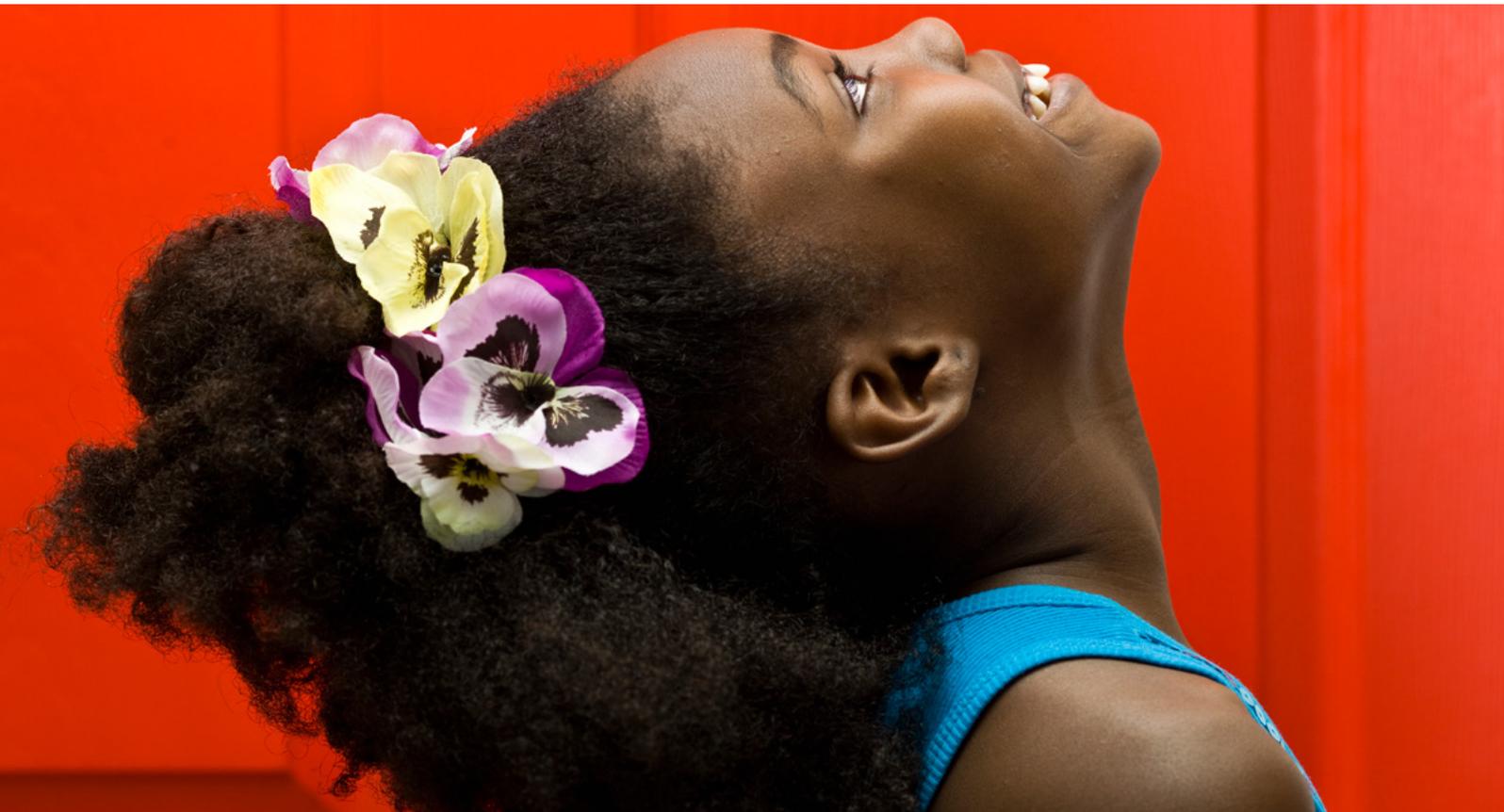




INTEGRATING YOUTH INTO A NATIONAL FINANCIAL INCLUSION STRATEGY

Guideline Note No.38
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INTRODUCTION TO THE GUIDELINE NOTE

The objective of this document is to provide practical guidance to Alliance for Financial Inclusion (AFI) members and other financial inclusion policymakers seeking to integrate youth financial inclusion into their National Financial Inclusion Strategies (NFIS).

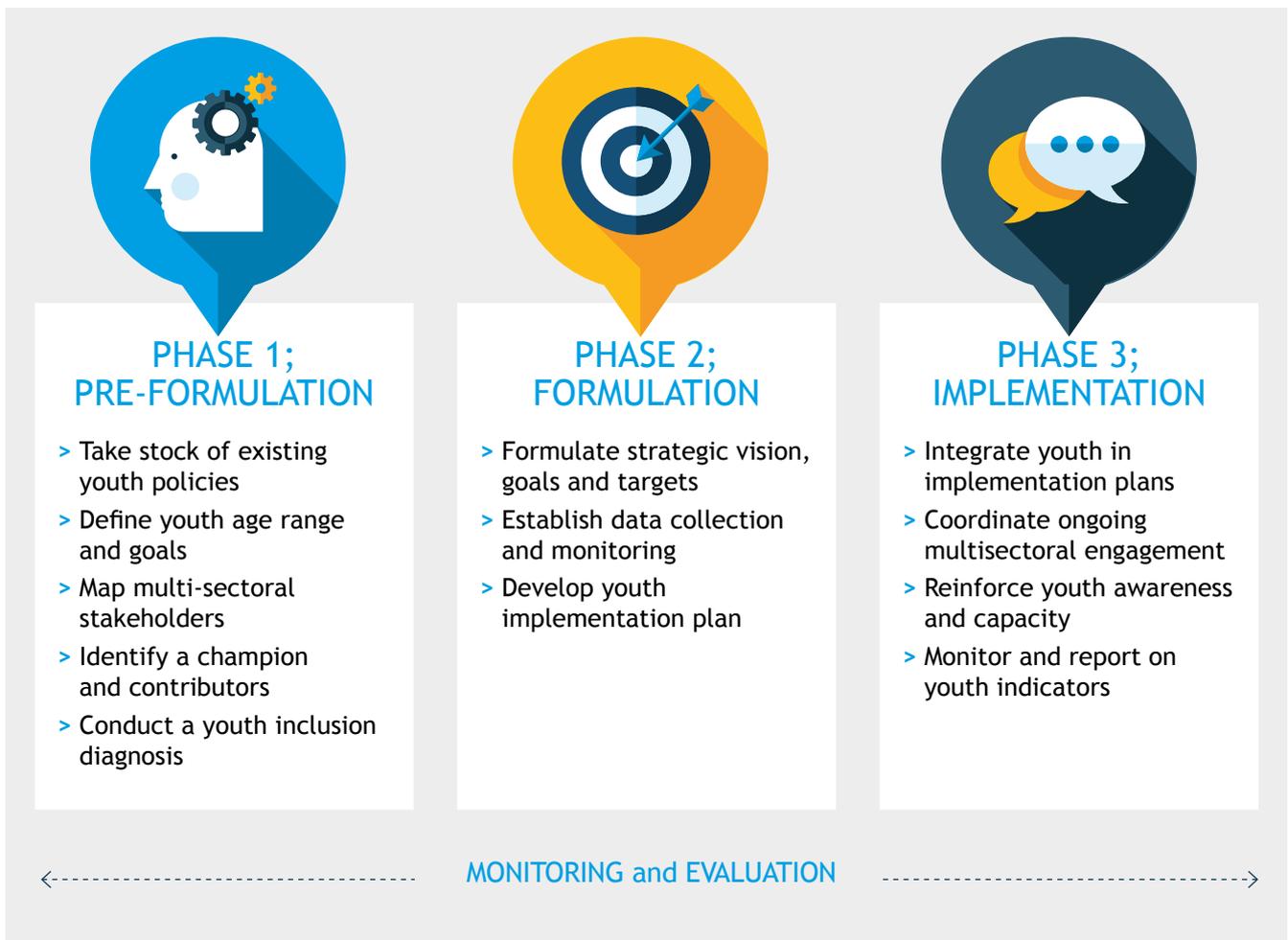
This document complements the AFI Youth Policy Framework, which presents the rationale for and current state of the practice in youth financial inclusion, along with numerous direct experiences and recommendations of AFI members and other industry stakeholders. This Guideline Note builds on the Policy Framework to offer concrete advice for addressing the unique characteristics and challenges of youth as an essential target group for

enhancing financial inclusion, within an existing or new NFIS.

The Guideline Note is aligned with the National Financial Inclusion Strategy Lifecycle as defined by AFI, following a Pre-formulation, Formulation and Implementation phase.¹ Drawing on the direct input of AFI members and industry best practices, as gathered through an AFI member survey, a literature review and 20 key informant interviews, we present key areas of inquiry, approaches and outputs for integrating youth into a NFIS. The goal of this document is to equip policymakers to apply a “youth lens” within the context of their national financial inclusion priorities, so that their NFIS successfully increases youth economic opportunity and creates a broader national financial inclusion. Figure 1 provides an overview of the phases and recommended steps presented in detail below.

1 Alliance for Financial Inclusion, Policy Model for National Financial Inclusion Strategy, September 2020.

FIGURE 1: INTEGRATING YOUTH INTO A NATIONAL FINANCIAL INCLUSION STRATEGY LIFECYCLE





PHASE 1: PRE-FORMULATION

- > Take stock of existing youth policies
- > Define youth age range and goals
- > Map multi-sectoral stakeholders
- > Identify a champion and contributors
- > Conduct a youth inclusion diagnosis

In the pre-formulation phase, policymakers examine the extent to which youth financial inclusion is currently present in national policies and multisectoral initiatives; define the youth target group and overarching national goals; identify activities and actors already contributing to youth inclusion; agree on who will drive youth financial inclusion policy development and integration; and conduct a diagnostic analysis.

STEP 1. TAKE STOCK OF EXISTING YOUTH POLICIES

Youth financial inclusion involves multiple, intersecting facets with policies relating to education, entrepreneurship promotion, life skills education, women/girl's financial inclusion and rural development. Youth financial inclusion is an important layer of all of these policies, and a multifaceted, coordinated policy effort will enable a sustainable youth strengthening agenda with real results.

Policymakers should start by examining their country's current political commitment to youth, as evidenced in existing policies, and the current level of engagement of relevant government institutions in promoting youth economic participation. Key aspects of the stock-taking process are presented in Table 1.

Sierra Leone is a good example of how the NFIS, and its youth perspective are aligned to the high-level economic goals of the country and the national youth agenda (Figure 2).

STEP 2. DEFINE YOUTH AGE RANGE AND GOALS

The definition of youth varies from country to country. If a specific definition has not already been established, policymakers may opt to set a defining age range. The Youth Policy Framework presents more background information on the definition of a youth target group. A key point is that youth are not a homogenous group. Regardless of the specific age range definition, it is important to consider the main life stages that drive youth financial needs over the course of early adolescence, late adolescence, and young adulthood (Figure 3). There are also specific gender considerations that need to be taken into account, as they impact male and female youth in different ways.

Definitions of youth in the context of financial inclusion range from 0 to 35 with the UN defining youth as between the ages of 15 and 24, and the majority of countries defining youth as between 14 and 35. Policymakers should document the age range to be addressed, while keeping in mind the significance of life cycle stages—a 14-year-old in-school teenager living with her parents will have very different financial inclusion needs than a 34-year-old father and head of household, or a 26-year-old working woman with two young children, for example.

Different countries have approached the youth definition in various ways. For example, Pakistan does not have an age definition at all, but has adopted a

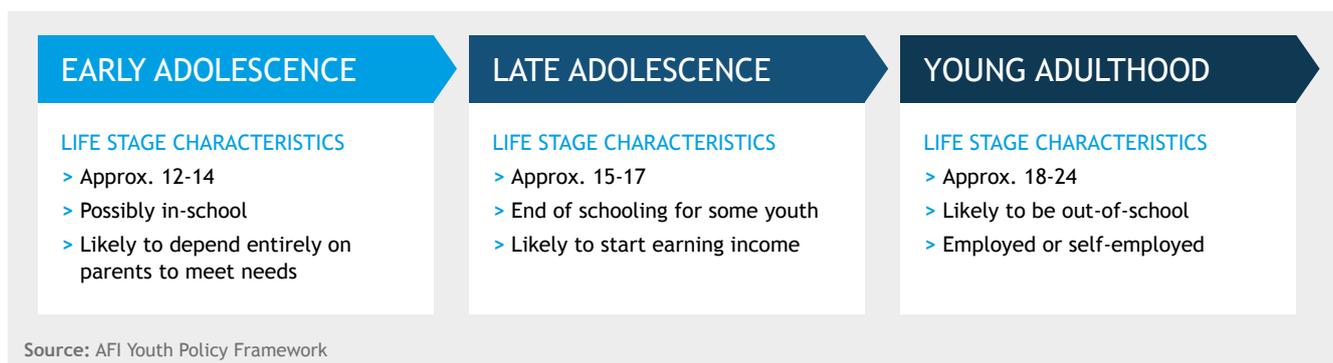
TABLE 1: TAKING STOCK OF EXISTING YOUTH-INCLUSIVE POLICIES

QUESTIONS TO ANSWER	<ul style="list-style-type: none"> > What policies already exist or are planned? > Are existing or planned policies gender sensitive? > Which youth needs do the policies cover? > Do they include economic and employment components for youth? > Which government entities are implementing youth-related policies? > Where are there currently gaps?
HOW TO	<ul style="list-style-type: none"> > Desk review of existing policies > Key informant interviews with relevant ministries and public institutions > Workshops bringing together representatives from across the government to present and validate findings on existing youth policies
OUTPUTS	<p>A document that:</p> <ul style="list-style-type: none"> > Summarizes the nature and extent of existing youth-related policies > Identifies the key gender considerations that impact male and female youth differently > Enumerates the government institutions and initiatives that are already contributing or could contribute to enhancing youth financial inclusion > Describes the opportunities for a gender sensitive, youth inclusive NFIS to reinforce existing government policies and/or investments in youth

FIGURE 2: THE CASE OF SIERRA LEONE: POLICY ALIGNMENT

MEDIUM TERM NATIONAL DEVELOPMENT PLAN 2019-2023	NATIONAL YOUTH POLICY 2003	NATIONAL FINANCIAL INCLUSION STRATEGY 2017-2020
<p>Defines the path for achieving middle income status by 2039; pursues among other goals a diversified resilient green economy and a competitive economy with well-developed infrastructure.</p> <p>Policy Cluster 6: Youth employment, sports and migration; youth entrepreneurship.</p> <p>Medium term macroeconomics policy framework for delivering the plan includes monetary measures:</p> <ul style="list-style-type: none"> > Financial sector policy measures > Deepen financial inclusion in particular through digital financial services > Strengthen the digital financial services working group led by Bank Sierra Leone 	<p>Vision: Youth empowerment and creation of a responsible citizenry</p> <p>Implementation:</p> <ul style="list-style-type: none"> > Encourage all agencies to facilitate employment in private sector > Coordinate mechanisms and efficient networks for youth to access information <p>Strategic areas:</p> <ul style="list-style-type: none"> > Job creation opportunities > Youth participation <p>Governance structure:</p> <ul style="list-style-type: none"> > Ministry of Youth > National Youth Council > District Youth Committees 	<p>Recognizes youth as target group and addresses:</p> <ul style="list-style-type: none"> > Digital financial services strategic intervention > Financial literacy, financial education and consumer protection > Client-centric products and services <p>Youth is represented in all working groups: Financial Literacy, FSP products and services, MSME financing and digital financial services.</p>

FIGURE 3: LIFE STAGES OF YOUTH



proxy to differentiate age brackets (Box 1), and Zambia uses an adapted definition to suit the financial inclusion needs of different age groups (Box 2). The definition of the target group in terms of age and life cycle stage will play a critical role in setting indicators for data collection (discussed in Phase 2: Formulation below).

BOX 1: LIFE STAGES OF YOUTH IN PAKISTAN

In Pakistan there isn't a national definition of age. Only the Punjab province has defined youth as 15 to 29 years old. Due to the lack of a national level definition, Bank of Pakistan uses "level of education" as the criterion to target their youth-related policies and interventions. Age brackets are linked to level of education: elementary, high school, university and tertiary. These brackets become the benchmark for youth age segmentation independently of their actual educational attainment.

BOX 2: ZAMBIA'S EVIDENCE-BASED DEFINITION OF YOUTH

Zambia defines youth to include population from 15 to 35 years old (National Youth Policy 2015). However, with regard to financial inclusion, the age span considered as youth by the Bank of Zambia is from 16 to 25 years old. According to Bank of Zambia, this comes from the recognition that the profiles must be different when seeking to foster financial inclusion. It is based on a graduation model. Before turning 16, the minimum age to obtain an ID, young people need the authorisation of their parents or legal guardians to open and operate savings accounts.

From 16 to 25 years, they are mostly engaged in studies and are not, to a large extent, engaged in any productive occupation and their financial needs are different than when they turn 25, when they "graduate" to start their productive economic life. At that moment, they are considered adults.

The difference between the definitions of youth at national level and in the National Financial Inclusion Strategy 2017 - 2022 reflect the characteristics of youth and also the needs and life cycles relevant for the development of financial inclusion policies and design of adequate initiatives.

STEP 3. MAP MULTISECTORAL STAKEHOLDERS

Stakeholder mapping is a useful next step to lay the foundation for formulating a youth financial inclusion strategy. This landscape analysis goes beyond existing policies (as assessed in step 1) to provide valuable visibility of the range of public, non-profit and private institutions involved in youth-related issues, their thematic areas, programmatic scope and scale, opportunities and challenges, and their geographic presence. A NFIS that leverages efforts from across the landscape of youth-inclusive initiatives has greater potential for building strong momentum toward national youth inclusion goals, especially if this contains gender considerations to support young women's financial inclusion and recognizes the specific gender considerations that young women face.

The stakeholder mapping should cover a broad range of actors, including:

- > **Public/government initiatives:** institutions from the public sector at national, regional and local levels that are carrying out activities related to youth economic empowerment, such as entrepreneurship promotion programs, financial literacy, guarantee schemes and grant programs;
- > **Donor/development partner, NGO and Youth Serving Organization initiatives:** programs related to youth job promotion, entrepreneurship, financial education, among others;
- > **Financial sector initiatives:** financial institutions providing services and products to youth, and associations of financial service providers;
- > **Private sector initiatives:** (other than financial sector), including corporate sponsorships and other programs to foster youth economic engagement.

With the objectives of: (a) developing a comprehensive landscape of organisations working in the youth economic development space; and (b) identifying relevant stakeholders to engage in the formulation and/or implementation of a youth financial inclusion strategy, the stakeholder mapping should document for each actor:

- > Objectives and goals of the intervention
- > Specific activities carried out or planned
- > Progress achieved (scale and impacts)
- > Budget and funding sources
- > Location/geographic area

Figure 4 provides a snapshot of the areas to investigate and expected resulting information. Table 2 offers

FIGURE 4: STAKEHOLDER MAPPING AND OUTPUTS

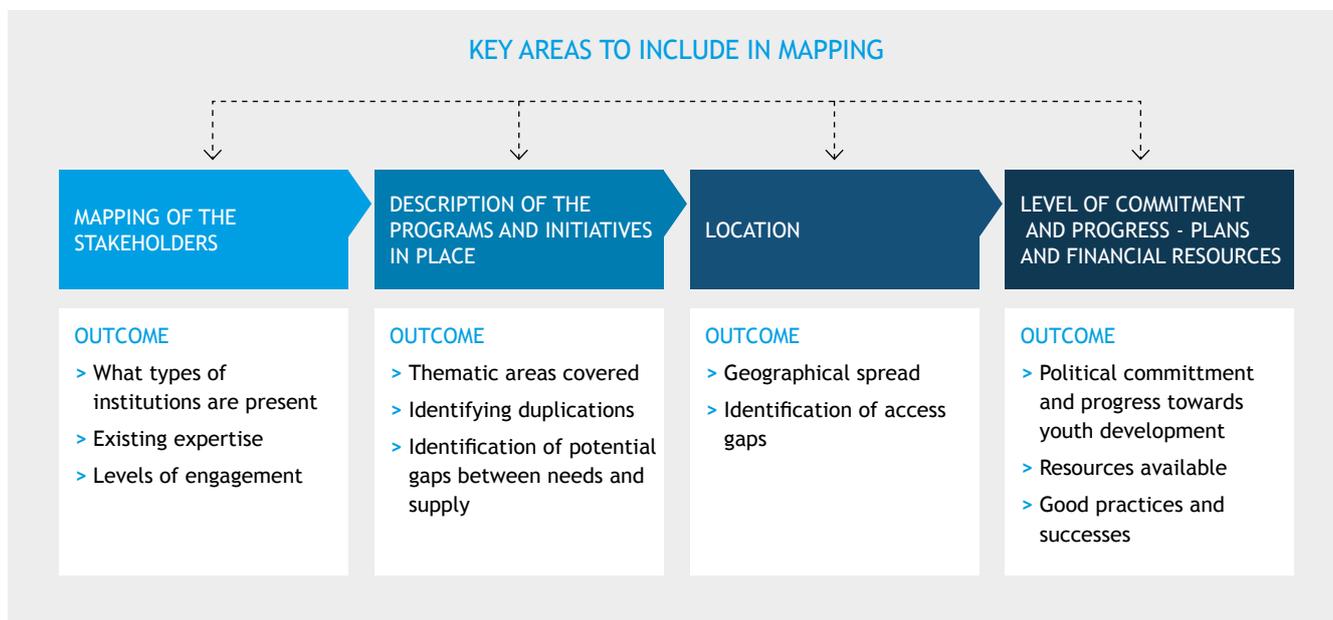


TABLE 2: MAPPING MULTISECTORAL STAKEHOLDERS

QUESTIONS TO ANSWER	<ul style="list-style-type: none"> > What initiatives are already underway to engage youth, increase their financial inclusion and enhance their economic potential? > Do any of these initiatives have identified gender considerations? > Which organizations (public, private and NGO) are working in the youth economic development space? > What specific areas of youth development do the initiatives cover? > What is the scale of their outreach and their geography? > Which actors could potentially play a role in the NFIS coordination structure?
HOW TO	<ul style="list-style-type: none"> > Desk review (via internet and solicited information from public actors) to identify programs and organizations with possible youth-inclusion activities. > Key informant interviews to identify and connect to known actors, using a snowball sampling approach. > Interviews with public, private and non-profit programs to detail their activities, target group, gender considerations, etc. > Follow-up secondary research, such as review of websites, action plans, evaluations and other literature and reports.
OUTPUTS	<ul style="list-style-type: none"> > A representative list of existing initiatives engaged in youth development, typology of the organisations managing them and funding levels. > For each identified initiative, a summary of the existing youth-related activities, organizational priorities, along with scope, scale and geography. > Overview of youth-specific expertise in the country; analysis of current gaps in activities, geographic coverage and/or technical expertise, such as gender inclusion. > Identification of organizations and individuals that would be relevant and interested to participate in the formulation and/or implementation.

an overview of the approach to take in stakeholder mapping.

STEP 4. IDENTIFY A CHAMPION AND KEY CONTRIBUTORS

AFI member experience and industry best practice show that designating a leading institution and/or point person(s) is key to maintaining momentum toward effective financial inclusion. This concept of a “champion” also applies to integrating a youth component into a NFIS. A champion ensures that the youth inclusion perspective is consistently brought to bear in broader financial inclusion policy conversations, that there is a go-to entity for youth inclusion questions and coordination, and that the formulation and implementation of a youth financial inclusion strategy proceeds according to national goals.

A champion can be nominated (formally or informally) at the government level or from the non-profit or private sector, depending on the local context and capacities. The champion does not necessarily require existing expertise in youth issues, but the individual or entity should have the stature and influence necessary to convene key stakeholders, tap experts in the field for their input, participate in policy discussions and maintain a contextually appropriate level of focus on the country’s youth financial inclusion goals. The suggested role of a champion is to:

- > Advocate for and build broader awareness of the relevance of youth financial inclusion.
- > Engage key multisectoral stakeholders in actively contributing to youth strategy formulation and integration.
- > Engage with Women’s Ministries and other key stakeholders to ensure gender considerations are integrated into youth initiatives.
- > Oversee progress toward youth financial inclusion.
- > Respond to government and other stakeholder queries on youth financial inclusion policy.
- > Influence the development of relevant government action plans with a youth lens.
- > Spearhead the youth inclusion diagnostic.
- > Play an active role in the formulation of youth financial inclusion policy.

Although a designated champion has clear advantages, the actors and approach for guiding youth inclusion policy development will depend on the local context. Countries have adopted various approaches to driving financial inclusion policy, which are relevant for youth inclusion as well. Indonesia adopted a top-

down approach with a high-level champion, the Vice President, reflecting the importance of financial inclusion to government goals. The Vice President coordinated relevant ministries and line agencies, and also established an advisory group, or “national team” to oversee poverty alleviation (Figure 5). In Nigeria, the designated champion is part of the financial sector; the Central Bank of Nigeria coordinates, leads and steers a range of stakeholders that are organized in several formal and informal forums (Figure 6).² The UK opted for a financial inclusion taskforce (Box 3). While these examples are not specific to youth inclusion, they are informative for considering options to successfully advance a youth inclusion strategy.

The policy stock-taking and stakeholder mapping steps provide ideal opportunities to identify potential champions and/or key contributors. References in this Guideline Note to the youth inclusion “champion” can be applied to whatever entity, task force or group of actors is deemed appropriate for carrying out the proposed activities. It is recommended that the youth financial inclusion champion participate in: (a) the youth strategy diagnostic and strategy formulation phases, and (b) the overarching NFIS governance structure, as further described below.

A. YOUTH-RELATED ADVISORY DURING PRE-FORMULATION AND FORMULATION PHASES

Whether a country is integrating a youth component during the initial formulation of a NFIS or adding a youth strategy to an existing NFIS, knowledgeable gender aware, youth-related stakeholders and perspectives will be critical to developing a locally-relevant, practical and impactful youth financial inclusion strategy. One recommended approach is to create a youth advisory or multisectoral group of key contributors bringing a vested interest or expertise in youth inclusion. Such a group might include representatives from government institutions, private sector, non-profit organizations, academia, women’s organizations and/or youth representing organisations (youth councils, committees, clubs). The advisory group may complement and support the champion or even play the role of champion in carrying out the youth inclusion diagnostic and formulating a national youth financial inclusion strategy. The case of the UK illustrates the importance and role of an advisory group (Box 3).³

2 The Indonesia and Nigeria examples are based on: The G20 Principles for Innovative Financial Inclusion: Bringing the Principles to Life--Eleven Country Case Studies, Global Partnership for Financial Inclusion and Alliance for Financial Inclusion, 2011.

3 These examples are also based on: The G20 Principles for Innovative Financial Inclusion: Bringing the Principles to Life--Eleven Country Case Studies, Global Partnership for Financial Inclusion and Alliance for Financial Inclusion, 2011.

FIGURE 5: THE CASE OF INDONESIA: HIGH-LEVEL GOVERNMENT CHAMPION

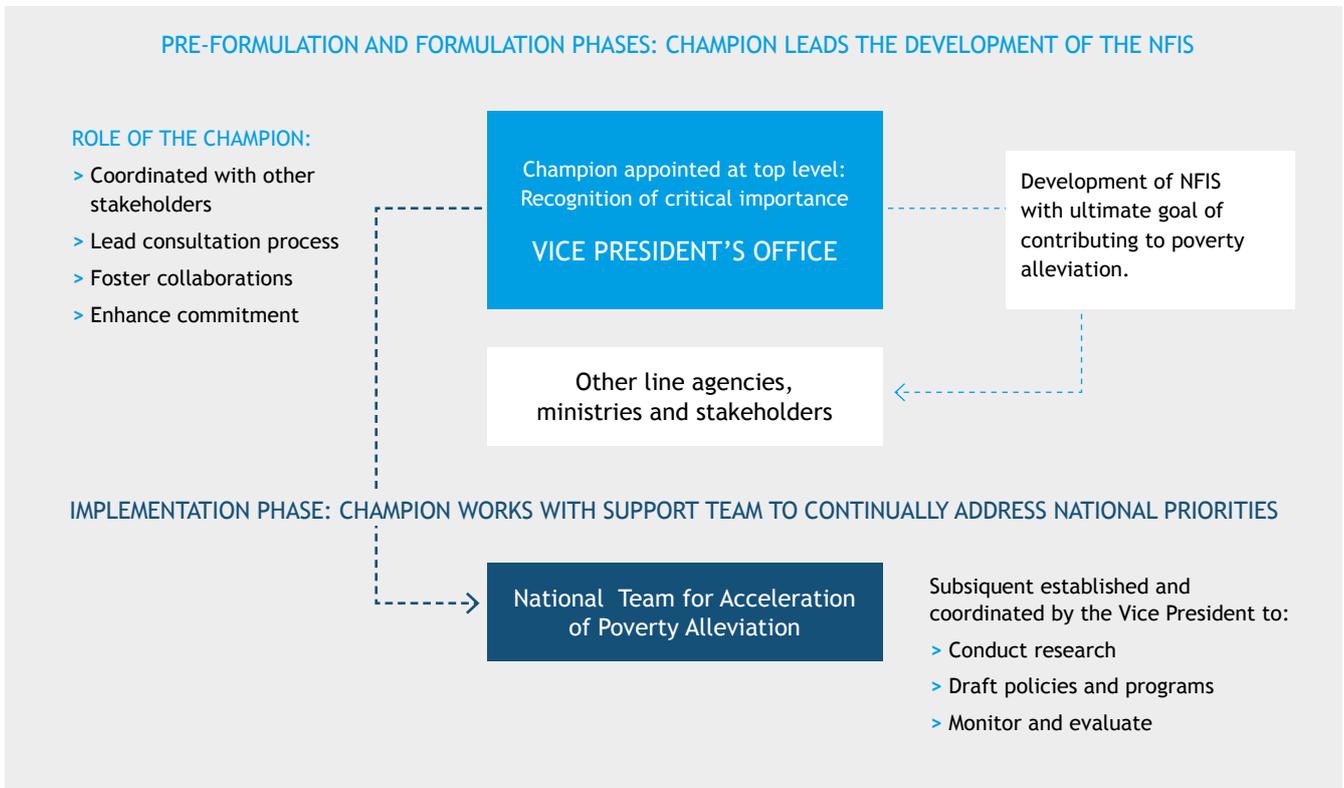
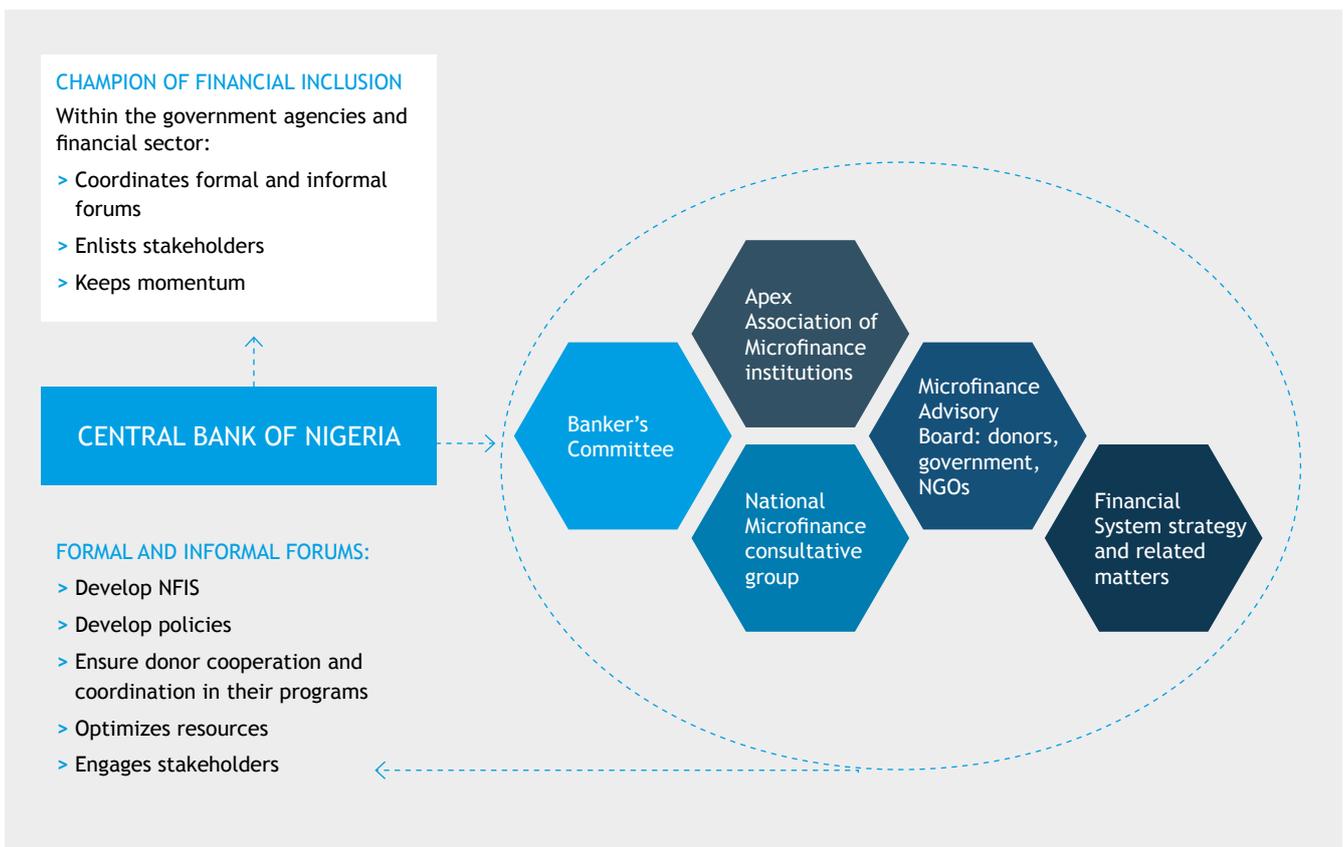


FIGURE 6: THE CASE OF NIGERIA: FINANCIAL SECTOR CHAMPION



BOX 3: UK FINANCIAL INCLUSION TASK FORCE

In the UK, during the process of developing a national financial inclusion strategy, a voluntary Financial Inclusion Task Force was created. The task force was a non-decision-making body providing advocacy and strategic direction during the pre-formulation and formulation phases, as well as into implementation. The inclusion of a wide range of stakeholders ensured the legitimacy of the task force. The task force engaged formal financial sectors entities, the NGO sector and other experts to work in deepening and widening financial inclusion.

The task force's main tasks were to:

- > Play an advocacy role.
- > Provide strategic direction.
- > Foster research to enable identification of evidence-based priorities and recommendations.
- > Encourage stakeholder engagement and strengthen cooperation.
- > Influence and monitor the adoption of recommendations and initiatives.

The task force was organized in subgroups that gathered regularly to carry out detailed analysis and discussion of specific topics.

B. INTEGRATING YOUTH INTO THE NFIS GOVERNANCE STRUCTURE

Once the NFIS is in place, stakeholders related to youth inclusion should be represented in the NFIS governance structure for the purpose of maintaining an informed focus on the youth component, as well as monitoring and promoting ongoing progress toward gender sensitive national youth inclusion targets. The key contributors to the youth strategy formulation could continue in an advisory role, serving as a platform for dialogue on youth-related issues. Given the cross-cutting nature of youth financial inclusion, a multisectoral stakeholder group can be valuable over the longer term for:

- > Monitoring the progress done from a more holistic perspective
- > Continuing to provide technical input on youth financial inclusion
- > Reviewing and advising on action steps
- > Promoting and supporting ongoing multi-sectorial engagement

The organization of such a steering mechanism varies from country to country. Some notable examples of how to integrate youth within the governance structure of the NFIS are Tanzania and Sierra Leone. In Tanzania the Ministry responsible for Youth is the key member of a national coordination mechanism comprising of three committees, the National Council, the National steering and National technical committees while,

other stakeholders responsible for youth participate in the coordination through invitation in the implementation of the NFIS. In Sierra Leone, youth is represented by key stakeholders in each of the Central Bank's financial inclusion working groups: financial literacy, financial products and services, MSME finance and digital financial services. Annex C provides a sample NFIS governance structure for introducing a youth component.

STEP 5. CONDUCT A YOUTH INCLUSION DIAGNOSTIC

While the youth policy analysis and stakeholder mapping provide a strong foundation for strategy formulation, an analysis of youth financial inclusion status, gaps and opportunities will be important for fine-tuning relevant youth inclusion goals and developing a responsive implementation plan. The youth inclusion diagnosis constitutes the backbone of the strategy formulation, covering three main areas: youth socioeconomic data, youth financial inclusion regulations and best practices, and youth financial behavior patterns and needs (Figure 7). In addition, the diagnostic serves later as a baseline against which progress can be measured and all data collected should also be disaggregated by sex. The Youth Financial Inclusion Policy Framework provides further background and information on the purpose and elements of the diagnostic.

A. DEVELOP A SOCIOECONOMIC DESCRIPTION OF YOUTH IN THE COUNTRY

The diagnostic should start with describing the country's youth population, in terms of their demographic and social characteristics, preferably disaggregated by life stages and sex. This analysis helps to determine the relative size and needs of the target group. For instance, if youth constitute a large and growing proportion of the population, then the needs of this group will have to be even more central to the nation's financial inclusion strategy. The resulting demographic profile will also inform the case for directing resources toward youth financial inclusion and feed into the priorities and implementation plan for youth financial inclusion.

Table 3 outlines this recommended analysis.

FIGURE 7: COMPONENTS OF THE DIAGNOSTIC OF YOUTH FINANCIAL INCLUSION



TABLE 3: DEVELOPING A SOCIOECONOMIC DESCRIPTION OF THE TARGET GROUP

<p>QUESTIONS TO ANSWER</p>	<p>Demographic dimension</p> <ul style="list-style-type: none"> > What is the share of youth in the total population? > What is the gender distribution of youth? > How is youth distributed throughout the country? <p>Socioeconomic dimension - disaggregated by sex</p> <ul style="list-style-type: none"> > What is the education level of youth? > What is the occupation profile? > What is the rate of employment/unemployment? <p>Cultural dimension - disaggregated by sex</p> <ul style="list-style-type: none"> > What is the percentage of youth that is married? > What are the gender gaps in education and employment?
<p>HOW TO</p>	<p>Common sources for this information:</p> <ul style="list-style-type: none"> > National census > Household surveys > Data from education ministry on students by level of education > Data from ministries such as youth and gender > Living standards measurement surveys > Labour force surveys > UN Population Fund
<p>OUTPUTS</p>	<ul style="list-style-type: none"> > Size of the youth population in the country > Structure of youth population according to life cycles > Evidence of gender gaps > Information on youth employment, unemployment and underemployment > Education levels and distribution, including by gender and geography

B. ANALYZE COUNTRY-LEVEL BARRIERS AND OPPORTUNITIES FOR YOUTH FINANCIAL INCLUSION

The AFI Youth Policy Framework recommends mapping the state of youth financial inclusion and existence of youth-friendly and youth-inclusive financial products and services in the country, at the outset of strategy formulation, as well as periodically over time, it is important to undertake this youth mapping through a gender lens. The analysis should examine age restrictions, collateral, guarantee and KYC requirements, as well as gender-sensitive youth-friendly policies and initiatives implemented to date, and assess the implications for youth across different life stages. A framework for this exercise is reproduced in Table 4. Additional resources for related analyses are included in Annex B and the AFI Youth Policy Framework.

C. EXAMINE YOUTH FINANCIAL BEHAVIOR AND NEEDS

Understanding how different youth segments manage their money is important for identifying gaps and areas

for policy amendment. Treating youth as a target group within a NFIS is still a relatively new concept and often, the youth segment is combined with other underserved groups (e.g. women, rural, farmers). The diagnosis should shed light on how different youth segments obtain money, save, spend and (eventually) borrow for business and other purposes (Hoskins and Perdomo, 2011; SEEP Network, 2013).

The analysis should be disaggregated by life stages and where possible, at least by gender and geographic location, between other variables depending on the context. The analysis should aim to:

- > Define young people’s level of access to and usage of formal financial services.
- > Identify patterns of financial management.
- > Identify the level of financial capability of youth.
- > Identify the main financial inclusion challenges experienced by youth.

TABLE 4: FRAMEWORK FOR YOUTH FINANCIAL INCLUSION REGULATORY LANDSCAPE ANALYSIS

CATEGORY	EARLY ADOLESCENTS (12-14 YEARS OLD)	LATE ADOLESCENTS (15-17 YEARS OLD)	YOUNG ADULTS (18-24 YEARS OLD)
LEGAL AGE FOR FINANCIAL PRODUCTS (SAVINGS/CREDIT)	> Implications for youth under legal age: Is parental/guardian approval required for transactions?	> Implications for youth under legal age: Is parental/guardian approval required for transactions?	Not applicable
LEGAL AGE FOR ELECTRONIC WALLETS	> Implications for youth under legal age: Is parental/guardian approval required for transactions?	> Implications for youth under legal age: Is parental/guardian approval required for transactions?	Not applicable
KYC REQUIREMENTS	<ul style="list-style-type: none"> > Are KYC tiered? What are the different tiers? > To what extent are the different KYC requirements appropriate for young people and do they permit access for youth? 		
FINANCIAL EDUCATION STRATEGIES	<ul style="list-style-type: none"> > To what extent is financial education content integrated in the national educational curriculum? > Is digital financial literacy addressed in financial education programs? > Are the gender dimensions of financial education covered? 		
MSME STRATEGIES	<ul style="list-style-type: none"> > What MSME initiatives are in place targeting young people? > To what extent are the MSME initiatives linked to financial services? 		
INNOVATIONS	<ul style="list-style-type: none"> > What regulatory innovations, including regulatory sandboxes and crowdfunding, are available to promote financial inclusion? > To what extent are these regulatory innovations resulting in financial products for young people and young entrepreneurs? 		
CONSUMER PROTECTION	<ul style="list-style-type: none"> > What consumer protection measures are in place to address gender-specific, youth-specific needs, constraints and risks? 		
GENDER CONSIDERATIONS	<ul style="list-style-type: none"> > What gender-specific regulatory barriers or enablers are there that impact the access and usage of the formal financial system by young men and young women? 		

Table 5 provides suggestions for this element of the diagnostic.

TABLE 5: EXAMINING YOUTH FINANCIAL BEHAVIOR AND NEEDS

<p>HOW DO YOUNG PEOPLE GET MONEY?</p>	<p>Demand-side data - disaggregated by sex:</p> <ul style="list-style-type: none"> > Sources of inflows (pocket money from parents, occasional jobs, permanent employment, family business, entrepreneurial activity, etc.).
<p>HOW DO YOUNG PEOPLE SAVE? WHY DO YOUNG PEOPLE SAVE?</p>	<p>Supply-side - disaggregated by sex:</p> <ul style="list-style-type: none"> > Number of savings accounts. > Deposit balance. > Frequency of deposits. > Average deposit amount and average balance. > Growth in deposits, balance and accounts. > Rate of dormancy. <p>Demand-side - disaggregated by sex:</p> <ul style="list-style-type: none"> > Reasons for saving. > Other forms of savings: at home, in kind, in informal group savings. > Reasons for choosing formal or informal.
<p>HOW DO YOUNG PEOPLE SPEND?</p>	<p>Supply-side - disaggregated by sex:</p> <ul style="list-style-type: none"> > Patterns of withdrawal - frequency and average amount. > Number of payment transactions including digital (e-wallet, online banking, debit cards, ATM). > Volume of transactions. > Number of debit cards issued. <p>Demand-side - disaggregated by sex:</p> <ul style="list-style-type: none"> > Spending purpose (leisure, education, clothes, household support).
<p>DO YOUNG PEOPLE BORROW? HOW DO THEY MANAGE THEIR DEBT?</p>	<p>Supply-side - disaggregated by sex:</p> <ul style="list-style-type: none"> > Number and volume of loans. > Source of loans - bank, MFI, personal. > Average loan amount and maturity. > Repayment history. <p>Demand-side - disaggregated by sex:</p> <ul style="list-style-type: none"> > Reasons for choosing the sources of loans (MFI, bank, personal). > Main difficulties or challenges with borrowing. > Purpose and use of loans.
<p>WHAT IS THE POTENTIAL FOR EXPANDING DIGITAL FINANCIAL SERVICES (DFS)?</p>	<p>Supply-side - disaggregated by sex:</p> <ul style="list-style-type: none"> > Youth with mobile phones. > Youth with home internet. > E-money accounts. > Volume of transactions through MMOs. <p>Demand-side - disaggregated by sex:</p> <ul style="list-style-type: none"> > Motivations for using mobile money and other DFS. > Uses of mobile money/DFS. > Satisfaction with and demand for DFS.

D. ENGAGE YOUTH IN THE DIAGNOSTIC

AFI members and inclusive financial sector best practices recommend that youth themselves play a role in the design of mechanisms for youth inclusion; it is important that a balance of male and female youth voices is included. In the diagnostic exercise, youth voices are essential for understanding patterns of behavior and youth perceptions of financial services. Youth input can take place via surveys, focus group discussions and in-depth interviews. Making use of youth clubs' meetings, sports events, school clubs or during extra-curricular activities, and any other opportunity linked to their leisure time is a good way to reach youth efficiently and obtain quality information, and this needs to be undertaken in a gender-inclusive way. Some countries, such as Lesotho, have added more specific analysis beyond the standard surveys (Box 4); and Jordan offers a good example of a youth-specific diagnostic covering all the areas discussed (Box 5).

BOX 4: THE DEMAND-SIDE DIAGNOSTIC SURVEY IN LESOTHO

During the diagnostic phase, Lesotho carried out a very comprehensive survey: "Making Access Possible: Lesotho Country Diagnostic Report" in 2014. This included supply-side information, regulatory assessment and a deep demand-side analysis with several steps. First was the FinScope survey conducted in 2011, as well as insights generated by qualitative demand-side research in the form of focus group discussions and individual consumer interviews conducted as input to the study

BOX 5: JORDAN - EXAMPLE OF DIAGNOSTIC OUTCOME CONSIDERING YOUTH AS ONE OF THE TARGET GROUPS

During the development of the National Financial Inclusion Strategy of Jordan (2018-2020) the diagnostic phase considered to include youth as target in the survey conducted. The results looked into most of the areas required and showed:

- > Percentage of the population between the age of 15 and 24 (official national youth definition)
- > Youth unemployment rate
- > Youth participation in entrepreneurial activity
- > Financial inclusion rate by age categories: from 15 to 24 and 25 and above
- > Differences in access to formal and informal financial services
- > Characteristics of usage of accounts by ages 15 to 17 and 18 and above, loans for 15 to 17 and 18 to 24
- > Demand of services by youth
- > Perception of youth by financial service providers

By the end of Phase 1, a formal or informal mechanism to lead the integration of youth financial inclusion should be in place with a diagnostic, complete with documentation on youth financial characteristics and needs as a sex-disaggregated target group. This will pave the way for the formulation of an appropriate gender-inclusive vision, targets, monitoring system and implementation plan in Phase 2.



PHASE 2: FORMULATION

- > Formulate strategic vision, goals and targets
- > Establish data collection and monitoring
- > Develop youth implementation plan

In Phase 2, a youth financial inclusion strategy is developed according to the country's NFIS, gender-sensitive youth-related priorities, capacity and budget, as identified in the pre-formulation phase. The formulation phase includes capturing youth in the financial inclusion vision statement and setting milestones to track progress toward youth inclusion. Disaggregated data indicators and efficient monitoring approaches will be identified, and an NFIS implementation plan developed to address youth as a key target group.

STEP 6. FORMULATE STRATEGIC VISION, GOALS AND TARGETS

Effective youth financial inclusion calls for integrating gender-sensitive youth-inclusive language and measures throughout the NFIS – from the vision and overarching goals to the concrete actions to be undertaken.

Formulating the vision, goals and measurable targets allows the champion and multisectoral stakeholders to explore their collective rationale for youth inclusion and agree on the focus of the strategy's implementation. This step within the process should be undertaken in a collaborative and participatory manner, with the benefit of perspectives and ideas from across the landscape of youth empowerment initiatives in the country.

A. DESIGN A COMPELLING VISION STATEMENT

The vision statement is a short, aspirational description of what gender-sensitive youth financial inclusion will look like in the country at a future point in time. This may be a standalone statement for youth financial inclusion specifically, or it may be an integration of language into the country's broader NFIS strategy. Table 6 summarizes the vision development process.

B. IDENTIFY STRATEGIC GOALS FOR YOUTH FINANCIAL INCLUSION

A set of strategic goals concretizes the vision statement by drilling down into specific outcomes of the vision. Table 7 presents suggestions for this process.

C. SET MEASURABLE TARGETS FOR YOUTH FINANCIAL INCLUSION

A final action in this step is to translate the gender-sensitive youth financial inclusion goals into measurable targets that permit active management and progress toward the shared vision. As the GPFI Financial Inclusion Targets and Goals Note (2013) points out, "targets are a powerful tool to translate the ambition of goals into practical outcomes." The AFI National Financial Inclusion Monitoring and Evaluation Toolkit defines targets as "a specification of the quantity and/or quality to be realized for a key indicator by a given date." Targets should note the gender dimensions that are usually set for the full period of the NFIS. They are important to express specific commitments and to build the sex-disaggregated tracking and monitoring system to quantify the expected outcomes. Table 8 offers a recommended approach for setting youth inclusion targets.

TABLE 6: DEVELOPING A VISION FOR YOUTH FINANCIAL INCLUSION

<p>QUESTIONS TO ANSWER</p>	<ul style="list-style-type: none"> > Why is financial inclusion important for youth development? > What may be achieved through effective implementation of the strategy? > How does targeting youth in NFIS align with the national youth policies? > What outcomes do we seek to achieve in the short, medium and long terms? > How can it be ensured that the vision being developed is gender-sensitive?
<p>HOW TO</p>	<p>The champion leads this process in coordination with the advisory group of key multisectoral stakeholders:</p> <ul style="list-style-type: none"> > Draw on the diagnostic to review evidence of the importance of addressing youth as a key target for financial inclusion action. > Consider how youth financial inclusion addresses the goals of the national youth policies. > Ensure that key youth inclusion stakeholders have an active role and voice in the vision statement development and that key gender considerations are also included. > Develop a youth-specific vision statement and/or integrate gender-sensitive and youth-specific language into the NFIS vision statement. > Seek consensus to arrive at a short vision statement that is inspiring to all key stakeholders.
<p>OUTPUTS</p>	<p>A documented vision of what will become reality as a result of a successful youth financial inclusion strategy. AFI member examples:</p> <p>Tunisia Financial Inclusion Strategy 2018 - 2022: “The Financial Inclusion Strategy aims to ensure in the coming years, the access and usage of diversified range of financial products and services adapted to the users, and affordable for all the economic agents of Tunisia, and in particular, to youth, women, rural population and MSMEs.”</p> <p>Jordan National Financial Inclusion Strategy 2018 - 2020: gives special attention to certain priority segments, the most vulnerable groups which traditionally have lower levels of financial inclusion, namely: youth (15 to 24-year-olds in general; 15- to 18- year-olds in particular), women, refugees, and the bottom 40 percent of households in terms of income (at the so-called bottom of the pyramid).</p> <p>Zimbabwe National Financial Inclusion Strategy 2016 - 2020: While the strategy focuses on improving financial inclusion for all Zimbabwean adults, it also recognizes the needs of special interest groups, namely “women, youth, MSMEs, the rural and the small-scale agricultural communities.”</p>

TABLE 7: HOW TO INTEGRATE YOUTH INTO THE STRATEGIC GOALS

<p>QUESTIONS TO ANSWER</p>	<ul style="list-style-type: none"> > What needs to be done in relation to different segments of the youth population to achieve the vision? > What opportunities, resources and existing efforts can we leverage and bolster in order to work toward our vision? > What youth financial inclusion gender and policy gaps exist in the current context and what are the main hurdles to youth financial inclusion? > Given our context and broader NFIS, where do we need to focus first in order to remove barriers and increase youth financial inclusion? > What are our main priorities for gender-sensitive youth financial inclusion in short, medium and long terms?
<p>HOW TO</p>	<p>The champion guides the key stakeholders to:</p> <ul style="list-style-type: none"> > Discuss and agree on answers to the questions above, distilling ideas into a set of goals. > Prioritize the barriers to be overcome as identified in the diagnosis stage and focus on macro-level interventions, such as changes in policies and regulatory framework, investments or practices. > Group strategic goals into categories and develop statements that succinctly cover the key points.
<p>OUTPUTS</p>	<p>A set of strategic goals with specific reference to policy areas and objectives to achieve. AFI member examples:</p> <p>Sierra Leone National Strategy for Financial Inclusion 2017 - 2020: (a) Data and measurement strategic goal: “Ensure collection of disaggregated data (gender, age, ethnicity, disability) on the financial sector.” Disaggregated data is critical for identifying and quantifying barriers as well as developing appropriate policies and products to meet the needs of the underserved. (b) “To enable financial services and delivery channels to leverage technology to design and deliver services for a diverse range of population including women, youth, rural-based population and MSMEs.”</p>

TABLE 7: CONTINUED

OUTPUTS <i>CONTINUED</i>	<p>Fiji National Financial Inclusion Strategic plan 2016 - 2020: strategic goal aimed at the empowerment of women, youth and those living with disabilities, by increasing partnership with NGOs and civil society representing them with the government, education, product development, promotion of savings culture, digital services leverage among tech savvy, innovative products, innovation and relaxation of rules and procedures to address barriers.</p> <p>Burundi National Financial Inclusion Strategy 2015 -2020: A strategic goal is to make available “quality financial services and products that match the need of the target clientele” and specifically, to “develop approaches and products for women and youth” (this includes products, encouragement to belong to savings groups, education and guarantee schemes).</p> <p>Eswatini National Financial Inclusion Strategy 2017 -2022: Quality of financial services strategic objective aims to encourage the financial sector to make quality financial services and products available that match the needs of the target clientele of the NFIS through, and among others specifically mentioned, developing approaches and financial products and services for women and youth.</p>
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TABLE 8: SETTING MEASURABLE TARGETS FOR YOUTH

QUESTIONS TO ANSWER	<ul style="list-style-type: none"> > What observable changes will we see if we are making progress toward our stated goals and vision? > How can we quantify our observations, assigning sex-disaggregated objective measures and using data sources that already exist or are feasibly instituted in the near term? > What budget and timeframe do we have to work with, and what can realistically be achieved within those constraints? > Who plays a role in achieving the targets, and how can we secure their commitment and cooperation? > How can we reinforce and maintain political commitment to the vision, goals and targets?
HOW TO	<ul style="list-style-type: none"> > The champion and key stakeholders actively collaborate to set targets. > The champion and key stakeholders should participate in the NFIS budget decision process. > Design a NFIS governance structure that reflects the importance of youth (see earlier section on integrating youth inclusion into the NFIS governance structure).
OUTPUTS	<p>A set of measurable targets specific to youth and reflected as concrete commitment linked to the Maya Declaration. For example:</p> <ul style="list-style-type: none"> > Fiji National Financial Inclusion Strategic plan 2016 - 2020: To increase the number of youths with formal accounts from 51 percent to 81 percent by 2020. > Jordan National Financial Inclusion Strategy 2018 - 2020: Continue to champion the financial education program into the existing Jordanian school curriculum from class 7 to class 11 by 2020; increase the financial inclusion access of Jordan youth (15-22 years) by 25,000 per year by 2020. <p>A set of quantified and measurable targets that have broader target groups but include youth, such as:</p> <ul style="list-style-type: none"> > Ghana National Financial Inclusion and Development Strategy 2018 - 2023: The overall objective of the NFIDS is to increase the adult population’s access to formal financial services from 58 percent to 85 percent by 2023; it will focus on highly excluded groups, including rural residents, northern regions, women, the poorest quartile of the population, and youth. > Tonga National Reserve Bank of Tonga in its Maya Declaration Commitment: “Develop and improve access to finance by 20 percent over the next 5 years, focusing on: (1) SMEs in the agricultural, fisheries and tourism sectors, and (2) SMEs for women and youth.” <p>Ideally, the youth targets need to work toward the reduction of the gender gaps by including the dimensions of gender to ensure young women are included at the same rate as young men.</p>

Boxes 6 and 7 present examples from Fiji and Jordan of how youth has been integrated throughout their national financial inclusion strategies from the vision and the formulation of targets, to the selection of concrete actions for implementation. Box 8 shows how Peru has integrated youth and elderly people into its NFIS with specific actions to improve access, usage and quality of financial services for such vulnerable groups.

BOX 6: FIJI'S NFIS FOR YOUTH FINANCIAL INCLUSION 2016 - 2020

Fiji NFIS acknowledges the youth as an important target by formulating a specific commitment to the Maya Declaration: "To increase the number of youths with formal accounts from 51 percent to 81 percent by 2020." To keep with this target, it specifically included youth in one of the strategic goals of the NFIS together with some other disadvantaged groups: "Strategic goal 1: Empower women, youth and those living with disabilities through improved access, usage and quality of financial services and products."

To achieve this, there are some regulatory measures listed, such as: "Encourage innovation and relaxation of financial rules and procedures (AML/KYC) to address barriers faced by these groups."

Non-regulatory elements include:

- > **Encouraging PPPs:** "Increase membership, affiliation and partnerships of target groups with Government, Non-Government Organisations (NGOs) and civil society organisations."
- > **Fostering linkages:** "Link income-generating activities including Micro, Small and Medium Enterprises (MSMEs) and targeted programs in the various economic sectors, including equal employment opportunities at all levels in the private and public sectors."
- > **Encouraging innovation:** "Leverage technology and digital financial services, especially amongst young people who are digitally savvy to enable this target group to maximise their economic participation."
- > **Financial education:** "Empower target groups through training on financial competency. Training can link to leadership, awareness of human rights issues, health and quality of life through partnership, networking and coordination with women, youth and disabled groups and increased collaboration and partnership with NGOs." And "Inculcate a culture of savings."
- > **Product development:** "Develop innovative and tailor-made services and products to fully harness economic opportunities of this group."

BOX 7: THE CASE OF JORDAN: FROM POLICY ALIGNMENT TO INTEGRATION OF YOUTH INTO THE NFIS 2018 - 2020

The Jordan 2025 National Vision and Strategy plan sets the overall goal of the country as "improving the welfare of citizens and the basic services provided to them, to make a balanced society where opportunities are available to all." And sets the economic growth target for the country as a national rate of growth of 7.5 percent by 2025 and a reduced poverty rate of 8.0 percent and unemployment rate to 9.17 percent from the baseline levels among others.

The National Vision is further defined by the Jordan Economic Growth Plan 2018-2022 (JEGP), which in turn, further develops those main targets into more granular level and addresses specific youth-related issues such as unemployment.

The NFIS is aligned with the Jordan 2025 National Vision and Strategy and the Jordan Economic Growth Plan. It contributes to the main objective of reducing youth unemployment by fostering "new and more adequate funding sources and other financial services for the current, largely financially-constrained MSMEs, to drive the generation towards more and better employment, including for the low-income segments and the large share of unemployed youth."

In the NFIS, the youth is part of:

- > The vision that acknowledges youth as a target group: "the NFIS for Jordan gives special attention to certain priority segments, the most vulnerable groups which traditionally have lower levels of financial inclusion, namely: the youth (15 to 24-year-olds in general; 15 to 18 year-olds in particular), women, refugees, and the bottom 40 percent of households, in terms of income (at the so-called bottom of the pyramid)." That translates into a quantified goal and commitment to Maya Declaration: to increase the financial inclusion access of Jordan youth (15-22 years) by 25000 per year by 2020.
- > The laws, regulations, instructions enabler: "The youth aged from 15 to 18 are more likely to be financially restricted since they can't open bank accounts without the supervision of guardians by law. CBJ is working on a legal or regulatory amendment that could remove this obstacle." This in turns has its targets and strategic measures.
- > And finally, with a set of key financial inclusion indicators, such as:
 - Borrowed from a financial institution in the past year, young adults (% ages 15-34).
 - Account, young adults (% ages 15-34).
 - Saved at a financial institution, young adults (% ages 15-34).
 - Made or received digital payments, young adults (% ages 15-34).

BOX 8: PERU’S APPROACH TO INTEGRATING YOUTH IN THE NFIS

The vision statement of the Peru NFIS is “to improve the wellbeing of Peruvians through financial inclusion.” The NFIS states that particular attention should be paid to vulnerable groups, including youth under 25 and elderly, as a category.

The key actions cited for expanding financial inclusion of youth and elder people groups are:

- > To improve access: digitalize government payments program and create incentives for financial services providers to expand to underserved areas.
- > To improve usage: review the legal barriers and business practices for opening, transferring and managing accounts (for youth and groups).
- > To improve quality: carry on financial education in schools and strengthen contracts, and develop standard formats, in particular for beneficiaries of social programs.

**STEP 7.
ESTABLISH A DATA COLLECTION AND MONITORING SYSTEM**

With the strategic vision, goals and measurable targets in hand, the next step is to align sex-disaggregated data collection and monitoring systems so that progress toward youth inclusion may be efficiently and effectively tracked.

A. DISAGGREGATED DATA FOR MEANINGFUL YOUTH INCLUSION MONITORING

The Youth Policy Framework stresses the importance of data collection as one of the four dimensions to advancing youth financial inclusion and underscores the value of collecting data disaggregated by age bracket, gender and other variables. Table 9 covers how to tackle this action.

B. INTEGRATING YOUTH INTO THE NFIS MONITORING SYSTEM

The AFI National Financial Inclusion Monitoring and Evaluation Toolkit emphasizes the importance of a solid monitoring system to provide information on the NFIS implementation progress, inform decisions, build in transparency and accountability, and create a knowledge base for the future. The NFIS indicators developed should follow the Theory of Change⁵ and respect the AFI Core Set of Financial Inclusion Indicators (Guideline Note 4, 2013), the Denarau Action Plan⁶ and the G20 Financial Inclusion Indicators (2012) that measure access, usage and quality at the outcome and impact levels. In order to measure implementation progress, output indicators should also be formulated.

5 See the AFI National Financial Inclusion Monitoring and Evaluation Toolkit for details on the development and implementation of a theory of change.
6 https://www.afi-global.org/sites/default/files/publications/2019-07/Denarau_FS19_AW_digital.pdf

TABLE 9: EMBEDDING YOUTH-DISAGGREGATED DATA INTO DATA COLLECTION SYSTEM

ACTIONS TO TAKE	<ul style="list-style-type: none"> > Define all the parameters for disaggregation. > Set clear disaggregation criteria with priority levels: <ul style="list-style-type: none"> - Critical: by gender and by age, following the recommendations of the Youth Policy Framework. - Advisable: Location and education. > Discuss the feasibility of implementing these modifications with the supply-side data providers and agree on the extent of changes to be made. > Develop a transition plan for all financial inclusion data providers.
HOW TO	<ul style="list-style-type: none"> > Request all supply-side data providers to follow the defined disaggregation criteria. > Seek agreement from demand-side data providers to modify the disaggregation criteria in existing data collection processes, wherever possible. > Negotiate with the national statistics agencies to modify data collection procedures to introduce disaggregated indicators in any relevant surveys they may implement, such as household surveys and labour force surveys. <p>Example: In Sierra Leone, the Central Bank entered into an MoU with the statistics agency to explore financial inclusion data collection options as part of regular financial surveys.</p>
OUTPUTS	<ul style="list-style-type: none"> > Consistent data compilation covering youth indicators according to gender and different age brackets or life stages. > Adapted classification of youth to allow a harmonized definition of youth in all policies. > A data set that permits cross tabulation to: <ul style="list-style-type: none"> - Identify phases to roll out youth financial inclusion activities that offer the highest potential for enhancing access to and use of financial services; - Conduct more granular analyses and identify segments that may require tailor-made initiatives to be included in the NFIS. > Feed the monitoring system with data necessary for measuring the progress toward youth financial inclusion.

When a youth financial inclusion strategy is being integrated into the NFIS, the monitoring system should also include gender-sensitive indicators specific to youth financial inclusion. Table 10 provides recommendations for verifying and adapting the monitoring system to cover youth-specific targets.

Among AFI members' existing NFIS, there are some good examples of core financial indicators for access and usage, as shown in table 11.

In addition, Jordan has built a comprehensive set of indicators to measure access, usage and quality with some age-disaggregation to reflect the different life cycles that stakeholders found applicable to their context (Box 9).

STEP 8. DEVELOP AN IMPLEMENTATION PLAN FOR YOUTH INCLUSION

Once the vision, strategic objectives and targets have been agreed, and the data collection and monitoring system is under review and adaptation, the youth inclusion strategy needs to become operational. The youth action plan translates high-level objectives and practical targets into concrete actions within a specific timeframe and budget, specifies key performance indicators, and clarifies the responsibilities of all stakeholders. Table 12 summarizes the development of a youth financial inclusion action plan and its integration into the broader NFIS implementation plan.

TABLE 10: INTEGRATING YOUTH INTO THE NFIS MONITORING SYSTEM

ACTIONS TO TAKE	<ul style="list-style-type: none"> > Adapt a gender-sensitive set of core indicators to measure financial inclusion, based on the NFIS action plan, including the outcomes relating to youth. This is done by: <ul style="list-style-type: none"> - Collecting the disaggregated data for the core indicators for access, usage and quality of the NFIS; - Adding any specific youth core financial inclusion indicator if needed. > Develop indicators for outputs of the activities and outcomes expected in the implementation plans following the Theory of Changes outlined in the AFI NFIS M&E toolkit. > Integrate those indicators in the tracking system and in the reporting template.
HOW TO	<ul style="list-style-type: none"> > The champion and key stakeholders agree on indicators during the development of the NFIS action plan to measure access, usage and quality of youth financial inclusion related to youth. > During the development of the granular and yearly plans,⁷ the key stakeholders in different working groups propose gender-sensitive output and outcome indicators for tracking youth financial inclusion progress. > The NFIS unit responsible for monitoring integrates the disaggregation parameters agreed for data collection and specific youth indicators to allow retrieval of youth-specific data.
OUTPUTS	<ul style="list-style-type: none"> > A gender sensitive set of core indicators to measure the progress of youth financial inclusion, based on access, usage and quality. > A set of output and outcome indicators for measuring the progress of the granular and annual action plans with regards to youth. > The inclusion of disaggregated data in the monitoring reports, following the data collection guidelines recommended in the Youth Policy Framework. > A reporting template that includes a youth financial inclusion section with a transversal perspective.

BOX 9: THE CASE OF JORDAN: COMPREHENSIVE AGE-DISAGGREGATED INDICATORS

In the National Financial Inclusion Strategy of Jordan 2018 - 2020 there is a comprehensive set of core indicators that measure access, usage and quality. Most of the indicators included are also in turn, disaggregated to collect data relevant to each identified target group of the strategy. Youth is one of them and the categorization made is first, a more general outlook covering those aged 15 to 24 (youth age definition of the country) and then, splitting into young people from 15 to 17 and those from 18 to 24. This reflects the two different life cycles identified for the Jordan case. The indicators cover:

ACCESS	USAGE	QUALITY
<ul style="list-style-type: none"> > % that has an account at a financial institution. > % that has a type of insurance. > % that has access to a mobile phone or house internet. > % that has a debit card. 	<ul style="list-style-type: none"> > % that borrowed from an institution in the last year. > Saved money at a financial institution in the past year. > % that received and/or made domestic remittances in general and from formal channels 	<ul style="list-style-type: none"> > Financial knowledge score.

TABLE 11: EXAMPLES OF YOUTH SPECIFIC INDICATORS FROM SOME COUNTRIES' NFIS

ACCESS INDICATORS	<ul style="list-style-type: none"> > Fiji National Financial Inclusion Strategic plan 2016 - 2020: % of new accounts at a formal financial institution opened by young (15 to 30). > Burundi National Financial Inclusion Strategy 2015 -2020: % of adult population age 18 to 30 with at least one deposit account in a licensed FI. > Sierra Leone National Strategy for Financial Inclusion 2017 - 2020: Percentage of new account(s) at a formal financial institution - Youth (aged 15-35) (from supply-side: FSPs). > Zambia National Financial Inclusion Strategy 2017 - 2022: % of youth financially included formal and informal. > Zimbabwe National Financial Inclusion Strategy 2016 - 2020: % of accounts for young adults between 15 and 24.
USAGE INDICATORS	<ul style="list-style-type: none"> > Tanzania: specific for youth (under all adults regularly use financial services to save, borrow, transact and mitigate financial risks) % of youth who have used financial services in the last 30 days. > Jordan National Financial Inclusion Strategy 2018 - 2020: Borrowed from a financial institution in the past year, young adults (% ages 15-34) and made or received digital payments, young adults (% ages 15-34).

TABLE 12: CREATING A YOUTH INCLUSION ACTION PLAN WITHIN THE NFIS IMPLEMENTATION PLAN

ACTIONS TO TAKE	<ul style="list-style-type: none"> > Ensure that the NFIS implementation plan is aligned with the youth inclusion strategy, goals and targets. > Ensure that strategic goals for youth inclusion are translated into concrete gender-sensitive actions that contribute to advancing the NFIS targets. > Translate the actions into budget and allocate a timeframe. > Ground the action plan in a gender-sensitive monitoring system.
HOW TO	<ul style="list-style-type: none"> > Ensure that the champion and key stakeholders take active role in developing the NFIS implementation plan and youth inclusion action plan. > Define the human resources and technical skills needed to carry out youth inclusion actions and the responsible stakeholder for each action. > Identify financial and human resources for each action proposed. > Develop indicators to measure the progress of the action plan implementation.
OUTPUTS	<ul style="list-style-type: none"> > A set of actions for each strategic goal addressing youth financial inclusion, including priority, sequence and anticipated timeframe. > A concrete budget, proposed source(s). > A designated point person and/or staff for each activity. > A set of gender-sensitive indicators for the strategic goals measuring access, usage and quality and for actions measuring outputs and outcomes.

7 The development of the granular plans is done at the beginning of the implementation phase once the steering committee and the working groups for this phase are established. In these guidelines, the monitoring plan incorporates the actions needed to build the monitoring system as a whole. This crosses through different phases of the NFIS.



PHASE 3: IMPLEMENTATION

- > Integrate youth in implementation plans
- > Coordinate ongoing multisectoral engagement
- > Reinforce youth awareness and capacity
- > Monitor and report on youth indicators

By the beginning of the implementation phase, the youth inclusion strategy and its integration into the NFIS will be complete and ready to activate, as a result of intensive activity in Phases 1 and 2. During implementation, the main actions will be to ensure that the youth agenda is carried out, in a gender-sensitive way and as part of the NFIS implementation plans, to continue building multisectoral engagement and capacity, and to monitor and report on youth financial inclusion progress, challenges, risks and opportunities.

STEP 9. INTEGRATE YOUTH IN IMPLEMENTATION PLANS

At the beginning of the implementation phase, the NFIS implementation plan⁸ should break down each action into more granular activities with specific outputs and timing. These granular plans are developed by the working groups and secretariat. To ensure that the youth component is addressed, the granular plans and activities should be reviewed and adjusted as needed, to reflect the youth policies, vision and targets. Table 13 provides an overview of this step.

STEP 10. COORDINATE ONGOING MULTISECTORAL ENGAGEMENT

The multisectoral aspect of youth economic empowerment necessitates ongoing attention and inputs from a variety of perspectives. Just as multisectoral stakeholders will have played a central role in the formulation of a youth inclusion strategy, a similar range of actors should continue to participate in less intensive ways throughout implementation. The youth champion should continue to engage such stakeholders over the long term.

For example, multisectoral stakeholders can:

- > Continue to represent the youth perspective as part of NFIS thematic working groups.
- > Convene periodically to review progress and challenges associated with the youth inclusion in the NFIS implementation plan.
- > Serve as a youth consultation group for ongoing dialogue, periodic market research or evaluations, and occasional collaboration on plans for responding to new challenges or seizing new opportunities.

STEP 11. REINFORCE AWARENESS AND CAPACITY FOR YOUTH INCLUSION

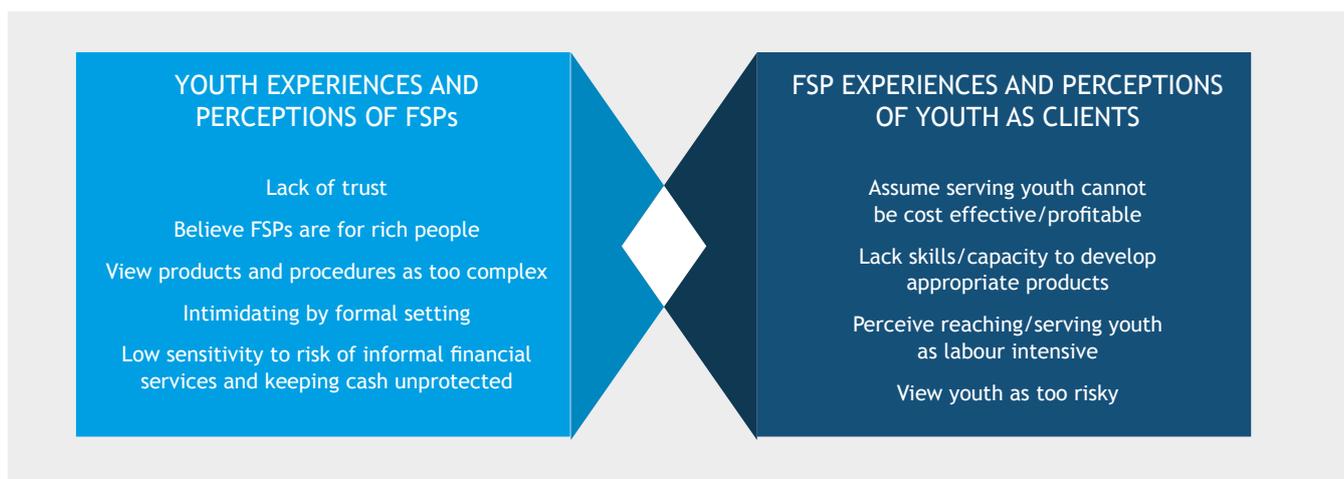
The youth champion and key stakeholders also play an important role in keeping a spotlight on youth economic engagement. In order to achieve the vision for youth financial inclusion, the youth perspective needs to be represented in policy conversations. Stakeholders can also continue to build macro-level awareness of the importance of youth in inclusive finance and related development initiatives by examining policies from the perspective of youth engagement, communicating outcomes and results, detecting opportunities to reinforce youth financial inclusion and calling on experts to advise on youth-inclusive modifications, when needed.

⁸ These implementation plans are conceived during the NFIS formulation phase; see Alliance for Financial Inclusion, Policy Model for National Financial Inclusion Strategy, September 2020.

TABLE 13: ENSURING THAT THE YOUTH ACTION PLAN IS CARRIED OUT VIA NFIS IMPLEMENTATION

<p>QUESTIONS TO ANSWER</p>	<ul style="list-style-type: none"> > Is the youth action plan, including gender sensitive targets, indicators and activities, covered in the annual implementation plan? > What actions need to be undertaken before moving on to next steps? > How much time is required to complete various steps, so that they can be incorporated appropriately in annual plans? > How does annual fluctuation in resources impact the youth action plan, and what adjustments need to be made to activities to ensure forward momentum within the budget?
<p>HOW TO</p>	<ul style="list-style-type: none"> > The youth inclusion champion should lead a gender-sensitive review of the action plan against the annual implementation plans, in consultation with the advisory group. > The champion and youth inclusion representatives within the thematic working groups will collaborate with NFIS colleagues to coordinate, adjust and accommodate the youth inclusion activities and data collection—maintaining attention on the youth angle.
<p>OUTPUTS</p>	<ul style="list-style-type: none"> > Implementation plans that incorporate youth as a target group in the activities and include youth-specific activities and sex-disaggregated data collection, where necessary.

FIGURE 8: ANALYSING YOUTH AND FSP PERCEPTIONS



Macro-level attention to build capacity for youth inclusion can be particularly important for financial service providers, who are key actors in youth financial inclusion. Figure 8 shows some demand-side and supply-side barriers that policymakers can indirectly influence. Capacity building for youth and their families (for example through financial literacy in schools and programs specifically targeted at young women) and for financial service providers (for example through blended finance initiatives promoting youth entrepreneurship and the development of gender-sensitive products and services) can be built into NFIS implementation and annual plans. As an example, Bank of Zambia has understood the importance of intersectionality and is collecting sex-disaggregated data to support women and youth financial inclusion. Understanding the needs of different sectors means they have been able to introduce an awareness campaign and capacity building interventions for financial service providers as a result of their diagnostic (Box 10).

BOX 10: BANK OF ZAMBIA'S AWARENESS AND CAPACITY BUILDING OF FSPs TO INCLUDE YOUTH AS TARGET CUSTOMER

As a result of the diagnostic phase and the development of the National Financial Inclusion Strategy, it became obvious that efforts were needed to strengthen the business case for FSPs to serve youth. Bank of Zambia, in partnership with Child and Youth Finance International (CYFI) and later the Savings Banks Foundation for International Cooperation (SBFIC), conducted awareness and capacity building for FSPs to promote the importance of including the various youth segments as customers and how it is relevant to FSP business performance. The campaign emphasized the value of youth deposits as an affordable funding source and the investment in youth as building a loyal clientele for the future.

STEP 12. MONITOR AND REPORT ON YOUTH INDICATORS

Gender sensitive youth financial inclusion progress reporting should be embedded in the regular NFIS reporting process in coordination with M&E teams. It is recommended that the report have a section dedicated to youth indicators. This approach highlights the youth segment more prominently, enables a high-level view of the progress in youth financial inclusion and helps to identify gaps and challenges to be addressed in future action plans. By mainstreaming youth financial inclusion as part of the broader NFIS report and also maintaining a government-level youth champion and key stakeholder advisors, countries will be well-positioned to keep youth at the forefront of their strategies to enhance financial inclusion and advance national economic development.

BOX 11: COMMUNITY BASED MONITORING IN PALESTINE

The National Financial Inclusion Strategy of Palestine foresees a community-based monitoring component that adds to the regular monitoring system established in the strategy. This unique approach engages selected communities, such as university students and youth organizations to collect data on relevant components of the strategy. Community-based monitoring will be one key element of the mid-term review that is planned for 2023.



CONCLUSION

This Guideline Note has outlined concrete approaches and actions to consider for the successful integration of youth financial inclusion into a NFIS. Developed as a practical companion resource to the AFI Youth Policy Framework, the Guideline Note for Integrating Gender and Women’s Financial Inclusion into National Strategies and the AFI Policy Model for National Financial Inclusion Strategy, this document has sought to guide policymakers in addressing the unique constraints and challenges faced by the critical population segment of youth.

The recommended steps fall into three phases.

In Phase 1, pre-formulation entails gathering information on the existing policies, stakeholders and activities influencing youth financial inclusion, as well as the characteristics and constraints that drive youth economic participation and financial behavior. With the engagement and input of multisectoral stakeholders, this phase results in a documented, evidence-based understanding of youth needs and opportunities that will inform a national vision and goals for youth financial inclusion in Phase 2.

During Phase 2 (the formulation phase), after a clear vision, goals and targets have been identified, efficient gender-sensitive data and monitoring indicators to cover youth targets are integrated, and youth-specific actions are embedded in the NFIS implementation plan.

Phase 3 then calls for the youth strategy to be put in action as part of the country’s broader NFIS and with the suggested ongoing participation of an advisory group to maintain focus and momentum for effective youth financial inclusion progress over time.

This Guideline Note draws extensively on the experiences of AFI members to date, as gleaned via a member survey, direct interviews and a literature review. AFI is committed to building on the experiences of its members to advance global financial inclusion. We hope that these member examples and recommendations provide a valuable tool for opening the path to financial inclusion for many more young people in AFI member countries and beyond, in the years to come.

ACRONYMS

AFI	Alliance for Financial Inclusion
AML	Anti-Money Laundering
ATM	Automated Teller Machine
FI	Financial Institution
FSP	Financial Services Provider
GPFI	Global Partnership for Financial Inclusion
KYC	Know Your Customer
MSME	Micro, Small and Medium Enterprise
NFIS	National Financial Inclusion Strategy
NGO	Non-Governmental Organization
SEEP	Small Enterprise Evaluation Project
PAR	Portfolio at Risk
PPP	Public-Private Partnership
UN	United Nations

ANNEX A: AFI MEMBER NFIS INCLUDING YOUTH

Here are examples of how several AFI members have formulated statements on youth in their National Financial Inclusion Strategies.

COUNTRY/INSTITUTION/ DOCUMENT	YOUTH INCLUDED AS SPECIFIC TARGET IN THE NATIONAL FINANCIAL INCLUSION STRATEGY
FIJI - National Financial Inclusion Strategic Plan 2016-2020	To increase the number of youths with formal accounts from 51% to 81% by 2020.
PALESTINE - National Financial Inclusion Strategy 2018 - 2025	To increase the level of financial capability in the targeted segments of the population and specifically improve financial capability among students in schools, universities and community, and promote financial capability among women, youth and unemployed people.
SAMOA - National Financial Inclusion Strategy 2017 -2020	To promote economic empowerment and participation of underserved segments, especially women and youth, for inclusive growth.
SOLOMON ISLANDS - National Financial Inclusion Strategy 2016-2020	All of Solomon Islands' men, women and youth throughout the country have the opportunity to be financially competent and have access to a full range of financial services that help them achieve greater financial security and financial opportunity.
ZAMBIA - National Financial Inclusion Strategy 2017 - 2022	To improve quality and availability of financial products and services for youth.
BURUNDI - National Financial Inclusion Strategy 2015-2020	The objectives and activities of the NFIS target the following clients in particular: women and youth by making available quality financial services and products that match the need of the target clientele of NFIS, specifically to develop approaches and products for women and youth (this includes products that encourage to belong to savings groups, education and guarantee schemes).
LESOTHO - Financial Inclusion Roadmap 2014 - 2020	The inclusive finance strategy broadly targets the low-income people in Lesotho excluded from the mainstream formal financial system, namely MSMEs, smallholder farmers engaged in production, processing, and marketing of agricultural products; women; youth; men; self-employed; and, disadvantaged groups in rural and urban areas.
ZIMBABWE - National Financial Inclusion Strategy 2016 - 2020	To facilitate access to usage of quality and affordable financial services by all Zimbabweans and while the strategy focuses on improving financial inclusion for all Zimbabwean adults, the strategy also recognizes the needs of special interest groups, namely women, youth, MSMEs, the rural and the small-scale agricultural communities. This includes financial system/institutional innovation, product innovation and financial literacy.
PHILIPPINES - Banko Sentral ng Pilipinas 2016	To promote a "wide range of financial products and services" that refer to a full suite of basic products and services for different market segments, particularly those that are traditionally unserved and underserved. These include, e.g., savings account, checking/current account, pensions, youth savings, microdeposits.
TANZANIA - National Financial Inclusion framework 2018 -2022	This Framework will prioritize young adults aged below 25 years. Enabling this group with digital IDs, access to phones and life skills will allow them to fulfil their dreams and live productive lives. Failure to address the needs of the youth can be detrimental to both the economy and society in general.
JORDAN - National Financial Inclusion Strategy 2018 - 2020	To increase the financial inclusion access of Jordan youth (15-22 years) by 25000 per year by 2020 and continue to champion the financial education program into the existing Jordanian school curriculum from class 7 to class 11 by 2020.
CENTRAL BANK OF SIERRA LEONE	To enable financial services and delivery channels to leverage technology to design and deliver services for a diverse range of population including women, youth, rural-based population and MSME.

COUNTRY/INSTITUTION/ DOCUMENT	YOUTH INCLUDED AS SPECIFIC TARGET IN THE NATIONAL FINANCIAL INCLUSION STRATEGY
ESWATINI - National Financial Inclusion Strategy 2017 - 2022	To encourage the financial sector to make quality financial services and products available that match the needs of the target clientele of the NFIS. Develop approaches and financial products and services for women and youth.
UGANDA - National Financial Inclusion Strategy 2017 - 2022	These priority groups include women, residents of rural areas, and youth above 15 years old by addressing the gap why youth cannot directly open accounts, hindering their access to financial services. Action proposed is to Introduce a legal/regulatory exemption amendment that allows youth (ages 15-17) to open savings accounts in their own right.
TUNISIA - National Financial Inclusion Strategy of 2018 - 2022	The Financial Inclusion Strategy aims to ensure in the coming years the access and usage of diversified range of financial products and services adapted to the users, and affordable for all the economic agents of Tunisia and in particular to youth, women, rural population and MSMEs.
GHANA - National Financial Inclusion and Development Strategy 2018 - 2023	The overall objective of the NFIDS is to increase the adult population's access to formal financial services from 58 percent to 85 percent by 2023; it will focus on highly excluded groups, including rural residents, northern regions, women, the poorest quantile of the population, and youth.
MADAGASCAR- National Financial Inclusion Strategy, 2018 -2022	"Pursue financial education initiatives (Global Week Money, School Bank, etc.)" "Develop innovative savings products for youth"
NIGERIA 2012 - 2020	"Few products are tailored to key excluded groups: Women, youth, people in the North, rural people, and SMEs"
MALAYSIA - Financial Sector Blueprint, 2011 - 2020	"Enhancing the knowledge and skills of teachers in the formal school system to effectively deliver financial education to students of different ages"; "Promote financial capability as an essential life skill through the integration of financial education into the formal school and higher learning curriculum."

ANNEX B: FINANCIAL INCLUSION INFORMATION SOURCES

SOURCE	TYPE OF DATA	USE OF DATA	GEOGRAPHY, AGE AND GENDER DISAGGREGATION
GLOBAL FINDEX	Demand-side financial inclusion indicators for people 15+	Assess extent of access and usage of financial services	<ul style="list-style-type: none"> > Global > Indicators for Age disaggregation for all indicators > Age and gender disaggregation available only in the microdata database, which requires additional calculations for country and regional aggregates
FINSCOPE	Demand-side financial inclusion indicators for people 15+	Assess extent of access and usage of financial services	<ul style="list-style-type: none"> > Available only for a few countries > Age disaggregation for numerous indicators > Age and gender-disaggregation not widely available
FINANCIAL ACCESS SURVEY - IMF	Supply-side financial inclusion indicators for people 15+	Assess extent of available financial services	<ul style="list-style-type: none"> > Gender, but not age disaggregation
ILOSTAT	Labor indicators for people 15+	Extent of employment and labour	<ul style="list-style-type: none"> > Global > Age and gender disaggregation, but country and regional aggregates require additional calculations

USEFUL REFERENCES

TYPE OF INFORMATION

THE BUSINESS CASE FOR YOUTH SAVINGS: A FRAMEWORK (CGAP, 2014)	Business case of youth savings.
BUILDING THE BUSINESS CASE FOR YOUTH FINANCIAL SERVICES: FURTHER INSIGHTS FROM THE YOUTHSTART PROGRAMME (UNCDF, 2015)	Business case of youth financial services.
SHOW ME THE MONEY: COST AND REVENUES OF YOUTH SAVINGS AND FINANCIAL EDUCATION SERVICES OFFERED BY CREDIT UNIONS IN MALI AND ECUADOR	Business case of youth savings.
CLIENT PROTECTION FOR YOUTH CLIENTS: UNCDF-YOUTHSTART TECHNICAL NOTE(UNCDF, 2013)	Youth Consumer Protection Guidelines.
PROMOTING WOMEN AND YOUTH FINANCIAL INCLUSION FOR ENTREPRENEURSHIP AND JOB CREATION	Business case highlighting the importance of financial inclusion of women and youth to support entrepreneurship and job creation.
BANKING A NEW GENERATION: DEVELOPING RESPONSIBLE RETAIL BANKING PRODUCTS FOR CHILDREN AND YOUTH (CYFI, 2014)	Child & Youth Friendly Banking Products

ANNEX C: SAMPLE NFIS GOVERNANCE STRUCTURE INCLUDING YOUTH

A common structure for NFIS guidance is a National Council for financial inclusion strategy at the helm, working with the support of a Steering Committee and Thematic Working Groups (Figure 4). At the operations level, there may also be a National Financial Inclusion Secretariat to coordinate research, planning, monitoring and reporting on participants and activities.

FIGURE 4: SAMPLE NFIS GOVERNANCE STRUCTURE



Since youth financial inclusion is relevant to all pillars of a NFIS, youth inclusion is considered a cross-cutting theme. Clear representation of youth financial inclusion in the governance structure is an important element to ensure that youth financial inclusion will be carried forward. Table 3 illustrates ways to ensure youth-focused representation in a National Council, Steering Committee and Thematic Working Groups, and suggests ways to ensure youth-focused representation.

TABLE 3: YOUTH REPRESENTATION IN THE NATIONAL COUNCIL, STEERING COMMITTEE AND THEMATIC WORKING GROUPS

HIGH-LEVEL - (SUCH AS NATIONAL COUNCIL)	
EXISTING MEMBERS	YOUTH-SPECIFIC MEMBERS
<p>Members are high-level representatives of government who can influence policies, change regulatory frameworks, and secure funds to implement the strategy. For example:</p> <ul style="list-style-type: none"> > Ministers or deputy ministers of finance, education, economy (treasury departments), justice, communications. > Governors or vice-governors of regulatory and supervisory institutions. 	<p>The Minister or Vice-Minister of the ministry that deals with youth affairs should be ideally included. Their presence in the council is necessary to push for the necessary regulatory reforms.</p> <p>The Minister of Education is also a relevant member to include, because financial education is usually at the top of youth financial inclusion priorities, and financial education is often embedded in school programs.</p>

TABLE 3: CONTINUED

MESO-LEVEL (SUCH AS STEERING COMMITTEE)

EXISTING MEMBERS	YOUTH-SPECIFIC MEMBERS
<p>Members of the Steering Committee are key decision makers, generally CEOs and directors of the institutions involved in the implementation of the strategy, in addition to civil service heads of relevant ministries and regulatory bodies. For example:</p> <ul style="list-style-type: none"> > Government Ministries (finance, education, treasury, communications) and agencies such as statistical services. > The private sector represented by associations and major companies playing a role in the financial inclusion agenda. > Development partners engaged in financial inclusion and providing technical assistance. 	<p>The government institution championing youth financial inclusion should be included at this level. In addition, the following are relevant for participation in the NFIS steering committee:</p> <ul style="list-style-type: none"> > Heads of relevant departments of ministries concerned, such as education and women’s affairs. > Youth councils or any national youth entity that represents youth directly. > Major development partners involved in youth economic development.

THEMATIC WORKING GROUPS

MEMBERS	YOUTH SPECIFIC
<p>Decision-making representatives or mid-level managers of the institutions that will play a role on the implementation of the activities planned. While they vary from country to country depending on NFIS priorities, they may include:</p> <ul style="list-style-type: none"> > Ministries, regulators and other government agencies. > Members of academia and key experts in relevant topics. > Private sector institutions (banks and other financial institutions, MNOs). > Associations (banking, microfinance, etc.). 	<p>Although a thematic working group focused on youth is one option, an additional or alternative approach is to distribute a youth-focused representative across each of the working groups. These should be stakeholders identified during the pre-formulation phase and involved in the youth strategy formulation process. Appropriate representatives may come from:</p> <ul style="list-style-type: none"> > Public institutions working with youth. > Youth associations. > Major NGOs and donors engaged youth economic development programs. > Financial service providers. > Private sectors.

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