



ASSESSING NEW YOUTH-FOCUSED PRODUCTS: PILOT TESTING FINANCIAL AND NON-FINANCIAL SERVICES FOR YOUTH IN SUB-SAHARAN AFRICA



INSIGHTS FROM THE UNCDF-YOUTHSTART PROGRAMME

ASSESSING NEW YOUTH-FOCUSED PRODUCTS:
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SERVICES FOR YOUTH IN SUB-SAHARAN AFRICA

ABOUT YOUTHSTART

YouthStart, a UNCDF programme in partnership with The MasterCard Foundation, aims to reach 200,000 youth in sub-Saharan Africa with demand-driven financial services and non-financial services, in particular savings and financial education, by 2014. As of July 2012, US\$7.8 million has been awarded to 11 financial service providers. Of that amount, US\$2.3 million has so far been disbursed to design, deliver and scale up demand-driven youth financial services and youth-centric programmes in partnership with youth serving organizations. For more information, visit <http://www.uncdf.org/YouthStart/>.

ABOUT UNCDF

UNCDF is the UN's capital investment agency for the world's 48 least developed countries. It creates new opportunities for poor people and their communities by increasing access to microfinance and investment capital. UNCDF focuses on Africa and the poorest countries of Asia, with a special commitment to countries emerging from conflict or crisis. It provides seed capital – grants and loans – and technical support to help microfinance institutions reach more poor households and small businesses, and local governments finance the capital investments – water systems, feeder roads, schools, irrigation schemes – that will improve poor peoples' lives. UNCDF programmes help to empower women, and are designed to catalyze larger capital flows from the private sector, national governments and development partners, for maximum impact toward the Millennium Development Goals. For more information, visit <http://www.uncdf.org/>.

ABOUT THE MASTERCARD FOUNDATION

The MasterCard Foundation advances microfinance and youth learning to promote financial inclusion and prosperity. Through collaboration with committed partners in 48 countries, The MasterCard Foundation is helping people living in poverty to access opportunities to learn and prosper. An independent, private foundation based in Toronto, Canada, it was established through the generosity of MasterCard Worldwide at the time of the company's initial public offering in 2006. For more information, visit www.mastercardfdn.org.

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ACRONYMS

FSP	financial service provider
HPP	Humana People to People (the Democratic Republic of the Congo)
MIS	management information system
M&E	monitoring and evaluation
NFS	non-financial services
NGO	non-governmental organization
PEDN	Private Education Development Network (the Republic of Uganda)
POS	point-of-sale device or terminal (often used in branchless or mobile banking; similar to credit- or debit-card terminals at retail stores)
SMS	short message service
UNCDF	UN Capital Development Fund
YSO	youth serving organization

ACRONYMS AND LOCATIONS OF UNCDF-YOUTHSTART PARTNERS

ACSI	Amhara Credit and Saving Institution (the Federal Democratic Republic of Ethiopia)
CMS	Credit Mutuel du Sénégal (the Republic of Senegal)
FCPB	Fédération des Caisses Populaires du Burkina (Burkina Faso)
FINCA DRC	FINCA (the Democratic Republic of the Congo)
FINCA Uganda	FINCA (Uganda)
OBM	Opportunity Bank Malawi (the Republic of Malawi)
PAMECAS	Partenariat pour la Mobilisation de l'Épargne et le Crédit au Sénégal (Senegal)
PEACE	Poverty Eradication and Community Empowerment (Ethiopia)
UFT	Uganda Finance Trust (Uganda)
UCU	Union of Savings and Credit Cooperative Umutanguha (the Republic of Rwanda)

EXECUTIVE SUMMARY

UNCDF launched YouthStart in 2010 in response to the lack of opportunities for the growing population of young people around the world, especially in Africa. To improve financial inclusion of youth, YouthStart supports strong financial service providers (FSPs) in developing, piloting and rolling out financial products focused on low-income youth—with a special focus on savings—and non-financial services (NFS) such as financial education. YouthStart aims to reach 200,000 new youth clients (12 to 24 years of age), with at least 50 percent of those being young women and girls, by the end of 2014.

To assist other FSPs considering an introduction (or improvement) of youth-focused services, this paper synthesizes key recommendations, best practices and lessons learned from the ten FSPs that YouthStart supported during the planning and implementation of their pilot tests.¹

KEY TECHNICAL CONSIDERATIONS

The first section of this paper summarizes key technical considerations for planning the pilot test of a youth-focused product:²

1. Form a pilot test team that includes diverse staff and external partners, such as schools and NFS providers.
2. Set parallel qualitative and quantitative pilot test objectives for both financial services and NFS, including usage and cross-selling.
3. Develop a financial model that takes into account cross-selling and the business model for NFS. Test that the youth product has the potential to be a source of adequate income and does not jeopardize the sustainability of the FSP—both over the long and medium term. Consider, in regard to revenues for the FSP, that youth have little and irregular income and may not be able to save fixed amounts on a regular basis. Consider, in regard to costs, that the business model chosen to deliver NFS, for example using staff versus partners, will impact the costs and sustainability of the youth programme.³
4. Develop policies and procedures that include (1) age verification, (2) flexibility in accepting different forms of identification, (3) special savings passbook and (4) need for adult authorization (in the case of minors).
5. Develop a marketing strategy using informal, low-cost techniques and tailored messages for girls and other vulnerable groups.
6. Prepare all management information systems (MIS), even if manual, to track gender, age, account usage, balances, links to parent clients and use of NFS.

1 See full list of FSP partners and their locations on previous page.

2 The order of these steps essentially follows recommendations in the following *MicroSave* publication: Michael McCord, Graham Wright and David Cracknell, *"A Toolkit for Planning, Conducting and Monitoring Pilot Tests—Savings Products"* (Nairobi, Kenya: *MicroSave*, March 2003).

3 Typical models to integrate financial services and NFS include the following:

Linked: An FSP partners with another independent organization. In this model, the independent organization is often a YSO that offers training, non-formal education and/or mentoring, while the FSP focuses on providing financial services.

Parallel: An FSP has a separate education department and uses it to provide NFS to its clients.

Unified: An FSP uses the same staff to offer both financial services and NFS to its clients.

These models are described in the following publication: Christopher Dunford, "Building Better Lives: Sustainable Integration of Microfinance with Education," Chap. 2 in *Pathways Out of Poverty: Innovations in Microfinance for the Poorest Families* (Bloomfield, CT: Kumarian Press, 2002).

7. Train staff on how to appropriately communicate with youth and to overcome biases against youth clients.
8. Monitor the achievement of pilot test goals and objectives and focus on regular communication and field visits to check in with staff and youth.

PILOT TEST IMPLEMENTATION

The second section of this paper shares best practices and lessons learned from the FSPs during the implementation stage of their pilot tests (November 2011–March 2012). To succeed, an FSP may want to pay special attention to the following considerations during the implementation stage:

Best practices

1. Ensure coordination and communication between the pilot test team, pilot branch staff, youth serving organization (YSO) and school partners, parents, and youth peers and clients.
2. Focus marketing efforts on partners, parents and youth peers.
3. Use unconventional distribution models, focusing on getting out of the branch and going where the youth are.
4. Ensure there is understanding by and incentives for staff to cross-sell to parents and guardians. Take advantage of contact with parents of youth at account opening to promote the services of the FSP that specifically target adults.
5. Test the youth product's policies and procedures to make sure they are adequately flexible and youth friendly, such as allowing multiple forms of identification.
6. Ideally focus on only one product in only a few branches for the pilot test.

Challenges and lessons learned

1. Do not assume all is well with field staff. Double efforts in ensuring pilot branch staff are on board, even those not directly involved.
2. Consider that it takes a significant amount of time to mobilize and learn the requirements of different outreach partners (schools, YSOs, etc.). Include this additional time when developing the timeline for the pilot test and roll out.
3. Be prepared to make adjustments to the financial model, especially to staffing costs and marketing incentives.
4. Focus on and incentivize account usage. Account opening is not enough: ensure that continued usage of services is as, or even more, important than uptake.
5. Measure progress towards all pilot test objectives and not just those related to growth—for example, look at customer-satisfaction objectives. Consider using both quantitative and qualitative tools to measure progress for financial services and NFS.
6. Keep the NFS curricula simple and consider providing the NFS through a unified business model.
7. Develop special activities and strategies to achieve desired outreach to vulnerable youth groups, such as girls.

INTRODUCTION

UNCDF launched YouthStart in 2010 in response to the lack of opportunities for the growing population of young people around the world, especially in Africa. YouthStart is a programme that recognizes that young people are often excluded from basic financial services and works towards their inclusion. YouthStart also acknowledges that few FSPs understand the specific needs of this market segment and know even less about YSOs with whom they could partner to target and design products for young people.

To improve financial inclusion of youth, YouthStart supports strong FSPs in developing, piloting and rolling out youth-focused financial products, especially savings, and NFS such as financial education. YouthStart aims to reach 200,000 new youth clients, with at least 50 percent of those being young women and girls, by the end of 2014. YouthStart selected the ten FSPs that currently participate in the programme based on a two-stage request-for-application process. Stage one enabled 18 FSPs from nine different

countries in sub-Saharan Africa to access a grant of US\$20,000, on average, to conduct market research and to develop a three-year business plan for a holistic youth programme.⁴ Stage two began in July 2011 with the awarding of US\$7.2 million to the top ten FSP performers from Stage one (see Box 1). Grants ranged from US\$600,000 to US\$800,000 per FSP. Together, YouthStart partners have projected to reach over to 300,000 new youth clients by the end of 2014 with a combination of financial and non-financial services. This achievement would almost double the target originally set by UNCDF.

In August 2011, the ten Stage two FSPs participated in an 11-day training programme sponsored by UNCDF and delivered by *MicroSave Consulting, Ltd.*, the *Population Council* and *Reach Global*. This start-up training provided the technical background to (1) develop a holistic, youth-centred programme; (2) pilot test youth financial services; and (3) integrate financial and non-financial services.

To assist other FSPs considering an introduction (or improvement) of youth-focused services, this paper synthesizes key recommendations, best practices and lessons learned from the ten FSPs that YouthStart supported during the planning and implementation of their pilot tests. This paper assumes interested FSPs have undertaken market research with youth and have identified potential products and services that are appropriate and safe for their demographic. Based on the YouthStart start-up training and technical assistance provided through the YouthStart programme, the first section of this paper summarizes key technical considerations for an FSP planning the pilot test of a youth-focused product. The second section is based on information collected from the FSPs through quarterly reports, monitoring visits to the FSPs by YouthStart staff and informal interviews with the FSPs. It shares best practices and lessons learned from the FSPs during the implementation stage of their pilot tests (November 2011–March 2012). Additionally, Annex I provides short profiles of each FSP that allow quick comparison between their different approaches while Annex II shares more detailed information on each FSP and their approach.

BOX 1 - STAGE TWO FSPs

ACSI (Ethiopia)	OBM (Malawi)
CMS (Senegal)	PAMECAS (Senegal)
FCPB (Burkina Faso)	PEACE (Ethiopia)
FINCA DRC	UFT (Uganda)
FINCA Uganda	UCU (Rwanda)

4 For a complete report on lessons learned from the market research of YouthStart partners, see the following publication: Danielle Hopkins and Maria Perdomo, "Listening to Youth: Market research to design financial and non-financial services for youth in sub-Saharan Africa" (New York: UNCDF, 2011).

KEY TECHNICAL CONSIDERATIONS

After conducting market research and designing a product concept, the first step in pilot testing any financial product is for an FSP to put in place a strong planning process that culminates in an overall business plan and a more detailed pilot test plan.⁵

The eight steps shown in Figure 1 were adapted from those developed by *MicroSave* and are common to any pilot test plan of a new financial product.⁶

FIGURE 1 - STEPS IN A PILOT TEST PLAN



This section will use these eight steps to describe the pilot test plans followed by YouthStart partners while underscoring the most critical areas an FSP may want to consider before launching a pilot test for (and eventually rolling out) a new financial or non-financial service specifically for youth.

⁵ All 18 YouthStart partners from Stage one completed extensive youth-focused market research that followed the technical recommendations developed by Making Cents International.

⁶ For more technical details on planning and conducting a pilot test, especially for savings products, refer to the following *MicroSave* publication: Michael McCord, Graham Wright and David Cracknell, "[A Toolkit for Planning, Conducting and Monitoring Pilot Tests—Savings Products](#)" (Nairobi, Kenya: *MicroSave*, March 2003).

1. Form a pilot test team that includes diverse staff and external partners, such as schools and NFS providers

Developing the pilot test team and ensuring that each member has a unique role and well-defined responsibilities is one of the key success factors to pilot test any financial product (not only those related to youth). An FSP may want to ensure that the staff members on the pilot test team complement each other and have different backgrounds and expertise, particularly in the areas of marketing, youth development, evaluation, information technology, operations, finance, auditing and human resources. It is also important to involve branch managers.

- ▶ Some YouthStart FSPs, such as Credit Mutuel du Sénégal (CMS) and Opportunity Bank Malawi (OBM), have a specific product development department that managed and implemented the pilot test.
- ▶ However, the majority of YouthStart FSPs selected staff from different departments to form a pilot test team.

Either approach worked well for the best performing FSPs, especially when they made an extra effort to ensure that the team was well informed and prepared. The choice largely depended on size of the FSP and resources available. An FSP may also want to consider including external partners, such as schools, on the pilot test team, especially when NFS are involved and the NFS are delivered by a partner organization rather than in house.

A second key success factor is appointing a strong 'Youth champion' who is 100 percent dedicated to the pilot test. This person is in charge of leading the day-to-day efforts of planning, executing and monitoring the pilot test. Ideally the Youth champion should have previous experience working with youth, such as the Youth champions at Uganda Finance Trust (UFT) and FINCA Uganda. However, it appears that a more decisive success factor is that the Youth champion is 100 percent dedicated to the pilot test.

2. Set parallel qualitative and quantitative pilot test objectives for both financial services and NFS, including usage and cross-selling

Another key factor for a successful pilot test is setting clear pilot test goals, objectives and parameters. These goals, objectives and parameters help define the activities and resources needed to conduct the pilot test and allow progress to be measured and necessary modifications to be identified. They are also points of reference for measuring success, which all team members will focus on during the pilot test.

- a. Goals:** Goals represent the ultimate intended results for the FSP and the clients. They respond to the primary reason why an FSP is launching a youth programme. By analyzing the level of achievement of the goals at the end of the pilot test period, an FSP would have the information to decide whether to roll out the product or to drop it. Examples of pilot test goals for youth products include the following:
 - Increase the market share in youth 18–24 years of age through a varied range of products and services, including loans and savings, specifically designed for this segment.
 - Build a lifelong relationship with youth and their families, guaranteeing continuity in the supply of products and services.
 - Keep a positive balance between investment in and protection of youth and future returns, guaranteeing at all moments the sustainability of the institution.
- b. Specific objectives:** Once an FSP establishes general pilot test goals, the FSP may then want to establish specific objectives that are SMART.⁷ It is important that specific objectives are set for both financial services and NFS in terms of growth, efficiency, client satisfaction, customer service and

7 Specific, measurable, attainable, relevant and time-bound

client awareness. Table 1 provides sample specific objectives for a pilot test that take into consideration variables related to uptake, usage, cross-selling, client satisfaction, etc.

TABLE 1 - SAMPLE SPECIFIC OBJECTIVES FOR A PILOT TEST	
Category	Objective
Growth (Uptake)	Ninety youth accounts opened each month in the urban branch, reaching a total of at least 360 youth clients by month four.
Growth (Uptake)	Fifty youth accounts opened each month in the rural branch, reaching a total of at least 200 by month four.
Growth (Usage)	Youth savings volume reaches US\$4,000 by month four (an average of US\$8 per youth account by month four).
Growth (Usage)	Maximum of ten percent of youth accounts inactive (no transaction in the last two months) by month four.
Growth (Cross-selling)	Five percent of youth relatives also became clients of the FSP by month four.
Growth (NFS)	At least 125 youth received NFS every month, reaching a total of 500 youth, by month four.
Efficiency and customer service	Time for youth to withdraw money was under ten minutes by month two and onwards.
Efficiency	Average cost per savings account lower than US\$20 per month.
Client satisfaction	At least 85 percent client satisfaction by month four.
Customer service	At least 85 percent client satisfaction with staff service, including fair treatment and the provision of clear information, by month four.
Client awareness	Score of at least 85 percent on increased awareness of financial services among the youth target group by month four.

- c. Duration of pilot test:** It is critical for an FSP to choose an adequate period of time to observe potential customer interest and the capacity of the FSP to deliver the product. An FSP will likely need to ensure it has adequate time to analyze youth savings patterns and behaviours, especially when the FSP is new to serving the youth segment and most of the youth have never used formal financial services. Moreover, successfully integrating NFS generally requires an FSP with little youth experience to focus on one aspect of the programme at a time, often introducing financial services before comprehensive NFS.

However, a pilot test must eventually end and the FSP will need to decide if it will roll out the product to remaining customers or eliminate the product.

- The average length of the pilot test conducted by YouthStart FSPs was 8.5 months, with 6 months and 12 months being the most frequently cited.

- d. Number of branches included:** The number of branches in which to pilot test the product depends on the size and capacity of the FSP. The most important consideration is that an FSP be able to monitor all the pilot branches closely. Other considerations are how representative the FSP wants the pilot branches to be of the overall branch network and the client base and how to avoid confusion among pilot and non-pilot clients and staff (especially in an urban setting).

- YouthStart FSPs conducted their pilot tests in as few as one branch and as many as ten branches, with an average of six branches.

3. Develop a financial model that takes into account cross-selling and the business model for NFS

Test that the youth product has the potential to be a source of adequate income and does not jeopardize the sustainability of the FSP—both over the medium and long term. Consider, in regard to revenues for the FSP, that youth have little and irregular income and may not be able to save fixed amounts on a regular basis. Consider, in regard to costs, that the business model chosen to deliver NFS, for example using staff versus partners, will impact the costs and sustainability of the youth programme.

An FSP may want to investigate if the youth product they are considering can eventually become a source of adequate income, even through cross-selling, and if it will help contribute to, not jeopardize, the long-term sustainability of the FSP. A financial model helps an FSP test financial feasibility of a new product (and the previously established objectives) before, during and after a pilot test. When creating a financial model for a youth-focused product, the main issues an FSP may need to consider include the following:

- In general, historical income and expense information for youth-focused products is non-existent, as most FSPs have not worked with youth before. More monitoring is required during a pilot test for an FSP to develop a 'history,' and the FSP will need to regularly revise assumptions of financial projections as the pilot test progresses. The youth financial service's net unit cost—the cost per savings account, loan or other product—is key. Mainstreaming a youth product within an FSP and achieving economies of scale over time are usually critical means to reduce the per unit cost and thus increase the profitability of the product. In other words, as the product becomes better known and achieves economies of scale, the product could cover more of the general administrative or fixed costs of the FSP and become more profitable.
- Many FSPs, particularly larger providers, may deliberately offer a savings product for underage youth in order to capture market share early (and earn more revenue once the youth are adults) or to cross-sell to parents. So, an FSP may need to examine profitability across product platforms and over a longer time period.
- For revenues, an FSP will likely need to begin with the understanding that youth have little and irregular income.⁸ For youth to become clients of an FSP, the product may need to be more flexible and cheaper than one for an adult (e.g., low or no maintenance fees, no withdrawal fees and flexible loan terms). Flexibility, however, often translates into lower income for an FSP. Therefore, an FSP may want to focus on the following:
 - ♦ Reaching scale (i.e., reaching high volumes of clients and usage). As many FSPs do not target youth, an FSP that starts serving youth first may have a first-mover advantage in terms of loyalty and understanding needs. Most of the outreach projections for the YouthStart FSPs were based on the size of the FSP and the number of branches involved in the pilot test.
 - ♦ Cross-selling to parents and guardians.
 - ♦ Long-term loyalty and graduation of youth to more profitable products.
- For expenses, an FSP will likely need to understand that outreach and staffing especially are typically more expensive and more difficult due to the following:
 - ♦ Staff members are not used to working with youth. Their inexperience with youth and too-common biases against youth has implications on the length and depth of training they need as well as their productivity. An FSP will also likely need to divert existing staff away from current activities (lowering productivity for certain products) or to hire specialists who know how to work with youth (raising costs).

⁸ For more information on how youth use their money, see [YouthStart](#) and [YouthSave](#) publications.

- ♦ Marketing and outreach incentives to both staff and youth peers/mentors can be significantly high in cost if not monitored properly. An FSP may want to consider rewarding not just account opening but also usage and balances (and perhaps delay some of the compensation).
- ♦ NFS can be quite costly without a determined revenue stream. Table 2 shows some of the financial advantages and disadvantages of each of the three typical NFS models. *Reach Global's* experience is that, for smaller FSPs, the unified model has proven to be less costly over the long term due to the tight integration and consistent delivery of NFS. Parallel and linked models typically can work well for large, sophisticated FSPs with significant resources.

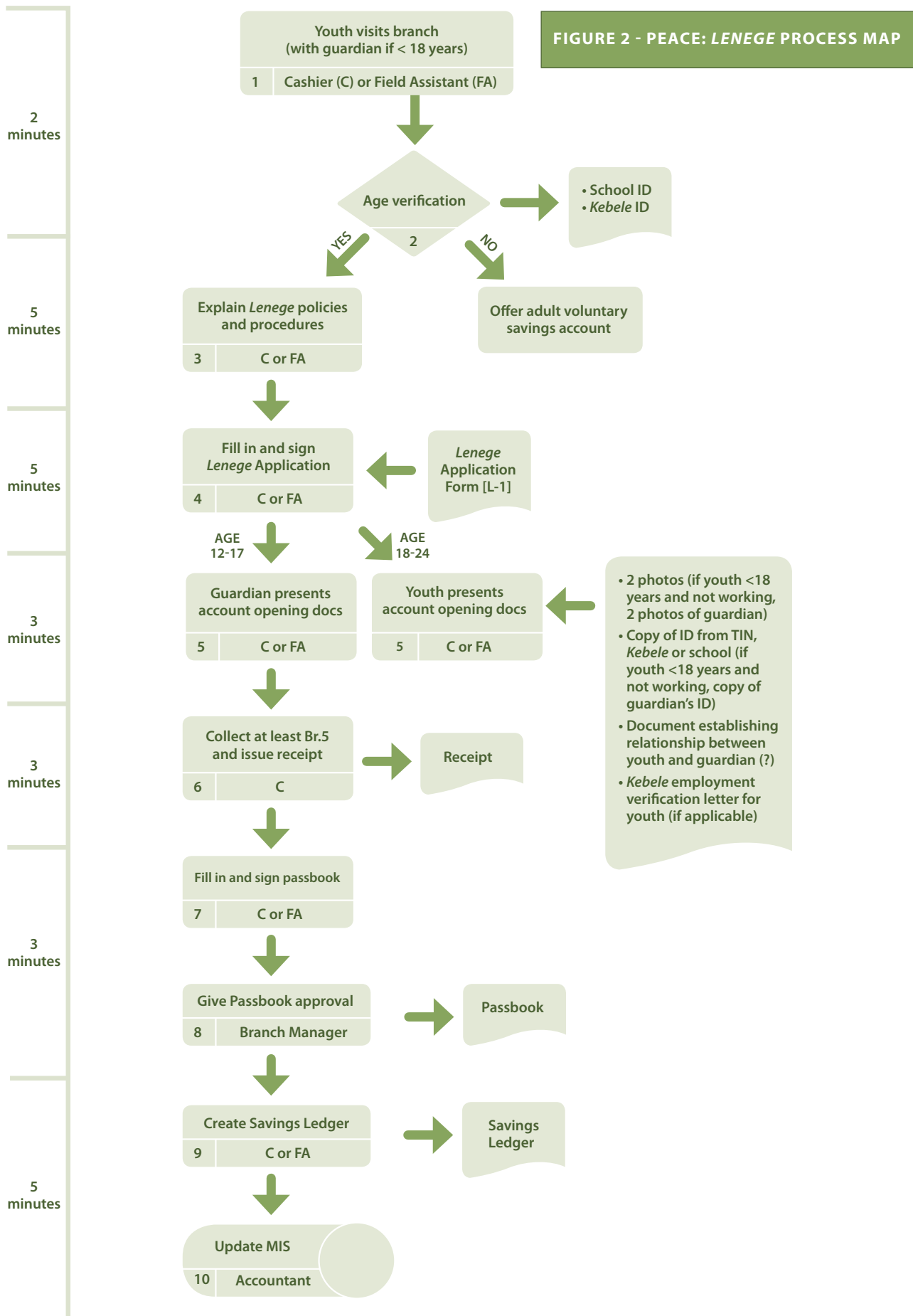
TABLE 2 - FINANCIAL IMPLICATIONS OF NFS MODELS	
Model	Financial advantages and disadvantages
Unified	<ul style="list-style-type: none"> ▪ The FSP does not need to hire additional staff for the delivery of NFS. ▪ The FSP needs to invest in developing new modules or adapting adult modules to youth. ▪ The FSP needs to invest in continuing staff training to ensure staff can fulfil their roles as trainer and as financial field officer.
Parallel	<ul style="list-style-type: none"> ▪ The FSP needs to set up a new department (or expand an existing department) for the delivery of NFS, which means hiring staff, buying computers, etc. ▪ The FSP needs to invest in developing new modules or adapting adult modules to youth. ▪ If the FSP is delivering NFS through groups, the FSP needs to pay for transportation costs for two staff members. ▪ The FSP needs to hire specialized staff.
Linked	<ul style="list-style-type: none"> ▪ The FSP needs to pay fees to a YSO to deliver the education to its youth clients; however, depending on the YSO market, these fees may be quite high and the FSP may have little control over the quality of the education being delivered. ▪ Depending on the sophistication of the YSO market, the FSP may need to invest in developing new modules or adapting adult modules to youth, which will be delivered by the YSO partner.

4. Develop policies and procedures that include (1) age verification, (2) flexibility in accepting different forms of identification, (3) special savings passbook and (4) need for adult authorization (in the case of minors)

After carrying out market research for any financial product, *MicroSave* recommends that an FSP develop the product prototype. The prototype is the cornerstone for creating required policies and procedures for the pilot test of a youth product. The product development team will likely create initial ideas on policies and procedures, but the pilot test team will need to refine them. When doing so, an FSP may want to ensure they do the following:

- Include age verification.
- Are flexible in accepting different kinds of identification (e.g., from a school or YSO).
- Provide the youth with a special savings passbook for proof of membership and a feeling of pride and inclusion.
- Verify the need for adult authorization to access FSP services (in the case of minors).

The process map shown in Figure 2 shows how Poverty Eradication and Community Empowerment (PEACE) incorporated all of the above considerations in its youth product's policies and procedures for account opening. The product, a youth savings account, is named *LeNege* (for tomorrow).



5. Develop a marketing strategy using informal, low-cost techniques and tailored messages for girls and other vulnerable groups

TABLE 3 - SAMPLE YOUTHSTART FSP PRODUCT NAMES AND SLOGANS

	Product (savings only)	Tag line or slogan
FINCA Uganda	Smart Start Savings Account	Be Smart...Start Now.
UFT	Teen Classic Savings Account	Empowering the next generation.
	Youth Progress Savings Account	The account that works for you.
PAMECAS	<i>Ndortel</i>	"Un bon debut dans la vie active." (A good start for an active life.)
PEACE	<i>Leneye</i> Voluntary Youth Savings	Your savings, your future.
FCPB	Youth Savings	"La garantie d'un avenir meilleur." (A guarantee for a better future.)

As for any financial product, YouthStart FSPs were encouraged to create a marketing strategy with a brand name, product tag line and a unique selling proposition for the youth product (see samples in Table 3). When developing a marketing strategy for a youth product, the FSPs often included incentives to youth (both monetary and non-monetary, like school bags) for account opening and usage and tailored their marketing to use youth-friendly, often informal techniques, such as those listed in Box 2.⁹ These techniques are key to convincing both the youth and the critical adults in their lives of the value of the financial product. An FSP may want to focus its marketing strategy not only on encouraging youth uptake via savings-account openings, but also on supporting account usage and cross-selling. These are all common to a successful business case for youth financial access.

BOX 2 - MOST COMMON YOUTH RECRUITMENT METHODS

- 1. Word-of-mouth:** Is efficient and comes from trusted sources but limits outreach pool
- 2. Parents:** Gains buy-in from the start but may encounter resistance, especially for girls
- 3. Community leaders:** Gains buy-in from the start and improves efficiency but may encounter resistance and misaligned priorities
- 4. Schools:** Is very efficient but may meet resistance from administrators and teachers, may compete with other activities and does not reach out-of-school youth
- 5. Flyers:** Is inexpensive and easy but does not allow the FSP to identify who reads them nor reach those who cannot read
- 6. Radio:** Reaches many youth and parents at once but is not targeted and does not reach those who lack access to a radio
- 7. Door-to-door:** Is best for reaching vulnerable, hard-to-reach youth and their parents but is very time consuming

⁹ K. Austrian and D. Ghata, "Girl Centered Program Design: A Toolkit to Develop, Strengthen and Expand Adolescent Girls Programs," Chapter 4: Recruitment (Kenya: the Population Council, 2010).

In particular, it is important that an FSP segment its marketing strategy—especially for girls—based on previous market research and not just use blanket messages and outlets for boys and girls alike. The specific needs of the groups of girls an FSP is trying to reach (e.g., in school, out of school, 14–17 year olds, 18–24 year olds) may require the FSP to tailor the marketing and recruitment methods by group. An FSP will likely need to utilize a variety of marketing methods, such as word-of-mouth, schools and parents. Depending on the country and the culture, an FSP may want to be careful not to assume it will be easy to market to girls and remember that girls often believe they are unworthy of participation (as do poorer, more vulnerable youth).

- ▶ The pilot test plan of most of the YouthStart FSPs was based on marketing strategies that focused on building partnerships with schools, school staff and parents of school children.
- ▶ Many of the YouthStart FSPs reported marketing directly through partner YSOs and youth groups/associations, especially for older youth (18–24 years old) who were no longer in school. Some mentioned marketing to youth directly through community leaders, town councils, religious organizations and local non-governmental organizations (NGOs) or community-based organizations.

An FSP will likely need to check that the marketing strategies developed for the youth product pilot test truly have the youth and critical adults in mind and are low cost. Examples of these types of strategies are community-based ‘launch events’ to announce the new service and musical, sporting or cultural events at partner schools, branches and marketplaces (for out-of-school youth). Most of these events also provide an opportunity for education: an explanation of the product’s features, how to sign up and how to use the product. They are also a mechanism for holding account opening—during the event itself—for both the youth and the critical adults.

Another delivery channel for marketing may be short message service (SMS), which can be used to remind youth to keep saving or to cross-sell products to existing clients with children.

Marketing collateral may vary from simple flyers distributed during the events and meetings to gift incentives such as hats, t-shirts, water bottles, school bags, pens and diaries. An FSP may also want to use NFS as a recruiting tool for new clients or as a tool to encourage more usage.

- ▶ FINCA Uganda uses the financial-education training as an incentive for youth to open an account: open an account and receive free financial education.

6. Prepare all MIS, even if manual, to track gender, age, account usage, balances, links to parent clients and use of NFS

Preparing or adapting the MIS is particularly important for tracking the evolution of the pilot test and how well the FSP is reaching or not reaching the pilot test objectives. An FSP does not, however, have to make significant, costly changes to the MIS. The FSP may only need to modify a few prioritized line items for tailored pilot test reporting or use simple Excel spreadsheets until the pilot test ends and it completes major MIS modifications. There are three main issues for an FSP to consider for tracking youth-focused data when pilot testing a youth product:

- Ensure the FSP begins tracking the age of clients:** The great majority of FSPs in Africa do not track the age of their clients. This gap is due in many cases, and particularly in rural areas, to clients not having proper identification or to the FSP not prioritizing age verification. For example, UNCDF asked FSPs

participating in Stage one of the YouthStart programme for baseline data of youth clients and very few were able to provide accurate data. Most FSPs had to sample youth clients in one branch and use the results to estimate the total number of youth clients for the entire FSP. An important reason for tracking age is for an FSP to be able to distinguish the appropriate use of different products. For example, when a youth becomes an adult, an FSP may want to be able to recognize the change in status and 'graduate' the youth to a mainstream product.

- b. Identify which youth and how many are using the product and how:** As with any financial product, an FSP will likely want to ensure the MIS (or temporary manual reporting system, e.g., Excel sheets) is capturing data that allow the FSP to identify who is using the youth product. For example, critical data may include the following: client gender, client schooling status (in or out of school), client living environment (rural or urban), number of clients benefiting from the product and how the clients are using the product (e.g., number of transactions per month, size of transactions, volume of savings, portfolio at risk). Finally, for underage youth (typically under the age of 18), an FSP will likely need to enter data regarding legal guardians. These data can represent a unique opportunity to track cross-selling to critical adults that serve as gatekeepers for youth.
- c. Track participation in NFS:** An FSP essentially has two options for tracking participation of youth clients in NFS, depending on the business model they adopt to integrate financial services with NFS and on the capability of the MIS to accommodate new metrics. For an FSP that opted for a unified or parallel model, tracking participation of youth in NFS could be completed in the MIS where the clients are already tracked for the financial services they access. The FSP could also initially use a parallel manual tracking system such as Excel, if resources and time are limited. If using a separate manual tracking system, the FSP would likely want to use a unique identifier to link the NFS clients to their usage of financial services. In contrast, an FSP that opted for a linked model may need to track youth's NFS participation in a parallel system and then link that information to its own MIS. The set-up process and ongoing monitoring and consolidation of this parallel system with a partner are inherently difficult and often fraught with issues of non-compliance or poor data quality from the partner (see the example of FINCA Uganda in Box 3).

BOX 3 - FINCA UGANDA'S SYSTEM FOR TRACKING NFS

FINCA Uganda partners with Private Education Development Network (PEDN) to deliver financial education to youth clients on savings and its benefits, as well as managing and earning money, including through income-generating activities. PEDN is required to provide FINCA Uganda with updates (face-to-face meetings and reports) every two weeks and more comprehensive reports in Excel every month that indicate the number of youth that participated in the education sessions. PEDN also conducts periodic qualitative surveys of a small sample of the youth that received the training to gauge their level of satisfaction with the training, uptake of bank accounts and attitudes towards saving in general.

However, one of the down sides of this successful partnership has been the difficulty in merging data from the PEDN database with the FINCA Uganda MIS. This difficulty has hampered the ability of FINCA Uganda to immediately follow up with financial-education participants that did not open a savings account. In addition, the PEDN tracking system does not track information that is important to FINCA Uganda, such as the gender of participants.

7. Train staff on how to appropriately communicate with youth and to overcome biases against youth clients

Staff training is absolutely essential to the successful implementation of a pilot test. As with any financial product, an FSP will want to ensure the pilot test plan includes a schedule of most of the training programmes for field staff members, particularly outreach agents and customer-care representatives but also branch managers of the pilot branches. An FSP may have some of the following goals for staff training:

- Applying standard procedures
- Reinforcing staff understanding and acceptance of the new youth programme
- Offering high-quality customer service adapted to youth
- Guaranteeing prompt, complete and accurate transaction recording
- Using MIS optimally to inform management decisions
- Conducting effective, consistent and persuasive marketing
- Performing informed risk control through internal audits and systems.

Since dealing with youth is typically a new experience for a majority of field staff, an FSP may need to pay special attention to training staff on youth communication techniques. These techniques will often need to address the following:

- When to communicate, such as time and days of the week (e.g., after or before school and not during exam periods);
- Where to meet, particularly for girls who often need a 'safe place';
- Who to speak to for permission to approach the youth (e.g., parents, teachers, community leaders, religious leaders);
- Who the youth look up to or who could help in outreach, including mentors, friends and peers; and
- If using a unified model for NFS, what the content of the education should cover, especially based on the age and gender needs discovered during the market research.¹⁰

8. Monitor the achievement of pilot test goals and objectives and focus on regular communication and field visits to check in with staff and youth

"What gets measured, gets done." ~ Peter Drucker

YouthStart FSPs were encouraged to monitor results against objectives set for the pilot test and planned activities, starting with creating a monitoring and evaluation (M&E) plan within the pilot test plan. Each specific objective of a pilot test will generally need to have an indicator to help an FSP measure its progress.

¹⁰ Adapted from the following publication: K. Austrian and D. Ghati, "[Girl Centered Program Design: A Toolkit to Develop, Strengthen and Expand Adolescent Girls Programs](#)" (Kenya: the Population Council, 2010).

Table 4 presents examples of specific objectives and suggested indicators for each. An FSP will also likely need to add where to collect the data and who will collect the data.

TABLE 4 - PILOT TEST OBJECTIVES: EXAMPLES AND INDICATORS	
Objective	Indicator to measure success
Ninety youth accounts opened each month in the urban branch, reaching a total of at least 360 youth clients by month four.	Number of youth accounts opened monthly in the urban branch
Fifty youth accounts opened each month in the rural branch, reaching a total of at least 200 by month four.	Number of youth accounts opened monthly in the rural branch
Youth savings volume reaches US\$4,000 by month four (an average of US\$8 per youth account by month four).	Youth savings account volume
Maximum of ten percent of youth accounts inactive (no transaction in the last two months) by month four.	Number of inactive accounts
Five percent of youth relatives also became clients of the FSP by month four.	Number of relatives who are clients
At least 125 youth received NFS every month, reaching a total of 500 youth by month four.	Number of youth who received NFS
Time for youth to withdraw money was under ten minutes by month two and onwards.	Time for youth to withdraw
At least 85 percent client satisfaction by month four.	Percentage of satisfied clients (quantitative) Major reasons why clients are or are not satisfied (qualitative)
Average cost per savings account lower than US\$20 per month.	Average cost per savings account

YouthStart also recommended that the FSPs develop an active monitoring plan to ensure appropriate data were gathered and data were both qualitative and quantitative. An FSP may, for example, want to track the effectiveness of staff training through improved skills and understanding but also through customer service and willingness to work with youth. Sources of information can include MIS reports, client satisfaction surveys, reports of focus-group discussions, field reports from the Youth champion after site visits to pilot branches, staff interviews and monthly meeting reports of the pilot test team.

PILOT TEST IMPLEMENTATION: BEST PRACTICES AND LESSONS LEARNED

This section shares best practices and lessons learned from the FSPs during the implementation stage of their pilot tests (November 2011–March 2012). Most of the YouthStart FSPs applied best practices well when (1) composing the pilot test team, (2) setting policies and procedures, (3) organizing staff (i.e., training), (4) setting clear objectives, (5) undertaking planned activities and meeting objectives of the YouthStart project, and (6) conducting a strong marketing campaign through informal and low-cost activities using partners, such as schools and parents. Many of the lessons learned by the FSPs relate to the integration of NFS and the implementation of an adequate M&E system.

A. What worked well—Best practices

1. **Ensure coordination and communication between the pilot test team, pilot branch staff, YSO and school partners, parents, and youth peers and clients.** As discussed in the first section, forming a pilot test team, while important, is not enough to ensure the success of a pilot test. A more critical aspect, and probably the main challenge, is ensuring that the staff involved understand the purpose of the product and their role in promoting and servicing the product and serving youth. It is also critical that they believe in the importance of the new product. A key success factor for the best performing YouthStart FSPs proved to be regular communication and coordination between the head office and the field staff/branches involved in the pilot test.

- ▶ Good communication at YouthStart FSPs began with training and continued with clear, regular and timely emails, phone calls and face-to-face meetings in the field, all built around monitoring achievement of the pilot test objectives overall and by branch and field staff.
- ▶ Some of the more successful YouthStart FSPs also ensured that the Youth champion and the pilot test team served more for support and listening than for enforcing compliance, which helped to create a team atmosphere.

Good team coordination and communication would also likely entail clear communication with an NFS partner such as a YSO, depending on the business model, and with partner organizations such as schools and community organizations. Coordination and communication can also entail involving the youth clients, practically making them part of the team. As with the market research, it is important that an FSP make pilot testing as youth driven as possible.

- ▶ UFT, one of the best performing YouthStart FSPs, involved youth by recruiting staff called ‘Youth mobilizers’ with similar age and backgrounds of their target clients.
- ▶ Amhara Credit and Saving Institution (ACSI) utilized ‘Youth ambassadors’ who are students that volunteer their time to promote ACSI services to peer students at their schools.

2. **Focus marketing efforts on partners, parents and youth peers.** The YouthStart FSPs that tended to perform best in fulfilling their client number targets were those whose marketing strategies were well developed and thorough, based on the recommendations given in the first section of this paper. These FSPs tended to focus on youth-centric, informal and inexpensive marketing activities. More details of their efforts follow:

- **Who:** First, these FSPs focused on partnering with local institutions, such as schools, religious organizations, YSOs and town councils, to help deliver their message. These FSPs did not directly target youth but rather parents, teachers and influential individuals who knew many youth (e.g., peers, influencers and mentors).

- **How:** Typically these FSPs used informal marketing methods, often called ‘below-the-line’ activities, such as account-opening booths, loudspeakers and plays—always adapted to youth. Many of these FSPs also used different types of monetary and non-monetary enticements or incentives, such as ‘Youth saver of the month’ awards and small gifts like t-shirts.

BOX 4 - UCU MARKETING STRATEGY

“We will be guided by the principle of ‘Getting financial services to youth instead of waiting for them to come to our outlets.’”

- ▶ Union of Savings and Credit Cooperative Umutanguha (UCU) provided monetary incentives for existing youth clients who brought in ten friends as clients (the quote in Box 4 exemplifies their approach).
- ▶ ACSI used volunteer Youth ambassadors to market youth services to peers with attractive incentives.

These FSPs also used typical marketing collateral, such as flyers and posters, but they were a less-important complement to other strategies. They typically only planned for more complicated and expensive ‘above-the-line’ marketing, such as radio and television, for the roll-out stage.

These FSPs used informal, below-the-line marketing activities primarily because they were the most effective way to reach the youth and they were low cost. However, an FSP will likely want to take special care in ensuring outreach practices are appropriate and ethical such as avoiding behaviours that push unwanted or unneeded products on the youth, especially credit. An FSP may also need to carefully design incentive and compensation programmes, if applicable, for staff and agents who conduct outreach activities so as to not encourage unwanted behaviour.

- **When:** These FSPs focused on participating in or sponsoring events where many youth congregate, such as school, sports and musical events for in-school youth and market days for out-of-school youth.
- ▶ PEACE held regular ‘Lenege days’ during major market hours to invite potential youth to learn more about their services.

3. **Use unconventional distribution models, focusing on getting out of the branch and going where the youth are.** The more successful YouthStart FSPs used hybrid distribution models: they provided access to existing branches but also provided ‘doorstep’ service, such as visiting schools, to facilitate account opening and transactions. This unconventional approach allowed the FSPs to be closer to the youth and encourage adoption and higher usage due to improved convenience. It also assisted the FSPs in the marketing of services to youth who had not yet joined.¹¹

- ▶ ACSI, UFT and UCU¹² recruit, train and pay a small stipend to ‘Youth agents’ to distribute products (see Box 5 for an example by ACSI).
- ▶ FINCA Uganda and PEACE provide lock boxes to youth that are either kept at schools (and opened when FSP staff visit) or are carried by the youth to the branch when making a deposit.
- ▶ FINCA DRC uses school-based agents who use point-of-sale (POS) devices for account opening and transactions so that students do not have to leave school premises.

¹¹ Microfinance institutions that are considering using youth peers for outreach will likely need to carefully consider how to best use them. There are two potential dangers. The first potential issue is that, if monetary incentives are used, the institution is essentially compensating (i.e., paying) the youth for their efforts and that may cause legal complications. It may be best, then, for youth who are at least 18 years old to be selected. The second potential issue is that youth peers who conduct outreach can be just as susceptible to adverse incentives as regular staff, such as having too much power over clients or pushing products on clients who are not in need or who are not ready.

¹² The Youth agents that UCU utilizes must be over 18 years old.

Doorstep service is typically more costly than the typical branch model in terms of staff time and transportation costs. However, an FSP can minimize these costs by making outreach more efficient—for example, meeting with youth at group meetings, schools or common congregation spots—and compensating staff based on performance, at least partially, rather than on a fixed salary.

BOX 5 - ACSI DISTRIBUTION STRATEGY

For its marketing and servicing activities, ACSI works with schools to target in-school youth and local administrative offices such as village or ward councils (also known as *kebeles*) to target out-of-school youth. These partners help ACSI staff form youth savings clubs, whose members serve on special committees or as peer ambassadors to recruit new youth clients. Through the clubs, youth can open savings accounts at the school, eliminating the need to travel. The clubs also allow ACSI to provide NFS and cultural activities and entertainment. This mechanism of partnering with institutions and forming savings groups helps ACSI by improving its targeting of clients and its efficiency in terms of staff time. The mechanism also benefits youth since they save time from having to visit the branch and benefit from the NFS trainings, especially financial education.

4. **Ensure there is understanding by and incentives for staff to cross-sell to parents and guardians. Take advantage of contact with parents of youth at account opening to promote the services of the FSP that specifically target adults.** One of the main objectives of the pilot test for many YouthStart FSPs was to examine their ability to cross-sell products, especially to existing clients and the parents/guardians of the youth clients, in order to improve overall client loyalty and profitability.
 - ▶ UFT encourages field staff that meet with parents to not only promote youth products for the parents' children but also products appropriate for the parents. During the pilot test period, UFT opened 143 savings accounts for parents of youth.
 - ▶ PEACE staff members automatically offer parents/guardians the opportunity to open their own savings accounts when they help a youth client under the age of 18 open a savings account.
5. **Test the youth product's policies and procedures to make sure they are adequately flexible and youth friendly, such as allowing multiple forms of identification.** The YouthStart FSPs that achieved higher uptake of savings accounts were those that minimized entry barriers for youth, for example by creating greater flexibility in identification requirements and streamlining authorization by parents.
 - ▶ UFT asks parents of youth to complete a one-time authorization form to allow the youth to thereafter manage and conduct transactions on the account independently.
 - ▶ Partenariat pour la Mobilisation de l'Épargne et le Crédit au Sénégal (PAMECAS) realized its typical credit union membership fee was too high for youth to pay in one lump sum, so they allow youth to join by opening a savings account and saving the fee progressively.
6. **Ideally focus on only one product in only a few branches for the pilot test.** Most of the best-performing YouthStart FSPs took care to have a very focused and simple approach to pilot testing. For example, most chose to test no more than two new financial products for youth (others tested three or four products at one time, often focusing on credit).
 - ▶ UFT created separate products for different youth segments—one product for 12–17 year olds and another for 18–24 years olds—in order to have a clearer and tailored message for each segment.

Successful YouthStart FSPs also began the pilot test as quickly and in as simple a manner as possible in order to maintain momentum following training and pilot test plan development. In contrast, less successful YouthStart FSPs waited to resolve certain complicated aspects before ramping up the pilot test, such as waiting for a full printing of marketing materials or receiving a license to provide agent banking.

- ▶ The most successful FSPs, particularly ASCI, FINCA DRC, FINCA Uganda, PEACE, UFT and UCU, conducted a shorter pilot test (average of 6.5 months) compared to the others (average of 10.5 months).
- ▶ UFT found that its original plan for ten pilot branches was too much for adequate implementation and monitoring and subsequently reduced the number of pilot branches to seven.

B. Challenges and lessons learned

- 1. Do not assume all is well with field staff. Double efforts in ensuring pilot branch staff are on board, even those not directly involved.** Most YouthStart FSPs were able to secure buy-in and commitment from the executive team and other head-office staff. Where a few of the YouthStart FSPs did well and where several fell short was in securing commitment from field staff through alignment of incentives, the latter adding too much to field staff's responsibilities or failing to define product objectives clearly.
 - ▶ UFT found that mainstream branch staff members who were not directly involved in the pilot test were more inclined to sign up youth as regular customers due to their incentive plan not being aligned with Youth mobilizers' incentive plan.
 - ▶ To address the same issue, PEACE built new youth clients into the caseload calculations of branch staff, which automatically prompted the FSP to hire new staff once the youth client numbers began to grow significantly.
 - ▶ Several FSPs, such as FINCA Uganda and UCU, hired dedicated staff to assist in the promotion and servicing of the new product, while they ensured that other branch staff in the same area were adequately informed and committed.
- 2. Consider that it takes a significant amount of time to mobilize and learn the requirements of different outreach partners (schools, YSOs, etc.). Include this additional time when developing the timeline for the pilot test and roll out.** Many YouthStart FSPs found that it took significant time to mobilize the needed partners, such as schools and YSOs, for marketing and distribution before reaching actual youth clients. The FSPs also had to learn who to speak to and how to work with partners (and vice versa), especially when it came to government-sponsored schools. And, the FSPs had to take time to understand the needs of their partners, such as matching school calendars to FSP promotional events.
 - ▶ FINCA DRC experienced some problems in convincing government schools to deliver their financial-education curricula without directions from their superiors.
 - ▶ PEACE encountered conflicts in scheduling financial-education sessions during school examination periods.

Partnership problems delayed some FSPs in reaching their client targets in the early months but, on the other hand, they challenged them to cultivate and strengthen very important partner relationships first. They also found that client uptake was much more rapid in later months, once key relationships were established.

- 3. Be prepared to make adjustments to the financial model, especially to staffing costs and marketing incentives.** Several YouthStart FSPs had to adjust their financial assumptions during and after their pilot test, often due to higher-than-assumed costs and slower client and account growth.
 - ▶ PEACE reduced the incentives offered to youth clients and made adjustments to their financial model. For the roll-out stage, PEACE is going to eliminate the incentives at account opening and increase the incentives that reward good savings behaviours.

- ▶ UCU adjusted its financial model due to higher fees required from YSOs than UCU initially assumed.
 - ▶ After beginning the pilot test, UFT decided to rely less on specialist staff and instead form a network of Youth mobilizers who earn a stipend based on the number of clients brought in.
- 4. Focus on and incentivize account usage. Account opening is not enough: ensure that continued usage of services is as, or even more, important than uptake.**¹³ Many YouthStart FSPs, including those who had strong marketing plans overall, failed to adequately prepare for encouraging use of the accounts and maintenance of savings balances once the accounts were opened.
- ▶ To address this issue, PAMECAS uses SMS with youth who have not used their accounts for two months. It delivers financial-education messages to encourage savings behaviours.
 - ▶ FINCA Uganda uses lock boxes and regular staff visits to schools to encourage account usage and eventually plans to place agents, equipped with POS devices, within schools to encourage youth clients to transact whenever they can and need.
 - ▶ For the same purpose, PEACE and UFT started or are planning to start awarding ‘Savers of the month’ with simple gifts and recognition.
 - ▶ Some of the FSPs found that they needed to continue marketing at the same locations and through the same partners in order to, over time, encourage usage and continuously attract new clients. In other words, they did not depend on just one-time promotional events.
- 5. Measure progress towards all pilot test objectives and not just those related to growth—for example, look at customer-satisfaction objectives. Consider using both quantitative and qualitative tools to measure progress for financial services and NFS.**¹⁴ While several YouthStart FSPs had complete monitoring plans and systems that helped them measure progress towards pilot test objectives, others struggled to meet the relatively simple target of measuring the number of accounts opened by gender. This failure was often the case for FSPs that already had a weak MIS or those who took too long to adapt their MIS to the features and conditions of the youth product. Qualitative indicators such as client satisfaction, customer service and customer awareness were also poorly tracked, and much of the feedback was gathered in an informal, anecdotal way. Other weaknesses were apparent in the simple lack of tracking regular progress, lack of sufficient field visits, lack of regular reporting or communication of results to the field and failure to monitor client feedback more systematically (e.g., qualitative data unavailable in MIS).
- To rectify these issues, it is important to identify the data to monitor and the sources of information (MIS, satisfaction surveys, monitoring visits, etc.) in order to prioritize major needs and to adapt the MIS as quickly as possible, rather than waiting for a complete overhaul or multiple changes.
- Simple tracking sheets and the use of Excel can at times be adequate to allow the pilot test process to begin (with the objective of making major MIS changes in the roll-out stage).
 - ▶ The FSPs, in particular PAMECAS, learned that simple, non-technical field visits (recommended at least once every two weeks) by the pilot test team, especially with the Youth champion, were irreplaceable for checking in with field staff and clients and understanding the reality of the pilot test’s progress.

13 To read more about incentivizing savings behaviours for youth, refer to the following publication: Payal Pathak, “[Creating Creatures of Habit, Nudging Saving in Youth](#)” (Washington DC: New America Foundation, 2012).

14 UNCDF used the following performance measurements for M&E: (1) Minutes from monitoring meetings exist, (2) Monthly pilot test reports exist and are appropriate, (3) Monitoring tools exist (quantitative and qualitative), (4) Monitoring plan is being followed, and (5) Results analyzed and decisions made to correct mistakes.

6. Keep the NFS curricula simple and consider providing the NFS through a unified business model.¹⁵ Integration of NFS was the main challenge for all YouthStart FSPs. The most common issue among the FSPs using a linked model was the inability to find adequate partners that had appropriate materials (or the capacity to adapt materials) and the capacity to deliver trainings.

- ▶ Those who found partners, including FINCA Uganda, often had issues in tracking and reporting, especially in reconciling which financial services clients used partners' NFS.
- ▶ Adapting the curricula to youth and training staff on youth learning principles and practices required more time than initially planned. This was true regardless of the model chosen by the FSP to deliver NFS. For example, a few of the FSPs who had curricula in place for adults or were using other partners' curricula found that the modules were too long (sometimes as many as seven or eight sessions), complicated and not appropriate to youth (particularly to certain age or gender groups). FINCA Uganda's YSO partner, PEDN, had the opposite problem: they had so many modules adapted for different age groups that it became a problem for staff and youth to track and manage the differences.
- ▶ In the end, many of the FSPs chose a 'critical minimum' NFS approach (recommended by [Reach Global](#)), focusing on the most important topics to fulfil the youths' needs rather than offering broader and more theoretical NFS and financial-education topics.

YouthStart FSPs are still struggling to find the most sustainable business model to deliver NFS. Through the linked model (using YSOs for example), an FSP can benefit from outside expertise and be able to focus on financial services; however, the linked model has also been the most difficult in terms of finding capable partners and the most expensive as it requires that partners be compensated. With the linked model, an FSP more than likely needs to be very clear about roles, targets, service quality and reporting with a YSO partner and to monitor these aspects closely. If not, the FSP can experience significant issues with a lack of reporting or poor quality of data and poor delivery of services to the youth.

- ▶ Fédération des Caisses Populaires du Burkina (FCPB) and UCU have struggled to find a local YSO that would provide services at a reasonable price.

Some of the YouthStart FSPs that had issues finding partners for a linked model later chose to use a unified model and to train their own staff, local volunteers or youth peers at schools to provide NFS to youth clients. This approach helped reduce costs as well.

- ▶ UNCDF helped some FSPs connect with external service providers, such as [Reach Global](#) (see Box 6 for the experience of FINCA DRC), that adapted existing materials and either trained local YSO partners or the FSP staff.
- ▶ The FSPs also approached Plan International, Women's World Banking and the [Population Council](#) for assistance, as well as local NGOs.

BOX 6 - FINCA DRC STRATEGY FOR NFS

FINCA DRC realized that it could not conduct NFS trainings on its own, so it partnered with Humana People to People (HPP), a local branch of an international education NGO, and [Reach Global](#), an international NGO specializing in financial education. [Reach Global](#) worked with FINCA and HPP to adapt a curriculum used in Uganda for the DRC context. The key adaptations were

- Shortening sessions due to school schedules
- Simplifying and shortening instructions
- Focusing on delivering one key message per session (the critical minimum)
- Simplifying activities and resources due to larger class sizes
- Simplifying vocabulary too complex for certain age groups

¹⁵ UNCDF used the following performance measurements for the delivery of NFS: (1) Curriculum is developed, (2) MOU with YSOs (if applicable) is signed, (3) Staff is trained in NFS (if applicable) and (4) NFS are fully integrated with financial services.

- ▶ Some of the FSPs, UFT in particular, learned that providing NFS through groups is a more effective and less costly methodology than more conventional classroom training. However, they also found that offering integrated services through groups takes longer because of the recommendation that NFS not be delivered until the savings groups receive basic education on group management (often taking three to four months after the account is opened).
- ▶ PEACE ensured that its NFS programme used simple, tailored modules on five main topics, purely focused on savings: (1) 'Identifying savings goals,' (2) 'Increasing savings by reducing unnecessary expenses,' (3) 'Where to save—Benefits of saving at a microfinance institution instead of through informal channels,' (4) 'Voluntary savings accounts—How they work,' and (5) 'Lenege account at PEACE—Details and how to open.'

7. Develop special activities and strategies to achieve desired outreach to vulnerable youth groups, such as girls. All YouthStart FSPs have a client outreach target of at least 50 percent girls for both financial services and NFS. Most of the FSPs also have an objective of serving both in- and out-of-school youth. However, several of the FSPs either did not know how many girls (or out-of-school youth) they were serving or found their performance well below the target. One solution to improve monitoring could be to update the MIS and intake forms so that gender or school status is automatically tracked at the point of intake.

- ▶ The MIS of one of the FSPs defaulted to 'male' if the gender field was not entered and thus over-counted male youth clients.

To serve more female clients, the pilot test team and executives of an FSP may need to encourage specific targeting and marketing activities for girls, such as targeting girls-only schools, and perhaps consider adjusting performance measures for field staff.

- ▶ ACSI noticed it was not serving as many girls as assumed, out-of-school girls in particular, due to the geographical dispersal of this segment. ACSI is adapting its marketing materials specifically for this segment to improve outreach.
- ▶ Two months after the pilot test launch, PEACE realized they were not reaching the expected number of young women and adolescent girls despite their mission and commitment to reach this target group. To increase outreach to young women and girls, they partnered with the Population Council. The Population Council recommends a 'go for the girls first' outreach programme, with a gradual inclusion of boys, in order to achieve a better gender balance in the long run.

CONCLUSIONS

Pilot testing a new product is important for any FSP, regardless of the target market; however, there are several key issues an FSP may want to take into consideration when pilot testing a youth-focused product:

Collect youth-specific information. The FSP will likely need to be prepared to collect, input and utilize youth-specific information when addressing the pilot test objectives, MIS adjustments, financial model, policies and procedures, and M&E. An FSP with little experience with youth will often need to make a special effort to collect and track basic age and other demographic data of the target youth and the parents/guardians, NFS performance, cross-selling and account usage, and to be flexible in accepting different sources of information (e.g., accepting multiple types of identification).

Understand the youth and speak their language in order to meet their needs. When forming a pilot test team and training staff, the most important thing for the FSP is to ensure that all staff—headquarters and field based—understand how to serve youth and why it is important. This can be achieved through a thorough combination of face-to-face communication, training and incentives. In particular, the training should help staff apply best practices in approaching and communicating with youth, such as when to approach them (e.g., before or after school) and where to meet (e.g., safe places for girls). In regards to the marketing strategy, the FSP may also need to slightly modify the overall approach for key target groups, especially vulnerable youth like girls or out-of-school youth.

Be prepared to adapt the product to better serve youth. Throughout the pilot test, the FSP will need to be prepared to further adapt some of the initial planned aspects, such as the distribution model and certain policies and procedures. For example, it may become clear to the FSP that the unified model is more efficient for integrating NFS than the model initially chosen—just as the majority of YouthStart FSPs found. The FSP may need to refine the M&E system, as they determine what new information to collect, such as more qualitative data, how to collect the data and how to improve the data's quality. The FSP may be required to adapt the financial model as many cost and income assumptions are revised (often assumptions are too low for costs or too high for income). Many of the YouthStart FSPs realized they had assumed accounts would be used more regularly and had to adjust incentives and targeted marketing to encourage more deposits. If it lacks experience with youth, the FSP may need to look for ways to adapt policies and procedures for this new segment, such as by allowing membership fees to be paid over time. By doing so, the FSP may increase its pilot test outreach, as some access barriers are eliminated. The FSP may want to take care, however, that adaptations are not undertaken at the cost of exceeding the capacities of the FSP, alienating existing clients or exceeding cost limitations.

Involve youth and their 'influencers' directly. For marketing, distribution and cross-selling, the FSP may want to look for ways to involve the youth and the most influential people in their lives (e.g., peers, teachers, parents). This involvement can entail asking youth and adults to help with outreach to new clients and service to existing clients and perhaps providing incentives for them to do so. Or it can simply entail trying to listen to youth more in order to collect feedback on how to improve. The FSP will often need to try different ways of approaching youth clients and their influencers in their own environments, rather than waiting for them to come to an FSP branch.

Heighten inter-team communication and coordination. Communication for any pilot test is critical but it is even more important for a pilot test of a youth product. If, as is commonly found, the FSP and its staff have not worked with youth before, the executive management and pilot test team will need to work hard to communicate the importance of the new programme and how it will eventually affect the day-to-day responsibilities

of field staff. The FSP may need to hire new headquarters- and field-level staff who are not familiar with the culture of the FSP. As a result, the FSP may need to make extra effort during the pilot test to increase inter-team communication and to convince old and new staff of the importance of the new youth-focused product and the need to work together.

Focus. Finally, the FSP may have a higher rate of success if they simplify the various variables involved, such as the number of branches or products, as much as possible and focus only on the most important aspects of the pilot test. Piloting a new product is complex enough; piloting a new product for a new target market, such as youth, is even more complex and significantly raises the product-risk level. Focus may mean only testing one product or reducing the number of pilot branches, sometimes even down to just one branch.

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ANNEXES

ANNEX I: YOUTHSTART PARTNERS' PROFILES

FSP	PROJECTED PILOT TEST OUTREACH	PRODUCTS	FINANCIAL SERVICE MODEL	NFS MODEL
<u>ACSI</u> (Ethiopia)	(6-month pilot test) · Youth clients: 5,777 · Youth NFS clients: 5,777 · Percentage girls: 50%	· Current savings account · Individual loan	· Youth champion dedicated 100% of time · Existing field officers in charge of youth products (no specific staff exclusively devoted to youth products) · Transactions conducted at branches, door-to-door or at schools and <i>kebeles</i> · Marketing at schools and <i>kebeles</i>	· Unified · Through schools and branches
<u>CMS</u> (Senegal)	(6-month pilot test) · Youth clients: 1,057 · Youth NFS clients: 658 · Percentage girls: 60%	· Current savings account · Term deposit · Individual loan	· Planning department in charge of youth products · Existing credit officers in charge of youth products (no specific staff exclusively devoted to youth products) · Transactions conducted at branches · Marketing at markets	· Unified · At branches
<u>FCPB</u> (Burkina Faso)	(12-month pilot test) · Youth clients: 5,640 · Youth NFS clients: 9,640 · Percentage girls: 45%	· Current savings account · Purpose savings account · Individual and group loans	· Youth champion dedicated 100% of time · Two youth officers per branch recruited for promotion · Transactions conducted at branches · Marketing at schools and branches	· Unified · At branches
<u>FINCA</u> DRC	(10-month pilot test) · Youth clients: 2,000 · Youth NFS clients: 2,000 · Percentage girls: 64%	· Current savings account · Term deposit	· Youth champion dedicated 100% of time · Four youth officers recruited for promotion · Transactions conducted at branches, POS or schools · Marketing at schools	· Linked · At schools
<u>FINCA</u> Uganda	(10-month pilot test) · Youth clients: 3,000 · Youth NFS clients: 3,000 · Percentage girls: 63%	· Current savings account	· Youth champion dedicated 50% of time · Existing credit officers in charge of youth product (no specific staff exclusively devoted to youth product) · Savings boxes distributed to students at schools · Transactions conducted at branches or schools · Marketing at schools	· Linked · At schools

FSP	PROJECTED PILOT TEST OUTREACH	PRODUCTS	FINANCIAL SERVICE MODEL	NFS MODEL
OBM (Malawi)	(12-month pilot test) <ul style="list-style-type: none"> • Youth clients: 4,455 • Youth NFS clients: 4,455 • Percentage girls: 60% 	<ul style="list-style-type: none"> • Current savings account • Term deposit • Individual and group loan 	<ul style="list-style-type: none"> • Youth champion dedicated 100% of time • Existing field officers in charge of youth products (no specific staff exclusively devoted to youth products) • Transactions conducted at branches • Marketing through YSO 	<ul style="list-style-type: none"> • Unified • At branches
PAMECAS (Senegal)	(6-month pilot test) <ul style="list-style-type: none"> • Youth clients: 800 • Youth NFS clients: 800 • Percentage girls: 55% 	<ul style="list-style-type: none"> • Current savings account • Loan 	<ul style="list-style-type: none"> • Youth champion dedicated 100% of time • One youth officer per branch recruited for promotion • Transactions conducted at branches • Marketing at schools and markets 	<ul style="list-style-type: none"> • Linked • At branches
PEACE (Ethiopia)	(4-month pilot test) <ul style="list-style-type: none"> • Youth clients: 295 • Youth NFS clients: 295 • Percentage girls: 80% 	<ul style="list-style-type: none"> • Current savings account 	<ul style="list-style-type: none"> • Youth champion dedicated 75% of time • Existing field officers in charge of youth product (no specific staff exclusively devoted to youth product) • Saving boxes distributed to youth • Transactions conducted at branches • Marketing at schools and markets 	<ul style="list-style-type: none"> • Unified • At schools and branches
UFT (Uganda)	(11-month pilot test) <ul style="list-style-type: none"> • Youth clients: 5,500 • Youth NFS clients: 5,500 • Percentage girls: 70% 	<ul style="list-style-type: none"> • Current savings accounts 	<ul style="list-style-type: none"> • Youth champion dedicated 100% of time • One youth officer per branch recruited for promotion and product management • Mentors for youth • Youth groups meet weekly • Transactions conducted at branches or group meetings • Marketing in communities 	<ul style="list-style-type: none"> • Unified • At group meetings
UCU (Rwanda)	(6-month pilot test) <ul style="list-style-type: none"> • Youth clients: 4,420 • Youth NFS clients: 4,420 • Percentage girls: 51% 	<ul style="list-style-type: none"> • Current savings account • Loan • Micro-leasing 	<ul style="list-style-type: none"> • Youth champion dedicated 75% of time • Existing field officers in charge of youth products (no specific staff exclusively devoted to youth products) • Transactions conducted at branches • Marketing on radio, at churches, in communities 	<ul style="list-style-type: none"> • Unified • At branches

ANNEX II: YOUTHSTART PARTNERS' PRODUCT BUSINESS MODEL AND RESULTS

ACSI	
Projected pilot test outreach	(6-month pilot test) <ul style="list-style-type: none"> · Youth clients: 5,777 · Youth NFS clients: 5,777 · Percentage girls: 50%
Pilot test outreach	<ul style="list-style-type: none"> · Youth clients: 5,388 · Youth NFS clients: 3,520 · Percentage girls: 55%
Products developed	<ul style="list-style-type: none"> · Name of youth products: <i>Re-ay</i> (Vision) · Savings account: Same features as for adults, opening balance: US\$0.30, minimum balance: US\$0.06, no fees or withdrawal restrictions · Loan: Individual lending requires personal guarantees · Plan to also offer insurance, transfers, etc.
Pilot test key data	<ul style="list-style-type: none"> · Launched in October 2011 and ended in April 2012 · Ten branches involved, six rural and four urban · Six-month duration · Began scale-up in April 2012 to the rest of branches
Delivery model	<ul style="list-style-type: none"> · Youth champion dedicated 100% of time · Existing field officers in charge of youth products (no specific staff exclusively devoted to youth products) · Youth conduct transactions at branches through the cashiers or at schools and <i>kebeles</i> where staff collect savings
Marketing strategy	<ul style="list-style-type: none"> · Organize savings clubs at schools and <i>kebeles</i>—clubs consist of groups of seven youth and a supervisor who promote the youth products among peers. Provide incentives to savings clubs, meet with them regularly and monitor their progress. After one year, give them a certificate of satisfactory achievement · Put on dramas for youth and parents · Scarcely use marketing materials like posters and leaflets, especially in rural areas
Integration of NFS	<ul style="list-style-type: none"> · Unified, though plan to reach partnership agreements with institutions to support them in delivering certain education sessions (e.g., partnerships with universities and vocational centres to provide business-development training) · Deliver sessions at schools for in-school youth and at branches or <i>kebele</i> centres for out-of-school youth · Require youth borrowers to attend the whole curriculum before accessing a loan. Require youth who open a savings account to attend the first session (afterwards attendance is voluntary) · Plan to complement NFS with recreational sessions such as sport festivals, music/circus shows or film screenings

CMS	
Projected pilot test outreach	(6-month pilot test) <ul style="list-style-type: none"> • Youth clients: 1,097 • Youth NFS clients: 658 • Percentage girls: 60%
Pilot test outreach	<ul style="list-style-type: none"> • Youth clients: 234¹⁶ • Youth NFS clients: 44 • Percentage girls: 35%
Products developed	<ul style="list-style-type: none"> • Name of youth products: <i>Produits jeunes</i> (Youth product) • Current savings accounts and term deposit • Loan: Individual lending requires personal guarantees
Pilot test key data	<ul style="list-style-type: none"> • Launched in December 2011 and ended in July 2012 • Ten branches involved, including urban and rural areas countrywide • Six-month duration
Delivery model	<ul style="list-style-type: none"> • Planning department in charge of youth products • No specific staff exclusively devoted to youth products. Customer service officials inform youth about the product, credit officers analyze credit dossiers and cashiers conduct transactions in savings accounts • Youth conduct transactions at branches through the cashiers
Marketing strategy	<ul style="list-style-type: none"> • Have staff visit markets to identify potential youth borrowers • Promote at branches to existing clients
Integration of NFS	<ul style="list-style-type: none"> • Unified: Partnered with a consultancy firm that trained CMS staff and will support them with financial-literacy training to youth

FCPB	
Projected pilot test outreach	(12-month pilot test) <ul style="list-style-type: none"> • Youth clients: 5,640 • Youth NFS clients: 9,640 • Percentage girls: 45%
Pilot test outreach	<ul style="list-style-type: none"> • Youth clients: 798¹⁷ • Youth NFS clients: 1,136 • Percentage girls: 46%
Products developed	<ul style="list-style-type: none"> • Name of youth products: <i>Jeunes</i> (Youth) • Current savings account and purpose savings account • Individual loan and group loan: Youth loan product designed using lessons learned from previous experience with young craftsmen (CRED'ART). Youth must first save for six months • Provide youth debit card to access ATMs
Pilot test key data	<ul style="list-style-type: none"> • Launched in March 2012, will end in March 2013 • Four branches involved, all of them urban • Twelve-month duration

¹⁶ Launch and implementation problems due to internal approval process led to long delays and low outreach figures.

¹⁷ Significant delay in pilot test launch and slow take-off due to internal approval process and Human resources problems all led to current low outreach figures.

FCPB	
Delivery model	<ul style="list-style-type: none"> • Youth champion dedicated 100% of time • Two youth officers in every pilot test branch promote youth products. In some branches where the hiring process is taking longer than expected, head office staff manage the youth accounts • Youth conduct all transactions at branches through the cashiers • Plan to engage mobile vans to deliver financial services to youth in isolated rural areas
Marketing strategy	<ul style="list-style-type: none"> • Decentralized to pilot test branches—each branch decides on marketing activities to carry out in coordination with headquarters • Based initial marketing strategy on promoting youth products among current clients—when the branch is full of clients, branch head comes to the hall to explain the products • Plan to reach agreements with schools to promote youth products • Promote the usage of accounts by rewarding the best savers of the last six months with a gift
Integration of NFS	<ul style="list-style-type: none"> • Unified: Due to difficulties in finding a partner to deliver NFS, decided to provide these services through their own staff. To do so, trained a group of facilitators who usually work with FCPB women's groups • Hold financial-education sessions at branches • Require that youth, to access a loan, must first attend all financial-education and business-development sessions

FINCA DRC	
Projected pilot test outreach	(10-month pilot test) <ul style="list-style-type: none"> • Youth clients: 2,000 • Youth NFS clients: 2,000 • Percentage girls: 64%
Pilot test outreach	<ul style="list-style-type: none"> • Youth clients: 1,934 • Youth NFS clients: 1,740¹⁸ • Percentage girls: 38%¹⁹
Products developed	<ul style="list-style-type: none"> • Name of youth products: <i>Compte Avenir</i> (Future account) • Current savings account: Same features as adult product, with no fees or opening balance (opening balance of US\$5.00 was eliminated as it was too high for youth uptake) • Term deposit
Pilot test key data	<ul style="list-style-type: none"> • Launched in August 2011, ended in July 2012 • Twelve branches involved, all of them urban (Kinshasa) • Ten-month duration • Problems in take-off of financial services during the first five months of the pilot test, but problems now solved. Problems in finding a partner for delivering financial-literacy training • FINCA gave Youth Outreach Officers targets to ensure at least 70% of the youth savers they mobilize are women. However, the Outreach Officers find that when they conduct field visits with potential youth groups, the majority of the youth in the groups are male. Based on focus-group discussions, FINCA found that the culture in DRC is to invest more in boys than girls because girls will marry into another family. Therefore, parents are more likely to open an account for their sons, as opposed to their daughters. Massive marketing campaigns and financial education sessions with parents are planned for the roll out so that outreach to girls increases

18 Problems in finding a partner for delivering financial-literacy training explains the low outreach figure for NFS.

19 According to focus groups discussions to evaluate the pilot tests, parents are more likely to be supportive to open savings accounts for boys than for girls.

FINCA DRC	
Delivery model	<ul style="list-style-type: none"> · Youth champion dedicated 100% of time · Four youth officers recruited for promotion (not assigned to branches) · Youth officers open accounts for youth at schools after collecting all necessary documents · Obtained license from Central Bank to use agents with POS terminals. Currently have 5 such agents and plan to increase to 20 soon · Youth conduct transactions at branches through the cashiers, with POS agents or at schools when a staff member comes with a POS device to collect money from youth
Marketing strategy	<ul style="list-style-type: none"> · For in-school youth, youth officers visit schools where they conduct awareness campaigns · Plan to devote marketing resources during summer school vacations to target out-of-school youth at markets, churches and vocational centres · Other marketing activities include <ul style="list-style-type: none"> - Organizing school visits to FINCA branches where staff explain how the branch works - Participating in the First National Savings Day 2011, prompted by KfW (Kreditanstalt für Wiederaufbau, a German development bank) and the Congolese government, in collaboration with several other FSPs - Conducting marketing campaign during school opening, offering school kits to youth who open an account
Integration of NFS	<ul style="list-style-type: none"> · Linked: Partner with local NGO, HPP, experienced in working with youth · Started NFS sessions in April 2012, mainly at schools · Meet weekly with HPP to monitor progress and coordinate activities

FINCA UGANDA	
Projected pilot test outreach	(10-month pilot test) <ul style="list-style-type: none"> · Youth clients: 3,000 · Youth NFS clients: 3,000 · Percentage girls: 63%
Pilot test outreach	<ul style="list-style-type: none"> · Youth clients: 782²⁰ · Youth NFS clients: 2,369 · Percentage girls: 34%
Product developed	<ul style="list-style-type: none"> · Name of youth product: Smart account · Current savings account targets youth 12–24 years old · Provide youth clients with ATM cards—for youth under 18, parents are co-owners of the card in order to allow youth to use it
Pilot test key data	<ul style="list-style-type: none"> · Launched in January 2011, will finish in November 2012 · Seven branches involved, all of them urban (Kampala) · Ten-month duration

20 One of the outreach assumptions of FINCA Uganda was based on opening savings accounts via POS agents. Unfortunately, FINCA Uganda has not yet received the license from the government to use such technology. This explains the low outreach figures.

FINCA UGANDA

Delivery model	<ul style="list-style-type: none"> • Youth champion dedicated 50% of time • Existing credit officers in charge of youth product (no specific staff exclusively devoted to youth product) • Distribute lockable savings boxes to youth at schools and have staff conduct visits to schools every two weeks to collect money from youth. Savings box is managed by a school supervisor and by an elected president of each youth group. Each youth has a personal ledger card • Youth can also conduct transactions at FINCA branches • Is waiting for license from Central Bank to operate with POS agents. Once approved, plan to concentrate on delivering financial services to youth through this system
Marketing strategy	<ul style="list-style-type: none"> • Have tents stationed in schools where youth can open accounts • Conduct Music, Dance and Drama days near branches and schools • Youth visit branch where they learn how the branch functions • Established partnership with <i>Watoto</i> (religious) groups to attract youth • Hold Fun days during the holidays within the communities, at a youth centre or a secure church ground • Have radio talk show • Offer incentives to reward savings behaviour (regular use of accounts)—winner is announced at planned events so they receive recognition
Integration of NFS	<ul style="list-style-type: none"> • Linked: Partner with local NGO, PEDN • Hold sessions at schools: Memoranda of understanding already signed with thirteen schools to provide NFS. Plan to use different media such as video, music, and SMS messages

OBM

Projected pilot test outreach	(12-month pilot test) <ul style="list-style-type: none"> • Youth clients: 4,455 • Youth NFS clients: 4,455 • Percentage girls: 60%
Pilot test outreach	<ul style="list-style-type: none"> • Youth clients: 381²¹ • Youth NFS clients: 7,107 • Percentage girls: 32%
Products developed	<ul style="list-style-type: none"> • Name of youth products: <i>Masomphenya</i> savings account (Vision), <i>Chiyanbi</i> group loan (Crossing-over) and <i>Tiwoloke</i> individual loan (Beginning) • Current savings account and term deposit • Individual loan and group loan: to access a loan, youth have to save for six months so that OBM can learn from their savings patterns and cash flow
Pilot test key data	<ul style="list-style-type: none"> • Launched in December 2011, will finish in December 2012 • Seven branches involved, spread all over the country and including four urban and three rural branches • Twelve-month duration
Delivery model	<ul style="list-style-type: none"> • Youth champion dedicated 100% of time • Existing field officers in charge of youth products (no specific staff exclusively devoted to youth products) • Youth conduct transactions at branches through the cashiers

21 Macroeconomic problems in the country are having a strong impact on the overall performance of the FSP, leading to significant delays in the pilot test and to poor outreach figures.

OBM	
Marketing strategy	<ul style="list-style-type: none"> Based on visiting YSOs to promote youth products among youth members. The relationship manager and the credit officers go to the YSO premises and offer to open accounts on site Also plan to launch advertisements both in English and the local language at three local radio stations close to pilot test branches
Integration of NFS	<ul style="list-style-type: none"> Adapted modules from the Global Financial Education Program to youth and are developing DVDs with the modules Have not started financial-literacy training yet

PAMECAS	
Projected pilot test outreach	(6-month pilot test) <ul style="list-style-type: none"> Youth clients: 800 Youth NFS clients: 800 Percentage girls: 55%
Pilot test outreach	<ul style="list-style-type: none"> Youth clients: 773 Youth NFS clients: 0 Percentage girls: 42%
Products developed	<ul style="list-style-type: none"> Name of youth products: <i>Ndortel</i> (Youth starts) According to PAMECAS bylaws, to access any financial service youth must become a member by paying a membership fee. PAMECAS softened conditions to promote youth uptake by allowing youth to open the account and save the membership-fee money progressively Current savings account Loan
Pilot test key data	<ul style="list-style-type: none"> Launched in February 2011, will end in August 2012 Ten branches involved, all of them urban (Dakar) Six-month duration
Delivery model	<ul style="list-style-type: none"> Youth champion dedicated 100% of time One youth officer for each pilot test branch promotes youth products. At headquarters, other marketing officers are in charge of coordinating the marketing activities of the pilot test Youth conduct transactions at branches through the cashiers
Marketing strategy	<ul style="list-style-type: none"> Decentralized to the involved branches. Each branch decides the activities to carry out in coordination with headquarters Some of the activities conducted include <ul style="list-style-type: none"> Sponsoring youth cultural events, mainly at schools, where parents and youth are present. During these events, staff put up posters and give away materials like stationary. Additionally, staff attend the events to promote the accounts face to face and to open youth accounts on site Using a <i>Ndortel</i> convoy, consisting of several cars promoting youth products through city streets with speakers and big banners. Convoy staff speak with neighbours about the youth products Sending SMS to youth who did not have any transactions in the last two months
Integration of NFS	<ul style="list-style-type: none"> Linked: Partnership agreement with Plan Senegal. The contribution from Plan would be twofold: delivering NFS to youth reached by PAMECAS and linking to Plan's youth village savings and loan associations whose members would open savings accounts and become PAMECAS clients Have not started formal financial-education sessions yet but are using SMS to deliver key financial-education messages to youth

22 Delay in pilot test launch due to internal approval procedures.

PEACE	
Projected pilot test outreach	(4-month pilot test) <ul style="list-style-type: none"> • Youth clients: 295 • Youth NFS clients: 295 • Percentage girls: 80%
Pilot test outreach	<ul style="list-style-type: none"> • Youth clients: 353 • Youth NFS clients: 301 • Percentage girls: 40%
Products developed	<ul style="list-style-type: none"> • Name of youth product: <i>Leneye</i> (For tomorrow) • Savings account • Loan: Currently focused on savings account but plan to offer youth loans in the near term. Youth loan features are still undefined
Pilot test key data	<ul style="list-style-type: none"> • Launched in December 2011 and ended in March 2012 • One rural branch involved • Four-month duration • Current scale-up to seven additional branches and launch of pilot test for savings accounts targeting groups of young rural married girls
Delivery model	<ul style="list-style-type: none"> • Youth champion devoted 75% of time • Existing field officers in charge of youth product (no specific staff exclusively devoted to youth product). Plan to recruit new staff as number of clients (adult and youth) increases, as per established caseloads • Youth conduct transactions at branches through the cashiers • Youth can borrow a lockable savings box from PEACE to accumulate savings at home before coming to the branch to make a transaction
Marketing strategy	<ul style="list-style-type: none"> • For in-school youth, put up posters on bulletin boards and use mini-media (loudspeakers and school radio) to promote youth savings account • For out-of-school youth, celebrate <i>Leneye</i> days that take place at weekly village markets—these consist of all branch staff going to the market, setting up a tent, promoting the youth savings product through loudspeakers and approaching youth passersby • Also offer incentives such as pencils or t-shirts for opening accounts and small gifts to the month's best savers
Integration of NFS	<ul style="list-style-type: none"> • Unified • Deliver sessions at schools for in-school youth and at branches for out-of-school youth • Adapted sessions to school calendar (exam periods, etc.) and to better suit seasonal activities of PEACE, which are linked to agricultural loans • Plan to offer special sessions tailored for girls through a Population Council partnership

UFT	
Projected pilot test outreach	(11-month pilot test) <ul style="list-style-type: none"> • Youth clients: 5,500 • Youth NFS clients: 5,500 • Percentage girls: 70%
Pilot test outreach	<ul style="list-style-type: none"> • Youth clients: 2,127 • Youth NFS clients: 389²³ • Percentage girls: 26%

23 Challenges to adapt financial education curricula explains the low outreach.

UFT	
Products developed	<ul style="list-style-type: none"> • Name of youth products: Teen classic and Youth progress • Current savings accounts • Provide young adults with debit card to access ATMs. Allow youth over 18 to request a loan after saving for a year
Pilot test key data	<ul style="list-style-type: none"> • Launched in January 2012 and will end in December 2012 • Seven branches involved, four urban and three rural • Eleven-month duration • Problems in launching NFS due to the challenges to adapt non-financial education curricula to different ages
Delivery model	<ul style="list-style-type: none"> • Youth champion dedicated 100% of time • One youth officer per branch recruited for promoting and managing youth groups • Create savings groups of 10–15 youth members according to gender, age and schooling status (in- or out-of-school). Mainly rely on community leaders and parents to reach and form the youth groups, ensuring their buy-in • For youth under 18, use ‘financial mentors’ to assist youth with account transactions and use social mentors trained by UFT to work with youth and parents during awareness meetings. Mentors are local volunteers and their work is not remunerated, although they receive training as incentive • Youth can also conduct transactions at branches through the cashiers
Marketing strategy	<ul style="list-style-type: none"> • Linked marketing strategy closely to the group model • Conduct at least 14 informational meetings and community events (at markets, churches) per month for marketing purposes. Use meetings to ensure support from parents and community leaders of the initiative and to create the groups • Youth officers work closely with community leaders • Hold meetings with head masters at schools • Have an incentive system to promote account opening and the youths’ regular use of their accounts
Integration of NFS	<ul style="list-style-type: none"> • Unified model: Youth officers and community volunteers are in charge of providing financial education • Hold sessions at group meetings. Group segmentation allows UFT to organize the education sessions and adapt the content according to the specific characteristics of each group

UCU	
Projected pilot test outreach	(6-month pilot test) <ul style="list-style-type: none"> • Youth clients: 4,420 • Youth NFS clients: 4,420 • Percentage girls: 51%
Pilot test outreach	<ul style="list-style-type: none"> • Youth clients: 4,328 • Youth NFS clients: 1,374²⁴ • Percentage girls: 47%
Products developed	<ul style="list-style-type: none"> • Name of youth products: <i>TangiraKare</i> (We need to start soon) current savings account; <i>Ihirwe</i> (Luck) long-term deposit; and <i>Nunguke</i> (Let’s get profit) group loan • Current savings account and term deposit • Loan: For youth to access a loan, they must first save a certain amount as collateral • Micro-leasing: Will start offering micro-leasing in late 2012

24 Low outreach explained by the difficulties in finding a YSO to partner for the delivery of NFS.

UCU	
Pilot test key data	<ul style="list-style-type: none"> · Launched in December 2011 and ended in June 2012 · Two branches involved, one rural and one urban · Six-month duration · Significant delay in launching NFS due to problems finding a partner to deliver financial-literacy training. Ultimately decided to adopt the unified model. NFS outreach targets will be adjusted
Delivery model	<ul style="list-style-type: none"> · Youth champion devoted 75% of time · Existing field officers in charge of youth products (no specific staff exclusively devoted to youth products) · Youth conduct transactions at branches through the cashiers
Marketing strategy	<ul style="list-style-type: none"> · Marketing activities include <ul style="list-style-type: none"> - Local radio announcements - Visits to churches and to heads of villages - Open-door days at branches - Visits and meetings with parents - Incentives for youth aimed at promoting youth uptake: a youth that brings in ten new clients receives RWF1,000 (approximately US\$1.50), while a youth that opens an account can receive a t-shirt and baseball cap · Scarcely use marketing materials like posters and leaflets
Integration of NFS	<ul style="list-style-type: none"> · Unified: Faced great difficulty finding a partner to deliver financial-literacy training, as initially planned. Ultimately partnered with Education Development Center, a USAID project, to train UCU staff in providing financial-literacy training and follow-up services for youth groups · Sessions began in May 2012

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