**Handout 2: Other market level levers**

The FSP Esperanza is located in Hope, the country. Based on the demographic characteristics of youth in Hope (refer to handout 1), the management of Esperanza decided to develop a credit-led programme focused on older youth.

A part from the youth demographics let us see what other market level levers will have an impact on the programme design of Esperanza:

* About 96 licensed MFIs are regulated by the Central Bank of Hope which also regulates and supervises commercial banks and other formal financial institutions (FIs). Esperanza is one of 3 the biggest FIs in Hope.
* Access to financial services especially outside major towns is limited and youth is almost entirely excluded.
* The legislator recently enabled FIs to capture savings and use mobile technology. They also encourage branchless banking and micro-leasing.
* Under age youth (below 18 years of age) cannot enter into contractual obligations such as getting a loan before 18 years old. However, at the age of 16, a young person can open and manage on his/her own a savings account.
* Even though schools do offer financial education, the majority of youth have no access to it.
* There are few Youth Serving Organizations (YSOs) around Esperanza’s catchment area. However, there are some that provide very high quality entrepreneurship education and that link youth in a very concrete manner to businesses with high value chain potential.

**Questions to answer:**

Based on these market level levers, what new elements can you add to the design of the youth programme of Esperanza? Will you keep your focus on older youth? Is it still a credit-led programme, a savings-led programme, or both? Why? What innovations can your programme use that will likely attract more youth? How are you going to ensure that all the youth participating in your programme will have access to financial education? Will you partner with YSOs? Will you build the capacity of your staff to provide the FE?