DEMAND-SIDE RESEARCH FOR **YOUTH FINANCIAL SERVICES** IN THE **GAMBIA**

FINAL REPORT
DECEMBER 2017

UNCDF
Unlocking Public and Private
Finance for the Poor

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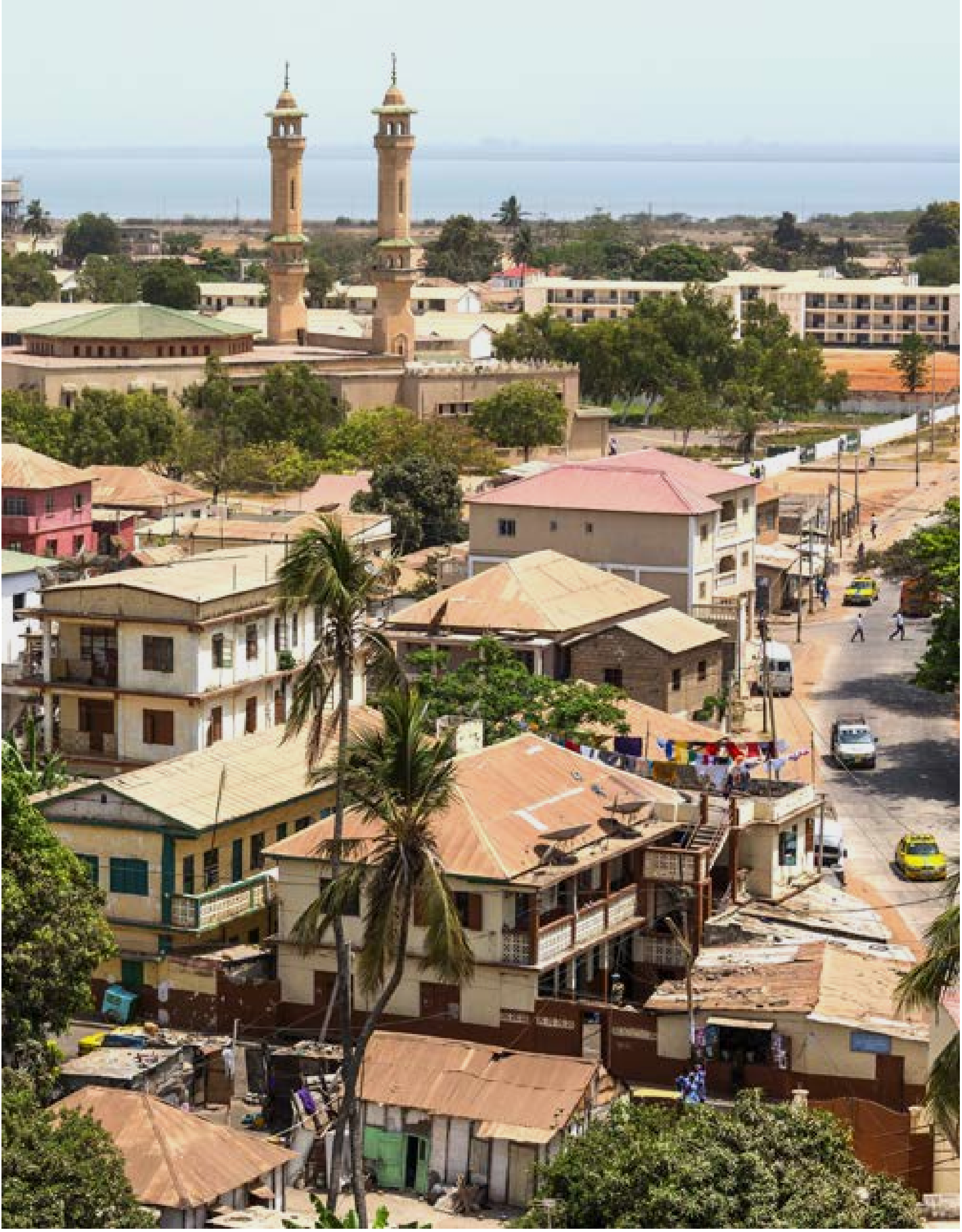

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DEFINITIONS, ABBREVIATIONS, AND ACRONYMS

This report uses the Government of The Gambia's definition of "youth" which is defined as persons aged 15 to 35 years old. This aligns with The African Youth Charter, the African Union's strategic framework for youth empowerment and development.

Conversion from Gambian Dalasi to USD is done at GMD 47.45 to USD 1.

ACRONYM	DESCRIPTION
EU	European Union
FSP	Financial Services Provider
GDP	Gross Domestic Product
GMD	Gambian Dalasi
GVA	Gross Value Added
HCD	Human-Centered Design
ICT	Information and Communications Technology
IFAD	International Fund for Agriculture Development
ILO	International Labour Organization
LRR	Lower River Region
MFI	Microfinance Institution
MNO	Mobile Network Operator
MSME	Micro, Small and Medium-Sized Enterprise
NACCUG	National Association of Cooperative Credit Unions of The Gambia
NBR	North Bank Region
NDP	National Development Plan
NSPP	National Social Protection Policy
PAGE	Program for Accelerated Growth and Employment
TVET	Technical and Vocational Education and Training
UN	United Nations
UNCDF	United Nations Capital Development Fund
USD	United States Dollar
VISACA	Village Savings and Credit Association

ACKNOWLEDGEMENTS

The United Nations Capital Development Fund (UNCDF) commissioned Dalberg Advisors to produce this report. The report relies on the inputs of a broad range of stakeholders in the youth economic opportunities ecosystem in The Gambia, who shared their views and advice for the preparation of this document. The authors wish to thank youth focus group participants and interview participants from the Gambian government, youth-serving organizations, private sector firms, financial services providers, and members of the international donor community, who generously contributed their time to this study.

EXECUTIVE SUMMARY

Under President Adama Barrow's leadership, the new government of The Gambia seeks to open up the country to new opportunities to stimulate its economy.

While The Gambia's economic growth declined to 2.1% in 2016 due to electoral uncertainty and policy lapses during an election year, the economy is expected to grow by 3.5% in 2017 and 4.8% in 2018[1] as a result of a more stable political environment and clear strategic policy guidelines.

Stimulating the economy will have a positive impact on the well-being of youth, since 44% percent of The Gambia's youth aged 15-24 years remain unemployed, compared to 30% of the country's average across all age groups.[2] Economic growth and job creation are indeed needed if the labor market is to absorb The Gambia's youth. The exclusion of youth from the labor market reinforces cycles of poverty and can ultimately become a risk for social cohesion and stability. Young men face significant barriers to entry into the Gambian labor market and young women are particularly excluded. Almost 50% of young women in The Gambia are unemployed, compared to 38% of men in the same age group.[3]

A pronounced youth bulge and a large share of unemployed youth has far-reaching implications for the labor market. In the past decade, The Gambia's population has risen from just around 1.5 million to 2.1 million people in 2016[4], and the country faces further demographic challenges in the future. Youth between 15-35 years old represent 34% of the country's population. In parallel, 45% of the labor force is made up of youth, but most of those youth are either unemployed or underemployed in the informal sector.[5] The formal labor market has limited capacity to absorb the Gambian youth, and large segments of the youth population work in agriculture or are pushed into the informal services sector, with precarious, low-paid, and usually low-skilled work conditions.

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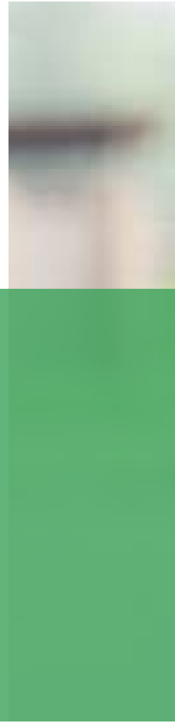
The Gambian government is working to turn the population challenge into an opportunity for socioeconomic development, as entrepreneurship and self-employment are becoming viable alternatives for youth employment. In 2014, around 88,940 Micro, Small and Medium-sized Enterprises (MSMEs) existed in The Gambia (both informal and formal)[6]. It is estimated that over 40% of MSME owners are between 18 and 35 years old.[7] Given the limited access to jobs, the entrepreneurial zeal of young Gambians can turn the country's large youth segment into a socioeconomic resource.

1 Africa Economic Outlook, 2012
2 According to modelled ILO estimates for 2017. Source: World Bank Development Indicators, World Bank, 2017
3 ibid.
4 World Development Indicators, 2017
5 p. 40-41, 2016 Statistical Yearbook, The Gambia Bureau of Statistics, 2017
6 page ix, The Gambia - Formulating the National Entrepreneurship Policy, UNCTAD, 2017
7 International Trade Centre



Access to finance is a key enabler for self-employment. Entrepreneurs need financial capital to kick-start or expand their economic activities, to pursue new ventures or to absorb and overcome financial shocks. Young Gambians, in particular, face a range of barriers accessing finance that prevent them from pursuing sustainable economic activities.

The United Nations Capital Development Fund (UNCDF), in partnership with the European Union (EU), aims to bring its experience in youth financial inclusion to catalyze economic opportunities among the youth of The Gambia. To meet that objective, UNCDF conducted a study to assess the demand for financial services from the youth living in the North Bank and the Lower River regions – using a Human-Centered Design (HCD) approach. In addition to desk research and analysis of the demand for financial services in The Gambia, the study included a two-week visit to The Gambia to conduct stakeholder interviews, youth focus groups, and a stakeholder workshop. This report is the synthesis of the findings.

The study's analytical framework anchors on five youth personas that emerged from the focus group discussions. The five personas identified include: Relentless entrepreneurs, Seasonal in-betweeners, Skilled starters, Grounded optimists and Vulnerable dependents.

The study's analytical framework anchors on five youth personas that emerged from the focus group discussions. The five personas identified include: Relentless entrepreneurs, Seasonal in-betweeners, Skilled starters, Grounded optimists and Vulnerable dependents. Each of the personas represents a group of young people with unique mindsets, aspirations and challenges. Different experiences and challenges of the personas lead to diverse levels of financial stability and growth over their lifetime, and hence unique needs for financial services. The persona framework served to assess youth needs and develop recommendations on the design of financial products for youth in The Gambia. The study proposes a set of nine design principles for youth financial products in The Gambia.

Key design principles for savings products:

- **Goal-based savings:** Many young people aim to save money for a specific goal. Specifically, products could target young people who run successful enterprises and seek to accumulate capital to expand activities, or young students planning to accumulate capital to kick off their careers.
- **Quick release:** The most frequently expressed rationale for savings across the two target regions was to build financial reserves for tough financial times and emergencies. As such, it is crucial for savings products to warrant a quick release option for young people to enable them to access their money in times of emergencies.
- **Small amounts of money:** Most youth believe that bank accounts are only beneficial to

people with relatively larger sums of money. This perception has resulted in young people channeling savings to informal institutions. Financial services providers (FSPs) can work to override this perception by providing low-cost solutions for savings.

Key design principles for Digital Financial Services (DFS):

- **Agent network:** Mobile money agents were mostly limited to small towns such as Kerewan and Soma with very little access at the village level. A strong agent network, however, is crucial for expanding the use of mobile money. Shopkeepers could play a pivotal role in the distribution and promotion of mobile money services.

- **Enrolment and onboarding:** Many young people have heard of mobile money, but have barely used it. FSPs should work with a network of grass-root level resources to onboard and potentially guide youth and other users on how to use mobile money. This could be done through a network of freelancers who are incentivized through commissions.

- **Need-based targeting, and second and third generation DFS:** While DFS in The Gambia are mostly transactional, there is an opportunity to tailor services to meet the needs of specific youth segments. While FSPs focus on enhancing these services and the growing uptake of transaction services, they should also consider the gradual introduction of complementary second and third generation services such as to better meet the needs of youth in the different personas categories.

Key design principles for credit products:

- **Low collateral requirements:** Providing documentation to meet the collateral requirements was a barrier for many young people to access formal credit channels. FSPs should find innovative ways of servicing youth by adopting alternative collateral requirements. The use of solidarity groups has been identified as a successful avenue as it builds trust and moral obligations among participants.

- **Lease financing:** FSPs should explore leasing as an alternative form of financing especially for youth who need to acquire equipment for their enterprises e.g. farmers, carpenters, welders, etc. FSPs should work with the government and partners to develop supporting legal frameworks that make leasing attractive for both FSPs and the youth.

- **Flexible repayment terms:** In many cases, youth did not borrow out of concern that they would not be able to pay back loans in time. FSPs should therefore align their repayment terms to youth economic activity cycles. For instance, repayment instalments could be aligned to certain seasons, allowing bulk payments to be concentrated during peak periods and lower repayments during periods of lower and/or fewer cash inflows.

This report provides a deeper understanding of the youth landscape and offers insights empowering key stakeholders to better catalyze youth economic opportunities through financial inclusion. UNCDF, through its mandate, has a unique role to play to ensure a better understanding of the dynamics of youth financial needs in The Gambia. This study also highlights the need to further investigate certain insights, such as the segmentation of youth across the five personas throughout the entire country, the causes of dormant accounts among youth, the remittances market among youth, and the profiles, aspirations, opportunities and challenges of youth and migration.

INTRODUCTION

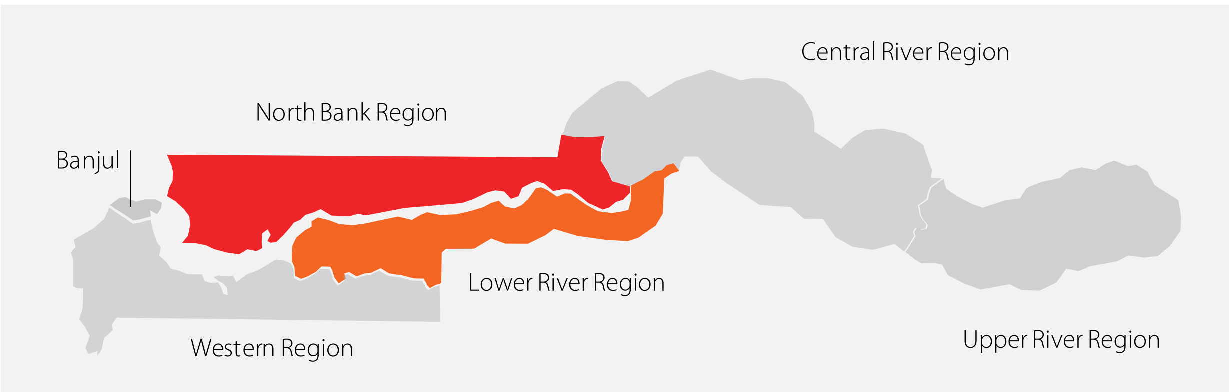
CONTEXT

The United Nations Capital Development Fund (UNCDF) has a unique financial mandate within the United Nations (UN) system: it has a proven track record and expertise in inclusive finance and local development finance, with a primary focus on least-developed countries. Since 2010, UNCDF has been actively working to increase youth financial inclusion.

To date, UNCDF has supported 822,000 youth to save USD 22 million and 210,000 young entrepreneurs to access USD 29 million in loans.

UNCDF, in partnership with the European Union (EU), aims to bring its experience in youth financial inclusion to catalyze economic opportunities among the youth of The Gambia. To meet that objective, UNCDF conducted a study to assess the demand for financial services from youth living in the North Bank and the Lower River regions – using a Human Centered Design (HCD) approach. The study conducted focus groups discussions with local youth and interviews with local stakeholders within the Youth Economic Opportunities ecosystem and the financial inclusion sphere of The Gambia.

Figure 1: Location of study target regions



This report presents the results of the study, capturing a picture of youth demand for financial services in The Gambia, by 1) providing an economic overview of the employment challenges, 2) presenting an analysis of the demand for financial services among young Gambians, and 3) providing a comprehensive assessment of youth financial lives and highlighting financial services needs at key stages. The report also provides design principles to inform the development of youth-targeted financial products and services in The Gambia.

METHODOLOGY

The methodology of the study was undertaken in three stages:

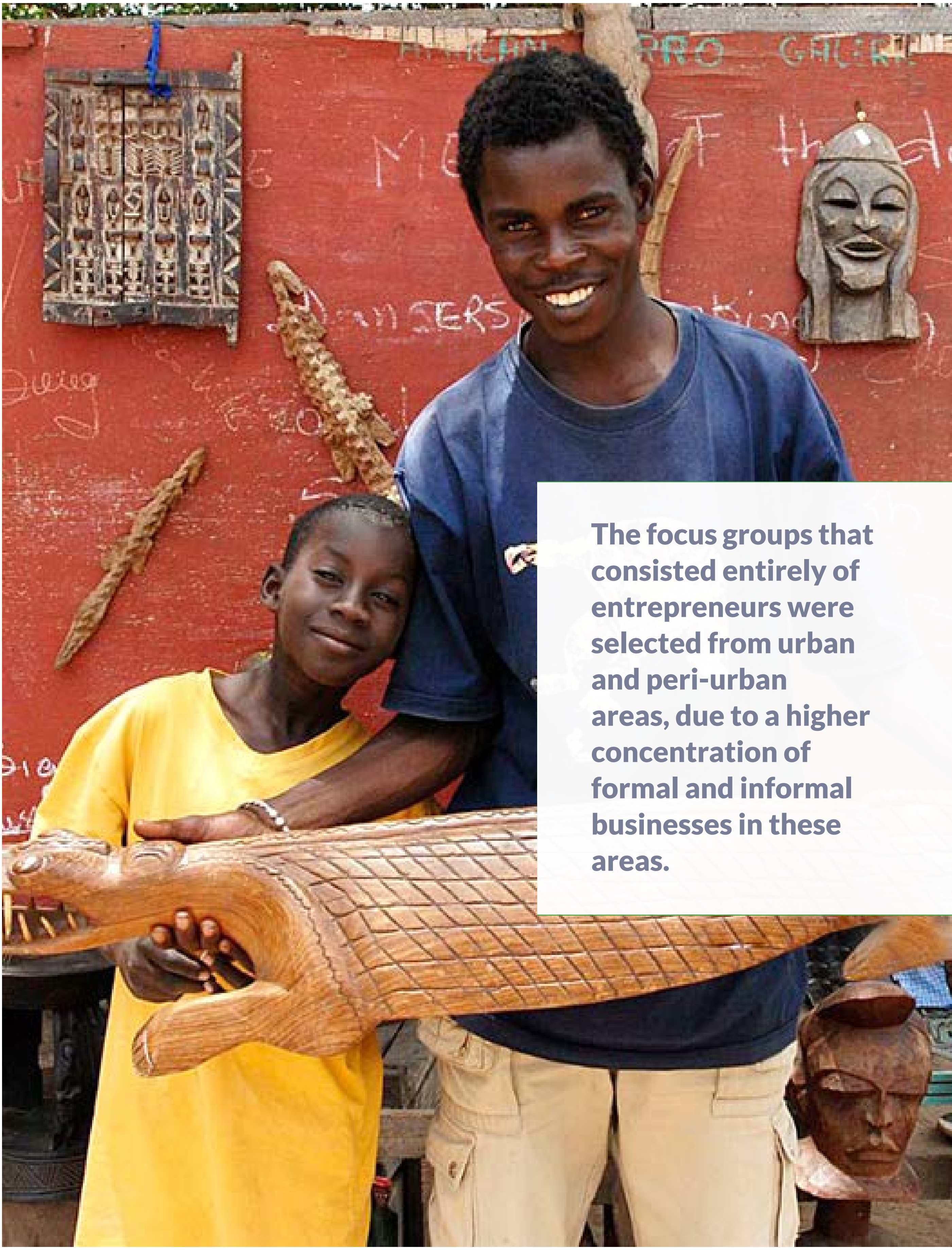
INCEPTION — DATA COLLECTION AND ANALYSIS — INFORMATION SHARING

1. **An inception phase,** with a literature review and a framing exercise to define key research questions and data collection tools.

2. **A data collection and analysis phase,** including two weeks on the ground focused on stakeholder interviews (please refer to the Annex for a comprehensive list of stakeholder consultations), focus group discussions and surveys, and a workshop to share the preliminary findings with key stakeholders.

3. **An information sharing phase,** focused on the synthesis of the key findings and recommendations in the following report for public dissemination.

The focus group discussions were inspired by HCD approaches with the assistance of local translators. Through interactive and participatory methods, participants provided insights on aspirations, key financial challenges at different life stages, and coping mechanisms used to overcome past challenges. Participants provided information about their occupations and use of financial services. Participants were also asked to provide insights on the rationale for selection of specific products, as well as their preferences with regards to financial product offerings.



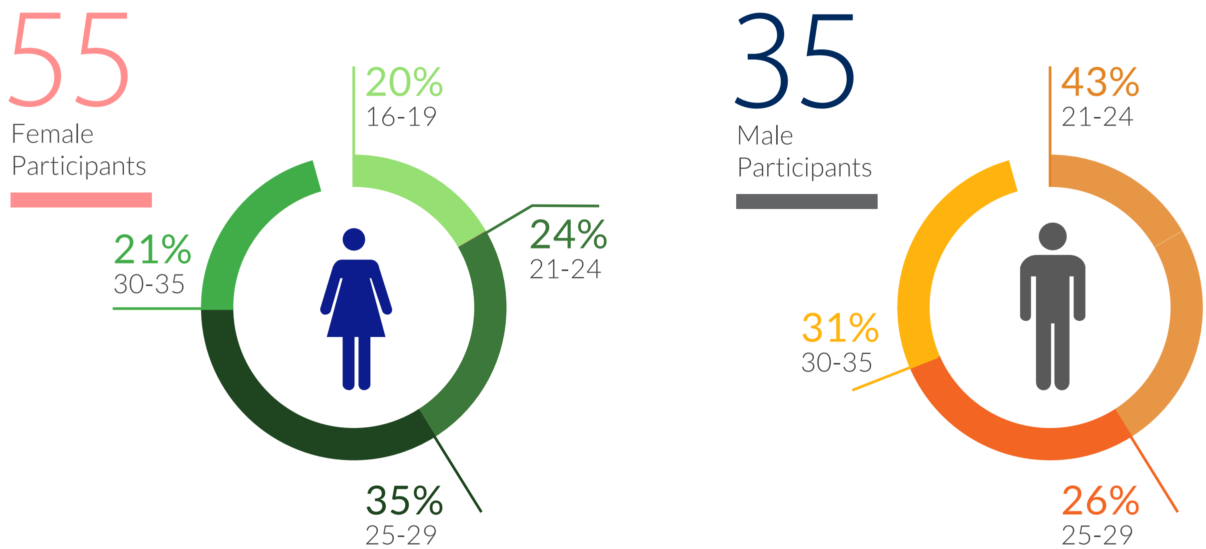
The focus groups that consisted entirely of entrepreneurs were selected from urban and peri-urban areas, due to a higher concentration of formal and informal businesses in these areas.

The report draws insights from interviews with key stakeholders involved in the youth empowerment space in The Gambia, including government ministries, Financial Services Providers (FSPs), Non-Governmental Organizations, regional government and local council leadership, and youth and women's groups..

Close to 90 Gambian youth were randomly selected across nine locations for a total of nine focus groups conducted in the North Bank and Lower River regions between late October 2017 and early November 2017. The youth participants had diverse demographic characteristics in terms of gender, age, marital status, education level, financial tool usage and occupation. Five focus groups included a mix of youth from urban, peri-urban and rural areas; two focus groups consisted entirely of entrepreneurs and two consisted of female participants only, as shown in **Figure 3** below. The selection of participants did not follow scientific method, and participation in the focus group meetings was voluntary.

Overall, the study engaged a total of 55 female and 35 male focus group participants,[8] as shown in **Figure 2**. Sixty-two percent of the participants were between 21 and 29 years old. Twelve percent of the total participants were girls and young women in the 16-19 age range. Twenty-six percent of the total participants were aged between 30 and 35 years. Figure 2 shows the composition of the participants by gender and age group.

Figure 2: Overview of the focus group participants by gender and age group



The study focused on two urban areas, three peri-urban areas, and four rural areas.[9] Forty participants were from rural areas, 30 from peri-urban areas and 20 from urban areas, as shown in **Figure 3** below. The focus groups that consisted entirely of entrepreneurs were selected from urban and peri-urban areas, due to a higher concentration of formal and informal businesses in these areas. The girls and women in the all-female focus groups were selected from peri-urban and rural areas, as these areas generally show stronger signs of gender bias with respect to economic integration and access to finance.

8 The higher number of female participants compared to male participants in the study – with the choice of having two female-only focus groups - stems from the need to better capture the gender dimension in the study.

9 For the purposes of this study, (i) urban areas represent major towns within the regions visited (i.e. Soma, Farafenni); (ii) peri-urban areas represent interface areas that lie between the towns and the villages (i.e. Kerewan, Sankwia); and (iii) rural areas represent villages that are relatively distant from major towns/ centers (i.e. Kani Kunda, Kerr Ardo, Jenoi).

Figure 3: Overview of focus group participant characteristics

NORTH BANK REGION

10	10	10	10	10
ENTREPRENEURS PERI-URBAN	GIRLS AND WOMEN PERI-URBAN	MIXED URBAN	MIXED RURAL	MIXED RURAL

LOWER RIVER REGION

10	10	10	10
ENTREPRENEURS PERI-URBAN	GIRLS AND WOMEN PERI-URBAN	MIXED URBAN	MIXED RURAL

CHAPTER

01

YOUTH ECONOMIC OPPORTUNITIES AND CHALLENGES

Section 1.1:

ECONOMIC OVERVIEW AND YOUTH EMPLOYMENT

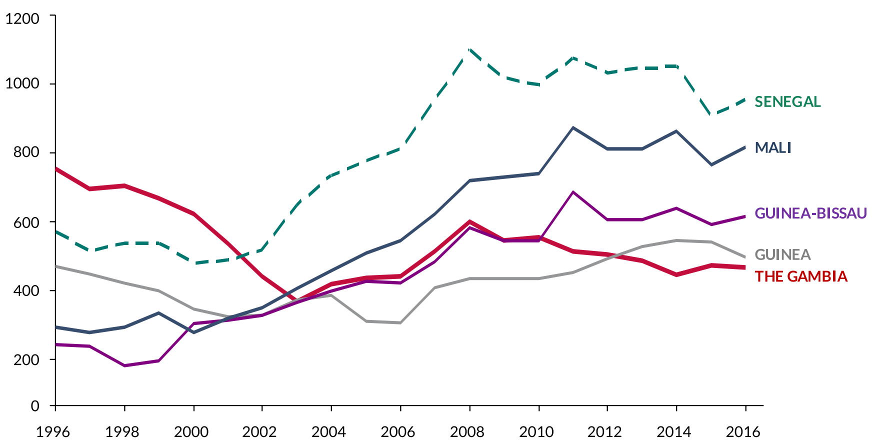
The Gambia recently transitioned to a new government, and under President Adama Barrow's leadership seeks to open the country to new opportunities to stimulate its economy.

While The Gambia's economic growth declined to 2.1% in 2016 due to electoral uncertainty and policy lapses during an election year, the economy is expected to grow by 3.5% in 2017 and 4.8% in 2018 [10], as a result of a more stable political environment and clear strategic policy guidelines.

The Gambia has a Gross Domestic Product (GDP) per capita of approximately USD 473 – which is among the lowest in West Africa.[11] The country's economy has not always been low-performing compared to the rest of the region (**Figure 4**).

Up until the mid-1990s, The Gambia used to outperform regional averages, before slow economic growth caused by droughts, combined with strong population growth, reduced the country's economic performance.

Figure 4: GDP per capita in The Gambia and neighboring countries, since 1995 (current USD, World Bank Development Indicators, 2017)[12]



KEY FACTS
ABOUT THE NATIONAL DEVELOPMENT PLAN

The National Development Plan (2018-2021) replaces the Programme for Accelerated Growth and Employment (2017-2020) developed by the previous government. The NDP contains specific policy goals and outcomes. It is based on eight strategic pillars:

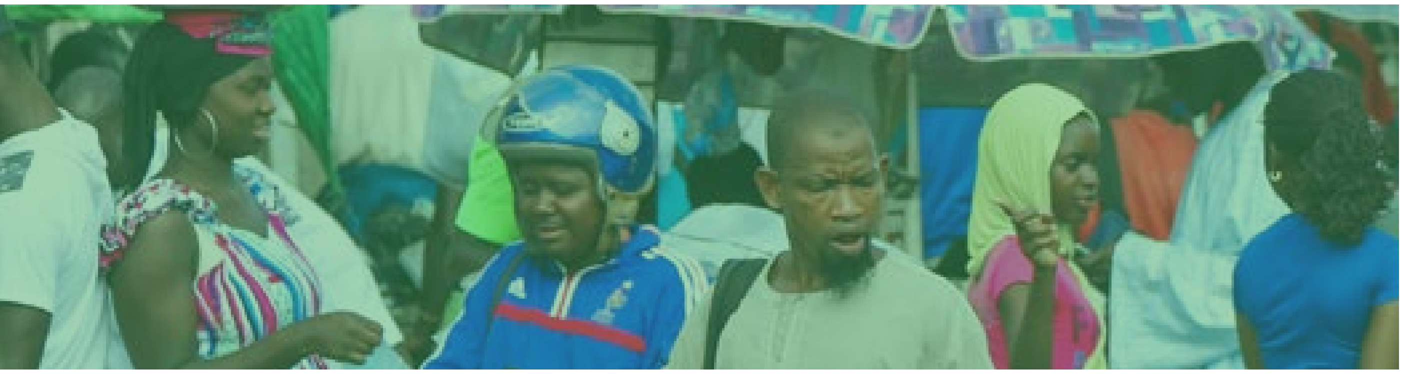
1. Restoring good governance, respect for human rights and empowering citizens through decentralization
2. Stabilizing the economy, stimulating growth, and transforming the economy
3. Modernizing agriculture and fisheries for sustained economic growth, food and nutritional security and poverty reduction
4. Investing in people through improved education and health services, and building a caring society
5. Building the infrastructure and restoring energy services to power the economy
6. Promoting an inclusive and culture-centered tourism for sustainable growth
7. Making the private sector the engine of growth, transformation, and job creation
8. Reaping the demographic dividend through an empowered youth

10 Africa Economic Outlook, 2012

11 World Bank Development Indicators, 2017

12 World Bank Development Indicators, 2017

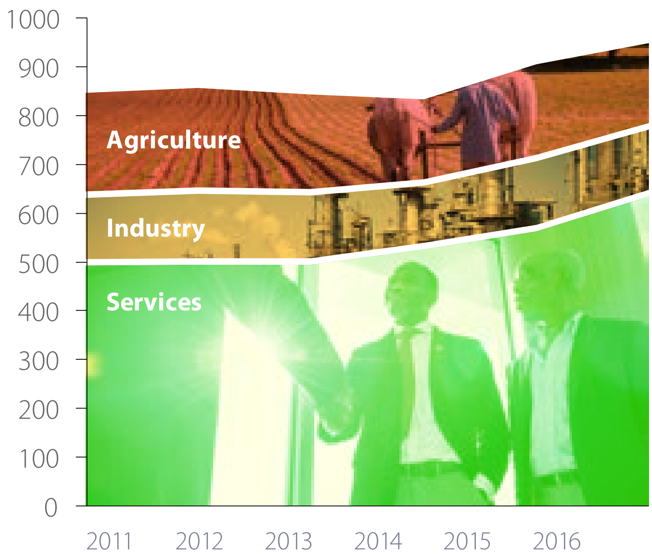
Services and agriculture are the largest contributors to The Gambia's GDP at 61% and 19% of GDP respectively, or 65% and 20% in Gross Value Added (GVA) in 2015.[13] Industry contributes around 14% to the country's GDP or 15% of GVA (**Figure 5**).



The agriculture sector is the most important contributor to employment. It only accounted for about 20% of GDP in 2016[14], but engages almost half of the country's working population. More than 80% of the rural working population and more than 90% of the rural poor rely on farming.[15]

Agricultural activity is dominated by food and cash crop production, which together contribute to 60% of the agricultural GDP.[16] Traditional subsistence agriculture is prevalent in The Gambia, with households gaining additional income through cash crop production (groundnuts, cotton, sesame, horticulture). Groundnuts are particularly important, accounting for one third of total exports, 74% of agricultural exports and 38% of the agricultural GDP.[17] Cereals (mainly millet, sorghum, maize and rice) are also important crops, and account for 56% of the cultivated land.[18]

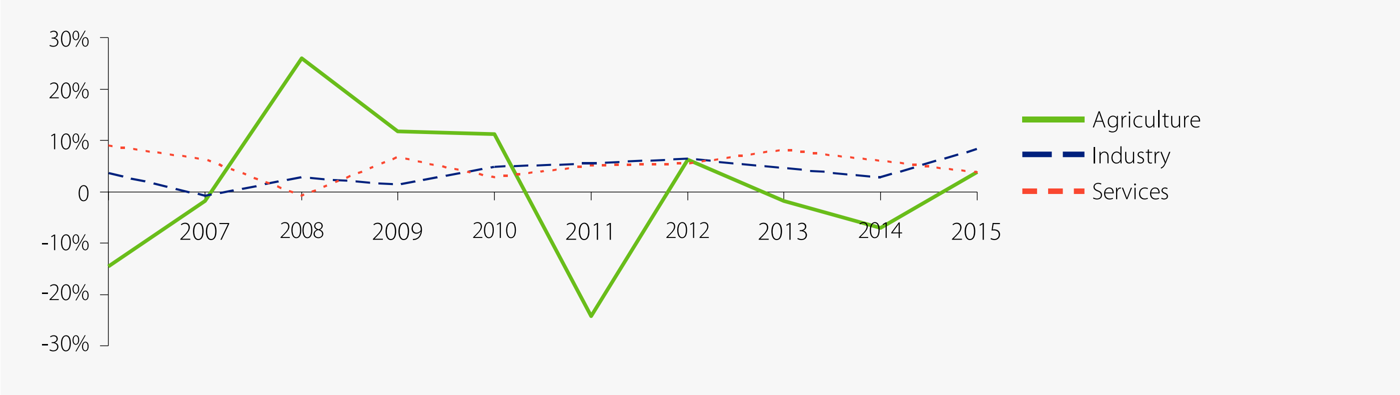
Figure 5: GVA, by sector, in millions of current USD



The agricultural sector has seen poor, inconsistent performance in the last decade. Agriculture in The Gambia is largely rain-fed, making it vulnerable to weather shocks and climate change. Growth rates and contribution to GDP are therefore volatile. In the past decade, agricultural output has varied significantly due to insufficient or unbalanced rainfall. Yearly sector growth increased from 0% in 2007 to 26% in 2008, and plummeted to -24% following the drought in 2011 **(Figure 6)**. Decreasing soil fertility, limited access to finance and a lack of access to fertilizers have further reduced the sector's productivity.[19]

13 p. 5-8, 2016 Statistical Yearbook, The Gambia Bureau of Statistic, 2017. GDP and GVA are both measured in current prices
14 p.6, 2016 Statistical Yearbook, The Gambia Bureau of Statistics, 2017. GDP and GVA are both measured in current prices
15 p.32, National Development Plan, The Ministry of Finance, 2017
16 p.5, National issues report on key sectors of agriculture adaptation in The Gambia, UNDP, 2010
17 ibid.
18 ibid.
19 United Nations Economic Commission on Africa - Gambia Country Profile 2016

Figure 6: Annual growth rates per sector[20]



The services sector has been the strongest and fastest growing sector in recent years. The sector has contributed between 58% and 61% to GDP, and has grown by more than 5.6% annually from 2011-2015. Wholesale and retail trade continue to dominate, contributing to around 39% of the services sector in 2015.[21] About 80% of The Gambia's total merchandise exports in 2015 consist of re-exports,[22] mainly wood products and textiles.[23] Main exports are groundnuts (32.7%), cashew nuts (20.6%), wood and wood articles (20.1%) and fish or fisheries products (13.6%).[24] Annual growth in wholesale and retail trade is volatile as well, ranging between 1.0% and 8.6% between 2011 and 2015.[25]

Industry, although a less important contributor to the Gambian economy, contributed to around 14% of GDP.[26] Construction and manufacturing have grown in importance in recent years, representing about 75% of the industry sector in 2015.[27] The entire sector has grown at an average 5.5% per year between 2011 and 2015.[28]

Tourism is an important sub-sector. Tourism accounts for 60% of the country's foreign exchange earnings, which corresponds to USD 85 million.[29] The sector currently directly and indirectly creates around 139,000 jobs.[30] In the years prior to the 2014 Ebola outbreak, tourist arrivals to The Gambia had grown steadily at 9% per year.[31] The current National Development Plan (NDP) aims to increase the attractiveness and diversity of the sector to make tourism a driver for employment and economic growth.

The Information and Communications Technology (ICT) sector is another rapidly growing sub-sector. The communications sector grew by almost 10% per year between 2011 and 2015.[32] It represents 11% of the GVA, and almost 17% of the services sector.[33]

20 World Development Indicators, 2017
21 p. 5-6, 2016 Statistical Yearbook, The Gambia Bureau of Statistics, 2017
22 p. 56, "Trade Summary", 2016 Statistical Yearbook, The Gambia Bureau of Statistics, 2017
23 p.50, National Development Plan, The Ministry of Finance, 2017
24 ibid.
25 p.6, 2016 Statistical Yearbook, The Gambia Bureau of Statistics, 2017
26 p.5-6, 2016 Statistical Yearbook, The Gambia Bureau of Statistics, 2017
27 ibid.
28 ibid.
29 p.42-43, National Development Plan, The Ministry of Finance, 2017
30 World Travel and Tourism Council Report, 2017
31 p.42-43, National Development Plan, The Ministry of Finance, 2017
32 p.9, 2016 Statistical Yearbook, The Gambia Bureau of Statistics, 2017
33 ibid.

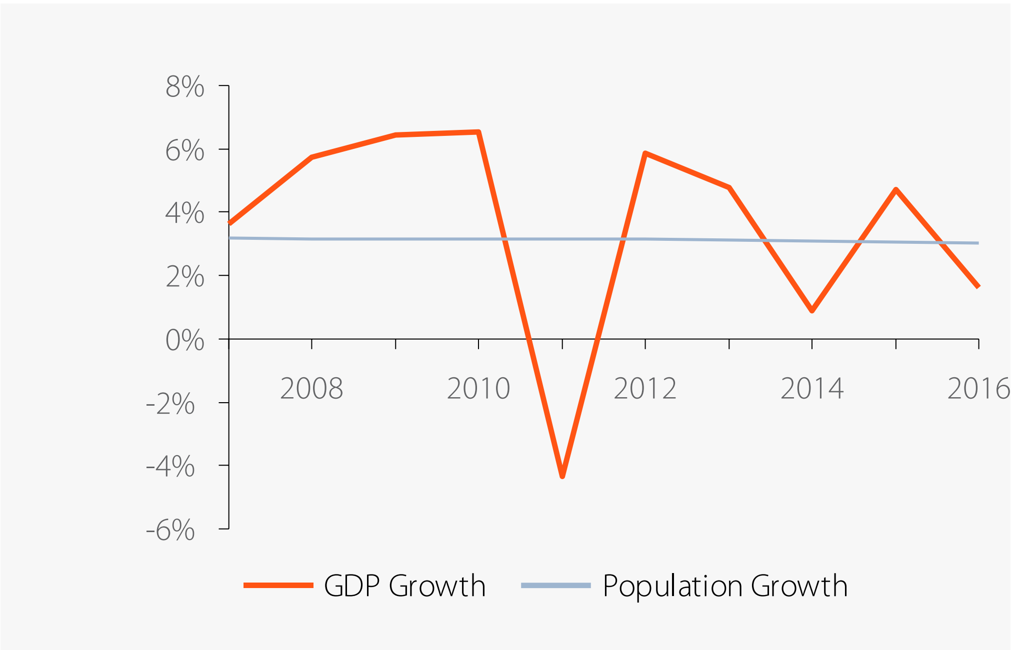
In its National Development Plan, the Gambian government stresses its position to push the implementation of ICT in all sectors of the economy.

The government plans to establish a National ICT agency, upgrade telecommunications networks to ensure Last Mile Connectivity, create regional ICT centers to integrate the use of communication technologies in education, and foster research and development in the ICT sector. The government has set an objective to increase daily internet usage from its current level of 47% to 90%, and increase mobile phone coverage from 79% to 90%.[34]

Remittances play a significant role in The Gambia's financial flows. Estimations of the magnitude of remittances vary between 11%[35] and 22.4%[36] of the country's national income. A recent study by the International Fund for Agriculture Development (IFAD) placed The Gambia second in the share of remittances of national GDP in Africa, after Liberia.[37] According to a survey conducted by Women World Banking in 2011, over 70% of interviewed people had a relative living abroad and 80% of them received remittances.[38]

Driven by more than 3% average annual population growth, economic growth has almost been fully absorbed resulting in little increase in per capita income (Figure 7). In the past decade, The Gambia's population has risen from just around 1.5 million to 2.1 million people in 2016[39], and the country faces further demographic challenges in the future. Youth between 15-35 years old represent 34% of the country's population. Gambians from 0-14 years represent almost half of the country's population **(Figure 8).**

Figure 7: GDP and population growth in 2007-2016[40]



34 p. 226, National Development Plan 2018 -2021 (Validation Draft 25.09.2017)

35 Estimation of remittances in 2010, sourced from: A Country Profile on the Gambia: The Marketplace & Financial Access, Women's World Banking, 2011

36 Estimation for 2016, p.22, Sending Money Home, IFAD, 2017

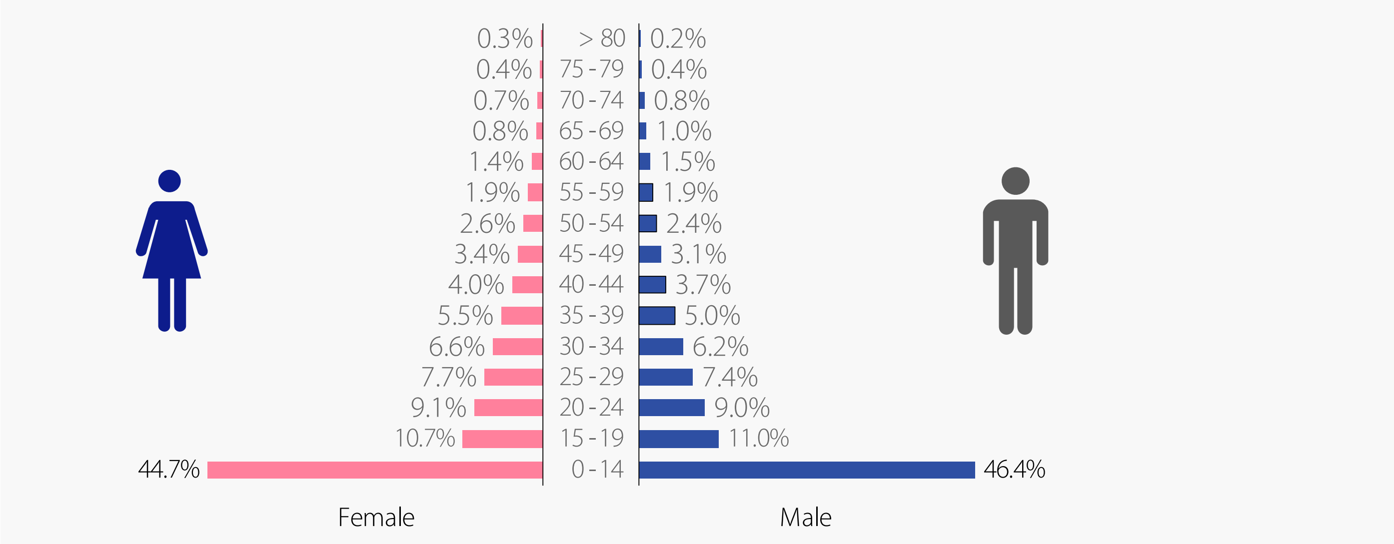
37 p.22, Sending Money Home, IFAD, 2017

38 A Country Profile on the Gambia: The Marketplace & Financial Access, Women's World Banking, 2011

39 World Development Indicators, 2017

40 World Development Indicators, 2017

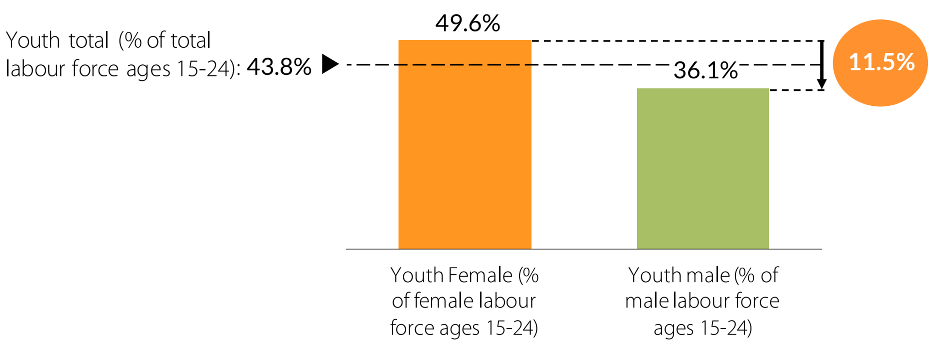
Figure 8: Demography of The Gambia's population[41]



Strong population growth and a large share of unemployed youth has far-reaching implications for the labor market. Of The Gambia's total population, the highest proportion of active labor market participants are in the 25-29 age cohort. Forty-five percent of the labor force is made up of youth[42]. Nonetheless, the formal labor market has limited capacity to absorb the Gambian youth, and large segments of the youth population work in agriculture or are pushed into the informal services sector, with precarious, low-paid, and usually low-skilled work conditions. Sixty-five percent of youth work in the informal sector.

Forty-four percent of The Gambia's youth from 15-24 remain unemployed, compared to 29.7% of the country's average across all age groups (Figure 9 and Figure 10).[43] The exclusion of youth from the labor market reinforces cycles of poverty and can ultimately become a risk for social cohesion and stability. While young men face significant barriers to entry into the Gambian labor market, young women are particularly excluded. Almost 50% of young women in The Gambia are unemployed, compared to 38% for men in the same age group **(Figure 9).** The gender gap for youth unemployment (11.5 percentage points as shown in **Figure 9)**, however, is less pronounced than for the entire Gambian labor force (17 percentage points as shown in **Figure 10)**.

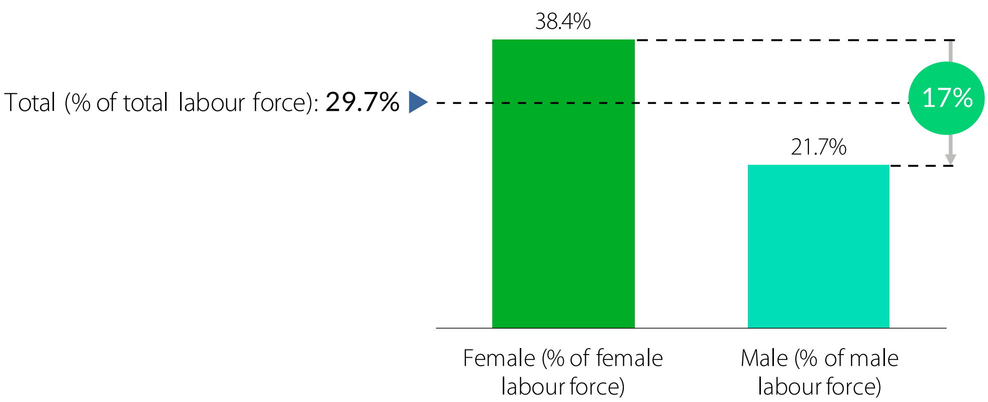
Figure 9: Youth unemployment rates in The Gambia, by gender (modeled estimates for 2017)[44]



41 Population data from the World Bank World Development Indicators, 2016
42 p. 40-41, 2016 Statistical Yearbook, The Gambia Bureau of Statistics, 2017
43 According to modelled ILO estimates. Source: World Bank Development Indicators, World Bank, 2017
44 World Development Indicators, World Bank, 2017

44% of The Gambia's youth from 15-24 remain unemployed, compared to 29.7% of the country's average across all groups.

Figure 10: Unemployment rates in The Gambia, by gender (modeled estimates for 2017)[45]



Unemployment and economic exclusion in The Gambia are the consequence of large numbers of young Gambians entering the labor market and other complex barriers. While there is a strong demand for skill training programs, training content often does not match market needs, resulting in a significant disconnect between labor market demand and supply. Furthermore, lack of access to finance limits the potential of young entrepreneurs.

The Gambia has a large emigrant community, as pressures for emigration continue to exist. In 2010, approximately 4% of the country's population lived abroad.[46] While this is a small proportion compared to other African countries, The Gambia's net emigration rate in 2013 was among the highest in the world.[47] The political uncertainty of the past resulted in many skilled Gambians leaving the country. The skilled migration rate was among the top 20 worldwide.[48]

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45 World Development Indicators, World Bank, 2017

46 Kebbeh C. Omar, 'The Gambia: Migration in Africa's 'Smiling Coast'', 15 August 2013, Migration Policy Institute: https://www.migrationpolicy.org/article/gambia-migration-africas-smiling-coast

47 ibid.

48 ibid.

Section 1.2:

OVERVIEW OF YOUTH ECONOMIC OPPORTUNITIES

In this section, the information gathered from focus group discussions with the youth is analyzed to understand their current occupations and future aspirations.

Discussions with various stakeholders served to deepen understanding of potential opportunities across different sectors. The analysis provides an overview of economic activities in which youth are engaged and highlights the implications of education, skill levels and geography on the selection of these activities. Further, the potential of various opportunities is assessed in three categories: traditional (mostly unskilled) activities, skill-based activities and new, untapped activities.

Agriculture, tourism and construction have the highest potential to increase youth employment

LEADING SECTORS IN THE GAMBIA

Agriculture, tourism and construction have the highest potential to increase youth employment with the right implementation of policies to spur job creation and enterprise development.

The Gambia's agricultural sector is characterized by small-scale subsistence farming and absorbs a large share of the national workforce. Agriculture represents the easiest transition for job seekers, as farming is widely practiced and engages almost half of the country's working population: more than 80% of the rural working population and more than 90% of the rural poor rely on farming.[49] The sector does not require extensive up-front investments or literacy skills. Furthermore, forward linkages with other economic sectors such as tourism or food processing can create opportunities for youth to explore value addition.

Tourism is a sector that has not yet reached its full potential and that could increase youth employment and create inclusive growth. The sector currently directly and indirectly creates around 139,000 jobs, which corresponds to almost 19% of total employment.[50] The Gambia's tourist target market remains narrow and tourism seasons are short (usually between October and February). Tourism can create linkages with other sectors such as agriculture and the arts, and open up new business models. For example, eco-tourism and rural tourism can extend the tourism season and integrate rural areas. By 2027, the tourism sector is expected to employ more than 200,000 Gambians.[51]

Entrepreneurship is emerging as a viable alternative as youth consider self-employment as a feasible option for earning an income. In 2014, around 88,940 Micro, Small and Medium-sized Enterprises (MSMEs) existed in The Gambia (both informal and formal).[52] It is estimated that over 40% of MSME owners are between 18 and 35 years old.[53] Youth generally are motivated and optimistic about shaping their future. Given the limited access to jobs, the entrepreneurial zeal of young Gambians can turn the country's large segment of youth into a socioeconomic resource.

ICT could equally be a key driver of employment if the right frameworks are developed to exploit opportunities. The sector is capital-intensive and requires a proficient level of education and ICT skills. With its rapidly growing share of national GDP, combined with the government's strategy to facilitate growth in the ICT sector by removing monopolies, strengthening ICT infrastructure and fostering the use of ICT in all sectors of the economy, the communications sector has a high potential to create jobs for many skilled youths.

CURRENT ECONOMIC ACTIVITIES BY SKILL LEVEL AND GEOGRAPHICAL DISTRIBUTION

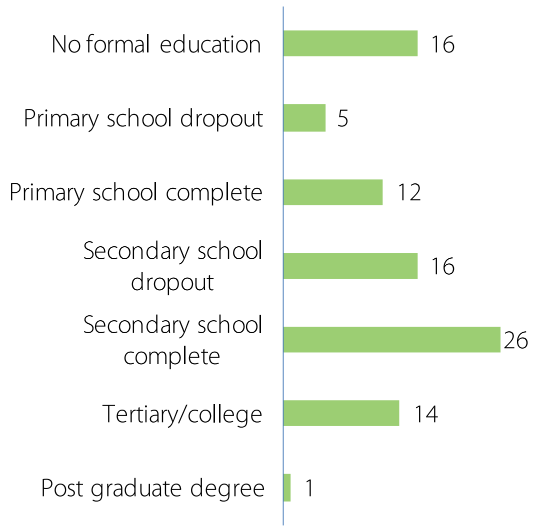
Young people in The Gambia engage in different economic activities ranging from low-quality, unskilled activities to high-quality skilled activities. Entry into various economic activities is mostly determined by education level, geographic location and availability of capital. Across the Lower River and North Bank regions, more than 33.3% of the youth engaged in this study had not gone beyond primary school. Only 16.7% of the youth had gone beyond secondary school or acquired a vocational skill despite both regions

49 p.32, National Development Plan, The Ministry of Finance, 2017
50 World Travel and Tourism Council Report, 2017
51 ibid.
52 page ix, The Gambia - Formulating the National Entrepreneurship Policy, UNCTAD, 2017
53 ibid.

having more than six tertiary institutions that offered various skills such as carpentry, mechanics, tailoring, hair dressing, wielding, construction and electricity as illustrated in **Figure 11** below. In most cases, youth hold back from taking vocational courses due to lack of funds and due to the hesitation to spend 2-3 years on skills training whereas they can enter into easily accessible, low-quality income generating activities.

Figure 11: Level of literacy and availability of Technical and Vocational Education and Trainings (TVETs) in the North Bank and Lower River regions[54]

Literacy by level of education completed (Number of participants) (N=90)



Availability of various TVET courses across the two regions

Course	Kerewan	Mansa Konko
Electricity	✓	✓
Hair dressing	✓	
Welding		✓
Mechanics		✓
Carpentry	✓	✓
Tailoring	✓	✓
Construction		✓
Catering	✓	

In instances where skilled youth have launched businesses, they often use savings accumulated during their training or borrowed from friends and relatives. Unskilled youth launch their small businesses such as food vending, selling soft drinks or small vegetable shops at an earlier stage with capital ranging from approximately USD 2 to USD 100[55] that is often sourced from friends and relatives. Start-up capital to launch their businesses remains one of the biggest bottlenecks for both skilled and unskilled youth.

The level of urbanization is also a key determinant of the economic activities in which youth engage. Youth in urban (and peri-urban) areas mostly engage in commercial activities and skill-based activities, while youth in rural areas take up low income unskilled activities as illustrated in **Figure 12** below. This can be attributed to (a) low literacy and skill levels in rural areas and (b) low income levels in rural areas resulting in less consumer spending and demand for products and services. Commercial trading and sale of fashion items is more common in urban and peri-urban areas. Fifty-six percent of youth who engaged in commercial trading were located in urban areas while 86% of those who sold new clothes, shoes and cosmetics lived in peri-urban areas. Sixty-seven percent of secondhand cloth sellers where located in urban areas.

In rural areas (village level), farming and operation of small vegetable shops are the most common income-generating activities. Farming is conducted by both genders while vegetable shops are mostly run by young women. Seventy-six percent of youth who engaged in farming and 83% of those who run small vegetable stalls were in rural areas.

54 "N" corresponds to the number of respondents from the focus groups questionnaires.
55 GMD 100 - 5000

Skill-based occupations are largely prevalent in urban areas, due to higher demand for related products and services. More than 80% of youth who cited undertaking skilled activities were in urban and peri-urban areas – 100% of the youth in welding were in urban and peri-urban areas, 80% of the youth involved in hair dressing, and 100% of the youth involved printing and photography (as shown in **Figure 12** below). Tailoring and carpentry occurred more often in rural areas compared to other skilled activities – tailoring (33%) and carpentry (33%).

Figure 12: Current occupations of youth across the regions covered[56]

	Occupation areas	Urban (small towns)	Peri-urban	Rural (villages)
Skill-based	Carpentry	33%	33%	33%
	Wielding and electricity	50%	50%	-
	Tailoring	-	67%	33%
	Hairdressing	40%	40%	20%
	Printing and photography	67%	33%	-
Non - skill based	Commercial trading	56%	33%	11%
	Selling new clothes, shoes and cosmetics	14%	86%	0%
	Selling second hand clothing	67%	-	33%
	Household utility shop	25%	25%	50%
	Selling ice blocks and soft drinks	50%	50%	0%
	Food vending	-	64%	36%
	Vegetable shop	-	17%	83%
	Farming	10%	14%	76%

ASSESSMENT OF ECONOMIC OPPORTUNITIES

This section of the report analyzes the different economic opportunities that youth are pursuing as well as the relative potential of each opportunity, drawing from insights gathered during focus groups and in conversations with different youth stakeholders. The opportunity assessment includes both skilled and unskilled opportunities across different sectors, and are classified into three categories based on the skill-level required and current and future level of uptake. These opportunities include (a) traditional opportunities which require minimal or no skills, (b) skilled opportunities which require a specific skillset, and (c) forward-looking opportunities for which uptake can be spurred through basic training. The opportunities are summarized in **Figure 13** below.

56 Dalberg analysis. The data contained in this table is indicative and representative. The sample size included 92 participants and spanned the Lower River Region and the North Bank Region.

Figure 13: Current and future economic opportunities for the youth

Lowest job creation potential → **Highest job creation potential**

	Traditional sectors	Skill-based sectors	Forward-looking sectors
Background	• Activities mostly on trade and the primary sector • Provide very limited income for young people and are mostly subsistence • Activities are prominent due to ease of entry, low capital requirements and possibility of support from friends and family in the practice	• Sectors that require skilled expertise acquired through TVETs or apprenticeship. • Skilled youth seek to convert skill into viable economic activities e.g. businesses, employment • Require investment in time, investment in initial equipment and tools and business skill to convert skill	• Highly unexplored sectors, that hold significant potential to provide new, out-of-the-box opportunities if well exploited. • Promise great opportunity due to current ease of skill development, low capital requirement and integration with other sectors
Key Attributes	• High ease of entry • Low capital requirements • Very minimal returns • Limited growth potential	• Require skill development • High growth potential • Ease of entry limited by need to build skill over 1-3 years	• Short-term skill development • High growth potential • Low capital requirement

TRADITIONAL SECTORS

Examples of economic activities within these sectors include: food and beverage vending, vegetable shops, smallholder farming, sale of secondhand clothes, small utility shops, fishing and fish mongering.

Most young people outside the Greater Banjul area are currently engaged in smallholder agricultural production and small trade-related economic activities.

These sectors are relatively easier to access due to the low levels of capital and skills required. Most youth who work in these areas are unskilled and mobilize small sums of capital from friends and family to kick-start their businesses. In most cases, youth often resort to opportunities in traditional sectors upon dropping out of school or when forced into early marriages. However, young people remain in these activities with the hopes of moving into more lucrative opportunities.

KEY FACTS

Young girls especially in rural areas get married at an early age (14-18 years old).

This forces them to leave school, leaving them illiterate and without any skills. As a coping mechanism, they often start small businesses such as food vending and selling vegetables to meet their daily cash needs.

Opportunities in traditional sectors provide very low income returns to the youth. For instance, most youth are engaged in farm production and are seldom engaged in any form of value addition, which could potentially increase their returns. In trade, youth run small informal businesses that are subsistence-driven, and only a minority run successful growth-oriented businesses. These opportunities provide low incomes due to very small marginal returns. Further, due to fewer barriers to entry, the activities are characterized by high competition and price-cutting.

KEY FACTS ON TRADITIONAL OPPORTUNITIES:

- Wholesale and retail trade, and agriculture contribute up to **61% and 19% of GDP in 2016** respectively [57]
- Agriculture and trade currently employ over **65% of the economically active youth between 13 and 30 years old** [58]
- Agricultural activities are concentrated in rural areas, while trade activity is concentrated in smaller towns e.g. Soma, Farafenni, Bassa

SKILL-BASED SECTORS

Examples of economic activities within these sectors include carpentry, masonry, welding, electricity, tailoring, hair dressing, mechanics and cooking.

Most young people considering these opportunities invest in a skill either through formal training (mostly through TVETs) or an informal apprenticeship. Economic opportunities within these sectors are mostly artisanal activities concentrated in the construction sector.

These opportunities are attractive to young people due to their higher guarantee of income. However, youth are hesitant to spend 2-3 years on skills training when they could easily move into money-making ventures. The main barrier to entry for skill-based opportunities is the time investment to build the skill. The inability to pay school fees and poor literacy and numeracy skills (due to early school drop-out) constrain young people from acquiring the required skills. Activities in skills-based sectors provide higher and regular financial returns compared to non-skill based opportunities. Skilled youth find it more lucrative to operate their businesses in urban areas.

KEY FACTS ON SKILL - BASED OPPORTUNITIES:

- **There are only nine public institutions and 45 private institutions** providing various skills training
- **Only 50% of Gambians reached primary education, 26% reached upper basic, and 18% reached senior secondary or higher education** [59]
- The traditional apprenticeship system is a key source of skills acquisition especially for male youth in the informal sector

57 Statistical Yearbook, The Gambia Bureau of Statistics, 2017

58 The Gambia National Human Development Report 2014 – Youth employment, UNDP, 2014

59 Youth Employment and Skills Development in The Gambia, The World Bank, 2011

FORWARD-LOOKING SECTORS

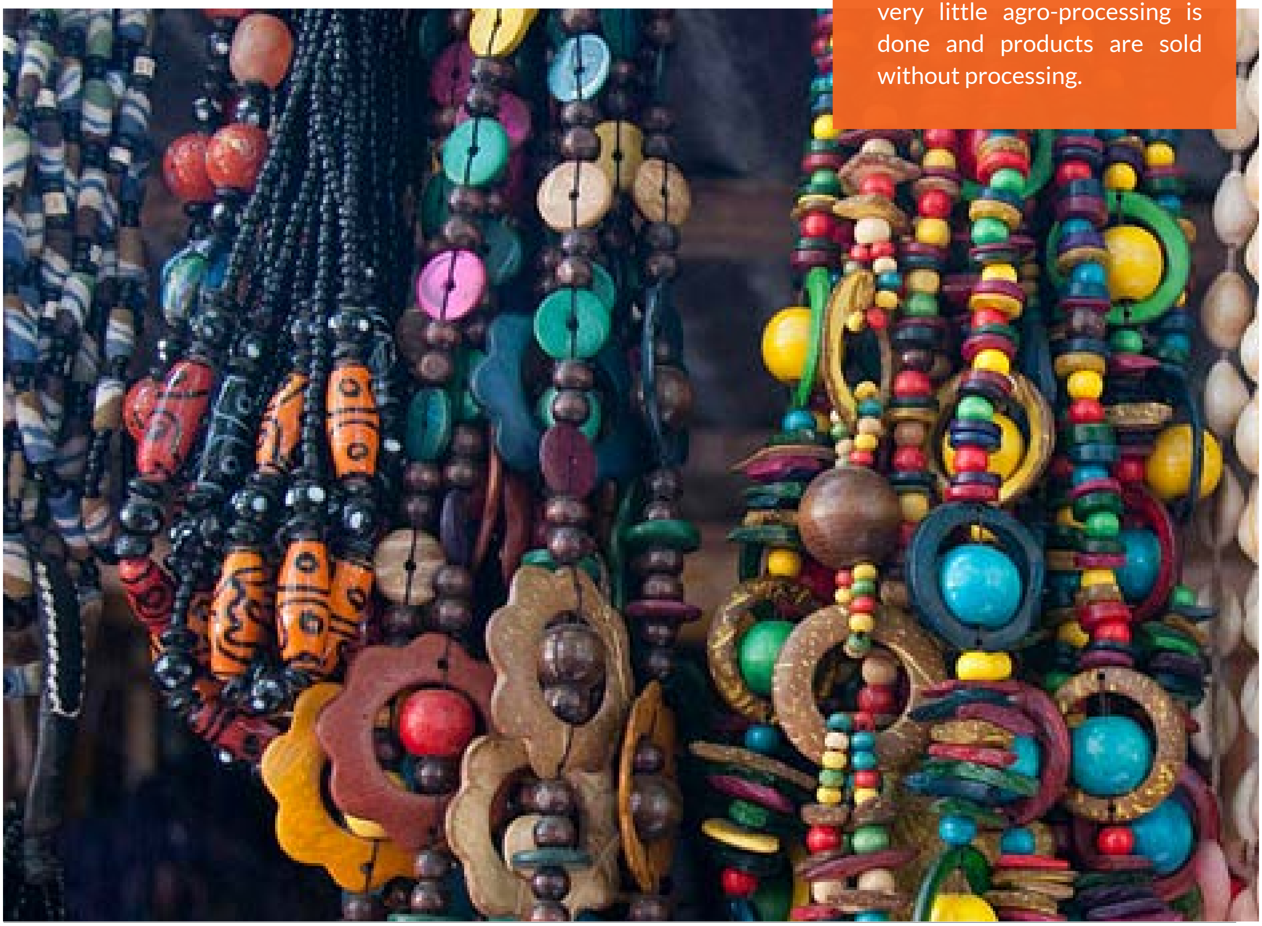
Examples of opportunities within these sectors include hospitality and foodservice (catering, waiting tables, housekeeping, etc.), mobile phone repair, mobile agencies, solar and satellite installation, light food processing, manufacturing building blocks and fashion and design.

These opportunities are emerging and untapped, and are potential low hanging fruits for employment and job creation due to growth of the respective sectors and ease of training youth due to elementary skill acquisition. The opportunities cut across multiple sectors including tourism, construction, ICT, agriculture and energy.

Compared to the traditional and skill-based sectors, forward-looking sectors hold higher potential for sustainable and higher income for the youth. Ease of entry into these sectors is relatively high as youth can acquire the required skills within 6-12 months. However, youth interest is currently low due to lack of knowledge about the existence of these opportunities and lack of avenues to acquire the necessary skills.

KEY FACTS ON FORWARD- LOOKING OPPORTUNITIES:

- Tourism is expected to rise by 5% per annum and provide about 75,000 jobs (7% of total employment) by 2027 [60]
- Mobile penetration grew to 67% in 2016, the second highest in the West Africa region, representing potential growth in the need for mobile phone repairs and mobile money [61]
- Agriculture accounts for a quarter of Gambia's GDP and employs nearly half of the working population. However, very little agro-processing is done and products are sold without processing.



60 Travel and Tourism – Economic Impact 2017 Gambia, World Travel & Tourism Council, 2017

61 The Mobile Economy Sub-Saharan Africa 2017, GSMA, 2017

CHAPTER

02

ASSESSMENT OF YOUTH DEMAND FOR FINANCIAL SERVICES

This section provides an overview of the demand for financial services among young people in the Lower River and North Bank regions of The Gambia. Due to limited data on the use of financial services among youth in The Gambia, the following assessment largely draws on the insights gathered through nine focus group discussions with youth, a quantitative survey covering 90 respondents and discussions with FSPs in the two regions including banks, microfinance institutions (MFIs), credit unions and informal groups.

Through focus group discussions, young people shared their current and future financial needs, their economic and social aspirations and their current and anticipated use of financial services. The assessment seeks to understand the level of use of financial services, challenges that young people face in accessing and using such services and youth needs and preferences in terms of the services they would like to use.

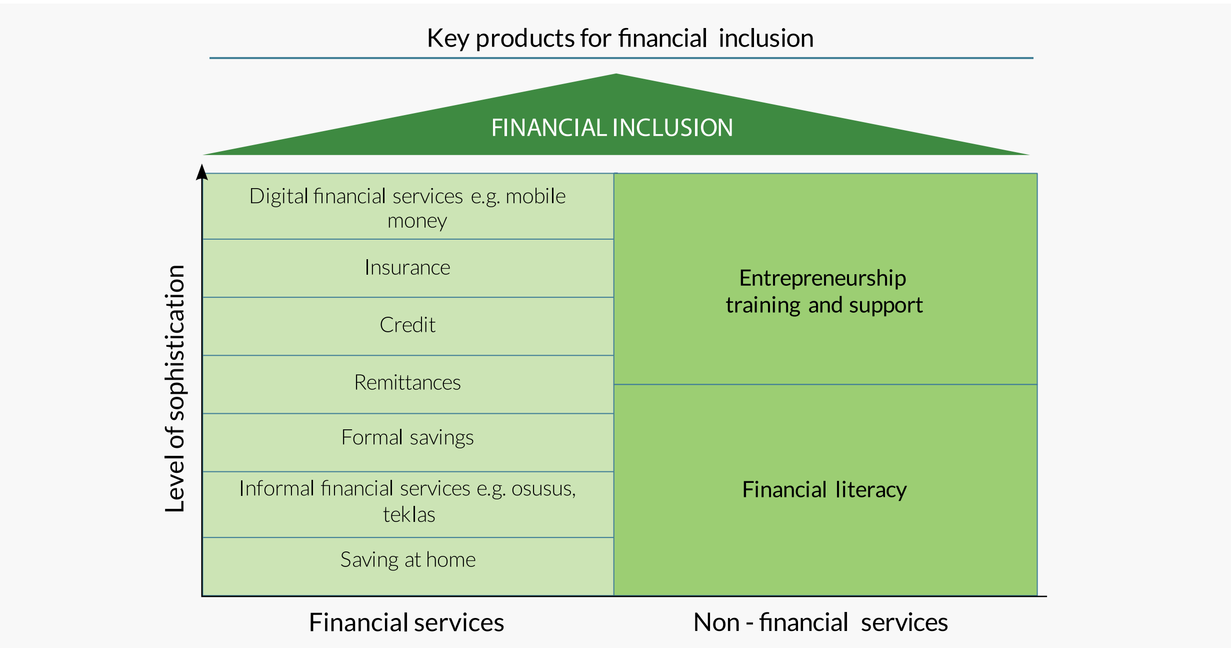
Section 2.1:

FINANCIAL SERVICES USE AMONG THE YOUTH

Young people in The Gambia use various formal and informal tools to meet their financial needs. They save money through multiple channels including bank accounts, informal saving groups, trusted people such as relatives, friends and shopkeepers and at home.

Borrowing money to meet short and long-term liquidity needs is mostly done through family members and occasionally through formal financial institutions. Remittances are commonly used by dependents such as young housewives and elderly parents with relatives living in Europe or Banjul while mobile money and insurance have the lowest uptake overall. **Figure 14** below shows the variety of financial tools analyzed during this study.

Figure 14: Key financial inclusion products and services[62]

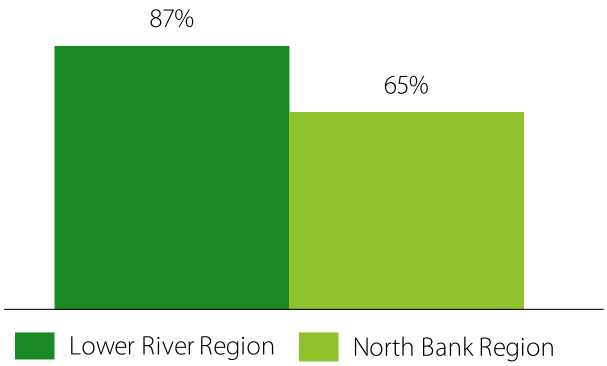


SAVINGS

Saving is the most commonly used financial tool by young people in the North Bank (NBR) and Lower River (LRR) regions. Eighty-seven percent of the youth surveyed in LRR and 65% of youth in NBR saved money through formal or informal channels.

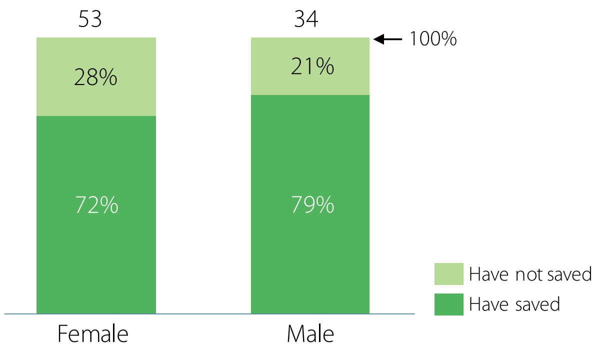
62 Literature review; Dalberg analysis

Figure 15: Percentage of respondents who save money by region (N=87)



Fifty percent of youth saved with the objective of raising funds to build safeguards against financial shocks, while 35% saved to meet their daily upkeep needs. Only 15% saved to accumulate capital for the launch and expansion of businesses. The most common financial shocks for which young people saved include medical and non-medical emergencies, hospital care, funeral expenses or expenses for social celebrations. Saving for financial shocks was most common in rural areas (52% of youth in rural areas citing this practice) while saving for investments was more common in urban areas (20% of youth in urban areas). There is a marginal gender gap in savings between men and women; 79% of men saved compared to 72% of women. This disparity could be attributed to higher and more regular income streams among men compared to women.

Figure 16: Percentage of respondents who saved money, by gender (N=87)



"I saved up for my small business and started a cosmetics business. Now I import cosmetics from Senegal and sell them at my salon."

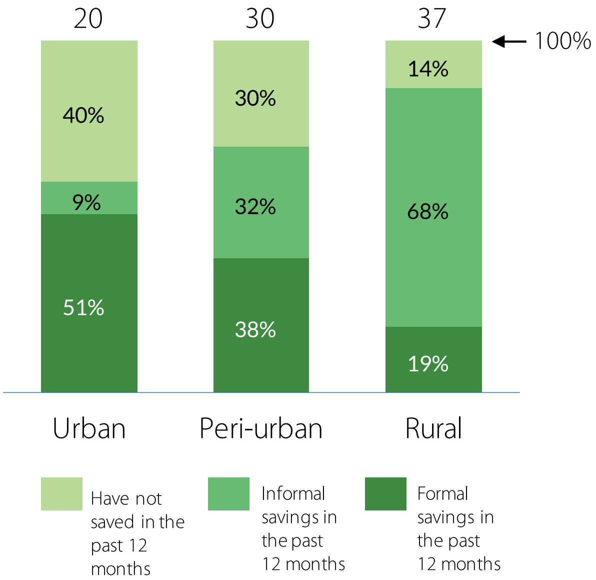
- Focus group participant

"I was ill for more than a month. I withdrew all my savings from my big business to meet my hospital bills. I then used the remaining funds to start a small business."

- Focus group participant

The use of saving tools varied significantly across urban, peri-urban and rural areas as indicated in **Figure 17** below. Sixty-eight percent of youth in rural areas saved more using informal channels compared to only 9% in urban areas who used informal channels (as shown in **Figure 17** below). In urban areas, more than half of the respondents used formal channels such as banks, MFIs, credit unions and forex bureaus. The most common informal channels used for savings were saving through trusted people e.g. parents and friends, saving the money at a secret place at home, ***osusus***[63], ***teklas***[64], and saving the money through the local shopkeeper.

Figure 17: Where and how participants save (N=87)



63 Osusus are communal thrift associations into which members contribute a set sum of money each week that is then allocated to one person. This is then repeated until each member collects.

64 Teklas are more formal collective savings associations where participants save towards a common agenda. Unlike osusus, teklas do not allocate money to one individual.

"It is too expensive to pay fare of GMD 25 (USD 0.5) to just deposit GMD 45 (USD 0.9) from my business in my bank account in Barra. I prefer to put it in the osusu since I can deposit it here in the village and take it to the bank when it accumulates to GMD 50 (USD 1)."

- Focus group participant

Lack of knowledge of financial tools and distance from formal institutions are the biggest bottlenecks to unable youth to save through formal institutions. Fifty percent of the youth met in urban and rural areas did not understand how to open and operate a bank account while 17% of youth in rural areas cited distance as a major bottleneck. More men cited lack of knowledge (58%) as an obstacle to using formal institutions for saving compared to women (41%), while 37% cited distances of financial institution. Only 6% of women cited distance as a challenge. More women cited preference for local groups (24%) and reliance on other family member's accounts (18%). Other bottlenecks that limited youth from saving through financial institutions included lack of trust (preference for local networks) and flexibility. For instance, youth viewed shopkeepers as more trustworthy and reliable since they had known these shopkeepers for extended periods of time (10-20 years) and because they could access their money from the shopkeepers at any time with no cost implication (no need to pay fare). Additionally, strong relationships with shopkeepers allowed youth to borrow goods from their shops during tough financial times. Saving through banks and MFIs is more common among youth in urban and peri-urban areas and is the preferred option among those who seek to accumulate funds for certain goals e.g. capital accumulation or investments.

50%

Fifty percent of the youth met in urban and rural areas did not understand how to open and operate a bank account

BORROWING

Levels of borrowing are relatively lower than savings among youth; only 48% of respondents borrowed money from formal or informal channels. Social networks (parents, siblings, etc.) are the main source of business financing for young people across all regions. Money borrowed from family members is often seen as less risky and comes with less expensive, longer and flexible repayment plans. The youth surveyed cited that family members provide interest free money and do not give timelines for repayment, only expecting repayment when the borrower has made enough money to pay back without strain.

Outside family circles, youth avoid borrowing both formally and informally due to a fear of failure to repay, and the risk of severing valued relationships – mainly linked to cultural and religious influence. Borrowing from formal institutions remains significantly lower compared to other informal sources such as friends or informal groups. High interest rates were cited as a key reason why young people did not borrow from financial institutions. Most of youth who borrowed from formal sources (banks, MFIs) were mostly successful, financially stable entrepreneurs, who have a very strong financial track record, i.e., those who used their bank accounts regularly with a steady flow of income over a specific period. This can be attributed to higher financial literacy, especially in urban areas where youth have higher literacy, numeracy and greater likelihood of having formal business training.

A number of the youth engaged in Soma town had gone through a formal training which had imparted them with business skills such as record keeping, business planning and financial management. A few financial institutions noted that a strong track record is a critical factor in determining whether to award a loan or not. Bank representatives noted that they were more likely to award a loan to a youth who had consistently used their bank account for a minimum period of six months and who had demonstrated a steady, regular flow of income over such a period. This often locks out most young people as a majority do not meet this threshold.

Most participants from across all regions borrow more for investments and their daily upkeep than to cope with financial shocks (**Figure 18**). Participants from rural areas seem to borrow more often to cover their daily upkeep. In such instances, participants often borrow from family to meet unplanned needs such as medical emergencies.

Figure 18: Reasons for borrowing, by area (N=46)

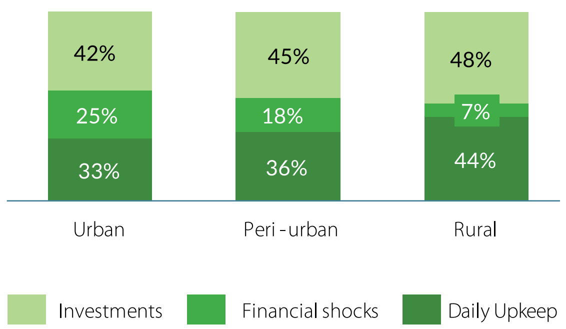
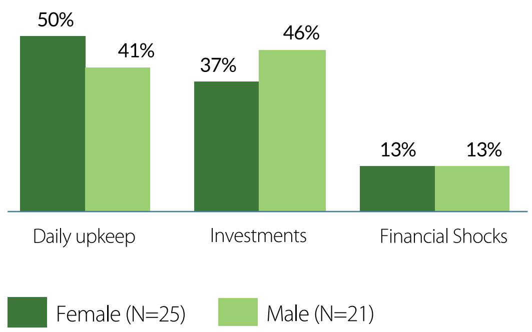


Figure 19: Reasons for borrowing, by gender (N=46)

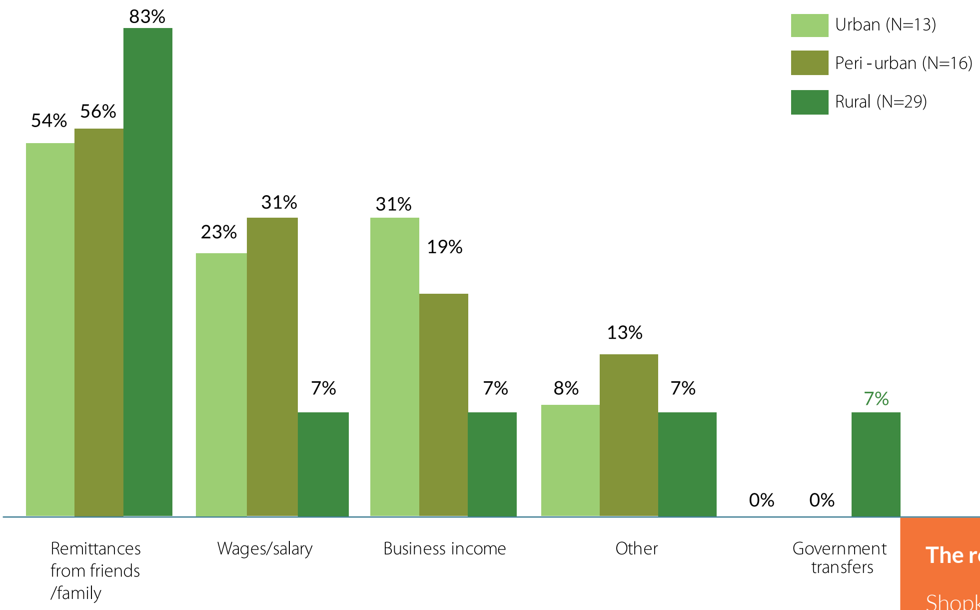


Men and women borrowed for different reasons (**Figure 19**). Men are more likely to borrow for investment purposes (46%) than women (37%). On the other hand, women are more likely to borrow for daily upkeep (50%) compared to men (41%). This can be attributed to the fact that women are often responsible for covering the cost of the household needs.

REMITTANCES

Remittances from friends and family were the most common form of money transfers for the participants who had accessed money transfer services. Eighty-three percent of respondents who received cash transfers in rural areas received remittances from friends and families. In such cases, it involved youth and their families receiving funds from their relatives abroad or in the greater Banjul area (popularly referred to as ***Kombo)***. There is a slightly higher likelihood of men receiving remittances compared to women: while 49% of male respondents cited receiving remittances, 42% of female respondents did. Young men noted that they often receive remittances on behalf of their female family members, particularly in instances where women are illiterate and/or lack the confidence to use money transfer services. Money transfer services were the most commonly used remittance tool – 69% of those who received remittances accessed them through money transfer agents.

Figure 20: Overview of respondents that received money transfers, by specific reasons (N=58)



Informal remittances are also common, especially in rural areas. Shopkeepers are often used as conduits by remitters living in urban centers to remit money to their family members – either by making direct deposits into the shopkeeper's bank accounts or through hand delivery of cash through bus and truck drivers travelling to the villages. The amounts remitted through such informal channels range from approximately USD 2 to USD 20[65].

Both formal and informal remittance tools were credited for their flexibility and convenience. For instance, money transfer shops are considered more flexible due to their longer operational hours compared to other formal institutions (banks and MFIs). They open late into the evenings and have longer hours on weekends, which is not the case for banks and MFIs which close early and only open half-day on Saturdays. Shopkeepers are considered flexible due to their willingness to provide customers with goods on credit even in instances where spouses or family members had not remitted funds from the city.

Funds remitted from abroad are often relatively larger sums (approximately USD 40 - USD 300[66]) and mostly used as startup capital among young people. On the other hand, funds remitted from relatives living locally (Banjul and other towns) are mostly from husbands supporting their families and are mostly for household use.

The role of the shopkeeper:

Shopkeepers are key points of informal financial services in rural areas especially in villages. Family members in urban centers remit money to their families through shopkeepers by depositing cash into their bank accounts or sending bus drivers and traders to deliver cash in person. The shopkeeper then advances money in cash or provides goods to the recipient(s) at no extra cost.

Besides accessing remittances, youth in the villages save their money with the shopkeeper. During the harvest season, young people deposit their incomes at the shopkeeper and collect goods through a check-off system. Once savings run out, shopkeepers can allow the youth to take goods on credit until they can make income to repay the debt.

Use of shopkeepers for financial services is mainly driven by trust and convenience. Mutual trust exists between shopkeepers and their customers due to living together for many years. Further, youth feel that they can access their money any time and at no cost, and can access credit lines during low income periods.

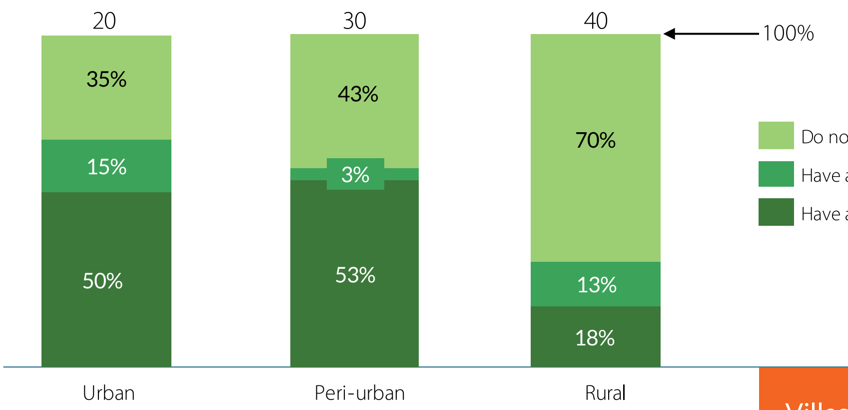
65 GMD 100 – 1 000
66 GM D2 000 – 15 000

TRANSACTIONS

Transactions[67] in both NBR and LRR are conducted both formally and informally. Forty-seven percent and 42% of young people surveyed reported owning bank accounts in the NBR and LRR respectively. This is higher than the national average of 37%[68].

There is a strong rural-urban divide in the ownership of bank accounts: at least 50% of youth met in urban and peri-urban areas cited having a bank account, while 70% of participants in rural areas cited not having one (as shown in **Figure 21** below).

Figure 21: Bank account ownership by area (N=90)

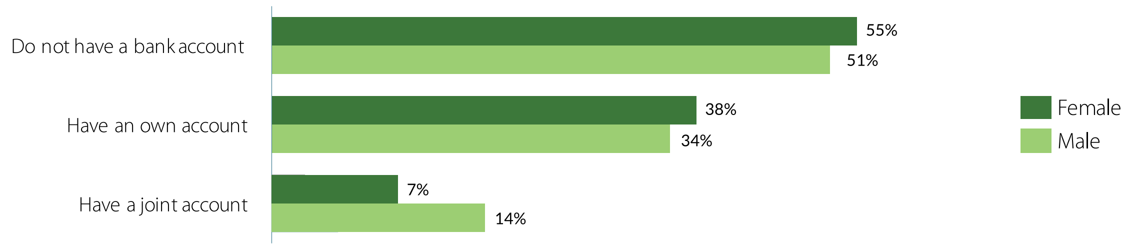


However, FSPs noted that more than 90% of youth-owned bank accounts were dormant – young people can stay for more than a year without depositing any money into their bank accounts.

Young men and women have relatively similar bank account ownership levels as shown in **Figure 22** below: 34% of male respondents and 38% of female respondents cited owning a bank account. The slightly higher ownership among young women can be attributed to the higher number of financial institutions in both regions targeting women.

Village Savings and Credit Associations (VISACAs) are regional member-based semi-formal institutions formed and managed by local villagers and mostly targeting women. Similarly, Supersonicz is a microfinance institution offering local microfinance services and extending loans through solidarity groups, and targeting primarily women groups.

Figure 22: Bank account ownership by gender (N=90)



67 For the purpose of this study, transactions are defined as accounts held with banks or other authorized, regulated payment services providers which can be used to make to make deposits and receive payments.

68 Making Finance Work for Africa, 2016, National percentage of deposit accounts (only includes commercial bank accounts)

Most participants in rural areas who did not have a bank account lacked information about how to open an account. For most participants, the distance to formal financial institutions was a major obstacle to access to financial services. Youth preferred points of services that were within reasonable walking distance i.e. within their villages or town centers and that could allow them to access services at any time of day with limited time restrictions.

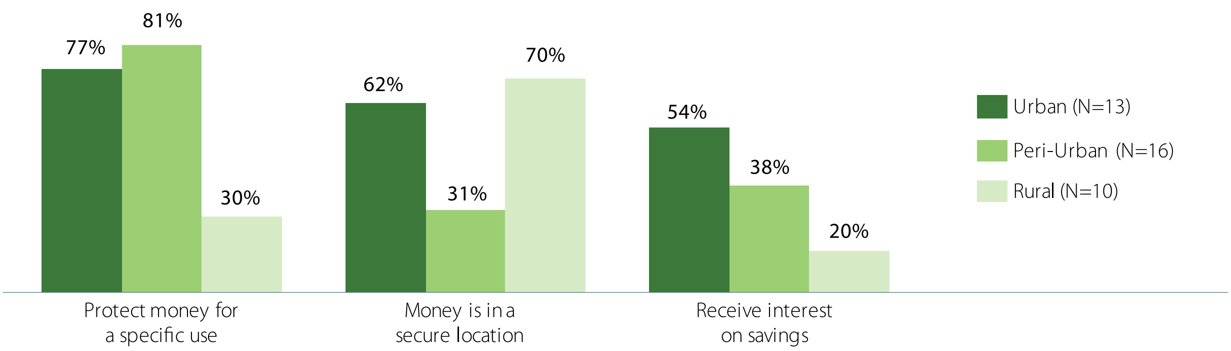
Seventy-seven percent of the participants in urban areas and 87 percent of the participants in peri-urban areas who own bank account mostly do so for saving purposes. 70% of the youth owning a bank account for saving purposes do so to save money for a specific use, which includes accumulating capital to re-invest in their businesses or make new investments. For participants in rural areas, the most important reason to have a bank account is to keep their money in a secure location, indicating high trust in banks as safe avenues to save money. In some instances, youth who own bank accounts open them because of mandatory requirements by employers or suppliers who prefer to make payments through banks. On the other hand, unsalaried youth who own bank accounts are often influenced to open the accounts by either family members (parents and/or spouses) or their business peers. The choice of banks and banking tools is also influenced significantly by religious leaders who often advise against products that go against Islamic teachings.

The role of religion:

Religious leaders, especially imams and oustaz have influence on young people's choice of financial tools through Islamic teachings. For instances, young people noted that Islamic teachers had advised against using financial products that provided or demanded interest and to avoid joining osusus due to the perceived moral implication of dishonest practices within the osusus.

Various financial providers have addressed this challenge by focusing on Islamic-compliant loans to align to religious practices and hence attract youth as customers.

Figure 23: Top uses of bank accounts[69]



In the study sample, 10% of respondents reported that they owned joint bank accounts – this often took the form of accounts held jointly among spouses or cases where youth accessed bank accounts through parents or siblings.

DIGITAL FINANCIAL SERVICES (DFS)

Launched in 2016, mobile money is still very nascent in The Gambia. While up to half of the study participants noted that they had heard about mobile money, only 11% of them owned mobile money accounts. Only 8% of these mobile money account holders used their accounts at least once per month. Six percent of participants

69 Respondents were allowed to choose more than one option, hence the percentages not summing up to 100% per area.

use mobile money to send or receive remittances. Most youth have heard about mobile money through the media but 72% still lack either the knowledge or skills to use the service. In rural areas, 74% of participants lacked knowledge on how to use mobile money while 21% lacked the confidence; in comparison only 33% of participants from urban areas lacked knowledge on how to use mobile money, and 26% in peri-urban areas. Lack of knowledge and skills was a common barrier to mobile money use for both men and women. However, 19% of women reported that they did not have the confidence to use mobile money compared to 4% of men.

Figure 24: Knowledge and use of mobile money, in percentage of respondents (N=90)

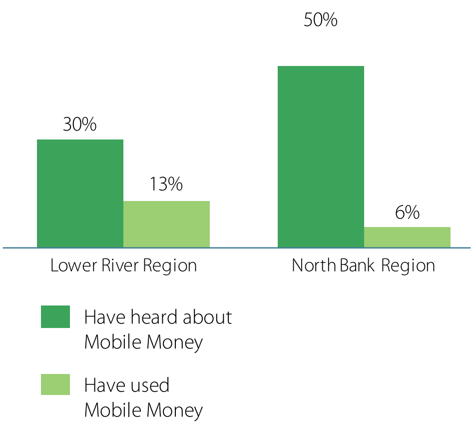
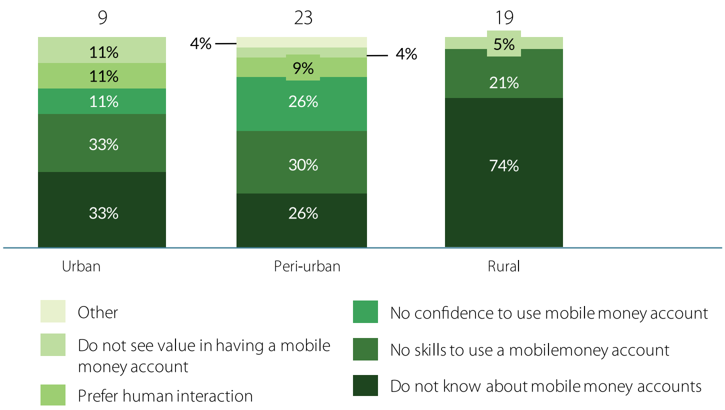


Figure 25: Key barriers to use of mobile money (N=41)[70]



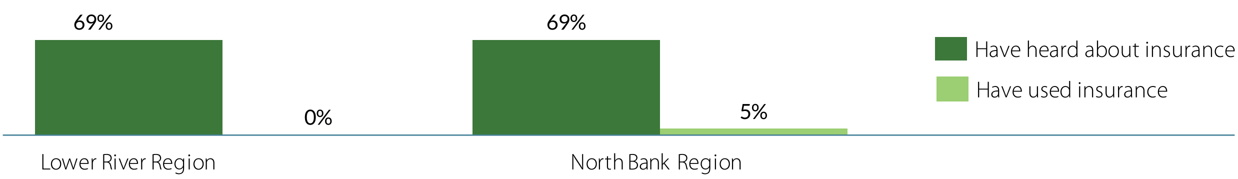
Trust in DFS services is a major constraint as customers often run into technical and network issues while using regular mobile phone services. In fact, only one out of the 90 study participants opened a mobile money account because she felt the money was safer from theft. Inconsistencies and poor services among mobile money agents is a major bottleneck for FSPs trying to roll out their services. FSPs noted that poor liquidity and poor customer service by their agents had resulted in customer dissatisfaction with mobile money services.

> "They always steal my little credit when I top up airtime; how do you expect me to trust them with my savings?"
>
> - Focus group participant

INSURANCE

While close to 70% of youth have heard about insurance, almost none of them have used the service, apart from two study participants who had accessed insurance products through their spouses who worked in formal employment. There is a general perception among the youth across all regions that insurance is a product reserved only for 'wealthy' people.

Figure 26: Percentage of respondents who have heard about and used insurance (N=90)



70 Respondents were allowed multiple responses.

Section 2.2

FINANCIAL NEEDS OF YOUNG PEOPLE – A FOCUS ON YOUTH LIFESTYLES

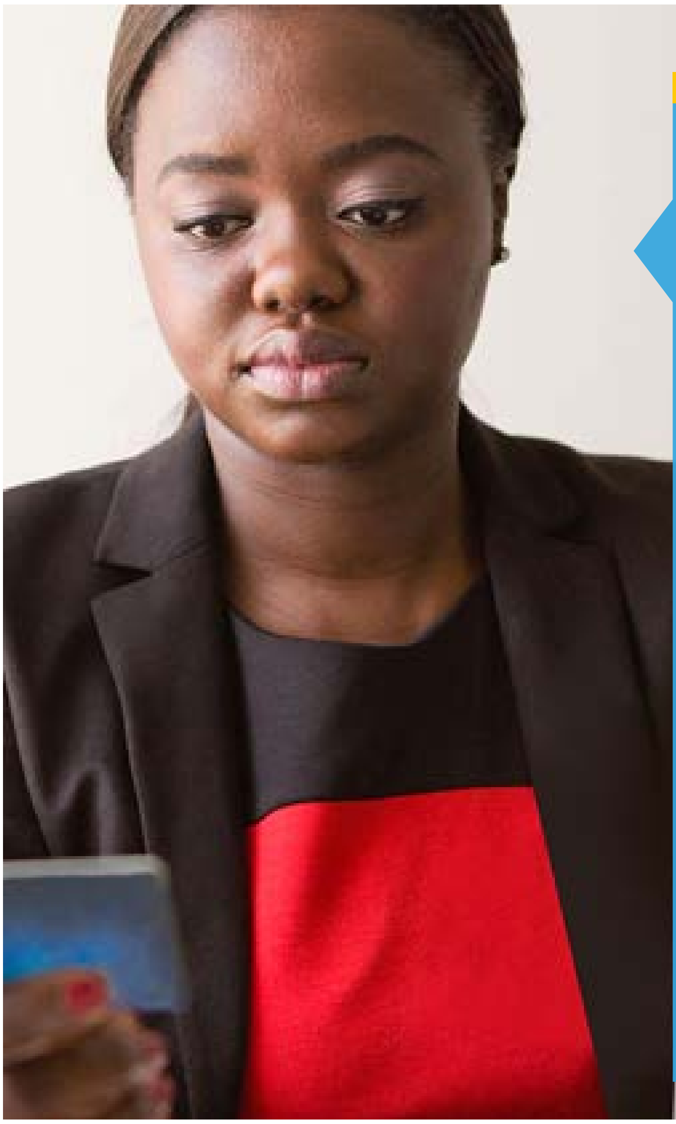
Five distinct youth personas emerged from the focus group discussions with youth: Relentless entrepreneurs (22% of sample surveyed), Seasonal in-betweeners (23% of sample surveyed), Skilled starters (14% of sample surveyed), Grounded optimists (21% of sample surveyed) and Vulnerable dependents (20% of sample surveyed).

Youth in the different persona groups go through different experiences that characterize their financial lifestyles and needs over their youth lifetime. These experiences are influenced by a range of social, economic and psychological factors. Different experiences and challenges lead to diverse levels of financial stability and growth over their lifetime. In most cases, youth identify and adopt strategies or coping mechanisms to overcome financial challenges. These mechanisms include formal and informal financial tools.

Figure 27: Youth persona segments and overall percentage in the youth sample surveyed

RELENTLESS ENTREPRENEURS	SEASONAL IN-BETWEENERS	SKILLED STARTERS	GROUNDED OPTIMISTS	VULNERABLE DEPENDENTS
22%	23%	14%	21%	20%

RELENTLESS ENTREPRENEURS



63%

OF RESPONDENTS WHO FALL IN THIS GROUP ARE WOMEN

RELENTLESS ENTREPRENEURS ARE COMMITTED YOUTH DEDICATED TO THEIR INITIATIVE AND HAVE A CLEAR VISION FOR THEIR BUSINESS AND THE WILLPOWER TO IMPLEMENT IT.

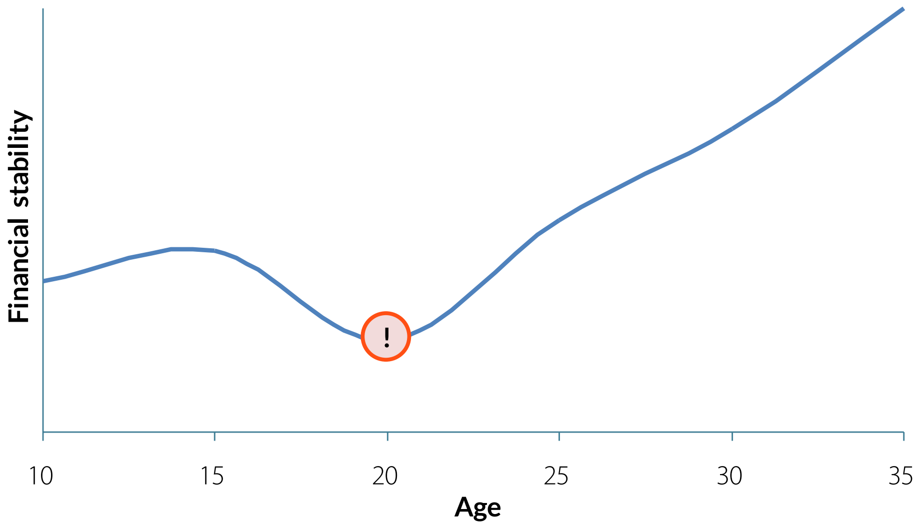
They are often passionate self-starters and risk-takers who have a track record of building relatively strong businesses. Most tend to be experimental, persistent and consistently working towards a long-term vision. It is their focus that leads to consistent progress through calculated investments that continually expand their skills and businesses. Sixty-three percent of Relentless entrepreneurs fall between the ages of 25 to 29 years old. The majority are based in urban centers (47% of the Relentless entrepreneurs identified) and 63% of respondents who fall in this group are women.

LIFE MAP OF THE RELENTLESS ENTREPRENEURS

Relentless entrepreneurs often experience consistent growth from an early age thanks to their sharp focus and commitment to their enterprises. However, they face their biggest financial set back when they need capital to either **formalize their business** (mostly in their mid-twenties to early thirties), or when they need to **expand their business**. During these points, their businesses have liquidity needs that often surpass their abilities, hence stressing them financially.

This group has built relatively strong relationships with formal financial institutions which they leverage during such periods. They have built strong, consistent track records with the institutions through regular use of bank services, consistent business records, etc. Youth in this group take loans from banks and MFIs to plug their liquidity needs. Further, being very diligent savers, these groups also build strong financial reserves over a period. These savings are often driven back into the business as expansion capital or to start new ventures.

Figure 28: Youth life map of the Relentless entrepreneurs



FUNCTIONAL FINANCIAL NEEDS

- **Liquidity management:** Relentless entrepreneurs often have regular and predictable streams of income and aim to manage and utilize their money as working capital, while managing personal finances separately.
- **Support for dependents:** Relentless entrepreneurs face very high expectations to support their family and friends and often have to send money back to their families and friends especially in rural areas.
- **Handling unexpected financial shocks:** While Relentless entrepreneurs are the most financially stable of all persona groups, they remain vulnerable to financial shocks, such as medical emergencies and death. As such, they always seek to build sufficient financial reserves to blanket their businesses from such shocks.
- **Better business management:** Youth in this group have proficient literacy, numeracy and business skills. They are knowledgeable in business and entrepreneurship, and constantly seek to improve their entrepreneurship skills and ability to fully leverage business and financial tools e.g. accounting, financial forecasting, business strategy.

COMMONLY USED FINANCIAL TOOLS

Relentless entrepreneurs often make opportunistic but consistent use of financial tools without specific preference for any tool. They are the strongest users of formal financial tools across all five persona groups, which can be attributed to their higher level of financial literacy.

- **Credit:**

  Relentless entrepreneurs leverage loans from formal institutions such as banks and MFIs to meet their liquidity needs for business investment and growth. Loans from informal circles e.g. family and friends are often too small. However, financial institutions limit the loan sizes and frequency despite their need for growth and expansion capital. Furthermore, repayment terms rarely provide borrowers with sufficient grace periods or the ability to pay the loans flexibly aligned with their income flows.

- **Savings:**

  Youth in this group use bank accounts to save with the aim of accumulating business capital or/and shielding themselves from unforeseen financial shocks. Relentless entrepreneurs are disciplined savers. However, their savings can be distracted by occasional needs such as family emergencies or regular house expenditure.

- **Business records:**

  Youth in this persona group clearly record their business transactions and separate funds for business and household use. Their records are basic in nature and only provide details of business transactions and are not always used for decision-making.

- **Remittances:**

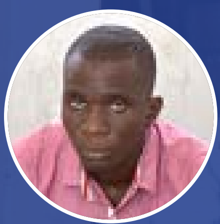
  Relentless entrepreneurs use informal tools to send money to their families and friends. They send money home through drivers or deposit funds into shopkeeper accounts and have them advance the money or goods to their families in the rural areas. This often presents a logistical and security risk as it is purely based on mutual trust.

OPPORTUNITIES

Many opportunities can be crafted to meet the financial needs of Relentless entrepreneurs, adapted to their strong desire to succeed, high level of financial discipline and motivation and meet their growth aspirations. These opportunities include:

- Provide increasing loan sizes that meet growing liquidity needs for business growth. FSPs can develop tools that allow this group to borrow multiple times, and expand their loan sizes and repayment timelines in accordance with their growing businesses.
- Offer goal-oriented savings tools that can enable Relentless entrepreneurs to save towards a specific business or personal goal through stipulated amounts over a specific duration. These products can specifically take advantage of their high financial discipline and regular income to help them meet their short or long-term economic and social goals e.g. raising school fees.
- Provide more secure and efficient tools to send remittances with a focus on security and speed. Due to higher financial literacy, youth in this group can be used as champions for digital financial services.
- Since most already have functional businesses, provide support to professionalize and streamline their business through better operational and financial management practices e.g. strategic planning, financial forecasting.

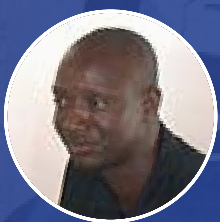
RELENTLESS ENTREPRENEURS YOUTH PROFILES



SHOPKEEPER IN FARAFENNI, KEREWAN

Profile: 28 years old, married with one child

He established a shop through the support of his brother, with whom they partnered before he took on the business full time. He supports his family with living expenses, he saves his money in the bank and used it for business transactions and in case of emergency. During tough economic times, he goes to the other businessmen to give him stock and credit and he will sell and pay and invest the profits.



HARDWARE AND SHOP OWNER IN SOMA, MANSA KONKO

Profile: 32 years old, married with two children

He tried taking the 'backway' journey to Europe twice when he was in his early years. After three unsuccessful attempts, he started a business in trading household items. Through constant saving, he expanded his business and started new revenue streams. He opened a bank account because he was advised by an older businessman to do so, and has since borrowed a loan to expand his business..

BAKERY OWNER IN JENOI, MANSA KONKO

Profile: 27 years old, married with no child

He started the bakery with some start-up capital from a brother in the United States. He uses a bank account to save for emergencies. His bakery was destroyed by the flood this season and he will use his savings to rebuild his business. In the future, he also wants to expand his current bakery into a modern bakery. He borrows flour from the shopkeeper on credit for his bakery.

SEASONAL IN-BETWEENERS

70%

OF PARTICIPANTS WHO FALL IN THIS CATEGORY ARE MEN

SEASONAL IN-BETWEENERS ARE CHARACTERIZED BY SHIFTS BETWEEN MULTIPLE ECONOMIC ACTIVITIES ACROSS VARIOUS TIME PERIODS, RANGING FROM DAILY TO SEASONAL.

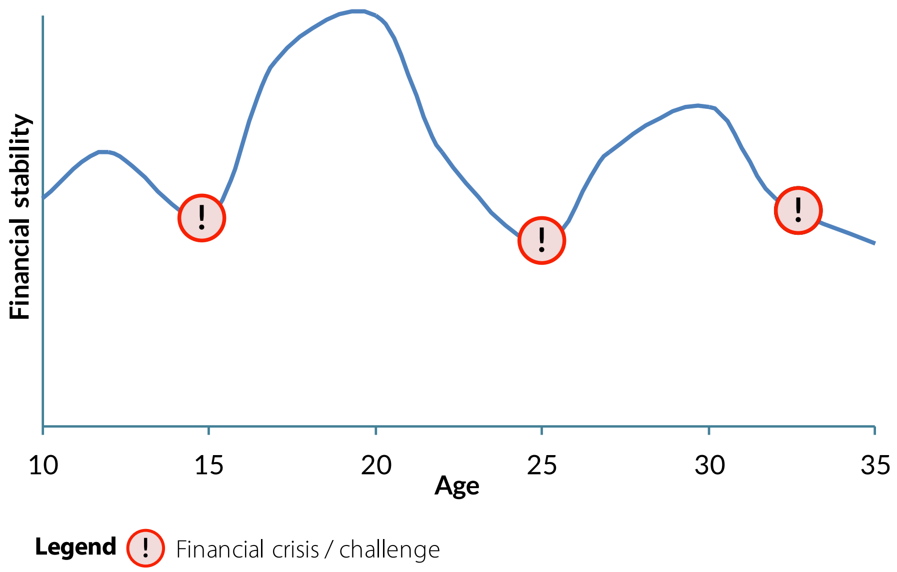
They range from farmers – who farm during the rainy season and go into trading during the dry season, to formal employees – who have full time jobs and also conduct secondary income-generating activities during their time off. They often have multiple, irregular sources of income and prioritize strengthening their financial reserves to have cushion during difficult economic times. Seasonal in-betweeners are evenly spread between the ages of 16 to 34, with a lower proportion in the 25-29 age bracket. The majority are based in urban centers (40% of the Seasonal in-betweeners) and 70% of the focus group participants in this category are men.

LIFE MAP OF THE SEASONAL IN-BETWEENER

Seasonal in-betweeners experience irregularities in their income over their youth lifetime. The biggest financial strain arises because of irregular income flows and often takes place during transitional periods. For instance, among farmers, switching from harvesting season to the dry season leads to a need for capital to launch alternative businesses. This often results in low income periods during which youth turn to various other channels to generate income. However, this is not always the case for employed seasonal workers as they have an income flow (mostly in the form of a salary).

Youth in this group often switch between formal and informal tools adapted to their financial needs – e.g. during periods of high income, they use bank accounts to save or save through local shopkeepers with a goal of building financial reserves and credit lines that can be exploited during future seasons. During low seasons, they often borrow from their social circles (especially family members) to meet their household needs.

Figure 29: Life map of the Seasonal in-betweeners



FUNCTIONAL FINANCIAL NEEDS

- **Liquidity management:**

  Seasonal in-betweeners are characterized by cyclical, unpredictable income streams and hence aim to streamline their income flows in between seasons.

- **Adapting to financial shocks:**

  Due to the irregular nature of their income, Seasonal in-betweeners are very vulnerable to unexpected shocks especially during low seasons. As such, they seek to build financial reserves to cover them during low financial seasons.

- **Basic and intermediary business management:**

  Youth in this persona group often have basic to intermediate financial literacy and business capabilities. They seek to exploit their potential through better management practices and using financial tools to promote stability.

COMMONLY USED FINANCIAL TOOLS

Seasonal in-betweeners shift between formal and informal financial tools depending on their current needs. Formal tools are viewed as secure channels to promote consistent accumulation of funds to facilitate business growth. On the other hand, informal tools are used due to their flexibility and easier adaptation to the Seasonal in-betweeners' cycles. Seasonal in-betweeners are some of the highest savers through shopkeepers and informal borrowing as these tools allow them to benefit from more flexible terms and with prolonged payment cycles.

- **Savings:**

  This group complements formal tools such as bank accounts with savings through friends and families. Seasonal in-betweeners who have bank accounts are often formal employees who have been led to open an account by their employers. The group also saves through friends and trusted people within their social circles. However, formal financial tools in the market do not provide flexible terms and services to meet their needs e.g. zero minimum balances for bank accounts, varying loan repayment terms, and alternative collateral.

- **Credit:**

  Seasonal in-betweeners have limited use of credit lines due to the fear of a low ability to repay. In the few instances where they borrow, they take credit from friends and other informal networks e.g. shopkeepers who allow them flexible repayment terms. Formal institutions often view them as risky borrowers due to their unstable income.

- **Business records:**

  They lack proper business records and are characterized by mental recording and management of their business expenses and incomes. They often mix their business and personal financial streams, and lack dedicated financial tools for each stream.

OPPORTUNITIES

Several opportunities can be crafted to meet the financial needs of Seasonal in-betweeners adapted to the cyclical nature of their economic activities and leveraging their strong saving habits. These opportunities include:

- Provide liquidity management tools that can enable them to even out their income streams both during low and high-income periods, hence improving income predictability. For instance, credit offering seasonal re-payment terms such as concentrating payments to peak seasons.
- Develop affordable and easy-to-access saving tools to allow youth in this category to easily deposit their money without incurring additional costs. The tools should ensure easy withdrawals as they regularly need to access their funds when income slows down during low seasons.
- Provide basic to intermediary business training such as literacy skills, record keeping and financial management to help them adopt better management practices for their businesses.

SEASONAL IN-BETWEENERS YOUTH PROFILES

SECRETARY FROM KEREWAN TOWN, KEREWAN

Profile: 35 years old, married with 5 children and another 5 children adopted

She has been working as a private secretary with the government in the North Bank region for many years. She also has a catering business with two to three orders a month and would like to expand her catering business. She has a bank account which she uses to save her earnings. She has not taken any loans from the bank yet but may consider it to pay for the education of her children, pay for household repairs and investments.

FARMER FROM KERR ARDO, KEREWAN

Profile: 24 years old, married

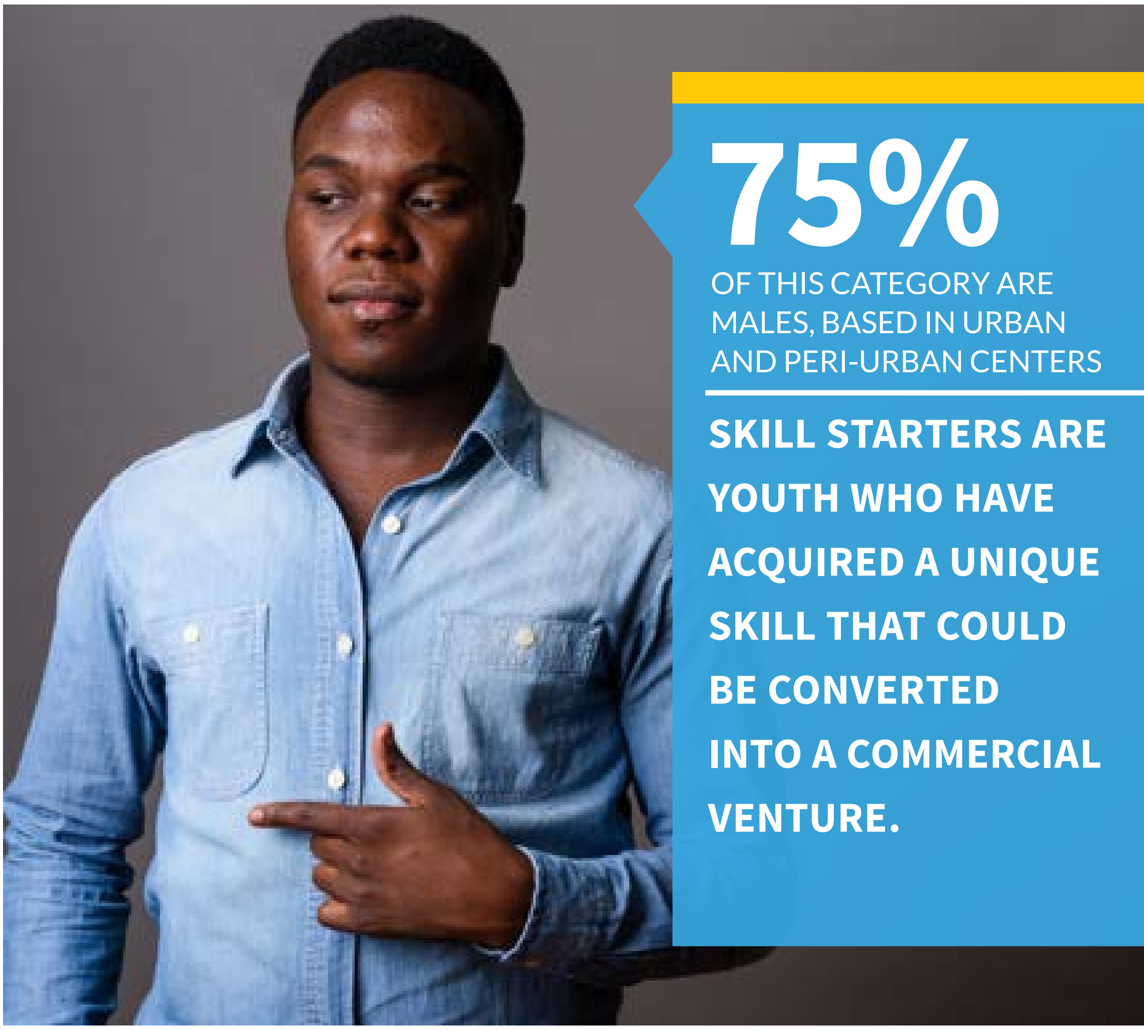
He concentrates on farming during the rainy season. During the dry season, he ventures into retail business, selling goods in order to support his family and his wife. He hopes to expand his business. He does not have a bank account but saves with the shopkeeper he trusts. He always gets loans from the shopkeeper when he runs out of cash and always pays back on time.

STUDENT FROM KERR ARDO, KEREWAN

Profile: 24 years old, single

He is a grade twelve graduate. He had already started a computer course but could not complete it due to financial constraints. He moved back to the village to help his parents in the farm and raise funds to pay for his fees. He hopes to complete his course and start an ICT business in his village. He has no bank account and saves money with the shopkeeper until he accumulates enough to pay for his school fees for the next term.

SKILLED STARTERS



75%

OF THIS CATEGORY ARE MALES, BASED IN URBAN AND PERI-URBAN CENTERS

SKILL STARTERS ARE YOUTH WHO HAVE ACQUIRED A UNIQUE SKILL THAT COULD BE CONVERTED INTO A COMMERCIAL VENTURE.

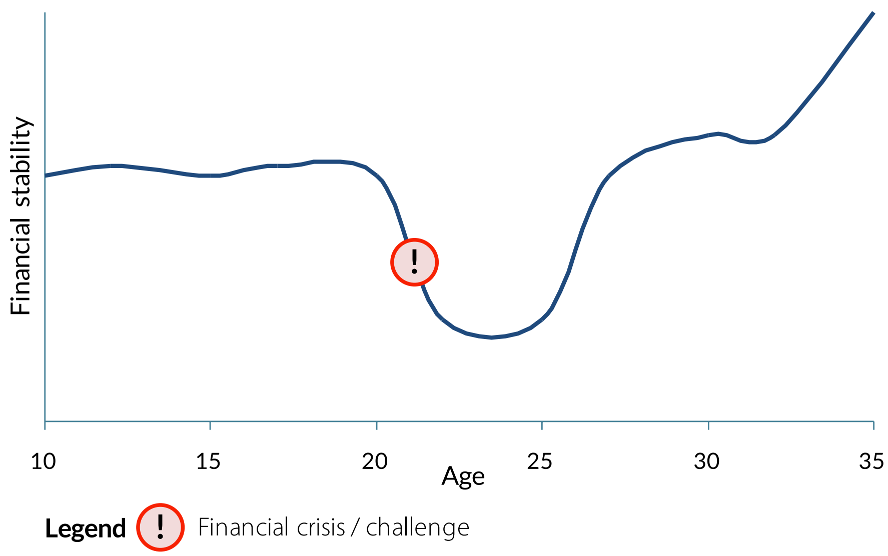
Most youth in this group acquire their skills through formal training at tertiary institutions or through apprenticeships. Skilled starters are either in the process of or have already commercialized their skill, although with varying levels of success. Youth in this group who succeed often have the support of a mentor e.g. relative in the trade or an older artisan. Fifty-eight percent of Relentless entrepreneurs in this study fall between the ages of 21 to 24. The majority are based in urban (42% of the Skilled starters from the sample surveyed) and peri-urban centers (42%), and are mostly composed of males (75%).

LIFE MAP OF THE SKILLED STARTER

Skilled starters have stable financial lives during their training period (although with low income levels) since they often receive some financial support from their families and occasionally undertake small assignments that give them some little income. Occasionally, some students receive scholarships from the government. Youth in this group face their biggest financial strain when trying to commercialize their skill, upon completion of their studies. At this stage, they need funds to purchase tools and equipment. Additionally, they face hurdles in raising capital and the skills required to run a viable business.

Skilled starters leverage informal tools to accumulate sufficient capital to launch their businesses e.g. some will save through their teachers until they have enough funds to start their businesses. In other cases, some prefer to launch their careers under the guidance of a trusted practitioner – mostly a relative or skilled artisan in their area.

Figure 30: Life map of the Skilled starters



FUNCTIONAL FINANCIAL NEEDS

- **Start-up capital:**

  Skilled starters aim to mobilize sufficient capital to kick-start their businesses, especially upon completion of their studies. They seek to invest in equipment and tools that enable them to commercialize their skills.

- **Financial literacy:**

  Skilled youth lack basic financial literacy, numeracy and entrepreneurship skills to run their businesses. This is especially common among those who have gone through apprenticeship programs.

COMMONLY USED FINANCIAL TOOLS

Skilled starters are strong users of informal financial tools, especially when kicking off their ventures. During this stage, they often seek capital to purchase tools and equipment required to launch their careers. In most cases, they often turn to social circles for savings and borrowing. In few instances, Skilled starters will use formal financial tools. However, this is more common among youth who have gone through formal training at tertiary institutions such as TVETs.

- **Savings:**

  Skilled starters save through informal channels with the goal of accumulating capital to launch or expand their business. They commonly save money through their trainers and friends during apprenticeship periods to accumulate enough funds to purchase equipment and tools. They do not use formal savings due to inability and lack of knowledge on how to open an account.

- **Credit:**

  This group borrows occasionally through informal financial channels. Most prefer to borrow from family members due to lenient repayment terms. Formal financial institutions refrain from lending to this group since they lack collateral.

- **Business records:**

  Skilled starters lack proper business records and typically manage their finances mentally. Their businesses are often informal and poorly managed.

OPPORTUNITIES

There are diverse opportunities to provide financial support for Skilled starters, particularly focusing on business management and liquidity management:

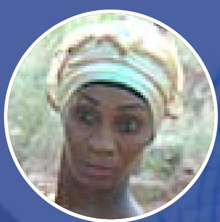
- Empower them with basic literacy, numeracy and entrepreneurship skills that can enable them to successfully commercialize their skills upon completion of their skills training.
- Provide patient capital, including alternative collateral requirements e.g. use of workshop equipment as collateral, to enable them to invest in capital intensive tools.
- Develop goal-oriented saving tools that allow them to save small sums of money with the goal of accumulating enough funds to purchase capital-intensive tools and equipment.

SKILLED STARTERS YOUTH PROFILES

TAILOR FROM KANI KUNDA, MANSA KONKO

Profile: 20 years old, married with no child

He is a tailor with more than 5 years of apprenticeship. He received a soft loan from his instructor to buy a machine and start his tailoring business. A year later, he bought another machine from his proceeds and moved from his mother's place to his own workshop in the market. During the rainy season, Karamo helps with the farm work. He does not have a bank account but saves money with his trusted shopkeeper.



HAIRDRESSER FROM KEREWAN TOWN, KEREWAN

Profile: 32 years old, married with one child

She undertook an apprenticeship as a hairdresser saloon in Kerewan and continued to work there after her apprenticeship. She quit when she got married, but started her own business with financial support from her husband. She now operates her own hairdressing salon in Kerewan. She aspires to expand her business to meet her clients' demand. She saves her money through a bank account and is a member of an osusu.

CARPENTER FROM KEREWAN TOWN, KEREWAN

Profile: 24 years old

He learnt carpentry through a sponsored training programme in Accra, Ghana. His father supported him to purchase modern tools for his carpentry workshop. He hopes to grow his business by acquiring new machinery, but has had difficulties with clients refusing to pay their bills. High interest rates from commercial banks discourage him from taking up loans.

GROUNDED OPTIMISTS

50%

OF THE WOMEN WHO FORM THIS CATEGORY ARE BASED IN PERI -URBAN AREAS

GROUNDED OPTIMISTS INCLUDE YOUTH WHO TYPICALLY RUN SMALL, UNSTRUCTURED BUSINESSES TO COMPLEMENT INCOMES FROM THEIR PROVIDERS.

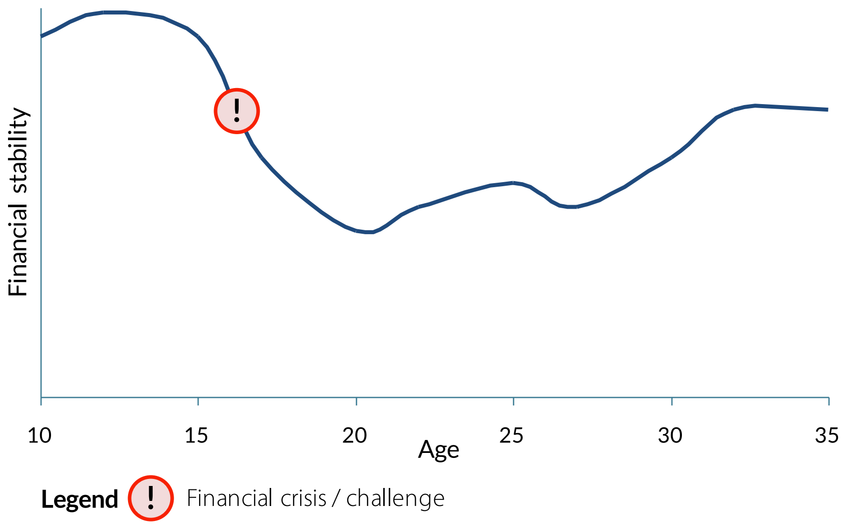
They have successfully established a business, but mostly for subsistence purposes and use the small revenues from their businesses to complement income from their supporters e.g. spouses or parents. Unlike the Relentless entrepreneurs, they lack the passion and motivation to grow their businesses beyond subsistence mostly due to low levels of financial literacy and poor business skills. Most Grounded optimists fall between the age brackets of 16 to 19 (33% of the Grounded optimists from the youth surveyed) and 21 to 24 years (33%). Grounded optimists were all female and were based in rural (44%) and peri-urban (50%) areas.

LIFE MAP OF THE GROUNDED OPTIMIST

Grounded optimists are often destabilized financially at an early age due to an unexpected event such as a parent's death or early marriage, which sharply turns their financial trajectory and forces them to take on new unplanned economic activities. This leads to a downward financial trajectory, which in some cases may stabilize although in most cases remains very low-potential.

As a coping mechanism, youth in this group start survival businesses at an early age to fend for themselves and their families, after the sudden termination of financial support from their providers (parents or spouses). They seek financial support from relatives in the form of gifts or soft loans, which they use to start small businesses. However, due to poor literacy and lack of business skills, this group remains stuck in these small informal, mostly subsistence businesses with little or no motivation to turn them into profitable ventures.

Figure 31: Life map of the Grounded optimists



FUNCTIONAL FINANCIAL NEEDS

- **Financial literacy:**

  Grounded optimists lack basic financial literacy and basic numeracy skills, having dropped out of school at an early age.

- **Basic business management skills:**

  They lack entrepreneurship skills to run businesses successfully and hence run their businesses informally.

- **Savings to cope with unforeseen financial shocks:**

  Their income streams are very basic, hence making them very vulnerable to financial shocks. As such, they require instruments that can be conveniently accessed at any time.

COMMONLY USED FINANCIAL TOOLS

Grounded optimists are the main users of informal financial services. This is largely driven by their poor financial literacy, which limits their confidence and ability to use formal financial channels. For instance, while most of them appreciate that bank accounts are the most secure method of saving money, they rarely use this channel in thinking that banks are only beneficial to people with 'large sums of money'. This group is dependent on providers such as parents and husbands and thus often receive remittances. Due to their limited financial literacy, their decision making on financial services is mostly influenced by close family members e.g. parents and husbands, and business networks such as peer businessmen. Youth in this category do not keep any business records and manage their businesses through mental notes.

- **Savings:**

  Grounded optimists are occasional savers and use informal financial tools such as trusted family members and friends, shopkeepers and ***osusus.*** Grounded optimists save to cushion themselves from unplanned financial shocks. Due to their limited financial literacy, youth in this category lack the knowledge and confidence to use formal saving tools.

- **Remittances:**

  Grounded optimists receive remittances from their spouses living in town centers and abroad, either through money transfer agents or through informal channels such as local shopkeepers. Some youth use friends and family to collect the money on their behalf due to lack of knowledge to use formal remittance services.

OPPORTUNITIES

- Grounded optimists can be supported through initiatives that build their financial literacy and business capabilities with the aim of catalyzing the growth of their informal enterprises. Opportunities within this group include:
- Empower them with basic financial literacy which could eventually build their confidence to use formal financial tools in the long run.
- Enhance their business and entrepreneurship skills that focus on basic accounting, financial management, recording keeping, etc.
- Provide flexible saving tools that can allow them to save small sums of money more consistently e.g. increased accessibility could allow them to deposit their savings at the end of the day.

GROUNDED OPTIMISTS YOUTH PROFILES

BREAD SELLER FROM SANKWIA, MANSA KONKO

Profile: 28 years old, married with 4 children

She sells bread in the village and also takes care of her family at home. She aspires to expand her business to start selling groceries. She has no bank account but is part of an osusu alongside other market women. She saves through the osusu to avoid spending the money. She uses the saved money to meet her household needs and cater for emergencies.

PETTY TRADER FROM SANKWIA, MANSA KONKO

Profile: 20 years old

She is a petty trader and sells smoke fish, vegetables and second hand clothing. She received money from her mother to start her business. She aspires to expand her business to sell more groceries. She saves her money with her grandmother since she trusts her. She does not have a bank account and has never taken loans. When she faces financial challenges, she borrows from her grandmother or her fellow traders.

RETAIL SHOP OWNER FROM KEREWAN TOWN, KEREWAN

Profile: 30 years old, married with 8 children

She has a retail shop where she sells groceries and pancakes. She started the business with the proceeds from vegetables that she was growing and selling on the market. She now wants to expand her garden to grow more groceries for her shop. Her husband does not venture into any economic activity. Binta uses all her proceeds to support her family and therefore does not see the need for a bank account.

VULNERABLE DEPENDENTS

76%

OF THIS CATEGORY ARE WOMEN

VULNERABLE DEPENDENTS ARE YOUTH WHO MAINLY DEPEND ON THEIR PROVIDERS (MOSTLY PARENTS AND SPOUSES) FOR THEIR SUSTENANCE.

They feel disempowered and lack motivation to engage in income-generating activities. They are complacent with their current state and sometimes feel trapped by their dependency on parents or spouses for support. Youth in this group struggle to find means to improve their situation and are limited by their poor literacy and lack of confidence. They occasionally work to support their families. As a result, youth in this group are predisposed to migrate illegally (“***take the back way”)*** as they perceive opportunities outside The Gambia (especially in Europe) to be more worthwhile despite the risk involved. Even where youth are rescued from the “back way” and brought back to their homes, most still face the risk of falling back into this category as they lack the skills or opportunities to make any income.

The International Organization for Migration, in partnership with the EU, supports returnees to resettle by equipping them with skills to enable them to engage in income generating activities. However, lag periods before enrolment in training centers leave them open to the impulse of re-taking the “back way” since they remain entirely dependent on their families and friends.

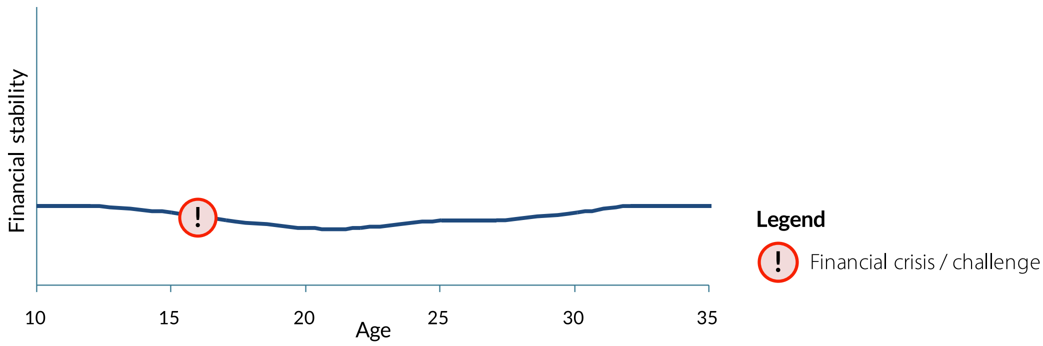
Even when they work, it is mostly to support their spouses or parents. Forty-one percent of Vulnerable dependents fall between the ages of 21 to 24, and 29% between the ages of 15 to 19 years. Seventy-one percent of the Vulnerable dependents met were based in rural areas, and 76% of them were women. While 11.4% of the male participants met were Vulnerable dependents, 22% of the female participants belonged to that persona group.[71]

71 It would be interesting to further investigate whether the higher percentage of Vulnerable dependents among women in the areas visited is linked to a potentially higher propensity of their male counterparts to emigrate.

LIFE MAP OF THE VULNERABLE DEPENDENT

Like the Grounded optimists, Vulnerable dependents face sudden situations (e.g. lack of school fees, early marriage etc.) that slow them down and embed them into a constant state of dependence on either their parents, guardian or spouses. Unlike the optimists, youth in this group rarely take any action to redeem themselves from a state of dependency and instead rely on their supporters (parents, guardians or spouses) to support them financially. This sometimes leaves them hopeless, unable to develop a way out of their situations, making them very vulnerable to future financial shocks. Occasionally, they will get limited income such as through remittances, but this is mostly to address daily needs.

Figure 32: Life map of the Vulnerable dependents



FUNCTIONAL FINANCIAL NEEDS

- **Financial literacy:** Many of these youth lack basic financial literacy, mostly due to dropping out of school at an early age.

- **Income generating projects:** While youth in this group feel incapable, they aspire to start an income generating project that can unlock them from their current dependent status.

COMMONLY USED FINANCIAL TOOLS

Vulnerable dependents are the least likely users of financial services. They lack any direct income and mostly depend on their providers to meet their basic needs. As such, they find no direct need to use any financial tools except for a few instances where some dependents receive remittances from their providers living in the cities or abroad. In instances where recipients lack the capability to use the services, they often use friends and family to collect the money on their behalf. Low financial literacy levels are a key limitation for this group, often limiting their ability to efficiently use financial tools.

OPPORTUNITIES

Grounded optimists can be supported through initiatives that build their financial literacy and business capabilities with the aim of catalyzing the growth of their informal enterprises. Opportunities within this group include:

- Empower them with basic financial literacy, which could eventually encourage use of formal and informal financial tools in the long run.

- Provide short-term training opportunities e.g. agro-processing, tailoring and weaving, solar installation and support youth to start income-generating enterprises that would help them transition into "Skilled starters".

CHAPTER

03

INTERVENTIONS AND RECOMMENDATIONS

The Gambia overall offers a sizeable and attractive market for financial services providers FSPs looking to serve the youth segment. There exist various markets within the larger youth cohort that can be targeted with specific products and services tailored to meet their respective needs. However, for FSPs to effectively serve these segments and tailor products to youth needs, it is crucial that they understand their behaviors, ambitions, aspirations and motivations.

Further, FSPs should take the geographic and demographic characteristics of youth segments into consideration. While they may fall within the same persona segment, youth in urban, peri-urban and rural areas have unique needs and engage in varying economic activities which determine the consistency of their income flows and their general preferences for financial services.

Section 3.1

KEY CONSIDERATIONS WHEN DEVELOPING PRODUCTS

FSPs should keep in mind several broad dimensions when designing products tailored to the youth. These include transversal principles such as:

ACCESS | COST | EASE OF USE | FLEXIBILITY | DECISION MAKING

ACCESS

Twenty-two percent of youth in rural areas and 17% in peri-urban areas noted that distance to financial service points was one of the biggest bottlenecks to using formal financial services. Youth consider it inconvenient for them to make trips to banks to deposit their cash, and instead prefer to accumulate their cash through informal channels e.g. saving in their homes or through ***osusus*** until they have sufficient amounts to warrant a trip to make deposits at banks.

When designing products, FSPs should consider the time and cost incurred by the youth to access these services. It is crucial for services to be within easy geographic reach to promote convenience and cost-effectiveness to encourage youth to deposit (and withdraw) their funds regardless of the amounts. Access should be considered at two levels: (a) product enrolment and onboarding – FSPs should develop strategic access points that enable youth to easily enlist and learn to use new products; and (b) overall use – products should be easy to access geographically and open for longer time periods to allow youth to access services at times that work for them e.g. bank services could be provided through an agency model that allows banks to leverage networks of other businesses to reach youth in areas that would otherwise be too capital intensive to set up branches.

FSPs may partner with organizations such as private shop owners (shopkeepers), mobile phone repairs shops, cyber cafes, government offices, other public facilities such as schools and health facilities, etc. to develop cost-effective models for financial services delivery. For instance, an agent network partnering with shopkeepers could allow FSPs to leverage mutual trust developed between villagers and shopkeepers to introduce formal products.

VISACAs are autonomous financial associations at village level which mobilize savings and disburse loans among villagers. One of the key characteristics that made VISACAs very popular when they were operational was that women at the village level could easily access VISACA services at any time since they could walk to the official's service point which was at the official's house or the local council offices and hence did not incur any travel costs to access the services. This convenience encouraged women to regularly deposit their funds and borrow from the VISACAs almost on a daily basis.

COST

Young people noted that operational costs such as account opening fees, cost of credit and cost of access were major limitations to their use of various services. Specifically, cost of credit was found to be prohibitive due to high interest rates. For instance, some of the youth engaged during the focus groups noted that they would rather accumulate savings to invest in an asset than take a loan to finance the same asset to avoid the high interest rates charged by banks and MFIs.

FSPs could adopt cost effective measures that reduce the cost of delivery of financial products and services that could potentially be passed on to consumers. For instance, adoption of branchless banking which has been championed by the National Association of Cooperative Credit Unions of The Gambia (NACCUG) was highlighted as a success in promoting accessibility while lowering the cost implications on the consumers.

NACCUG, the apex body for credit unions in The Gambia has over 80 active credit unions with over 65,000 members. NACCUG recently adopted a branchless banking service that allows members of different credit unions to access services from member credit unions.

It has reduced the service delivery cost for branches as they can serve more customers without having to invest more in physical infrastructure. Further, it has reduced accessibility costs as customers do not have to travel to their respective credit union which could be further than their nearest service point.

EASE OF USE

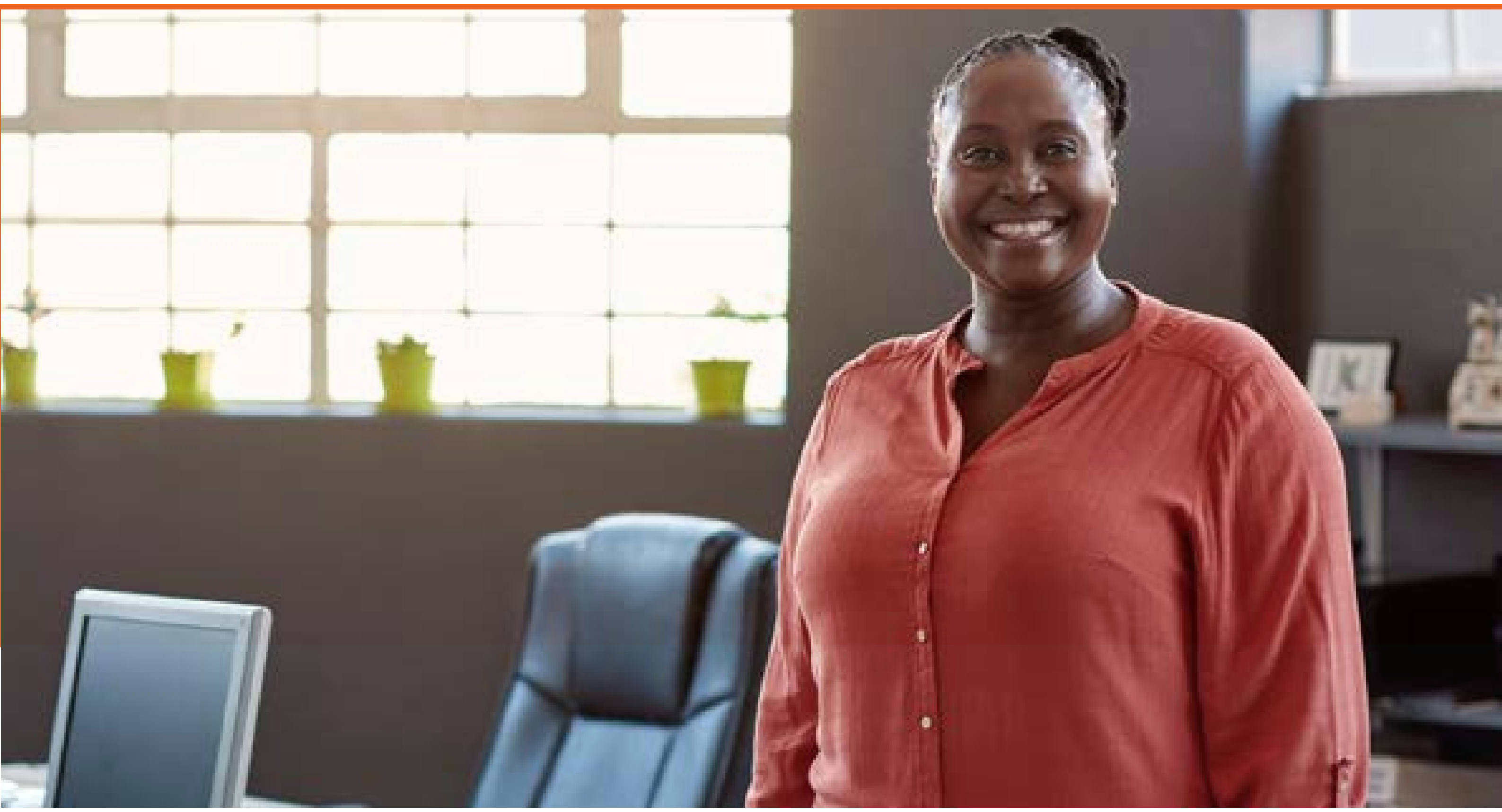
Youth in The Gambia have different levels of financial literacy, which determines their ability and comfort in using financial products. The study found that 51% of the young people in the areas studied had completed secondary school – translating to very low financial literacy. Most participants who had not used mobile money for instance, noted that they did not have the confidence to use the services.

Financial products should be easy to use and to understand e.g. through use of local languages, minimal steps in transaction and use of simplified language and interface. Product development should aim to maximize the user experience and should ensure intelligibility and ease of use for the targeted users.

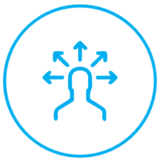
FLEXIBILITY

Young people experience varying degrees of financial stability throughout their lives. For instance, Seasonal in-betweeners experience cyclical income flows which lead them to adapt their financial habits and consequently determine the products they use. Use of shopkeepers as borrowing and saving channels is common among Seasonal in-betweeners mostly because of the flexibility they offer. Further, flexibility should not only be focused on income but should also look at bank opening requirements, loan repayment terms, and liquidity requirements among other factors.

Credit products advanced to youth could factor in longer grace periods before re-payment and gradual payment schemes that allow youth to re-pay on more realistic terms. Product onboarding should be made easy and should by-pass requirements such as national identification documents, utility bills, etc. that prevent young people from opening bank accounts. FSPs should work closely with regulators to identify instances where Know Your Customer requirements could be waived to promote financial inclusion. FSPs should also allow products that are more lenient with regards to account balances e.g. zero balance to accommodate youth who have low income streams.



DECISION MAKING



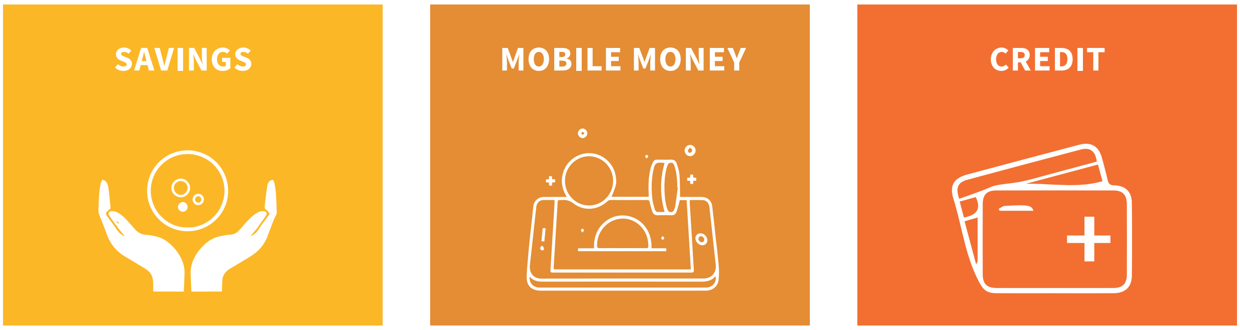
Young people's decisions on which products to use is often influenced by the people around them. In the case of young Vulnerable dependents and Grounded optimists, the key influencers of financial decisions and product uptake is mostly parents and spouses. Spouses are particularly common influencers of young married women living in rural areas. For Relentless entrepreneurs and Skilled starters, financial decisions are mostly influenced by peers working in the same lines of business. For instance, Skilled starters noted that they mostly sought financial advice from their trainers while some entrepreneurs noted that they looked up to their more successful peers for guidance. Religious leaders also carry significant influence in directing congregants on the alignment of various financial services to Islamic laws. Participants noted that they prefer direction and guidance from their respective influencers because they trust them.

FSPs should take advantage of trusted networks to drive uptake of products within various geographies. For instance, among business owners, FSPs can develop a referral scheme that incentivizes traders to refer their peers to specific products and services. In rural areas, FSPs could develop products that can be delivered through shopkeepers, allowing them to leverage the trusted network and their role in the community.

FSPs should also ensure that the right information is passed on to consumers to minimize misconceptions. Loan terms and conditions should be clearly communicated to potential borrowers to ensure that they clearly understand the repayment terms before borrowing and consequently improve compliance.

Section 3.2

KEY DESIGN PRINCIPLES FOR DEVELOPING PRODUCTS



SAVINGS

Currently, young people save through a mix of formal and informal financial services depending on the objectives of their savings and the accessibility and ease of use of these services. Various formal institutions have provided services that support youth savings but experience varying degrees of success. FSPs should consider enhancing existing products or introducing new products with the following considerations:

Goal-based Savings:

Goal-based savings can be targeted at young people who aim to save money for a specific goal. Specifically, this targets young people who run successful enterprises and seek to accumulate capital to expand their businesses or start new ventures. Goal-based savings tools should have conditions that promote saving discipline and could also be targeted at young students planning to accumulate capital to kick off their artisanal careers. This tool can also be coupled with credit products that leverage track records in savings to act as references for loan appraisals. Further, savings accounts can be complemented with digital information services to help the youth track their progress in meeting their goals.

Quick-release:

The most frequent reason for saving among survey participants is to build financial reserves for tough financial times and emergencies (50% of respondents). Even when young people save with specific goals, they are often inclined to dig into their savings in cases of emergencies due to lack of other alternatives. As such, fast access to their savings in such circumstances is a critical factor. FSPs should tailor some savings products (different from the goal-based savings) to meet this need e.g. a product that provides an easy withdrawal option for young people to access their money in times of emergencies.

Small amounts of money:

Most youth who do not save through a bank account have the perception that bank accounts are only beneficial to people with relatively larger sums of money. This perception has resulted in young people channeling savings to informal institutions due to their small amounts. FSPs can work to override this perception by providing alternative low-cost solutions for savings.

DIGITAL FINANCIAL SERVICES

DFS in The Gambia is still very nascent having recently launched mobile money in early 2016. Forty percent of youth surveyed in the two focus regions were aware of mobile money services, yet only less than 10% had used the service. Seventy-eight percent of youth attributed this to lack of know-how and confidence to use the service.

While Mobile Network Operators (MNOs) have undertaken elaborate marketing campaigns that have led to increased awareness of mobile money, there is a wide knowledge and information gap among youth on how mobile money works and how to use it. Further, youth have lower trust in mobile money compared to other formal products mostly due to inconsistencies in network coverage and technical faults in the administration of call services such as airtime top up inconsistencies.

MNOs should consider the following areas when developing and marketing products:

Agent network:

For mobile money to be effective, investment in a strong agent network is crucial. Mobile money agents were mostly limited to small towns such as Kerewan and Soma with very little access at the village level. As part of the agent extension, MNOs could consider working with shopkeepers at the village level who are considered to be strong and trustworthy financial intermediaries. Shopkeepers can be used not only as delivery points for these services but also as influencers to promote uptake.

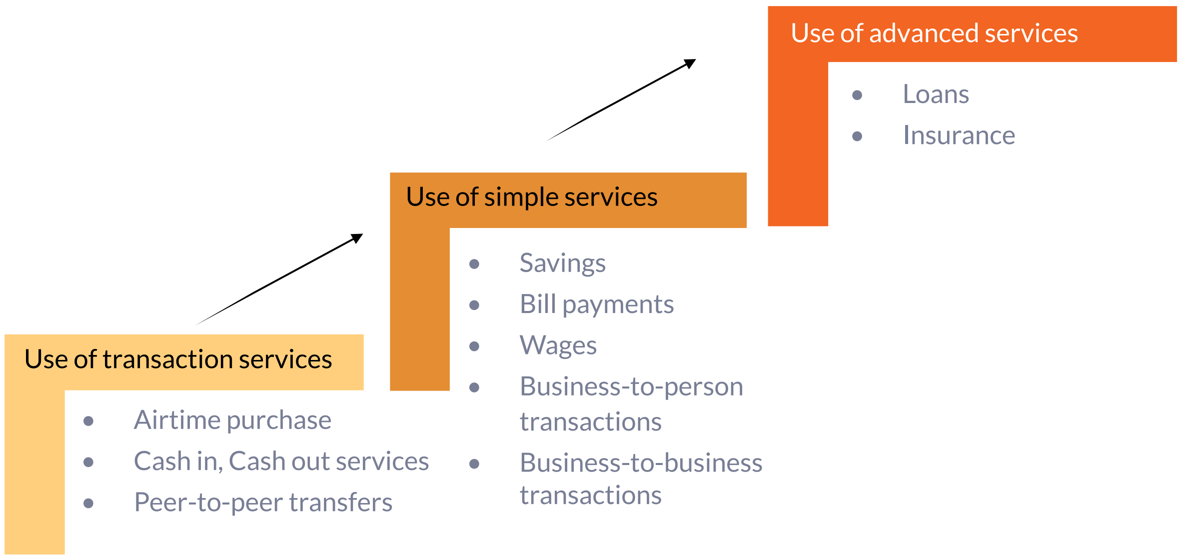
Enrolment and onboarding:

To move consumers beyond simple knowledge of the existence of mobile money, FSPs should work with a network of grass-root level resources to onboard and potentially guide the youth and other users on how to use mobile money. This could be done through a network of freelancers who are incentivized through commissions. This will ensure that besides informing the youth about the existence and benefits of mobile money, they understand how to use it and integrate it into their financial lives and meet their specific needs.

Need-based targeting and second and third generation DFS:

While DFS in The Gambia are mostly transactional, there is an opportunity to tailor services to meet the needs of specific youth segments. While FSPs focus on enhancing these services and the growing uptake of transaction services, they should also consider the gradual introduction of complementary second and third generation services (see Figure 33 below). These services, for example, could better meet the needs for convenience for Relentless entrepreneurs, for security for Grounded optimists and flexibility for Seasonal in-betweeners.

Figure 33: Stages in digital finance services maturity



CREDIT

Demand for credit is high among young people and translates to an unmet need especially within various personas. Specifically, Relentless entrepreneurs seek financing to start and/or expand their business while demand among Skilled starters is highest at their kick-off stage. FSPs should aim to develop products that meet the specific needs of various segments. Specifically, they should consider the following:

Low collateral requirements:
FSPs should find innovative ways of servicing youth by adopting alternative security requirements. Use of solidarity groups has been identified to be a successful avenue as it builds trust and moral obligations among participants.

Lease financing:

FSPs should explore leasing as an alternative form of financing especially for youth who need to acquire equipment for their enterprises e.g. farmers, carpenters, welders, etc. Leasing enables FSPs to bypass bureaucratic and often painful collateral registration and foreclosure processes. FSPs should work with the government and partners to develop supporting legal frameworks that make leasing attractive for both FSPs and the youth.

Flexible repayment terms:

FSPs should align their repayment terms to youth economic activity cycles. For instance, repayment instalments could be aligned to certain seasons where bulk payments are concentrated to peak periods while repayments during the other times are less.

Supersonicz, a local MFI, allows its borrowers to pay for loans through a flexible repayment scheme. For a GMD 5 000 (USD 105) loan, members are only expected to pay the transaction fees of GMD 900 (USD 19) after an initial 30-day grace period. In the second month, they are not expected to make any loan repayments, but only expected to deposit their monthly savings of GMD100 (USD 2.10). Bulk payments begin at the end of the third month where the borrower is expected to pay as agreed in the loan agreement terms.

CONCLUSION AND NEXT STEPS

KEY INSIGHTS

This report offered insights into the economic aspirations, challenges and opportunities of Gambian youth living in the NBR and the LRR.

The study found that most young people in the NBR and the LRR engage in unskilled, low quality economic opportunities that offer particularly low incomes. Mainly positioned in sectors like agriculture and trade, these opportunities have low barriers to entry but provide low incomes. The study also highlighted the emergence and growth of sectors such as energy, construction and fashion that offer relatively accessible, higher quality opportunities such as mobile phone repair, mobile agency, fashion and design, solar installation, fridge repairs, among others.

As part of this youth landscape, five personas were identified, which represent unique financial behaviors, needs, life journeys and aspirations of Gambian youth: Relentless entrepreneurs, Seasonal in-betweeners, Skilled starters, Grounded optimists and Vulnerable dependents.

By deepening the available knowledge and understanding of youth economic aspirations and challenges, this study aims to lay the foundation for the future design of products and services to meet specific financial needs for youth.

The study has shown that there is a strong demand for financial and non-financial services among the youth in both the NBR and the LRR of The Gambia as is demonstrated by the current use of formal and informal financial products:

- Savings are the most commonly used financial tools with 76% of youth saving mostly through bank accounts, at home and through trusted friends, relatives and shopkeepers.
- Transaction accounts and borrowing are also highly used; however, 90% of bank accounts opened by young people remain dormant due to challenges in accessing service points. Youth prefer to borrow from family circles, except for a few entrepreneurs – who have superior literacy and business skills and borrow from banks and MFIs.
- DFS and insurance are the most under-utilized financial tools, a phenomenon attributed to lack of knowledge on how to use them and lack of confidence among participants.

Youth also strongly expressed the need for non-financial services, such as mentorship to pursue employment and business opportunities in the fields they aspire to strive in.

FSPs have the potential to catalyze economic opportunities for each of the personas identified - through the design of products and services using principles specifically targeting the needs of these segments. These principles include accessibility, flexibility, affordability, ease of use and decision making – especially for savings, mobile money and credit services.

MOVING FORWARD

The insights uncovered through the study have the potential to empower key stakeholders in the youth landscape with the tools and understanding to better catalyze youth economic opportunities.

The study provides youth economic empowerment and youth financial inclusion stakeholders with some preliminary findings on which to build a dialogue about financial products and services for youth. Collaboration across stakeholders will enable the development of solutions that meet the specific needs of the different youth sub-groups and strengthen business opportunities for FSPs.

With its unique mandate, UNCDF has a role to play in that dialogue, through three main short-term target interventions.

UNCDF plans on disseminating the findings of this study to stakeholders and FSPs in The Gambia through a collaborative workshop to drive policy formulation and product design in favor of youth financial inclusion for economic empowerment. A second UNCDF engagement will aim at building strategic partnerships engaging youth stakeholders and actors of the financial sector to ensure a better understanding of the dynamics of youth financial needs. UNCDF will also develop a technical assistance facility and a challenge fund window to support FSPs with the creation of products and services that meet the needs of the different types of youth, at their different life stages – in a sustainable manner.

The youth financial inclusion ecosystem could also benefit from further investigation of some insights uncovered through the study. For example:

- A wider youth census across all regions of The Gambia could provide a better sense of the distribution of Gambian youth across the five personas identified in this study – further building the business case for youth financial products and services to FSPs;
- A study could be conducted to understand the underlying drivers of the high prevalence of dormant bank accounts among youth in the country, and potential design solutions that could make these products used more effectively by young people;
- An in-depth analysis of remittance flows could be conducted, as well as an analysis of their implications on youth access to economic opportunities;
- An in-depth analysis of the migratory patterns, by gender but also by type of youth persona across their lifecycles, could also provide valuable insights on the profiles, aspirations, opportunities and challenges of youth willing to emigrate, as well as returnees.

ANNEX

1. OVERVIEW OF YOUTH POLICY LANDSCAPE

The Gambia has made progress in recent years laying out a national development agenda. The new government is committed to implementing previous policies, while reviewing and updating them.

The National Development Plan of The Gambia (2018-2021)[72]**,** currently under review by the Ministry of Finance and Economic Affairs, is a new and overarching coordination framework for The Gambia's national development agenda. It succeeds the Programme for Accelerated Growth and Employment (2012-2015) developed under the previous government, and replaces the Programme for Accelerated Growth and Employment (2017-2020)[73]. The PAGE II (2017-2020) was developed under the previous government, but was never officially adopted. Efforts to finalize the PAGE II were stopped by the new government, and the NDP is currently being elaborated instead. The NDP has a strong focus on improving the governance of The Gambia. The strategy concerning youth employment, however, stays largely the same. Like the PAGE II, it builds on the experiences of the PAGE I, and mainstreams the Sustainable Development Goals established in 2015 into the national development agenda. As such, it has a strong focus on inclusive and sustainable growth led by the private sector, as well as investment in human capital. The framework explicitly puts small and medium sized enterprises at the core of the national development strategy, and targets sectors with high labor intensity. Key target sectors are agriculture and tourism:

- **In the agricultural sector,** the NDP seeks to increase productivity and employment by enhanced efficiency, modern farming input and better access to finance. The NDP specifically targets a set of commodities that are selected based on their potential to create employment, in particular for women or their export value. The new government plans to work through Public Private Partnerships to unlock and introduce higher value products in the sector. It equally aims to address the needs for inter-sector linkages and hard infrastructure, such as upgraded roads, the river transport system, ports and airports, for improving competitiveness in the agriculture sector.[74]
- **In the tourism sector,** the NDP aims to diversify the market by expanding the tourist season and target markets. In particular, the framework emphasizes the need to increase quality of service, for capacity building, security, and to diversify the offer of products. The new government seeks to revise the current tourism policy from 1996, launch a tourism database and foster research and development to improve strategic planning in the tourism sector.[75]

The National Trade Policy (2011),[76] developed by the Ministry of Trade, Industries, Regional Integration and Employment, **and the National Export Strategy (2013-2017),**[77] developed by the Ministry of Finance and Economic Affairs in 2014, outline a liberal trading environment and economic growth through a focus on the comparative advantages in the agricultural and service sectors, in particular as a regional trade hub. The policies seeks to promote investments in hard and soft trade infrastructure and to reduce non-tariff barriers. A comprehensive trade policy review by the World Trade Organization is scheduled for early 2018.[78]

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72 The Gambia - National Development Plan 2018 -2021 (Validation Draft 25.09.2017), Ministry of Finance and Economic Affairs, 2017
73 Programme for Accelerated Growth and Employment (2017-2020), Ministry of Finance and Economic Affairs, 2017
74 idem, p. 204-205
75 idem, p. 188
76 National Trade Policy; Ministry of Trade, Industry, Regional Integration and Employment; 2011
77 National Export Strategy (2013-2017), Ministry of Trade, Industry, Regional Integration and Employment, 2014
78 According to the schedule of the World Trade Organization (WTO), last updated in early 2017

The National Youth Policy (2009-2018)[79]**,** developed by the Ministry of Youth and Sports in 2009, is the third framework for youth policies and addresses youth employment, education and political empowerment. The policy recognizes employment, skill development and financial inclusion as the key concerns of the Gambian youth. The expansion of training centers and access to finance are regarded as key enablers for youth empowerment.

The Gambia's economy is characterized by a large share of formal and informal MSMEs. There are several policy frameworks that were designed to improve the business environment of MSMEs**:**

- **The National Entrepreneurship Policy**[80]**,** developed by the United Nations Conference on Trade and Development in 2016, is an extension of the National Entrepreneurship Promotion Strategy and aims to foster socially and environmentally sustainable entrepreneurial activity by establishing an enabling regulatory framework.

- **The National Employment Policy,**[81] adopted by the Ministry of Trade, Industry, Regional Integration and Employment in 2008, like the National Entrepreneurship Policy, sets out strategies to raise employment through both employability and self-employment. Financial inclusion is considered a key factor to reduce youth unemployment and foster income generating activities. The new government will work with the private sector and trade unions to revise the current employment policy to develop a wider range of measures focusing particularly on job creation and self-employment.[82]

- **The Gambia National Policy for Micro, Small and Medium Enterprise Sector (2014-2018),**[83] formulated by the Ministry of Trade, Industry, Regional Integration and Employment in 2013, focuses on improving the business environment for MSMEs and thus enhance equitable participation of entrepreneurs in the economy. The policy aims to (i) put in place regulatory and legal frameworks, (ii) improve access to microfinance and (iii) establish entrepreneurship training services and local business advice. The new government plans to review the existing MSME policy and increase contribution of MSMEs to the national GDP by 30%.[84]

- **The National Microfinance Policy (NMFP)**[85] provides a framework guidance and strategies for The Gambia's microfinance sector. The policy presents six key strategies to boost inclusive and sustained growth, including improving the regulatory framework, strengthening of microfinance support structures, providing capacity building for MFIs, and improving consumer protection.

- **The National Gender and Woman Empowerment Policy (2010-2020)**[86] promotes gender equality and women's empowerment on all levels and in all sectors of development. The policy recognizes that certain sociocultural factors as well as patriarchal systems exclude women and other vulnerable groups from the development process. Among others, the policy aims to mainstream gender issues

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79 National Youth Policy (2009-2018), Ministry of Youth and Sports, 2009
80 The Gambia National Entrepreneurship Policy Draft, UNCTD, October 2016
81 National Employment Policy; Ministry of Trade, Industry, Regional Integration and Employment; 2008
82 p.204, The Gambia - National Development Plan 2018 -2021 (Validation Draft 25.09.2017)
83 The Gambia National Policy for MSMEs (2014 - 2018), GIEPA, Serrekunda, 2013
84 p.210, The Gambia - National Development Plan 2018 -2021 (Validation Draft 25.09.2017)
85 The Gambia National Microfinance Policy (2013-2017), prepared for the Government of The Gambia by Triodos Facet BV, 2012
86 Gender and Women Empowerment Policy (2010-2020); Department of Women's Affairs

into national and subnational policies and development agendas, provide equal education and healthcare for to men and women. Regarding labor market integration, it promotes employment of women in government structures and decision-making positions. The Gambia has made progress, for instance concerning female school enrolment rates, the ban on Female Genital Mutilation in 2015, and the representation of women in The Gambia's National Assembly. Still, the new government stresses that patriarchal socio-cultural practices continue to push women towards economic exclusion and that female representation in political dialogue is limited.

- **The National Social Protection Policy 2015-2025 (NSPP)**[87] provides a cross-cutting policy agenda with a set of priority policy actions to establish a Social Protection system in The Gambia. Key policy areas are food security, malnutrition, and improved access to education. The new government acknowledges that the policies outlined in the NSPP are not enough to address the various and complex challenges in the social protection system, for instance the lack of long-term and predictable social payment systems or a comprehensive pension scheme.[88] The government plans to design new social safety nets, expand existing social protection mechanisms, and establish a social protection secretariat to better coordinate and manage social transfer programs.

87 Insert reference
88 p. 113, The Gambia - National Development Plan 2018 -2021 (Validation Draft 25.09.2017)

2. LIST OF KEY EXTERNAL STAKEHOLDERS MET

Table 1: List of key stakeholders met in The Gambia's youth landscape

Organization	Name	Role
European Union	Rebecca Simms	Project advisor
	Enya Braun Curtin	Project advisor
International Trade Center (YEP programme)	Raimund Moser	Project manager
	Modou Touray	Technical adviser and M&E officer
NAO Support Unit	Malas Nyang	Programme coordinator
	Michel Gomez	Head of Cluster Monitoring, North Bank Region
Supersonicz Microfinance	Binta Njie	Loan officer
Village Savings and Credit Associations (VISACA)	Lamin Jatta	Director, NBR
	Kadri Hydra	VISACA regional coordinator
National Association of Cooperative Credit Unions of The Gambia (NACCUG)	Patrick Mendy	Finance and administrative manager
Gambia Technical Training Institute – Mansa Konko	Fatty Modou	Principal
Gaye Njorro Skills Academy	Babuccar Sanyang	Principal
	Ibraima John	Deputy manager
Youth Council – Lower River Region	Saikou Darboe	Youth chairman – Lower River Region
Youth Council – North Bank Region	Sherrif Mboge	Youth Chairman - North Bank Region

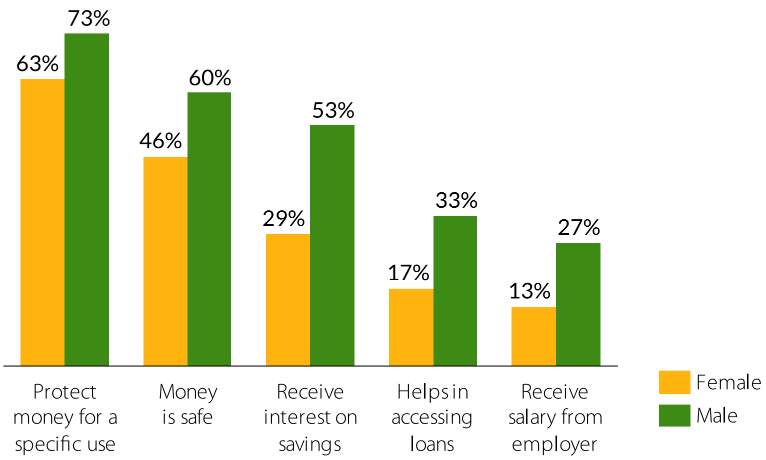
Table 2: Summary of focus group characteristics

Region	Location	Geography	Composition	Average age
North Bank Region	Kerewan	Peri-urban	Entrepreneurs	25
North Bank Region	Kerewan	Peri-urban	Girls and women	30
North Bank Region	Kerr Ardo	Rural	Mixed	24
North Bank Region	Farafenni	Urban	Mixed	27
North Bank Region	Ngain Sanjal	Rural	Mixed	26
Lower River Region	Soma	Urban	Entrepreneurs	27
Lower River Region	Jenoi	Peri-urban	Mixed	25
Lower River Region	Sankwia	Rural	Girls and women	23
Lower River Region	Kanikunda	Rural	Mixed	25

3. ADDITIONAL ANALYSES OF FIELD SURVEY DATA

3.1 Bank account ownership

Figure 34: Top uses of bank accounts, by gender (N=39)



3.2 Savings

Figure 35: Savings behavior of the respondents, by area (N=87)

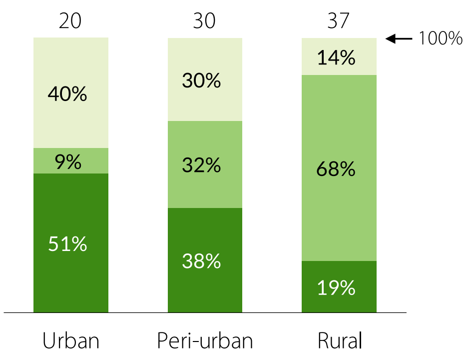


Figure 36: Key reasons given for not saving at a formal financial institution (N=35)

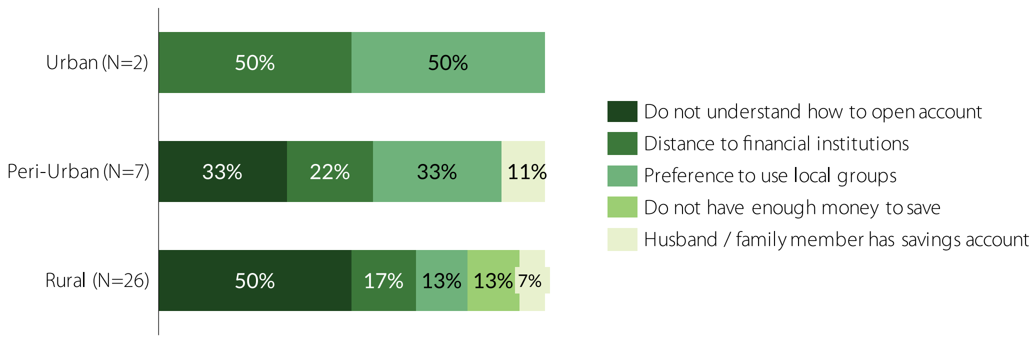


Figure 37: Key reasons given for not saving at a formal financial institution, by gender (N=35)

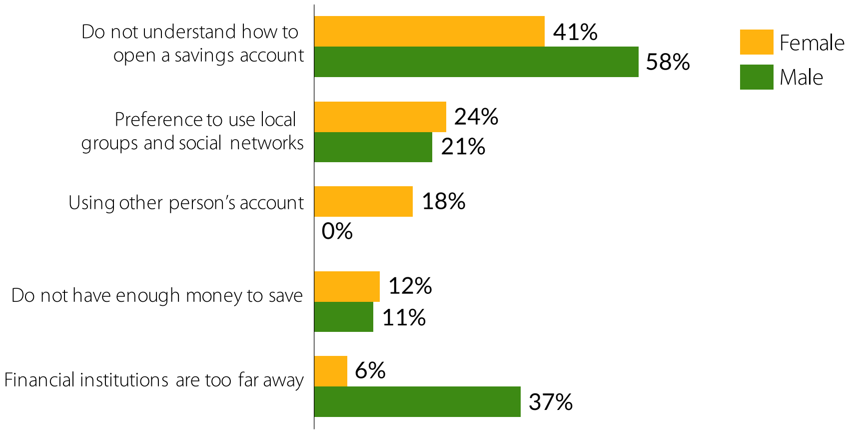


Figure 38: Common saving structures among youth in urban areas (N=13)

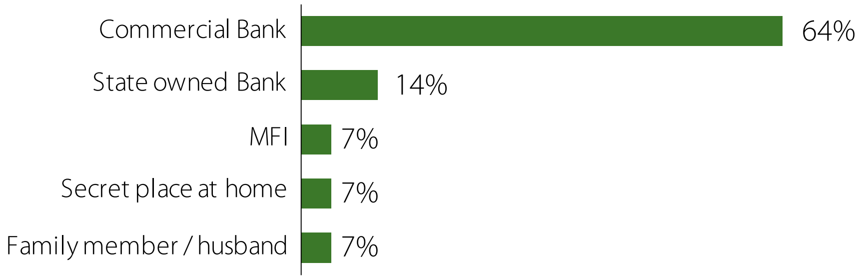


Figure 39: Common saving structures among youth in peri-urban areas (N=20)

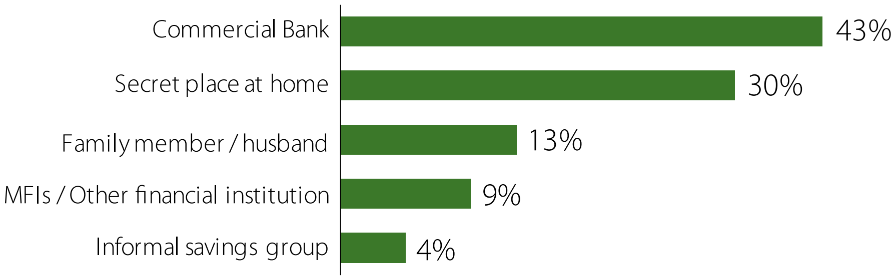
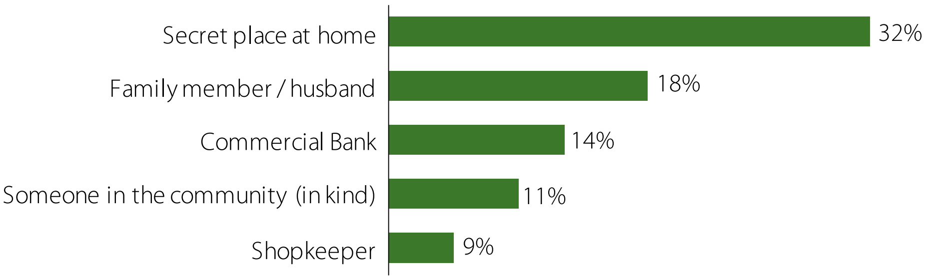


Figure 40: Common saving structures among youth in villages (N=35)



3.3 Remittances

Figure 41: Channels for sending remittances (N=48)

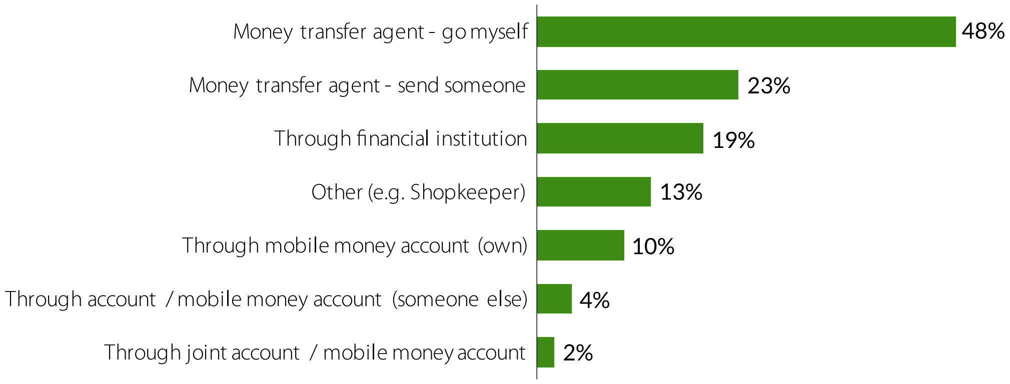


Figure 42: Channels for receiving remittances (N=52)

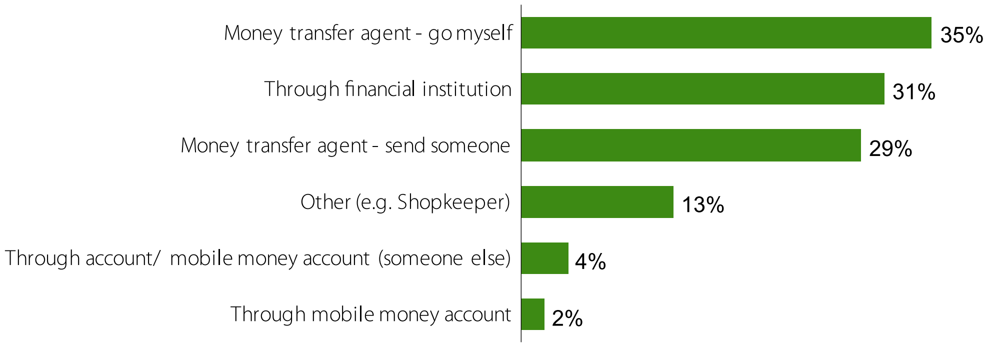
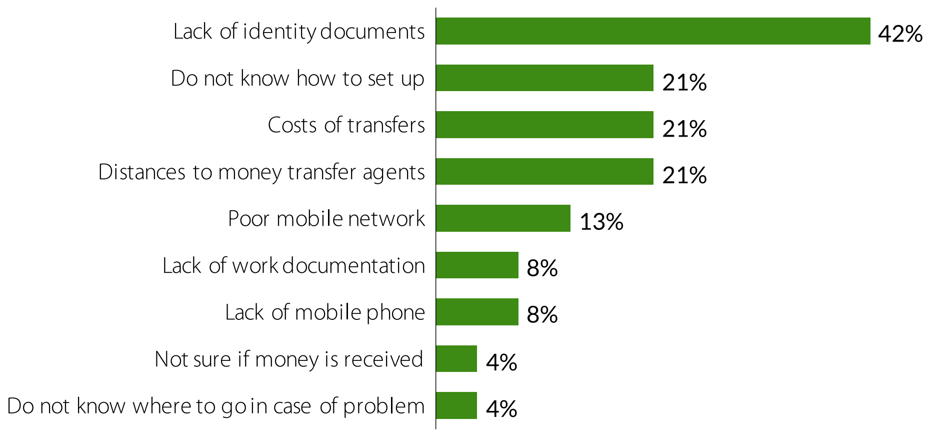


Figure 43: Challenges sending or receiving remittances (N=24)



3.4 Mobile Money

Figure 44: Mobile phone ownership and use of mobile financial services, by area (N=90)

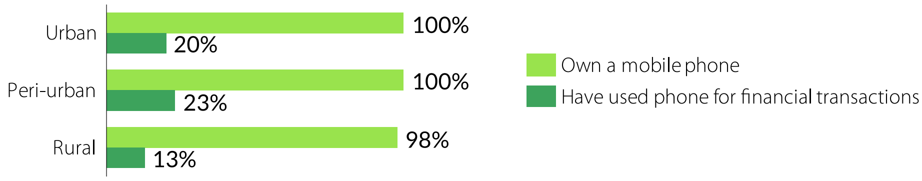


Figure 45: Mobile phone ownership and use of mobile financial services, by area (N=90)

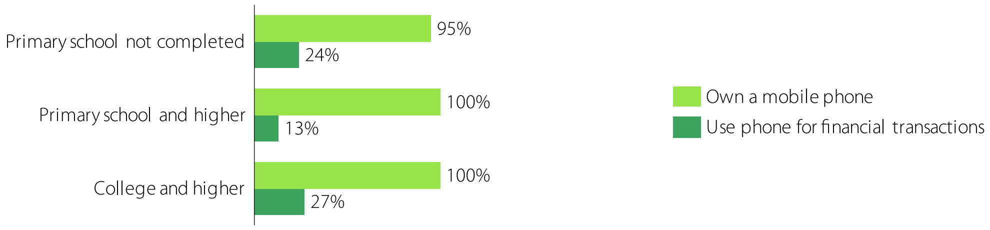
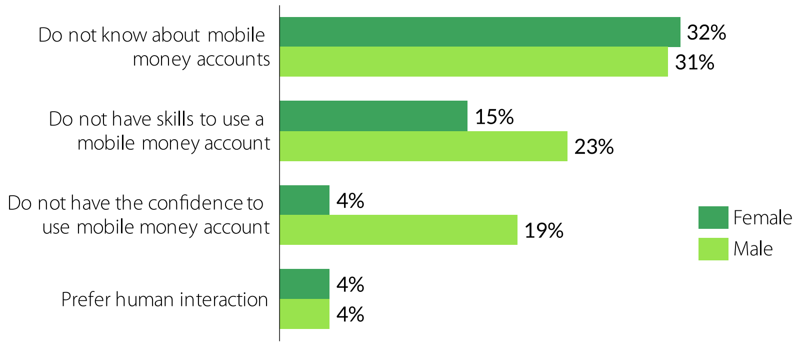
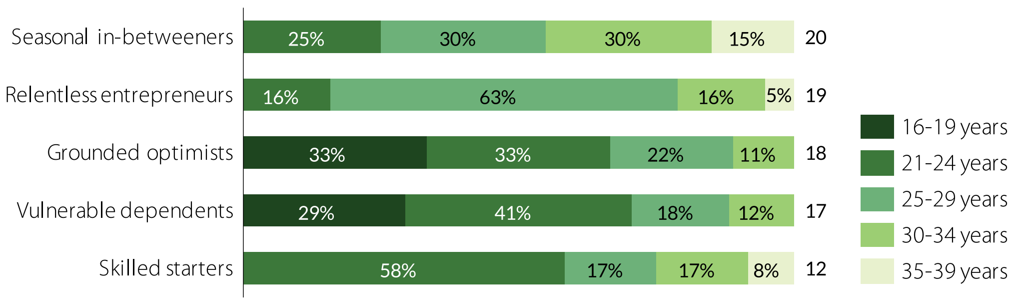


Figure 46: Key barriers to accessing mobile money, by gender (N=41)[89]



3.5 Personas

Figure 47: Age composition of the five personas met (N=86)



89 Respondents were allowed to give multiple responses

Figure 48: Gender composition of the five different personas (N=86)

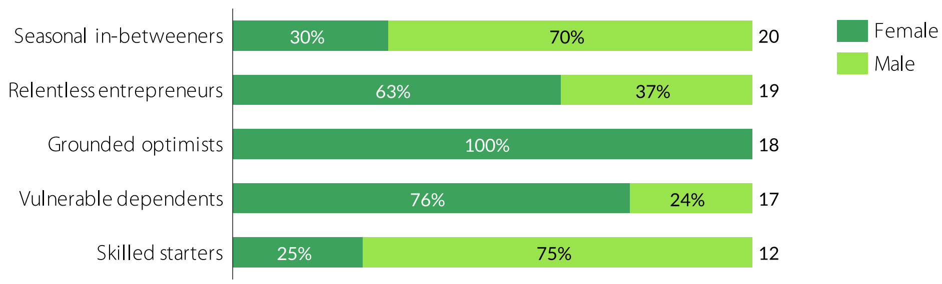


Figure 49: Formal education levels of the five personas met (N=86)

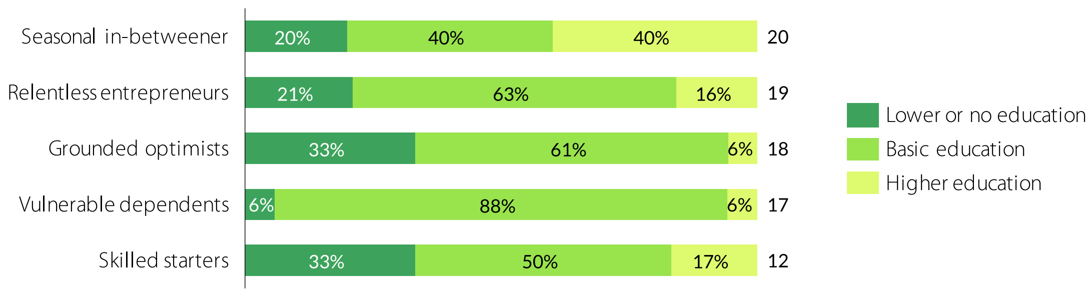
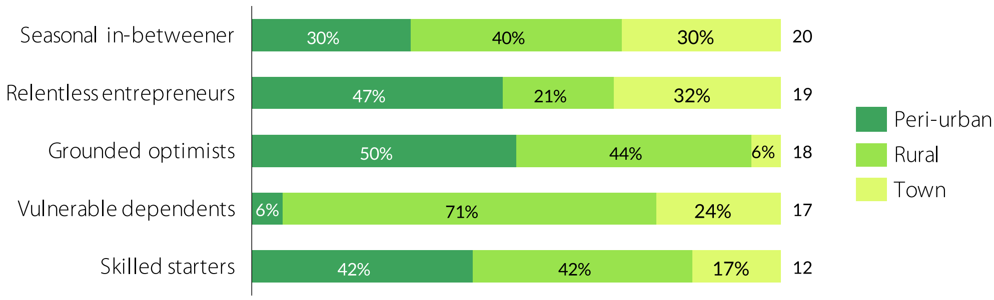


Figure 50: Composition of the five personas met, by area (N=86)



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