

YouthStart UPDATE

10,000 youth opened a savings account in 4 months

During this semester YouthStart partners are successfully providing their product offerings to youth after launching their pilot tests in December 2011. These include both financial products, mainly savings, and non-financial services, mainly financial literacy. Over the first four months of the pilot tests nearly 10,000 youth have opened savings accounts and nearly 2,500 youth have received financial literacy. YouthStart partners will continue to roll out these products in 2012 and make any necessary modifications.

UNCDF staff assessed the YouthStart partners' performance through on-site visits, evaluating their institutional and youth results to date, and the quality of their pilot test. Partners who received the highest scores included Finance Trust (Uganda), PEACE and ACSI (Ethiopia). These partners successfully implemented the following activities:

- Created a youth team and identified a Youth Champion.
- Trained staff and ensured pilot test objectives are clear for all involved branches and staff.
- Implemented marketing activities specifically targeting youth, including peer mobilization, school activities and engagement from communities and parents.
- Adapted MIS to capture most relevant information on youth clients (e.g. age, gender, savings volume, cross selling, etc.).
- Developed monitoring and evaluation tools and closely monitored pilot test progress.
- Successfully integrated financial and non-financial services.

The Financial Services Providers (FSPs) that participate in YouthStart:

Malawi	OBM
Ethiopia	PEACE and ACSI
Senegal	PAMECAS and CMS
Rwanda	UCU
Burkina Faso	FCPB
Uganda	Finance Trust and Finca- Uganda
DRC	FINCA-RDC



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The star of YouthStart: Finance Trust Uganda

After analyzing the progress made by all partners during on-site monitoring visits, UNCDF- YouthStart is pleased to announce that the most recent winner of “the Star of YouthStart” is Uganda Finance Trust LTD (UFT) for its outstanding performance in the pilot test implementation.

Uganda Finance Trust LTD (UFT) is one of the oldest microfinance institutions in Uganda, providing financial services to low- and medium-income, economically active Ugandans. UFT is incorporated under the laws of Uganda and licensed and regulated by the Bank of Uganda as a Microfinance Deposit Taking Institution. Since starting operations in 1984, UFT has expanded its outreach and now serves over 150,000 depositors and borrowers, who access a variety of savings and loan products via 30 interconnected branches all over the country. Thirty percent of UFT’s clients are youth below 24 years old.

As a YouthStart partner, UFT provides savings products for youth aged 12-17 and 18-24. Its Teen Classic Savings Account targets boys and girls aged 12-17 and its Youth Progress Savings Account targets older youth in and out of school aged 18-24. Older youth also have an opportunity to access a loan after saving for one year.

UFT’s model is based on creating saving groups of 10-15 youth members which are formed according to gender, age and schooling status (in or out of school). UFT mainly relies on community leaders and parents to reach and form the youth groups, ensuring their buy-in. The savings groups are coordinated by UFT’s youth mobilizers specifically hired for this purpose. For youth under 18 years, the programme also envisages financial mentors to assist them with account transactions; and social mentors trained by UFT who work with youth and parents during the awareness meetings. These mentors are local volunteers and their work is not remunerated, although they receive training as an incentive.

UFT plans to leverage its group model to deliver non-financial services integrated to financial services. The group segmentation allows UFT to organize the education sessions and adapt the content according to the specific characteristics of each group.

UFT’s achievements during the first quarter of 2012 include the following:

- Pilot testing the Youth Progress and Youth Classic accounts in 7 different branches (4 urban and 3 rural)
- Opening 1,555 youth savings accounts
- Mobilizing close to 25,000 USD in youth savings
- Developing effective marketing materials and marketing strategies (e.g. informational meetings with parents and school headmasters and community events)

UFT’s success can be attributed to its group based savings model, hard-working youth mobilizers and proximity of its branches to the residences of youth. Many youth appreciate that youth mobilizers can collect savings deposits at the group meetings.



Capacity Building

UNCDF-YouthStart Paves the Way for Youth Client Protection

YouthStart organized a 3-day training on Client Protection principles and practice for young people in Addis Abba from March 19 to March 21, 2012. There were 20 participants, representing 10 FSPs supported by the UNCDF-YouthStart programme, comprised mainly of senior management and implementing staff. Participants learned how to apply 7 youth friendly Client Protection principles adapted from the [SMART Campaign](#) and certification principles of youth friendly products from [Child and Youth Finance International](#) to their own organization and youth product offerings.

The 7 youth friendly Client protection principles include the following:

1. **Preventing over-indebtedness**
2. **(a) Transparency and (b) responsible pricing**
3. **Appropriate collections practices**
4. **Ethical staff behavior**
5. **Complaints handling and resolution**
6. **Privacy of client data**
7. **Child and Youth Finance-specific Certification Criteria**

During the 3-day training facilitators presented a Self-assessment Youth Client Protection Tool adapted by YouthStart to:

- Facilitate a series of case studies by participants
- Promote learning and sharing of experiences and good practice
- Enable participants to carry out an Assessment of their institution's performance for each Client Protection principle oriented to youth; and to develop an Action plan around the identified weaknesses, outlining how each institution will adopt the youth client protection principles.



The training ended with a field visit to one of YouthStart FSPs, [PEACE Ethiopia](#), where partners could meet youth clients and check their reactions to the product on-site.

Overall participants were very pleased with the training and found it very relevant and necessary. Many participants felt that the focus on client protection was very timely given the increased focus in the field on social impact.

Knowledge Sharing

UN Secretary Statement

The Secretary General of the UN drafted a message to the [First Child and Youth Finance International Summit](#) held in Amsterdam on April 3rd and 4th, 2012.

In his message, he highlighted the UNCDF-YouthStart programme as one way to support the goals of improving the economic and social development of youth, improving financial literacy of youth, increasing access to services leading to employment, investing opportunities and protecting youth.

Policy brief release

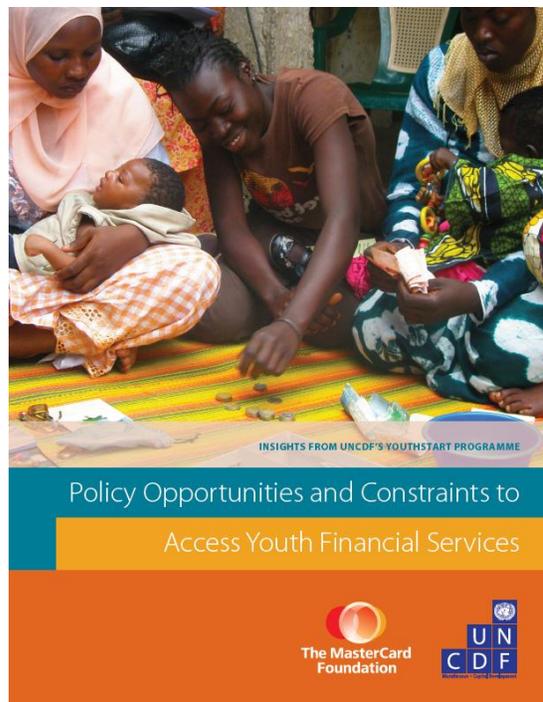
UNCDF-YouthStart released its policy brief entitled "[Policy Opportunities and Constraints to Access Youth Financial Services](#)" in April 2012.

The brief identifies three main barriers that limit access and use of youth financial services: restrictions in the legal and regulatory environment; inappropriate and inaccessible financial products offered by financial service providers and; poor financial capabilities of youth.

Based on insights from the UNCDF-YouthStart programme, and other initiatives around the world, the paper makes recommendations to policy makers and regulators that could significantly advance financial inclusion for young people.

Recommendations for policy makers include the following:

- Regulatory environments that protect rights of youth, establish and enforce industry standards and ensure initiatives are aligned with national youth policies.
- Policies that support development of youth-friendly products and delivery channels.
- National strategies for financial education and curriculums that integrate financial education and entrepreneurship.



Dissemination of Policy brief

UNCDF launched the UNCDF-YouthStart policy brief during a pre-summit event held at the [First Child and Youth Finance International Summit](#) held in Amsterdam on April 3, 2012. Participants at the event included ministries of finance and education from different countries in Asia and Africa, funders, FSPs and youth financial services practitioners.

UNCDF-YouthStart staff also promoted the brief and raised issues presented in the brief during a panel discussion at a recent conference sponsored by [PLAN Canada](#), "[Investing in African youth](#)" held in Dakar, Senegal on May 21-22, 2012. The presentation was held to advocate for youth friendly policies.

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