) during the pilot period.	
	Training effectiveness		
	Training effectiveness	Through observation, assess effectiveness of training developed, tested, and implemented by the end of the pilot test. This should result in a final version of the training program to be used for rollout.	

ANNEX G: WWB's Product and Marketing Prototype Testing Guide

TIPS

- Conduct separate focus groups for girls and boys
- Ensure that participants are in age brackets of no more than 3-4 years
- Encourage participation from everyone
- Get 2-3 responses for every question
- Have one person facilitating the focus group and another person taking verbatim notes (plus an interpreter, if needed)

WELCOME & INTRODUCTION

- Thank you for coming – we are grateful for your time.
- A few months ago, we met with girls/boys just like you to better understand the needs that they have for a savings product. Based on that feedback we designed a new savings product. The discussion that we have today will help us to design a product that caters to your needs.
- We would very much like to record these discussions to help us remember them and so that we do not miss any of the issues and ideas you give us. Your names will be kept confidential – so please feel free to openly express your thoughts and opinions.
- The details of these discussions will not be shared with your financial institution and your names will be kept confidential – so please do not be concerned and feel free to express your opinions openly. Is it okay that we record this discussion?
- As a first step we should introduce ourselves. Please you start and we will follow. My colleague here will prepare nametags to help us remember your names.

CORE QUESTIONS	PROBES	PROCESS
WARM-UP QUESTIONS (10 MINUTES)		
1. Who here likes *[insert popular sport or famous celebrity/singer]*? 2. What is your favorite subject?		
INTRODUCTIONS (10 MINUTES)		
3. Let's start by introducing ourselves. Please tell us your name, your age, who lives with you in your home and what grade you are in? I will start and then we can go around the group.		Co-facilitator to prepare nametags for participants and facilitators
4. Do you have savings? Where do you save? (formal, informal)?	• Do other people in your house save? • How do they save?	
5. How frequently do you save (daily, weekly, monthly)?	• Each time you save, how much do you save?	

6. What is something you are saving for? Something you would like to purchase or have in the future?	• *Probe for savings goals*	
PRODUCT CONCEPT EVALUATION (45 MINUTES)		
7. I am going to read you a statement that describes a savings account. It has been designed based on the opinions of other young people like you. Once I have finished reading it, I would like to hear your opinions about it.		Read out statement that simply and clearly describes the product concept. Share the product features and any relevant collateral (ex. flyer, brochure).
8. Top of mind reaction: What is the first thing that comes to your mind when you hear this?		
9. What are 3-5 things (features) that you liked about this account?	• Why? • Would you have the required amount to open the account? • *Probe on which product features are most appealing.*	
10. What are 3-5 things (features) that you would like to change about this account?	• Why? • *Probe on which product features are least appealing.*	
11. Do you have the documents required to open the account?	• *Probe on identification, photos, and any other account opening documents.*	
12. Do you have any questions? What else would you want to know about this account?		
13. Have you heard of something like this? Where?	• *Probe for competition*	
14. Would you be interested in using a savings account like this?	• *Probe for likes, dislikes*	
15. If you could open an account like this, what would be the greatest benefit?	• *Probe for likes, dislikes*	
16. Describe how you would use this account.	• *Probe to understand the different types of things participants will use the money for [e.g., school expenses, candies, etc.]*	
17. How often could you save money in an account like this?	• How many times in a month would you use it? • How much do you think you would be able to save each time?	

18. Is there anything that would prevent you from saving each time?	• Is there anything that would make you want to not use this account?	
19. How would having a savings account like this make you feel?	• What would the effect be on your life and your family? • Probe specifically on different feelings like empowerment, independence, etc.	
PRODUCT NAME & MARKETING MATERIALS (PROTOTYPES) (10 MINUTES)		
20. We would like to get your opinion on a proposed name for the savings account. We are thinking of calling it [*insert proposed product name*]. When somebody says *[insert proposed product name]* to you, what is the first thing you think about?	• What else?	Ask quickly to get top of mind reactions about the name.
21. We have also developed the product logo, passbook cover, and flyer/ poster *[insert other materials developed, if applicable]*. We would like to get your feedback on these materials	• What comes to mind when you see this logo? Passbook cover? Poster? Etc.? • *Probe whether they feel it is tailored to them.* • *Ask about specific images and probe for top of mind reaction, whether the images resonate with them, and if they are interpreting the images in the way intended.*	Show the logo, passbook cover, poster, other.
YOUR FINANCIAL INSTITUTION (10 MINUTES)		
22. How many of you are familiar with [insert your financial institution name]?	• What do you know about it?	
23. What comes to mind if someone mentions [insert your financial institution name]?	• Probe to understand if there are concerns about saving at your financial institution.	
CLOSING		
Thank you. Your answers and discussion have been very helpful and informative. We are very grateful for the information you have provided. Do you have any questions or suggestions for us?		

ANNEX H: WWB's Pilot Assessment Guide

PILOT ASSESSMENT GUIDE		
ASSESSMENT AREA	**KEY QUESTIONS**	**SOURCES OF DATA**
Market acceptance / Customer receptivity	• How well did the clients, guardians / parents, facilitators and partners respond to the program (product, financial education, marketing, etc.)? • What were the take-up and usage numbers? • How effective was the marketing and financial education?	Account take-up and usage data Client interviews Client focus groups Guardian / parent (of client) interviews Financial education participant interviews Financial education facilitator interviews Financial education guardian / parent (of participant) interviews Marketing and financial education responsiveness and conversion rates
Staff implementation	• How well did staff perform during the pilot? • What was staff and branch productivity during the pilot? • Were the pilot objectives met? • Did staff adhere to the pilot budget? If not, why?	Pilot branch staff interviews Head office staff interviews Training manuals Process maps Actuals vs targets Pilot objectives Actual vs estimated pilot budget
Systems performance	• How well was pilot data captured and reported? • Was the back-office processing and operations efficient?	Data reporting MIS capability Process maps Policies & procedures

ANNEX I: OECD-DAC Evaluation Framework[24]

EVALUATION OBJECT	EVALUATION QUESTIONS
Relevance	To what extent is the program relevant to the implementing partners involved?
	To what extent are the products and services relevant to the key youth segments?
	How has the programme responded to the immediate needs of the youth segments?
Effectiveness	To what extent are the projected outputs and outcomes on track with the theory of change?
	What factors have contributed to or limited achievement of the intended outputs and outcomes?
	How can the data collection and data analysis tools be improved to measure the most relevant youth financial inclusion indicators?
Efficiency	How efficient Is the process of achieving results? Were the resources utilized effectively?
	What factors have contributed to efficiency in the implementation stage?
	What factors have limited efficiency in the implementation stage?
Sustainability	To what extent is the program likely to be sustained after the implementation stage?
	What are the key factors that could limit the potential for replication of the program?
	How have capacities been strengthened of the implementing partners?
Scalability	What channels have been used to achieve scale?
	How have existing networks and partnerships been leveraged?
	How have existing infrastructure and touch points been leveraged?

24 Author's adaptation from OECD-DAC Framework

ANNEX J: Financial Capability Program with Youth[25]

THEME	LEARNING OBJECTIVES
Day to day money management	• Identifies sources of income and expenses • Prioritizes and control expenses • Tracks and balances income and expenses • Pays bills on time
Long-term planning	• Identifies strategies for saving • Sets savings goals in the short and long term • Develops savings plan • Identifies best savings option for savings goal
Resilience	• Identifies three stages of resilience • Manages money with irregular income • Sets aside savings for emergency expenses • Purchases insurance • Develops plans to prevent, withstand and recover from an emergency
Use of financial services	• Compares financial service providers • Evaluate and chooses appropriate financial services for goals • Calculates how much debt can afford • Develop loan repayment calendar
Digital Financial Services	• Identifies benefits and risks of digital financial services • Uses technology to access range of digital financial services • Trusts accuracy of SMS confirmation for mobile transactions • Verifies and tracks digital transactions • Protects online identify, debit card and mobile account • Knows where to seek help if has transaction problem
Consumer Protection	• Protects identity and account • Exercises rights and responsibilities as consumer • Exercises customer recourse • Understands loan contract before signing it • Identifies the difference between legitimate and illegitimate account transactions • Knows how to prevent and recognize scams

[25] AFI 2021b. National Financial Education Strategies Toolkit

ANNEX K: Youth Personas

YOUTH ENTREPRENEUR

The young entrepreneur is typically between the ages of 24 and 35. They are out-of-school and have a secondary level of education although some may have a technical or university degree and may continue their studies while also owning a business. They live mainly in the urban and peri-urban areas, may be single or married and may have their own family if at the older end of this age range. They own a small business in the industry, commerce or services sector. They treat business income as working capital that is separate from personal finances. The youth entrepreneur is the strongest user of formal financial services with their own savings account and perhaps a business account if the business is registered in addition to business loans from banks or MFIs. They use digital platforms for payments, sends remittances to other family members through mobile money and may also have accessed digital credit previously. The youth entrepreneur values convenience, flexibility, security, efficiency and speed in financial products. They save to accumulate business capital and may invest in another business. The youth entrepreneur separates out business and personal income and keeps some written record of business income and expenses. They make decisions on their own or with a spouse or other family member. They may have some savings for unexpected events.

Demographic Profile

CATEGORY	DESCRIPTION
Age	24-35
Lifestage	Out-of-School May continue studies through TVET or university May have own family if older
Gender	Male or female
Level of Education	Secondary education Some with University Education, Technical Education or Diploma Certificate
Location	Mainly urban and peri-urban
Marital Status	Mix of married and single
Children	Varies based on marital status

Livelihood Strategy

CATEGORY	DESCRIPTION
Type	Small Business
Sector	Industry, Commerce, Services
Stage of Business	Operations or Growth Phase (after start-up/launch phase)
Customer Base	Horizontal networks for females Vertical networks for males Desire stronger networks for customer base
Aspirations	Grow Business (e.g. different location, hire employees, own brand, move online) If have family – provide for family (e.g. health and education), especially for females
Monthly Income	Medium

Touchpoints

CATEGORY	DESCRIPTION
Social Media Use	Active especially if sell products and services online (e.g. FB, WhatsApp, Instagram)
Cell Phone Use	Have own cell phone
Groups (social, financial)	Online groups (FB, WhatsApp) Association/industry groups
Influencers	Spouse (if married), Family and friends Other business owners with more experience

Access (Barriers and Opportunities/Pain Points)

CATEGORY	DESCRIPTION
Information	Social Media, Internet Searches Trade Associations Online courses, webinars, YouTube TV
Networking/ Mentoring	Mentor may be someone who helped them as they were starting business, in same industry Desire more mentors and access to entrepreneur networks
Technology	Access to internet, cell phone Some have access to computer Use for personal and business purposes
Finance	Need more capital to grow or formalize business

Financial Needs

CATEGORY	DESCRIPTION
Household (independent vs. dependent)	Independent but may have some dependents if married and with children
Liquidity Management	Business income as working capital, separate from personal finances
Business Management	Basic to intermediate business management skills Limited digital skills (desire to increase digital skills)
Risk Management	Insurance for business
Desired Characteristics/ Expectations of FSPs	Convenience, Flexibility, Secure, Efficiency/ Speed Goal oriented savings tools Increasing loan sizes with flexible repayment terms aligned with income flows

Financial Behavior

CATEGORY	DESCRIPTION
Use of Informal Financial Services (e.g. savings groups, credit groups, shopkeepers, money lenders)	Limited use of informal financial services May still borrow from friends and family Some payments in cash May send remittances through informal channels (e.g. driver) May deposit savings with shopkeeper
Use of Formal Financial Services (e.g. credit, savings, payments, insurance)	Strongest users of formal financial services Personal savings account May have business account if registered Loans from banks or MFIs
Use of Digital Financial Services	Use digital platforms for payments Send remittances to other family members through mobile money
Planning Ahead (e.g. Short and Long-Term Goals; Preparing for Shock/ Emergencies)	Save to accumulate business capital for business growth and expansion May invest in another business
Money Management (e.g. Budgeting, Record Keeping)	Some written record of business income/expenses but not used for financial decision making Separate business and personal/ household income
Financial Decision Making (e.g. Influencers; Dependent vs. Independent)	Makes decisions on own or with spouse or another family member
Risk Mitigation	Some reserves for unexpected events

Background Materials

- CGAP Paper on IOC Business Her Own Way: https://www.cgap.org/research/publication/business-her-own-way-creating-livelihoods-through-informal-online-commerce
- Caribou/MCF Paper on Platform Livelihoods for Youth in Kenya https://www.platformlivelihoods.com/wp-content/uploads/2021/09/QYDEL-Part-1_Final.pdf
- 'Relentless Entrepreneurs' and from UNCDF Gambia https://www.uncdf.org/download/file/127/6608/demand-side-research-for-youth-financial-services-december-2017-vfpdf

URBAN YOUTH

The youth gig worker is between the ages of 18 and 30, primarily male and mainly lives in urban and peri-urban areas. He is mainly out-of-school and working in the gig economy and is predominately male due to restrictive social norms that limit the role of females for gig jobs such as motorcycle and taxi drivers. He is fairly well educated with at least a secondary school degree and some with a technical or university degree. He may be married and have his own family but may also be single. He works mainly in the service industry in logistics and app-based delivery. The youth gig worker is independent from his parents although he may still support them in addition to supporting any dependents. He has more regular weekly income flows through the platforms he uses and manages separately from personal finances. He may save informally through savings schemes and borrow informally through friends and family. However, he is also likely to have a savings account or an asset-based loan and use mobile money for payments and to send/receive remittances to/from family members. Key attributes such as flexibility, convenience and efficiency for onboarding and transaction affect their choice of financial tools His savings goals are based on his weekly income targets and his budget is also aligned with his weekly expenses. He may be saving in the long term for an asset but he also may lack social protection or insurance in case of injury or an unforeseen event. He typically makes decisions on how own but may seek additional support from another family member or peer.

Demographic Profile

CATEGORY	DESCRIPTION
Age	18-30
Lifestage	Out-of-school, Working, May Return to school at later point May have Own Family
Gender	Predominantly Male Some Female but more limited due to social norms for more common jobs (e.g. motorcycle/ taxi drivers)
Level of Education	Mainly Secondary School Some with University Education, Technical Education or Diploma Certificate
Location	Mainly urban, some peri-urban
Marital Status	Married and single
Children	Varies based on marital status

Livelihood Strategy

CATEGORY	DESCRIPTION
Type	Gig worker
Sector	Service Industry: Logistics, App Based Delivery
Aspirations	Most choose this out of necessity May desire to become an entrepreneur later
Customer Base	Mainly through the platform but also seek off-platform customers (e.g. restaurant owners)
Monthly Income	Mainly through the platform but also seek off-platform customers (e.g. restaurant owners)
Monthly Income	Medium

Touchpoints

CATEGORY	DESCRIPTION
Social Media Use	Very active (e.g. WhatsApp, FB, WeChat, Platforms)
Cell Phone Use	Very Active – Smart Phone
Groups (social, financial)	Motorcycle/Taxi Drivers Associations, Church Groups, Friends Groups, Social Media Groups (WhatsApp)
Influencers	More successful youth or adults in gig economy Spouse (if married) and other family members or friends

Access (Barriers and Opportunities/Pain Points)

CATEGORY	DESCRIPTION
Information	Mainly through groups (e.g. community networks, interest groups/drivers groups) and support forums for hacks and tips for success
Networking/ Mentoring	Lack time for mentoring and networking aside from trying to expand customer base
Technology	Access platforms and social media through cell phone Limited use of computers
Finance	Work long hours and need 'quick', easy access financial services Low financial literacy levels

Financial Needs

CATEGORY	DESCRIPTION
Household (independent vs. dependent)	Independent from parents although may still support them, in addition to supporting any dependents
Liquidity Management	Have more regular weekly income flows through platform that manage separately from personal finances
Business Management	Get some support through platforms for bookkeeping, budgeting and saving but most likely require more as they are very busy and lack strong business management skills
Risk Management	Need insurance in case of injury Vulnerable to financial shocks such as medical emergencies or loss of work during pandemic
Desired Characteristics/ Expectations of FSPs	Flexibility, Convenience, Fast/ Efficiency (onboarding and transactions)

Financial Behavior

CATEGORY	DESCRIPTION
Use of Informal Financial Services (e.g. savings groups, credit groups, shopkeepers, money lenders)	May save through daily savings schemes (e.g. boda investment scheme) Use family and friends for informal loans
Use of Formal Financial Services (e.g. credit, savings, payments, insurance)	Some may have savings account or asset-based loan
Use of Digital Financial Services	Use mobile money for payments, to save and to send remittances to family
Planning Ahead (e.g. Short and Long-Term Goals; Preparing for Shock/ Emergencies)	Save to purchase asset (if don't already own one) Savings goals based on weekly income targets Most don't save for emergencies
Money Management (e.g. Budgeting, Record Keeping)	Receive weekly remittance from platforms (if work under company such as Jumia, uberEats) Budget how much need for fuel, leasing asset (if don't own asset) and other expenses
Financial Decision Making (e.g. Influencers; Dependent vs. Independent)	Makes decisions on own but may seek support from spouse, another family member or peer
Risk Mitigation	Most lack social protection or insurance in case of injury or shock

Background Materials

- Caribou/MCF Paper on Platform Livelihoods for Youth in Kenya https://www.platformlivelihoods.com/wp-content/uploads/2021/09/QYDEL-Part-1_Final.pdf

RURAL YOUTH

The rural youth is between the ages of 18 to 30. They are mainly out-of-school and working, have mainly a primary education level and may have his/her own family. The rural youth has many diversified income sources based on seasons and works primarily in the agricultural, service and commerce sectors. As a result, they need to streamline income in between seasons and may depend on the income of others such as parents or a spouse. The rural youth is the strongest users of informal financial tools such as savings and loans groups, saving or borrowing from shopkeepers and friends or family members, and saving at home such as in the form of assets. Rural youth save mainly in the short term to cover emergencies or low-income periods or for community events. Rural youth may save and send or receive payments through a mobile phone but are less likely to access digital credit or save through a bank account. Key attributes such as access, trusted sources and flexibility affect their selection of financial tools. Rural youth typically only keep a mental recording of income and expenses and their decision-making power is directly related to income and contributions to the household and gender as females may have more limited decision-making power for larger assets, particularly if they don't have their own source of income.

Demographic Profile

CATEGORY	DESCRIPTION
Age	18-30
Lifestage	Out-of-School, Working Most likey has own family and lives with extended family
Gender	Male or female
Level of Education	Primary education, some with secondary education
Location	Rural area
Marital Status	Most likelty married but some still single
Children	Most likely has multpile children if married

Livelihood Strategy

CATEGORY	DESCRIPTION
Type	Diversified income sources based on seasons including both seasonal work for hire and small income generating activities
Sector	Agriculture, Services, Commerce
Aspirations	Own house or land Become employed or start own business
Customer Base	Mainly horizontal networks (own circle of family and friends)
Monthly Income	Low

Touchpoints

CATEGORY	DESCRIPTION
Social Media Use	Low due to limited internet and smartphone access and cost of data Use mainly for communication purposes
Cell Phone Use	May have access to cell phone but limited ownership of cell phone Less ownership among females
Groups (social, financial)	Religious groups, Savings groups (YSGs, VSLAs), Association Groups, Sports and youth clubs, Farmer's Groups
Influencers	Shopkeepers, Community leaders/village chiefs, Spouse (if married) and other family members

Access (Barriers and Opportunities/Pain Points)

CATEGORY	DESCRIPTION
Information	Regional and Community Radio, Megaphones, TV
Networking/ Mentoring	Mainly horizontal networks (own circle of family and friends)
Technology	Limited access to computers (mainly through internet café) and some cell phone access
Finance	Low financial and digital literacy levels Limited access to traditional banks Limited access to internet, smartphones or agents for digital financial services Limited property rights for collateral rewquirements

Financial Needs

CATEGORY	DESCRIPTION
Household (independent vs. dependent)	May depend on income of others (e.g. parents, spouse) but aim to be independent
Liquidity Management	Streamline income in between seasons
Business Management	Basic business management skills (if any)
Risk Management	Adapt to financial shocks especially during low-income periods
Desired Characteristics/ Expectations of FSPs	Access, Trusted Sources, Flexibility

Financial Behavior

CATEGORY	DESCRIPTION
Use of Informal Financial Services (e.g. savings groups, credit groups, shopkeepers, money lenders)	Strongest users of informal financial tools Use shopkeepers for informal savings and loans (trusted source) Savings and loan groups Borrow from friends and family Save at home Primarily use cash to receive income and for payments
Use of Formal Financial Services (e.g. credit, savings, payments, insurance)	Few borrow formally Borrow for medical emergencies and to meet daily living expenses Some borrow for productive purposesW2 Few have formal savings account
Use of Digital Financial Services	Save money through mobile phone May access digital loan but limited Use mainly for remittances to family/friends
Planning Ahead (e.g. Short and Long-Term Goals; Preparing for Shock/ Emergencies)	Save in form of assets such as livestock and poultry Save mainly to manage cash flow Save for short term goals such as to cover emergencies or community events
Money Management (e.g. Budgeting, Record Keeping)	Mental recording and management of income/ expenses
Financial Decision Making (e.g. Influencers; Dependent vs. Independent)	More financial decision-making power as become more independent and/or contribute to household income Males may have more decision-making power for large purchases than females Females have more decision-making power if have own source of income
Risk Mitigation	Borrow from friends and family or reliance on savings for emergencies or during low-income periods Try to diversify sources of income

Background Materials

- Seasonal In-Between' and from UNCDF Gambia https://www.uncdf.org/download/file/127/6608/demand-side-research-for-youth-financial-services-december-2017-vfpdf
- 'Independent Informal Male and Informal Female Youth' from FSDT https://www.fsdt.or.tz/wp-content/uploads/2021/05/Rural-Youth-Inclusive-Finance-Study.pdf
- Synthesis from FMO which draws mainly on IFAD https://www.ifad.org/documents/38714170/41187395/11_Gasparri+and+Munoz_2019+RDR+BACKGROUND+PAPER.pdf/ and Making Cents Paper https://www.findevgateway.org/paper/2016/03/rural-youth-economic-empowerment-program-2013-2016-findings-five-youth-inclusive

YOUNG WOMAN

The young woman is typically between the ages of 18 and 24. She is typically married with children, has a primary or secondary school degree and lives in urban and peri-urban areas. She works mainly in the informal sector in the commerce or services industry. She is often dependent on her spouse's income, may have some of her own income and ensures the income she manages stretches for the household budget and priority financial needs. Similar to the rural youth, the young woman saves and borrows through shopkeepers, family members, friends and savings groups. She may also save money secretly through some of these channels for key household budget items such as medical expenses, school fees, food and clothing. The young woman has limited use of formal traditional and digital financial services although she may receive government transfers linked to an account or electronic transfers from her parents or a spouse. Key attributes that she values in her financial products include safety, privacy, convenience and trust. Her savings goals are related to her family or social events. She has limited decision making power in the household but may have more if she has her own source of income.

Demographic Profile

CATEGORY	DESCRIPTION
Age	18-24
Lifestage	Married with children
Gender	Female
Level of Education	Mainly primary school Some with secondary school degree
Location	Urban and peri-urban
Marital Status	Married
Children	1-4 children

Livelihood Strategy

CATEGORY	DESCRIPTION
Type	Informal employment or informal business that operate in home
Sector	Industry, Commerce, Services
Aspirations	Own source of income to gain independence Start small home-based business (if don't already have)
Customer Base	Horizontal networks (own circle of family and friends)
Monthly Income	Low

Touchpoints

CATEGORY	DESCRIPTION
Social Media Use	Moderate use mainly for communication and information (e.g. FB, WhatsApp. WeChat)
Cell Phone Use	Access to cell phone but mostly share ownership with spouse
Groups (social, financial)	Religious groups, Community Savings Groups, Farmer's Groups
Influencers	Spouse, Church and Community Leaders Other mothers from community Peer groups

Access (Barriers and Opportunities/Pain Points)

CATEGORY	DESCRIPTION
Information	TV, Radio Trusted sources from community and family (mainly male members of family)
Networking/ Mentoring	This is not a priority
Technology	Limited access mainly through shared cell phone
Finance	May need permission of spouse to have own account Low financial and digital financial literacy levels Limited access due to social norms and restricted mobility

Financial Needs

CATEGORY	DESCRIPTION
Household (independent vs. dependent)	Dependent on spouse's income May have some income of own
Liquidity Management	Ensure portion of spouse's income and/or own income stretches for household budget
Business Management	Limited business management skills (if any)
Risk Management	Safe place to keep savings for emergency purposes
Desired Characteristics/ Expectations of FSPs	Safety, Privacy, Convenience, Trust

Financial Behavior

CATEGORY	DESCRIPTION
Use of Informal Financial Services (e.g. savings groups, credit groups, shopkeepers, money lenders)	Save through shopkeepers, family members, friends and savings groups Save money secretly mainly for school fees Borrow from friends and family
Use of Formal Financial Services (e.g. credit, savings, payments, insurance)	Limited use of formal financial services May receive cash transfers linked to an account
Use of Digital Financial Services	Limited use of digital financial services
Planning Ahead (e.g. Short and Long-Term Goals; Preparing for Shock/ Emergencies)	Goals are focused around family (e.g. health, education) and may save for school fees May also save for social ceremonies/events
Money Management (e.g. Budgeting, Record Keeping)	Manage household expenses
Financial Decision Making (e.g. Influencers; Dependent vs. Independent)	Limited decision-making power May have more decision-making maker if have own independent source of income
Risk Mitigation	May save secretly for emergencies

Background Materials

- IDEO, 'Becoming a Mother' persona; https://static1.squarespace.com/static/5d94e54cb06c703e5199d288/t/60c938dd9a65595b8a5ada59/1623800042900/Lifestages_Final_Feb2021.pdf
- 'Women and Family' Persona, KIT 'Why a Segmentation Strategy Matters for Serving the Women's Market' https://www.kit.nl/wp-content/uploads/2021/09/Working_Paper_Why_Segmentation_Matters.pdf
- 'Secret Saver', Women and Money Report, Ideo https://static1.squarespace.com/static/5d94e54cb06c703e5199d288/t/60c931ef54473e6b91ae8e1b/1623798282681/Women_Money_FinalReport_2021.pdf
- 'Pragmatic Provider', CGAP https://www.findevgateway.org/slide-deck/2020/11/personas-women-entrepreneurs
- 'Grounded Optimist', UNCDF Gambia https://www.uncdf.org/download/file/127/6608/demand-side-research-for-youth-financial-services-december-2017-vfpdf

YOUTH MIGRANT

The youth migrant is between the ages of 18 and 34. They have a primary or secondary level education and lives mainly in the urban or peri-urban areas. They have temporary or part-time employment mainly in the informal sector. They are more likely to be financially independent if it's been a while since they have migrated. They may need to stretch the budget by having multiple sources of income. The youth migrant uses informal sources for sending/receiving money to/from other family members, borrow from other family members and may participate in a savings group. They may receive some government support in an account and are more likely to use formal financial services if they are more established in the new city/country. They may use digital financial services mainly to send/ receive money to/from family members. The youth migrant values privacy, safety, trust and convenience in financial products. The youth migrant doesn't keep close track of income and expenses has a short planning horizon, particularly if they have come from an unstable situation. Young women tend to have more financial decision-making power and independence if they migrate.

Demographic Profile

CATEGORY	DESCRIPTION
Age	18-34
Lifestage	Out-of-School, working
Gender	Male or female
Level of Education	Primary education and secondary level
Location	Urban and peri-urban
Marital Status	Married and single
Children	Children if married

Livelihood Strategy

CATEGORY	DESCRIPTION
Type	Temporary or part-time employment, informal sector
Sector	Different than economic activities of local population
Aspirations	To ultimately resettle in another country but in meantime to settle in to host country with stable source of income
Customer Base	Other migrants from same country/city)
Monthly Income	Low

Touchpoints

CATEGORY	DESCRIPTION
Social Media Use	Use mainly for communication purposes with family members in home country (e.g. FB, WhatsApp) May use to seek employment opportunities
Cell Phone Use	May own or share a cell phone
Groups (social, financial)	Informal groups or associations in refugee camps Savings groups
Influencers	Friends and family members from same country/city who are in later stage of displacement Community leaders from refugee camps or settlements

Access (Barriers and Opportunities/Pain Points)

CATEGORY	DESCRIPTION
Information	Migration and Employment Centers Information centers in refugee camps or humanitarian coordination hubs Other migrants from host country
Networking/ Mentoring	Leave behind social networks and family members so need to start over again
Technology	Limited to cell phone use
Finance	Mistrust FSPs and fear discrimination Difficulty overcoming language barriers Perceived as high 'flight' risk from FSPs Uncertain legal status and lack of ID

Financial Needs

CATEGORY	DESCRIPTION
Household (independent vs. dependent)	Independence related to stage of displacement (i.e. more likely to be independent if in a later stage
Liquidity Management	May need to stretch the budget by having multiple sources of income
Business Management	Limited business management skills
Risk Management	Risk averse due to previous situation in home country
Desired Characteristics/ Expectations of FSPs	Privacy, trust, safety, convenience

Financial Behavior

CATEGORY	DESCRIPTION
Use of Informal Financial Services (e.g. savings groups, credit groups, shopkeepers, money lenders)	Most likely receive humanitarian aid in cash Use informal sources for sending/receiving transfers to/ from other family members More likely to use informal sources during second stage of displacement (initial displacement phase) Borrow from other family members May participate in savings group
Use of Formal Financial Services (e.g. credit, savings, payments, insurance)	May receive some humanitarian aid or social protection payment in account
Use of Digital Financial Services	May use digital transfers to send/receive money from to/ from family members
Planning Ahead (e.g. Short and Long-Term Goals; Preparing for Shock/ Emergencies)	More risk adverse due to endured conflict and fleeing from home country so more likely to focus on short term goals
Money Management (e.g. Budgeting, Record Keeping)	Don't keep close track of income and expenses
Financial Decision Making (e.g. Influencers; Dependent vs. Independent)	Women have more independence if they migrate May consult spouse if married
Risk Mitigation	May have some form of insurance if in permanence stage of displacement