

ChildFinance Access Working Group

Discussion Paper



ChildFinance



YouthFinance



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Discussion Paper

A Word of Thanks

We would like to thank the experts who have helped us create this document through their knowledge, insight and support, with a special thanks to the the Access working group.

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Executive Summary

With many donor agencies and non-government organizations (NGOs) trying to determine best practices in supporting the holistic development of vulnerable children and youth, child savings accounts (CSAs) offered through a variety of financial service providers (FSPs) have attracted a lot of attention for their ability to strengthen the economic capacity of young people and increase the economic performance of their households and communities. The FSPs offering these CSAs represent a wide spectrum of the international banking sector, from large private commercial banks and government savings institutions to financial cooperatives and credit unions. There is a wealth of information and experience to learn from through current child savings programming, as well as considerable interest in child friendly savings products from various stakeholders within the international banking sector. This is encouraging as it provides the Child Finance movement with a strong basis for support in expanding child friendly banking throughout the world.

This report examines current trends and practices in child savings products, programs and policies in an effort to present a preliminary set of minimum standards for certification in child friendly banking. This report is a working draft that is aimed at gathering the input from the ChildFinance Access Working Group. With their input a final draft of the report will be fed into a ChildFinance White Paper which will be presented to the Basel Committee and other key bodies in order to move the process forward in certification for child friendly banking.

This report is divided into four main sections -

1. Child Finance Theory. The report examines some of the key terms and concepts commonly used by those working around the topic of child savings. Definitions are provided for financial education, financial exclusion, financial capability and the asset affect. Readers will be provided with a common definition of these terms to be used for constructive discussion on questions outlined in the report

2. Child Saving Products. The report will profile some of the leading FSPs offering child savings products and the ways in which they use financial incentives, performance rewards and complementary services to attract and retain young clients. These examples feed into a discussion on the draft minimum standards for child friendly savings and examples are provided of potential models for certified child friendly savings products

3. Child Savings Programs. The report compares FSPs providing stand alone CSAs with NGOs providing child savings programs in partnership with certain FSPs. Key innovations are examined such as the use of group methodology and supporting services to reach target groups of vulnerable children and youth. These examples lead into a discussion on appropriate methodology in child savings programming and how to overcome the challenge of achieving both scale and sustainability in child savings initiatives.

4. Child Savings Policies. The report examines some government policies in different parts of the world that are supporting the expansion of child savings within their countries. These examples are used as a basis for a discussion on the proper role of government bodies, as well as private investors, in supporting the child savings movement. This report seeks the input from representatives of FSPs, NGOs, donors, governments and the private sector in order to build a final version that will provide additional support to the Child Finance Movement, particular in increasing the access of children and youth to savings products that assist in their social and economic development.

1. Introduction

With many donor agencies and non-government organizations (NGOs) trying to determine best practices in supporting the holistic development of vulnerable children and youth, child savings accounts (CSAs) offered through a variety of financial service providers (FSPs) have attracted a lot of attention for their ability to strengthen the economic capacity of young people and increase the economic performance of their households and communities. The FSPs offering these CSAs represent a wide spectrum of the international banking sector, from large private commercial banks and government savings institutions to financial cooperatives and credit unions.

As the international development industry shifts from approaching youth development from a reactionary or charitable standpoint, expanding finance, particularly child savings accounts, is seen as a proactive strategy to increase a child's economic potential, allowing them to have greater control over their personal assets and a brighter outlook on their future. It is, therefore, imperative that those in the child savings movement engage a broad selection of FSPs that have the financial capacity, social motivations and the brand reputation to offer sustainable child friendly savings products on a large scale that best meet the needs of children and youth throughout the world.

This report will explain some of theoretical concepts behind the child finance movement and explore some of the characteristics of the products and programming currently being carried out through child savings initiatives around the world. By surveying a portion of the leading FSPs providing CSAs and child savings programming, the report will propose a set of criteria that can be applied to an international set of minimum standards as they apply to child friendly savings products. The report will ask programmers a series of questions on how this criteria can be best implemented in a way that allows for child friendly savings products in different parts of the world to achieve significant scale while remaining financially sustainable for FSPs. Finally, the report will make some recommendations on strategies and programming models that could support the expansion of the child savings movement worldwide.

2. What is Child Finance?

While the social and economic development of children require a holistic package of services, ranging from health education to community support networks, finance for children and youth is an important component that is

increasing in scale throughout the world. ChildFinance can be described as a movement to “support the creation and strengthening of systems, structures and policies which provide children with choices, informs them of their rights, instills in them values, empowers them to make sound financial decisions, build their assets and invest in their own futures.”¹ It is a concept born from the experiences of organizations promoting financial education and financial access to children and youth across the world. ChildFinance stresses the importance of early financial education of a high standard supported by a financial system which promotes access to safe and fair financial products and services for children and youth.

The ChildFinance movement has declared the following goals:

- Empower children to take control of their lives so they can live free from poverty and debt
- Reach 100 million children around the world by 2020 with social and financial education and access
- Facilitate a global multi-stakeholder partnership to make Child and Youth Finance a regular topic on the agendas of global policy makers and opinion leaders

In order to advance the movement, ChildFinance, together with experts from the different fields, has defined five strategic pillars during the ChildFinance Expert Meeting held in June 2010.

ChildFinance is constructed around four main strategic pillars that drive the movement: Education, Access, Regulation and Media. These are supported by a fifth pillar: continuous research and impact assessment. The key strategic pillars of ChildFinance are illustrated in the diagram on the following page.

3. Definition of Terms and Concepts

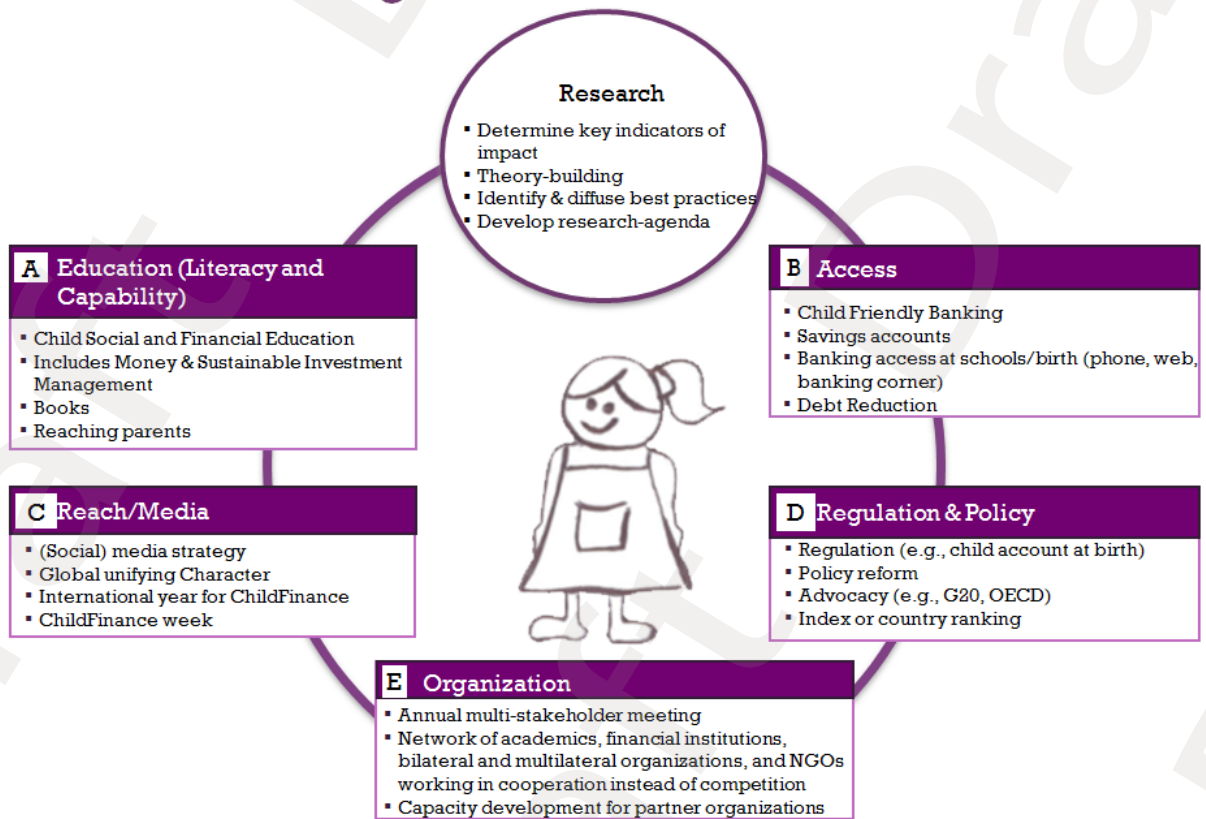
An increasing numbers of donors and practitioners throughout the world are working hard to strengthen the beneficial linkages between financial inclusion and economic development for young people. As a result, a significant amount of terminology is used that may not be familiar to those who are not working regularly in this area. This report will now define some of the commonly used terms in the child finance industry.

Children and Youth

Many organizations working with youth populations around the world attempt to strengthen economic opportunities for young people through market

¹ ChildFinance International 2010

The building blocks of ChildFinance



development, vocational and entrepreneurship training and the provision of inclusive financial services. For the purpose of this report, youth are defined as any person between the ages of 15 and 24, while children are defined as any person under the age of 18. These definitions are consistent with the United Nations Programme on Youth and the UN Convention on the Rights of the Child.²

Improving Financial Capability

Finance for children and youth is seen as a means to achieve greater financial capability amongst young people throughout the world.

Financial capability is a concept that has been described as the “combination of knowledge, understanding, skills, attitudes and especially behaviours which people need in order to make sound personal finance decisions, suited to their social and financial circumstances.”³ This concept certainly involves components of financial education and financial inclusion but relies more extensively on the practical application of financial literacy on the day to day activities affecting the economic lives of the individual in their community. To be financially literate, individuals should be confident in their ability to make informed decisions in managing their personal finances and be able to determine which financial services available to them would be most cost effective. They should have an understanding of the terminology used by financial service providers and have the capacity to utilize these services in a way that can lead to personal growth and economic development.

Financial Education and Financial Inclusion

Many practitioners believe that the extension of financial services to children alone is enough to stimulate financial literacy amongst young people. The practical experience of owning a bank account and setting savings goals can help children learn important skills such as budgeting, understanding how banks work and making prudent financial decisions. Thus, financial inclusion is seen as a critical step in extending these practical learning experiences to children, especially those from low income households. This is particularly important as children and youth have traditionally been underserved by financial service providers based on a prevailing perception that they are a market segment that is too costly to serve with traditional financial products. However, studies have shown that small savers can, over time, generate additional revenue for these institutions through cross-sales of credit and other products, contributing substantially to overall profitability.⁴

² United Nations Website. Frequently asked questions on youth.

<http://www.un.org/esa/socdev/unyin/qanda.htm>

³ Center for Financial Education 2008

⁴ Youth Savings Consortium 2010

Financial inclusion has been defined as a state in which all people who can use them have access to a full suite of quality financial services, provided at affordable prices, in a convenient manner, and with dignity for the clients. Financial services are delivered by a range of providers, most of them private, and reach everyone who can use them, including disabled, poor, rural, and other excluded populations⁵

Keeping in line with this definition, children should also be covered through financial inclusion strategies of financial service providers, NGOs and national governments.

However, other practitioners believe that simply extending financial services to young people does not guarantee that they will use them effectively. This is why many advocate for the provision of financial education alongside the extension of financial services to children and youth. Financial education has been defined as allowing individuals to:

1. Be knowledgeable, educated and informed on the issues of managing money and assets, banking, investments, credit, insurance and taxes
2. Understand the basic components underlying the management of money and assets and
3. Use that knowledge and understanding to plan, implement, and evaluate financial decisions⁶

Financial education can be administered directly by financial institution staff or by extension officers provided by supporting NGOs. Financial education can be provided through school class room sessions, saving group meetings, newsletters and pamphlets available at the bank, or through television, radio and websites. Financial education is seen as important in the context of financial inclusion because, “as previously excluded populations gain access to formal financial services they need to be able to use these services in a productive and responsible manner that will not cause them harm”⁷

Savings Led Approaches and the “Asset Effect”

The microfinance industry has traditionally placed an emphasis on expanding credit services, and empirically proving the link between increased exposure to microloans and reductions in household poverty. However, there is a growing movement amongst NGOs and financial service providers advocating that low income clients, especially children and youth, should first benefit from access to secure savings accounts before any credit services are negotiated. It is through

⁵ Center for Financial Inclusion

⁶ Hogarth 2006

⁷ Financial Inclusion 2008

the accumulation of assets that financial capability is strengthened and economic development is best achieved for these vulnerable populations. In their report on child savings accounts for the Global Asset Project, Meyer, Zimmerman and Boshara argue that, Savings products, policies and programs that are specifically designed to facilitate a child's accumulation of assets at an early age are increasingly considered a viable option for motivating young people to enter formal financial systems, build assets in their youth and throughout their adult lives, and ultimately lead to economic and social advancement for themselves and their families.⁸

At the core of the Asset Theory is the belief that the accumulation of assets through secure savings services will lead to a number of positive effects on the individual, their household and their community. These positive effects include:

- Economic: Increased investment in human and financial capital, the ability to weather shocks and to smooth personal and household consumption.
- Psychological: Improved future orientation and outlook on life
- Social: Greater social empowerment, such as improved social status and feelings of social inclusion, enhanced civic and political engagement.
- Health: Decrease in risky behaviors and improved awareness of personal wellbeing
- Intergenerational: Improved economic/social behaviors and well-being of offspring.^{9,10}

While there has not been a lot of research conducted into the link between asset accumulation and economic development for young people, three projects have been cited that demonstrate how the introduction of child savings accounts have improved the well-being of target populations of poor children and youth. These projects are the TRY Program with K-Rep in Kenya, the SEED project in Uganda and the Population Council/CARE collaboration with SEWA in India.¹¹ Many new initiatives have been started by a variety of stakeholders around the world to further explore this linkage and will be described in greater detail later in this report.

All Inclusive Service Provision vs. Targeted Approaches to Child Savings

It is important to differentiate between the prevailing approaches currently being used by financial services providers in offering savings services to children. Many

⁸ Meyer, Zimmerman and Boshara. Child Savings Accounts, 2008

⁹ Youth Savings Consortium 2010

¹⁰ Sherraden

¹¹ Youth Savings Consortium 2010

of the larger commercial banks and MFIs that offer CSAs do so in an all-inclusive manner, designing savings product that can be utilized by all children that meet the account requirements (Eg. Age bracket, minimum deposit). These products tend to be offered on a wide scale and, with a few exceptions, tend not to include any value added services such as financial education or mentoring.

The other approach often initiated by NGOs, in partnership with financial institutions, involves more holistic development programming of which CSAs are one component of a series of economic and social services offered to children. These programs are often targeted at a particular segment of the youth population:

- The poorest of the poor
- Orphaned children
- Children affected by or living with HIV/AIDS
- Children in rural communities
- Adolescent girls

While these programs have been able to achieve positive development results for their respected target groups, the savings products offered through these programs do not generally reach the same level of scale or financial sustainability as those that take a more commercial, all inclusive approach to product design and delivery. The characteristics of these two approaches to child savings, including their innovations and challenges in the field, will be explored further in the following sections of the report.

Child Savings Initiatives

It is worth mentioning that child savings initiatives generally fall into three different, but often interrelated, categories. The first of these are child savings products, offered by a wide range of financial service providers from commercial banks and MFIs to credit unions and informal savings and credit networks. These products are offered alongside other conventional savings accounts available to adult clients. They have a distinct commercial purpose in that they allow FSPs to build additional financial equity and increase their market share by extending services to younger clientele. They can also have a distinct social purpose in that they allow FSPs to demonstrate good corporate social responsibility by providing much needed services to low income children and youth.

The second category involves child savings programs. These generally occur when an NGO partners with an FSP to include savings within a wider package of services aimed at improving a child's economic, social, psychological or spiritual development. These programs will often combine the savings offered by the FSP with

training or support provided through NGO staff or other community based networks. While the FSP may offer a standard commercial child savings product under these programs that is financially self-sufficient, the some circumstances the FSP can receive some form of financial support from the NGO. The NGO initiating the program generally supports the complementary services through donor funding.

The third category involves child savings policies that are initiated by governments to increase access of children and youth to savings products and further develop a culture of savings amongst this demographic. Governments may choose to take an all-inclusive approach to expanding youth savings behaviours across the country or may elect to target a specific segment of the population that they see as most critical to their national poverty reduction strategy. While these child savings policies generally do not provide the same level of holistic services involved in NGO initiated programs, they have used a variety of financial incentives, such as matching funds or child bursaries, in an effort to increase savings activity amongst children and youth.

This report will focus more on child savings products and programs but will reference child savings policies when appropriate.

4. Child Savings Products

Some FSPs have been offering child savings products in some capacity for years while others have only recently begun to explore the possibilities of serving a younger client base. While some FSPs are motivated to offer CSAs and complementary services to children and youth out of a broader social development agenda, most FSPs offering CSAs do so because it fits into their strategic business planning to build financial equity, expand their market share and strengthen client loyalty. While it is encouraging to see a greater number of FSPs investing in better social performance through innovative child savings initiatives, effective child savings products must remain financially sustainable if they are going to have any long term viability for both the provider and the recipient. This section of the report will examine the demand for child savings products, some of the characteristics of CSAs currently on the market, key innovations in product delivery and challenges encountered in expanding child savings.

Demand for CSAs

This importance of saving money is a valuable lesson that many children receive at an early age. Some countries have developed a more prominent savings culture than others

but the demand for secure savings products for children and youth has been acknowledged to varying degrees throughout both the developed and developing world. While the demand for specific types of savings products may differ by region and market segment, children can demand many of the same general qualities of savings services as low income adults. These qualities include:

- **Security:** Many vulnerable children living in poverty and insecure environments seek reliable savings options that have greater security than many of the informal options at their disposal (Eg. at their home, with adult family members or employers)
- **Flexibility:** Children often cannot rely on a steady source of income and can find it difficult to meet fixed deposit requirements or accept barriers to withdrawing what limited savings they have in their accounts.
- **Convenience:** Children tend to prefer saving with FSPs that make it convenient for them to deposit and withdraw money through branches or staff members that are close to the locations where these children live, work or study.
- **Financial Accessibility:** As children generally do not have a tremendous amount of surplus funds at their disposal, they prefer to save with FSPs that have lower minimum deposit/balance requirements and no service fees.¹²

Given these common demand characteristics, it is no surprise that children tend to prefer savings products that allow for a great deal of financial liquidity. This is the ability for the account holder to withdraw their savings quickly in case of emergency. However, in the interest of building greater financial responsibility and a culture of savings amongst children, many FSPs, and parents for that matter, are reluctant to offer CSAs that are entirely liquid. Illiquid CSAs allow for children to set clear savings goals with their parents and maintain a growing account balance until this goal is reached. Unfortunately, the economic realities of many vulnerable low income children make it difficult to stay committed to these savings goals without some flexibility for emergency withdrawals.

The two most common types of CSAs offered on the market are demand deposit accounts and contractual deposit accounts. Demand deposit accounts, also referred to as current accounts, are flexible and liquid, allowing the client with deposit and withdraw what they wish at any time so long as they meet certain terms and conditions set by the FSP. Some FSPs place limits on

¹² USAID Youth Savings Accounts 2009

the number of withdrawals allowed a year or require parental approval before children can withdraw any funds from their account. Given the relatively low volume of savings and high transactions costs involved with these types of CSAs, FSPs do not see them as overly cost effective and try to encourage account holders to keep their savings locked into their system through a variety of financial incentives.¹³

Contractual deposit accounts are more inflexible and illiquid, encouraging clients to deposit a certain amount on a regular basis and allowing the savings to be withdrawn only at a predetermined time (Eg. at the child's 18th birthday or when school fees are due). Many CSAs have modified this type of product to allow more flexibility in the frequency and volume of savings, along with making exceptions to withdrawal restrictions in order for savings to be used for medical or other serious household expenditures.¹⁴

Terms and Conditions of CSAs

The most common child savings products exhibit a combination of demand deposit and contractual deposit account characteristics. They are generally open to all children under the age of 18 and, while they are held in the child's name, often require a parent or legal guardian to co-manage the account.

Age Limits

Some FSPs may segment their child savings products into different categories based on age, offering products with different terms and conditions or else marketed or delivered through different channels. Examples of these types of age segmentation include:

- National Savings Bank of Sri Lanka which offers three different CSAs: Kiri Keti Hapan (0-3 months), Puchi Hapan (3 months-7 years) and Hapan (7 -16 years)
- FINCA Uganda which offers FINCA Jr. Accounts out of regular bank branches for children 6-17 years old and a Super Savers product through local schools for children 10-14 years old
- MICOPE cooperative network in Guatemala which offers a children's account for those 12 and under and a separate youth account for those 13-17 years old.
- Bancolumbia, one of Columbia's largest commercial banks, which offers a Banconautas account for children 0-13 years and a youth account for those 13-25 years old.

¹³ USAID Youth Savings Accounts 2009

¹⁴ USAID Youth Savings Accounts 2009

Delivery Channels

FSPs generally offer CSAs through the same delivery channels as their regular adult savings accounts, encouraging children and youth to get over their fear of financial institutions, become familiar with banking procedures and save money alongside their parents or other family members. Since most FSPs are interested in keeping transaction costs on client savings accounts to a minimum, they prefer to keep their service delivery methods simple and easy to control from their branch locations. However, some FSPs are discovering that "bringing the bank to the kids" is a more effective way to engage young savers and mobilize a greater volume of deposits. Examples of these types of convenient delivery models include:

- Government Savings Bank of Thailand sets up branches at public schools throughout the country where bank staff work with other school staff to help students open accounts. Deposits are collected and brought to the nearest bank branch at the end of the day.
- Panabo Multi-Purpose Cooperative in the Philippines encourages youth to set up savings clubs at their school. The Coop trains youth savings "officers" that manage each of the savings clubs. Youth can make weekly deposits at these clubs but must still go to the main Coop branches if they want to withdraw any of the money from their accounts.
- Hatton National Bank of Sri Lanka also sets up deposit centers at local schools but requires that students have permission from their parents before they open an account with the bank. Hatton trains select students to manage the deposit centers with supervision from teachers and bank staff. Hatton also delivers financial education through these deposit centers

Account Restrictions

Most FSPs offering CSAs vary on the degree of financial liquidity and parental control they allow on the accounts. They want children to have a positive experience with formal savings but they also want to encourage young people to set savings targets with their parents and discourage them from spending their savings frivolously. From a business standpoint, FSPs have a vested interest in keeping firm withdrawal restrictions as the frequent deposits and withdrawals of young clients are costly to their financial bottom line. However, the economic realities of low income youth have led some FSPs to make exceptions to their account restrictions both out of client compassion and in order to maintain a positive client retention rate. Some examples of these restrictions and exceptions include:

- ING Direct in Canada requires that children 15 and under open their savings account with their parent's permission. The bank gives the parent the authority to determine how much freedom the child will have over the deposits and withdrawals on the account.
- XacBank in Mongolia allows children to set up a Future Millionaires account without parental consent. However, children cannot withdraw any of the money they save until they turn 18 and the account transfers over to a regular adult savings account at the bank.
- Procredit Bank in Ghana requires that children co-manage their CSA with their parents until they turn 15. From 15 to 17 years, the child continues to enjoy the benefits of the CSA but has the authority to manage the account as they see fit. At 18 years, the account is transferred into a regular adult savings account at the bank.
- The Sanasa Primary Society and the Hatton National Bank of Sri Lanka both require parents to co-manage the CSAs with their children and do not permit any withdrawals on the CSAs until the client turns 18. Both make exceptions to this rule in the event of medical emergencies or to fund education or other important living expenses. Hatton will consider exceptions only for "necessities of the minor acceptable to the bank." In the event that they do approve a withdraw, Hatton insists on paying the funds requested directly to the hospital or school indicated by the client's family.

Minimum Deposits, Account Balances and Service Fees
While FSPs are concerned about the financial viability of the CSAs they offer, they understand that children and youth do not have the same levels of disposable income as most adult savers. FSPs need to ensure that their CSAs are attractive and accessible to the young people that will be their potential clients. Numerous service fees and high minimum balance requirements can turn away large numbers of child savers. As a result, FSPs have begun to offer CSAs with lower minimum deposits and fewer fees in an effort to get more youth to save at their institution, but with a few exceptions to make sure that children do not take advantage of the system. Some examples include:

- National Savings Bank of Sri Lanka allows children to open an account with only \$0.05 USD
- Banco Caja Social in Colombia allows children to open an account with \$5 and charges no fees for deposits or withdrawals
- Bangko Kabyan in the Philippines allows children to be a member of a savings club with only \$2 minimum balance

- La Poste in Morocco allows young people to open a savings account with only \$2.25 USD, an amount that is considerably lower than the standard accounts offered by their competitors.
- Mennonite Savings and Credit Union in Canada offers their CSA account holders 10 free ATM withdrawals a month

Key Innovations in CSAs

The market for CSAs in many parts of the world is becoming increasingly competitive, forcing FSPs to make their products more attractive to potential clients through the use of market incentives, performance rewards and value added services.

Market Incentives

In an effort to reduce the costs of savings born on their clients, FSPs are exploring the creative use of subsidies to encourage savings behaviour amongst their clientele. These subsidies also allow the FSP to potentially gain the upper hand on their competitors in the child savings market. These incentives can take the form of seed capital, waived service fees or other financial returns to the client. Some examples of these incentives include:

- Barclay's Bank in Ghana pays a higher rate of interest on their CSAs than their standard adult accounts, while their bank in Uganda pays double the amount of interest on their CSAs at the end of the quarter if no withdrawals have been made by the client during that same period
- BancoEstado in Chile offers their child clients a bonus 10% interest on their savings if no withdrawals have been made over the course of the year.
- Bank Simpanan in Malaysia pays 2% interest on their CSA but this can increase to 3.5% if children average less than one withdrawal a month.
- Equity Bank of Kenya offers free bank checks to CSA holders to pay for school fees
- National Savings Bank of Sri Lanka provides a \$1.75 USD starting balance when parents open up CSA for their newborn child.

Performance rewards

Another way for FSPs to motivate savings amongst their younger clients is to offer a series of performance based rewards. Some FSPs believe that this makes children more excited about achieving savings targets, providing them with more confidence in their financial capability and a more favourable perception of their FSP. Other institutions believe that this is an unnecessary use of operating funds and do not want to give children false impressions of the bank when the children become adult account holders. Here are some examples of FSPs

that use performance rewards to encourage savings behaviour amongst children:

- MICOPE in Guatemala offers scholarships for youth who achieve high savings targets. The Cooperative also holds prize raffles where CSA holders receive one raffle ticket for each \$1 USD they save.
- Proyecto FCF in Ecuador provides child clients with piggy banks and gives them prizes if they can fill their piggy bank within a certain time period.
- Bancolombia provides CSA holders with prizes each quarter if their account balance increases by more than \$37 USD over the course of the same period
- PMPC in the Philippines allows teenage clients that achieve the highest account balances to be youth representatives at credit union events
- Banco de Oro in the Philippines provides CSA holders with vouchers that can be redeemed for discounts at select local retailers
- Seylan Bank in Sri Lanka provides CSA holders with prizes increasing in value each time the client's account balance reaches the next level. CSA holders at Seylan are also eligible for loans when they turn 18 worth up to 200% of their account balance.
- Equity Bank in Kenya and SANASA Primary Society in Sri Lanka are both examples of FSPs that decided to stop offering gifts to clients because they found the service to be too costly.

Value Added Services

Another way for FSPs to add value to the child savings products is to offer a series of complementary services that contribute to the broader social and economic development of their young clientele. As with financial incentives and performance rewards, some FSPs feel that these services are integral in helping their clients to become more financially literate and ultimately more productive members of society. The challenge is that these complementary services can place a considerable cost burden on the FSP and, as a result, many feel that these services are unnecessary and should be the responsibility of governments and social service providers. Nevertheless, here are some examples of FSPs that have been able to successfully offer complementary services to their standard CSAs and pay for them entirely through their own operating budget:

- Hatton National Bank in Sri Lanka offers financial education through their school branches, training children in budgeting, financial terminology and financial negotiations. They also provide scholarships and grants for students that excel at

academics and the performing arts, holding a variety of cultural festivals to showcase the talents of their youth clients.

- Seylan Bank in Sri Lanka awards grants to clients that represent the country at international sporting and cultural events
- PMPC in the Philippines conducts youth leadership trainings as well as financial education sessions through their regular savings club meetings.
- ING Direct in Canada has set up the Planet Orange website, a fun online resource designed to make financial education like a game for children. The website covers topics such as earning money, savings and budgeting, day to day banking, credit, inflation, interest and investing.

Group Discussion: Towards a criteria for child friendly savings products

The examples described in the proceeding section demonstrate some of the innovative ways in which FSPs are making saving products accessible, attractive and useful to children in different parts of the world. One way to guarantee that the design and delivery of child savings products is done in the best interest of the target children themselves is to establish an internationally accepted certification for child friendly banking. This system of certification would act to ensure standardization and quality among child-friendly products and services offered by FSPs around the world, regardless of their geographic location or size of operation.

This global set of minimum standards would be created through a consortium of financial regulators, FSPs, donors and NGOs that aim to expand the child savings movement internationally. This global set of minimum standards will be voluntarily adopted by financial institutions that offer banking products to children, and it will send a message to local clients and regulators that these products are designed and distributed for the benefit of children.

ChildFinance has put forth a proposed set of minimum standards that could provide the basis for certification in child friendly banking. These are being developed and discussed by the ChildFinance Regulation working group and further worked out by a sub-group on Minimum Standards for Child Friendly Banking. A draft version of these minimum standards can be found below in Table 1. Table 2 attempts to provide some ideal characteristics that could form the basis for a second tier, or advanced certification, for FSPs offering child friendly banking services. Since these standards are still very much in the development stage, stakeholders in the child savings movement are invited to debate their content and propose additional points for inclusion.

Table 1: Proposed Minimum Standards for FSPs offering Child Friendly Banking

Core Standards

- Provision of services to all children regardless of income or social standing
- The employment of child friendly communications to outline basic product attributes to children. These were further defined as:
 - Ensuring a constant, accessible and active interface between deposit-taking institution and children
 - Transparency and accuracy in communication with children to ensure they are fully educated about the product, its attributes and functionality
- Withdrawal restrictions and service fees that are in line with the cost structure of the product
- Ensuring custodial safeguards that protect a child's ownership over their account
- Service providers cannot establish minimum age requirements for account holders that are higher than those set out in national law

Standards for current (checking) accounts

- Provision of current accounts with no overdraft features

Standards for Savings accounts

- Children can open savings accounts that require no minimum deposit

Table 2: Ideal Characteristics for Advanced Certification in Child Friendly Banking

- Provision of savings services through delivery channels that make it convenient for children to save their money (Eg. Schools, private homes, mobile technology)
- Provision of complementary services that seek to improve the social and economic well-being of children (Eg. financial education, vocational training, mentoring)
- The willingness to form partnership arrangements with local youth serving organizations so that these partners provide the support services to children and youth
- Market research with children to ensure that the products and services provided indeed meet the needs of children.
- Ensuring that children and their parents have a participatory role in the design and evaluation of the financial products intended for their benefit.

When discussing minimum standards for certified child friendly banking, it is useful to discuss potential models for the delivery of child friendly savings products. The goal of the child savings movement is to increase the financial capabilities of young people and to give them more autonomy over their personal assets. However, many banking regulations still make it illegal for children under a certain age to open a savings account without the permission or control of their parents or guardian. This restriction can increase the risks to a child's savings as they can be exposed to theft from family members or others in the community. Some worthwhile alternatives that may work around these banking restrictions, while still allowing children to have a say in how their savings are allocated, include:

- having a parent/guardian serve only as a co-signer on the account, requiring that both child and parent approve of withdrawals on child's account
- restrict the use of funds to things that directly benefit the child such as health care or school fees
- have a mentor, chosen by the child account holder and possibly arranged through an NGO, to serve as a joint signatory on the account.¹⁵

The NGO Bankers without Borders designed a series of child savings models that could be used by various stakeholders in the Child Finance industry. These models were built off existing evidence from child savings products in Europe, India and South East Asia. They are meant to work alongside local banking regulations on minimum age requirements for opening a CSA and having control over the funds as well as the types of fees and restrictions that FSPs are allowed to impose on the products. A greater description of these proposed savings models can be found in Annex 2

Questions for the Working Group

- How can we ensure that there is adequate representation of all types of FSPs including commercial banks, credit unions and microfinance institutions, in the development of the minimum standards for child friendly banking? How can we ensure that this representation translates into widespread buy in from FSPs on the Child Friendly Banking certification process?
- With so much diversity in national banking regulations around the world, which minimum standards have the greatest potential to achieve international consensus amongst stakeholders? Which standards are likely to be compromised in order to reach international consensus?
- What is the best role for the NGO sector in promoting the Child Friendly Banking Certification and the Child Savings Movement?

¹⁵ USAID Child Savings Accounts, 2010

- What have been the main reasons why joint signed CSAs have worked effectively?
- What have been some of the negative effects of having children manage their own funds independently at an early age?
- What is the appropriate level of service fees for child savings products that allow banks to recover sufficient funds from the delivery of the products while still ensuring that low income children are able to access these important services? Is it realistic to ask commercial banks to offer no cost child savings products and pay for them from the service fees collected from their standard financial products?

5. Child Savings Programs

It is important to differentiate child savings programs from the child savings products that were described in the previous section. While many of the leading child savings programs make creative use of CSAs or informal savings group methodology, the savings products themselves represent only one component of a larger package of services offered by the NGO to stimulate the social and economic development of children and youth. In fact, the actual savings product in select NGO projects may not even be the central feature of the program as the NGO may place a higher priority on other supporting services in achieving certain development objectives. Nevertheless, NGOs do see the importance of partnering with FSPs so they can link the children within their programs with a secure and reliable source for savings. This section of the report will examine some current trends in practice for child savings programs, highlighting key innovations and new directions.

Partnership Structures

As child savings products are traditionally offered independently by a variety of FSPs, child savings programs generally involve some form of partnership agreement between an NGO initiating the program and the FSP providing the savings product to the target population. Since NGOs often receive donor or government funding to operate and manage these programs, they act as a facilitator between the donor agency or ministry and the FSPs and other local service providers on the ground. The extent of this working relationship varies from program to program. NGOs can take a very active role in working with the FSP on market research, product design, the training of trainers and the funding of complementary services. On the other hand, NGOs can take a more passive approach in this partnership structure, electing to perform many of the development services themselves and referring the

participants in their program to local FSPs only to receive specific financial products. Here are some examples of different partnership structures involved in child savings programs:

- Catholic Relief Services (CRS) works with the MFIs Caritas in Rwanda and Enlace El Salvador to set up and train youth client groups on their Savings and Internal Lending Community (SILC) methodology. Financial education, as well as vocational and life skills training, is provided by Caritas and Enlace extension officers at regular group sessions through the technical and financial support of CRS.
- The Mennonite Economic Development Associates (MEDA) partners with two Moroccan microfinance institutions (Al Amana and AMOS) and numerous banking service providers including Banque Populaire and La Poste through their YouthInvest Program. While MEDA works with local NGOs to provide training directly to the youth in their program, participants are encouraged to open up savings accounts with these banking partners.

The Population Council works with the MFI K-Rep in Kenya through their Tap and Reposition Youth (TRY) program. In addition to receiving vocational training, mentoring, health information and financial education from the Population Council, girls from 16-22 years of age were set up with savings accounts at K-Rep and encouraged to make savings goals. While K-Rep allows withdrawals with parental permission on their regular CSA, Population Council did not allow TRY participants to withdraw their savings until they had completed the program

Target Groups and Development Goals

Most stand alone CSAs are designed to be all-inclusive, allowing as many young children as possible to access the product and engage in the day to day activities of the FSP. The child savings products initiated by NGOs, however, may be designed to reach a particular segment of the youth population that the NGO or the donor agency considers to be most vulnerable and in need of concentrated support. While CSAs may be offered in response to a FSP's social mission, the decision to invest in the market research, design and delivery of CSAs is generally made because it fits into the FSP's strategic plan to break into new markets and better serve their existing clientele with a greater range of financial products.

NGO led child savings programs, on the other hand, tend to focus on a broader spectrum of development objectives from increased financial literacy and economic opportunities for youth to greater adolescent health

and female empowerment. In this respect, CSAs can be seen by NGOs as one of the means to an important development end, that being greater economic self-sufficiency and improved livelihoods for low-income children and youth.

Some examples of child savings programs with different target groups and objectives are as follows:

- World Vision is working with Wisdom, a local MFI in Ethiopia, to serve AIDS orphans and other vulnerable children in the country 4-14 years old. World Vision provides the youth with education and counselling services and establishes a savings account for the child at the MFI. World Vision deposits \$15 each year into these CSAs and helps Wisdom to provide a higher interest rate on the accounts in an effort to encourage the children to build their savings.
- SEED Uganda, a research project through Columbia University, targeted AIDS orphans in the rural areas of northern Uganda. The project provided these children with savings accounts that were given a 2:1 match on their account balances at the end of the year. The project was intended to test the effects of savings accounts on the financial and health behaviour of vulnerable children
- Women's World Banking works with Xac Bank in Mongolia on the Aspire program that targets teenage girls 14-18 years old. The objective of this program is to help these girls manage their personal finances in a secure and responsible manner independently from adults
- Parakhep is an NGO in Bangladesh that provides savings and credit services, as well as vocational training and counselling, to over 7,000 street children in Dhaka. Butterflies is an NGO in India that has established the Children's Development Bank (CDB) to primarily serve boys 8-18 years old that are living on the streets of Delhi and other large Indian cities. Their objective is to ensure financial inclusion for marginalized youth in India and they do so by putting children in charge of their own bank. The NGO trains children to manage the CDB branches and conduct the daily account transactions.

Key Innovations in Child Savings Programming

In recent years, there have been a number of innovative pilot projects and new programming initiatives from various stakeholders working with child savings. These have been made in an attempt to combine child finance, and particularly child savings, with various livelihoods support services in order to best facilitate the social and economic

development of children and youth. This paper will now examine some of these particular innovations as they relate to the use of group savings methodology and support services.

Group Methodology

Some NGOs are exploring the use of savings groups as a way to get more low-income children involved in their program. They use what are commonly referred to as savings and loan associations, or other variations on this voluntary group methodology, to have program participants meet on a regular basis and collect savings within the group. These savings are not formally regulated by a central bank but do allow for group members to manage the groups savings on their own terms which are agreed upon by all members. Some examples of this type of savings methodology include:

- Plan International has set up a pilot project to set up savings and loan groups for over 4,000 youth aged 15-24 in Sierra Leone, Niger and Senegal. Group members determine what the minimum weekly deposit and account balances should be for all members in the group. Savings cycles can be anywhere from 6-18 months and members receive a payout at the end of the term. In cases of emergency, group members can decide where or not to allow the individual to withdraw a portion of their savings.
- Freedom from Hunger is also working with financial cooperative networks in Ecuador and Mali to develop group savings products for low income youth 14-24 years old.
- CARE operates a project in Burundi that focuses on developing savings and loan associations for girls 14-22 years old for them to maximize the use of their collective assets in the group.

Support Services

NGOs can also use savings groups, FSP branches or other safe places to offer a variety of support services that aim to provide a more holistic development experience for children and youth involved in these projects. Some innovations in this area include:

- BRAC Bank in Bangladesh which through its Empowering Livelihoods for Adolescents (ELA) program has organized young girls 14-24 into savings and loan groups. Group members are expected to save at least \$0.07 USD each week and they receive 5% interest per annum. At the group meetings, BRAC staff members collect the savings from the girls and provide training on income generation, money management, reproductive health and marriage preparation.

- MEDA's YouthInvest project in Morocco and Egypt is providing low income youth 15-25 years old with training in financial education, entrepreneurship and life skills. Financial education is based on the Microfinance Opportunities material and topics include: Budgeting, Savings, Debt management, Bank services and Financial negotiations. Youth are also eligible for work placements in local businesses in order to give them more practical experience in learning about business or a trade.

Group Discussion: Formal Vs Informal Savings for Children

While there has been much innovation in child savings programming in recent years, there certainly remains some outstanding research questions that deserve additional attention in order for the child savings industry to effectively move forward. The link between child savings, increased financial capacity and greater youth development has been demonstrated on a relatively small scale. The challenge now is for the various stakeholders involved in promoting child savings to appropriately extend these much needed services to a wider range of children that still remain unreached throughout the world.

Many of the high scale child savings products profiled in this report are relatively urban based. It remains quite challenging for FSPs to serve rural communities with traditional saving services in a way that is cost effective to the institution. As a result many economically active poor in rural areas, especially children and youth, often find themselves excluded from formal FSPs and rely on informal savings groups as a way to save their money. These savings groups are attractive in that they are convenient and allow members to save and withdraw small amounts of money. They also build social capital amongst members as they allow them to discuss important economic, social and health issues as they relate to their community. The downside is that they are not secured or regulated and members can have their savings lost or voted out of the group if the fall into ill favour with the other members. Nevertheless, they have the potential to allow children and youth in isolated areas to have the option to collectively save their assets.

Questions for the Working Group

- How could informal savings groups best be linked to formal FSPs, such as post office banks, to provide a greater degree of security to a child's savings?
- Is it possible to integrate informal savings methodologies into the Child Friendly Banking Certification discussion outlined in the previous section? If so, how?

- How can FSPs continue to make use of mobile phone technology to provide savings services to young people in remote areas? What lessons in mobile phone banking for youth can help to increase the scale of these services?
- How effective are integrated children and adult savings groups compared to child only savings groups at increasing the financial capability and economic opportunities of child members?

Group Discussion: Scale vs. Sustainability

In reviewing the cases presented in this report it is clear that many of the CSAs offered by commercial banks and MFIs have an easier time reaching a larger client scale than NGO driven child savings programs. In order for child savings initiatives to reach a large number of children and youth, increase financial capacity and stimulate social and economic development amongst this important demographic, the products offered through FSPs, regardless of their affiliation with any youth programming from NGOs, need to be both scalable and sustainable. Unfortunately, achieving this type of scale in a sustainable manner, and especially without relying on external funding to support the initiative, can be a real challenge to FSPs interested in offering savings services to children and youth. It is especially difficult for NGOs that are interested in offering child savings programs heavily laden with complementary support services. In order for the child savings movement to expand it is imperative that commercial banks, government savings banks and large cooperatives and credit unions get on board and offer child friendly savings products. This is extremely important in order for child savings products to achieve a large scale reach in a financially sustainable manner. FSPs should not need to choose between achieving scale and providing a financially sustainable product to their younger clients. On the contrary, there are enough examples of financially viable commercial banks, credit unions and microfinance institutions that are currently serving the child savings market to encourage similar institutions in different parts of the world to follow suit.

Hatton National Bank, Bancolombia, and the Government Savings Bank of Thailand are all examples of commercial banks that have been able to achieve remarkable scale (500,000+ clients) with their CSAs, with each offering different incentives and complementary services to attract additional children and youth to their institution. There are many other examples of FSPs highlighted in this report that have been able to provide CSAs that have reached a commendable amount of clients (10,000+ clients) given their institutional capacity and environment in which they work. On the other hand, BRAC Bank is really the only example of

an NGO/MFI savings program that has been able to achieve a remarkable scale (400,000+ girls) while providing a wide set of supporting services. The other NGO programs hi-lighted by this report generally reach less than 5,000 clients.

Questions for the Working Group

- What models could be used to best facilitate the cost-recovery of savings services while facilitating the delivery of complementary services by local partners in a way to achieve greater scale and reduce the costs to the FSP?
- What impacts are CSA supporting services like financial education, vocational training and social mentoring having on the financial capacity and levels of poverty amongst youth?
- How can we explain how certain conditions and incentives work to achieve scale for CSAs in certain communities but not in others?
- What would be the best role for donor agencies in supporting child savings initiatives that are both scalable and sustainable?
- What would be the best way to engage portions of the commercial banking sector that are reluctant to offer child friendly banking services?

6. Child Savings Policies

Many national governments also see the support of child savings and financial inclusion as an important tool in reducing poverty, improving youth access to education and developing the next generation of workers and leaders in the country. In recent years, there have been a number of government policies and strategic plans implemented to promote asset accumulation amongst low income children and their households in an effort to achieve certain economic and social development goals. These policies generally involve some form of financial incentive to families to save money, mostly with the condition that this money be used to invest in their children's education. These national programs to incentivize child savings can be costly to governments and it is difficult for them to introduce them on a grand scale. Nevertheless, here are some examples of innovations in child savings policies:

- Fundisa in South Africa is an initiative of the South African Ministry of Education and a series of local investment fund managers. It provides an investment into a CSA held by parents at local banks to be used for their children's post secondary education. Fundisa pays an additional 25% of the total amount deposited into the account each year

up to the maximum of \$83 USD. The savings are locked into the account until the child turns 18 then the money that the parent deposited can be withdrawn. The Fundisa investment can only be used towards education fees of any beneficiary under 35 and if the beneficiary does not end up attending post secondary school than the money is lost.

- The Senegalese Government has established a Sponsor a Child Program through the National Housing Agency. Upon the birth of a child, sponsors make initial deposits of \$12 USD into accounts set up at Postfinances and then deposit \$6 USD per month until the child turns 6 years old. Sponsors do not have to be the parents or guardians of the children. No withdrawals are permitted until the children begin their first year of primary school. At this point, parents or guardians can withdraw \$70 each September to assist in the payment of school fees.
- The Mexican government has established the Jovens con Oportunidades program which sets up savings accounts for the children of parents who are already receiving support though the Oportuniades program for low income families. The accounts are set up at Bansefi, a large commercial bank in Mexico, when the children complete grade 8 (14 years). The children and parents are encouraged to save as much as they can and the government contributes points for each successfully completed year of high school. Upon graduation, these funds can be withdrawn and used for post-secondary education or to help the children start a business. youth must complete school before they turn 22 to receive the bonus funds.
- Oportunidades Rurales is an initiative of the Colombian government to encourage savings behaviour and the better use of assets amongst rural families. The government encourages parents to open a CSA for their children at Banco Agraria and agrees to match the deposits made into the account over the course of the year by 50%. Account holders can only withdraw up to 50% of the account balance before the child turns 18. Withdrawals are only to be used for education or business expenses.

Group Discussion: The Role of Government and the Private Sector in Supporting Child Savings Initiatives

The child savings policies described above demonstrate the important role that governments can play in driving the child friendly savings movement forward in different parts of the world. In order to move child savings initiatives away from donor dependant programs that cannot financially sustain themselves, local governments have the potential to strategically invest public funds

to expand the reach of child friendly savings products and provide incentives for children to increase their savings behaviour. While examples of these government initiatives have been established in many developed countries, such as the US 529 Program and the UK's Child Trust Fund, it is imperative that governments in developing countries also establish these types of programs so the child finance movement can extend equally to all regions of the world.

The Fundisa example from South Africa is particularly exciting as it involves a strategic partnership between the South African government and private investors in the country in an effort to encourage low income households to save additional funds for children to pursue post secondary education. Hopefully this illustrates a trend in socially motivated private investors partnering with public institutions to advance social and economic development goal together through the expansion of child savings.

7. Conclusion and Next Steps

By presenting the common terminology and current trends in practice within the child savings industry, this paper has attempted to better understand the potential for child friendly banking and its important role in improving the lives of children and youth in all regions of the world. That there is such a wealth of information and experience to learn from through current programming, as well as considerable interest in child friendly savings products from various stakeholders within the international banking sector, there is certainly reason to be optimistic about the future of the child savings movement. However, it is important that proponents of the child savings continue to engage those within the donor community, the commercial banking sector and the private business sector in order to incorporate their voices into the ongoing discourse on best practices in child friendly banking. Those actors who are not already on board with the child savings movement will see that child friendly banking is not only possible but that it is sustainable, scalable and socially responsible. This is the key to the long term development and success of the Child Finance movement.

The next steps towards the formulation of a Child Friendly Banking Certification will be determined by the Child Finance Regulation-Policy working group, with the Child Finance Access working group having input into the minimum standards for Child Friendly Banking Certification and the ideal characteristics for advanced certification.

The next steps for the Access working group will be to -

- Help create robust papers on Access for ChildFinance to be presented at the ChildFinance Meeting in Spring 2011 and which will help in the creation of the overall strategy for ChildFinance.
- Determine best practices for achieving significant scale in child savings programming through financial sustainable measures
- Determine what government policies and strategies could best support the expansion of child savings and how these strategies could be best linked with private investment.

Draft Draft Draft

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Annex B - Child Friendly Savings Accounts Model - General
(Concept by Bankers Without Borders)

	Student Savings Accounts (age 6-14)	Youth Savings Accounts (age 14+)	Adult Accounts (age 18+ / under local laws)
Opening Requirements	Children under CSFE Programme	Children graduated from CSFE Programme	Existing Youth Saving Accounts customers
Account Features	<p>Minimum deposit: Zero</p> <p>Deposit: Voluntary</p> <p>Withdrawal:</p> <ul style="list-style-type: none"> Monthly Parental approval if exceeds \$10 local currency Monthly accounts summary to school/ group accounts <p>Maintenance Cost: Free</p> <p>Taxes on interest: None</p> <p>Savings 100% guaranteed</p>	<p>Minimum deposit: Zero</p> <p>Deposit: Voluntary</p> <p>Withdrawal:</p> <ul style="list-style-type: none"> Weekly No parental approval is required Monthly accounts summary to individuals <p>Maintenance Cost: Free</p> <p>Taxes on interest: None</p> <p>Savings 100% guaranteed</p>	<p>Minimum deposit: Zero</p> <p>Deposit: Voluntary</p> <p>Withdrawal:</p> <ul style="list-style-type: none"> Anytime Monthly accounts summary to individuals <p>Maintenance Cost: align with normal banking accounts</p> <p>Add-on services: loans and insurance products (TBD)</p>
Interest Rates	X% if minimum balance requirement meets (TBD)	X% if minimum balance requirement meets (TBD)	X% if minimum balance requirement meets (TBD)
	<ul style="list-style-type: none"> School-based banking services Licensed bank branches / MFIs 	<ul style="list-style-type: none"> Licensed bank branches/ MFIs Mobile Technology 	<ul style="list-style-type: none"> Licensed bank branches/ MFIs Mobile Technology

Annex B - Child Friendly Savings Accounts Model - (1) Child-Owned (Concept by Bankers Without Borders)

Feature Highlights:

- Built on the existing features of child savings accounts in India and Philippines
- Accounts can be opened directly by children at age 7+ (i.e. Accounts under children's name)
- Children can open and operate the accounts directly at age 7+ (i.e. no parental permission on deposit/ withdrawal)
- Inclusion of parental guidance:
 - Monthly accounts summary to parents
 - Parents have ultimate rights to control the account if they are not properly operated

	Kids Savings Accounts (age 0-6)	Student Savings Accounts (age 7-14)	Youth Savings Accounts (age 14+)	Adult Accounts (age 18+ / under local laws)
Opening Requirements	Any kids (under Parent's name)	(Existing) Children under CSFE Programme	(Existing) Children graduated from CSFE Programme	Existing Youth customers
Account Features	Minimum deposit: Zero Deposit: Voluntary Withdrawal: <ul style="list-style-type: none"> • No allowed Maintenance Cost: Free Taxes on interest: None Savings 100% guaranteed	Minimum deposit: Zero Deposit: Voluntary Withdrawal: <ul style="list-style-type: none"> • Monthly ONLY • No parental approval is required • Monthly accounts summary (to parents) Maintenance Cost: Free Taxes on interest: None Savings 100% guaranteed	Minimum deposit: Zero Deposit: Voluntary Withdrawal: <ul style="list-style-type: none"> • Anytime • No parental approval is required • Monthly accounts summary (to parents) Maintenance Cost: Free Taxes on interest: None Savings 100% guaranteed	Minimum deposit: TBD by local banks Deposit: Voluntary Withdrawal: <ul style="list-style-type: none"> • Anytime • Monthly accounts summary to individuals Maintenance Cost: align with normal banking accounts Add-on services: loans and insurance products (TBD)
Infrastructure	Licensed bank branches / MFIs	School-based banking services / Licensed bank branches / MFIs	Licensed bank branches/ MFIs / Mobile Technology	Licensed bank branches/ MFIs / Mobile Technology

Annex B - Child Friendly Savings Accounts Model - (2) Child & Parents Co-ownership (Concept by Bankers Without Borders)

Feature Highlights:

- Built on the existing features of child savings accounts in Western Europe (e.g Netherlands & UK)
- Accounts opened by parents but managed by children (i.e. accounts named under both parents and children)
- Inclusion of parental guidance:
- Monthly accounts summary to parents
 - Parents have ultimate rights to control the account if they are not properly operated

	Kids Savings Accounts (age 0-6)	Student Savings Accounts (age 7-14)	Youth Savings Accounts (age 14+)	Adult Accounts (age 18+ / under local laws)
Opening Requirements	Any kids	(Existing) Children under CSFE Programme	(Existing) Children graduated from CSFE Programme	Existing Youth customers
Account Features	Minimum deposit: Zero Deposit: Voluntary Withdrawal: <ul style="list-style-type: none"> • No allowed Maintenance Cost: Free Taxes on interest: None Savings 100% guaranteed	Minimum deposit: Zero Deposit: Voluntary Withdrawal: <ul style="list-style-type: none"> • Weekly ONLY • No parental approval is required • Monthly accounts summary (to parents) Maintenance Cost: Free Taxes on interest: None Savings 100% guaranteed	Minimum deposit: Zero Deposit: Voluntary Withdrawal: <ul style="list-style-type: none"> • Anytime • No parental approval is required • Monthly accounts summary (to parents) Maintenance Cost: Free Taxes on interest: None Savings 100% guaranteed	Minimum deposit: TBD by local banks Deposit: Voluntary Withdrawal: <ul style="list-style-type: none"> • Anytime • Monthly accounts summary to individuals Maintenance Cost: align with normal banking accounts Add-on services: loans and insurance products (TBD)
Infrastructure	Licensed bank branches / MFIs	School-based banking services / Licensed bank branches / MFIs	Licensed bank branches/ MFIs / Mobile Technology	Licensed bank branches/ MFIs / Mobile Technology

Annex B - Child Friendly Savings Accounts Model - (2) Parents Owned (Concept by Bankers Without Borders)

Feature Highlights:

- Built on existing features of child savings accounts in countries with more restrictions
- Accounts are entirely under parental control (i.e. accounts are under the name of parents & withdrawal under parents approval)
- Involvement of children:
 - Monthly accounts summary to children – make them feel their ownership of the accounts
 - Organise family activities– encourage children to communicate financial plan with parents

	Kids Savings Accounts (age 0-6)	Student Savings Accounts (age 7-14)	Youth Savings Accounts (age 14+)	Adult Accounts (age 18+ / under local laws)
Opening Requirements	Any kids	(Existing) Children under CSFE Programme	(Existing) Children graduated from CSFE Programme	Existing Youth customers
Account Features	Minimum deposit: Zero Deposit: Voluntary Withdrawal: <ul style="list-style-type: none"> • Anytime Maintenance Cost: Free Taxes on interest: None Savings 100% guaranteed	Minimum deposit: Zero Deposit: Voluntary Withdrawal: <ul style="list-style-type: none"> • Anytime • Parental approval is required • Monthly accounts summary (to children) Maintenance Cost: Free Taxes on interest: None Savings 100% guaranteed	Minimum deposit: Zero Deposit: Voluntary Withdrawal: <ul style="list-style-type: none"> • Anytime • Parental approval is required • Monthly accounts summary (to children) Maintenance Cost: Free Taxes on interest: None Savings 100% guaranteed	Minimum deposit: TBD by local banks Deposit: Voluntary Withdrawal: <ul style="list-style-type: none"> • Anytime • Monthly accounts summary to individuals Maintenance Cost: align with normal banking accounts Add-on services: loans and insurance products (TBD)
Infrastructure	Licensed bank branches / MFIs	School-based banking services / Licensed bank branches / MFIs	Licensed bank branches/ MFIs / Mobile Technology	Licensed bank branches/ MFIs / Mobile Technology

Annex B - Next Steps

- Map the Proposed Models into the Child-friendly Global Financial Products Research
 - From the ChildFinance Research - Identify common/ uncommon features of existing products by regions/ countries – Africa, Asia, Europe, Middle East and South America, etc.
 - Map the proposed Child Friendly Savings Accounts Models into different circumstances
 - Fine-tune the proposed models
- Select Pilot Countries
 - Consider current footprints/ impacts of CSFE programme in different regions/ countries, map into the proposed models and select countries which may have a “representative” social impact for pilot.
 - Factors to consider for selection including but not limited to:
 - (a) no. of children in the country;
 - (b) easiness of local regulators;
 - (c) availability of existing child saving products that we could leverage on; and
 - (d) accessibility of rural areas to banking systems/ mobile technology, etc
- Find Potential FIs/ MFIs Partners
 - Package our initiatives with the proposed models
 - Start with FIs/ MFIs which have existing child financial products in the selected pilot countries
 - Keep local regulators/ Regulation Working Group in the loop on the development of Child Friendly Banking (CFB)

Draft Draft Draft

Annex C: List of Financial Service Providers, their Child Savings and Financial Education Products and Programs

North America and Europe								
FSP name	FSP Type	Country	CSA Type	Target Age Group	Number of Clients/Volume of Deposits	Key Features	Objectives	Notes
TD Bank	Commercial Bank	Canada	product	10-18 years		Youth account can be opened with a minimum deposit of \$25. No monthly fees or transaction fees for withdrawals made at TD ATMs. 0.05% interest monthly for account balances under \$5000. 0.25% interest monthly on balances over \$5000		
Mennonite Savings and Credit Union	Credit Union	Canada	product	12-18 years		youth can open an account with no monthly access fee and receive a premium rate of interest of 1.15% per annum. Children under 15 need to have permission from their parents to open an account. Youth receive unlimited free services including personalized cheques, internet and telephone bill payments and ATM withdrawals at MSCU. Youth receive 10 free Interac transactions a month.		
ING Direct Canada	Commercial Bank	Canada	product	6-15 years		Children can open their first account with their parents permission if their parents already have an account with the bank. Deposits and withdrawals can be made at any time and parents can determine how much independence the kids have over their accounts. No service fees or minimum balance and accounts earn 1.1% interest per annum. Kids are mailed newsletters and other promotional materials to make them better savers and smarter spenders	ING Direct wants children to become familiar with banking procedures and wants to give them many of the same features that their parents receive with their adult savings accounts	Children can also visit the Planet Orange website, a fun online resource designed to make financial education like a game. Kids discover topics such as earning money, savings and budgeting, day to day banking, credit, inflation, interest and investing
Jovens con Oportunidades	Government Ministry	Mexico	Policy	14-22 years	300,000	The Mexican government sets up savings accounts for the children of parents who are already receiving support through the Oportunidades program for low income families. The accounts are set up at Bansefi, a large commercial bank in Mexico, when the children complete grade 8 (14 years). The children and parents are encouraged to save as much as they can and the government contributes points for each successfully completed year of high school. Upon graduation, these funds can be withdrawn and used for post-secondary education or to help the children start a business. Youth must complete school before they turn 22 to receive the bonus funds.		
HSBC	Commercial Bank	UK	Product	7-17 years		Minimum initial deposit of \$1.50 USD. Children under 11 have to get their parents permission to withdraw more than \$75 from their accounts. Children receive ATM cards when the turn 11. 0.5% interest paid on the accounts per annum		
RBS	Commercial Bank	UK	Product	0-21 years		Parents open the account and transfer control to their child when they choose. Accounts can be opened with a minimum deposit of \$1.50. 0.5% interest paid on the accounts per annum		

Central America and the Caribbean						
FSP name	FSP Type	Country	CSA Type	Target Age Group	Number of Clients/Volume of Deposits	Key Features
MICOPE Cooperative Network	Cooperative	Guatemala	product	0-12 year (children's account), 13-17 years (youth account)	217,000 clients/\$9.4 Million USD	accounts must be opened by parent or guardian. Child must keep a minimum balance of \$60 USD in their account. No service or withdrawal fees or restrictions. Cooperatives can offer scholarships to youth and hold raffles where account holders get one entry ticket for each \$1 USD they save.
Enlace - CRS	MFI	El Salvador	program	15-24 years	450 group members in pilot program	CRS works with Enlace to teach local youth how to organize their own Savings and Internal Lending Groups (SILG). Groups meet once a week to save whatever resources they can. Members set specific savings goals and are encouraged not to withdraw any funds until these goals are met. Financial planning and life skills training is provided through Enlace staff members who are trained by CRS. CRS provides promotional materials and notebooks for group members.
						CRS is seeking to reach a large untapped youth savings market in El Salvador through a SILC methodology that is not common in the region but has been successful in other parts of Africa and Asia
						Enlace does more traditional individual lending and this pilot project with CRS is the first time they are working with SILC methodology.

Middle East and North Africa						
FSP name	FSP Type	Country	CSA Type	Target Age Group	Number of Clients/Volume of Deposits	Key Features
Barque Populaire	Commercial Bank	Morocco	product	15-25 years		Clients under 18 require an adult mentor to open an account and only the mentor can approve withdrawals before the client turns 18. The mentor does not have to be the parent or guardian. Minimum deposit balance of \$11 USD with no restrictions on withdrawals. Accounts receive 3.5% interest per annum. Youth are not forced to save but are encouraged to make savings plans through the MEDA YouthInvest training
La Poste	Post Office Bank	Morocco	product	15-25 years		same as Barque Populaire, except minimum deposit balance is \$2.25 USD
						To provide youth with the financial services and training needed to be successful
						This product is part of MEDA's YouthInvest Program. MEDA provides youth with a "100 hours to success" program. This program covers financial education, entrepreneurship and life skills training. Financial education topics include: Budgeting, Savings, Debt management, Bank services, Financial negotiations
						Same as Barque Populaire. Through MEDA's market research with youth they were able to convince La Poste to lower their minimum deposit requirements to meet youth demand

Sub-Saharan Africa		Key Features	Objectives	Notes				
FSP name	FSP Type	Country	CSA Type	Target Age Group	Number of Clients/Volume of Deposits	Key Features	Objectives	Notes
Procredit	MFI	Ghana	Product	0-17 years	3,000 clients	0-14 year olds must co manage the account with their parents. 15-17 year olds can have control over their own account. No minimum balance required. One free withdrawal per month, otherwise \$1 charge per withdrawal. Higher interest rate of 6% per annum on child accounts.		
The Cooperative Bank of Kenya	Cooperative Bank	Kenya	Product	0-18 years		CSAs opened in conjunction with parents/guardians. Minimum opening deposit of 2,000 Kenyan Shilling. Banks hosts parties for account holders. Offers vouchers for bookstores, uniform distributors and children's hospitals	Product is intended to help parents save money with their children so they can afford decent education	
Post Office Savings Bank	post office bank	Kenya	product	0-18 years	2,600/\$440,000 USD	Parent or guardian must open and manage the account. Must maintain minimum deposit of \$7 USD.	The Bank's goal is to develop customer loyalty and a long term relationship with their clientele. Trying to develop a culture of setting long term savings goals	
Barclay's Bank	Commercial Bank	Ghana	product	0-18 years		Client must maintain a minimum balance of \$10 USD. CSA receives a higher rate of interest than regular adult accounts. Withdrawals permitted only once a month with parental approval.		
FINCA	MFI	Uganda	product/ program	Girls and Boys 6-18 years (FINCA Jr. Account), Girls 10-19 years (Star Girl), Girls and Boys 10-14 years (Super Savers)	1500 clients FINCA Jr. Account, 900 Star Girls, 4500 Super Savers	Parents or legal guardian opens the Jr. Account at FINCA on behalf of the child. Minimum balance of 5000 Ugandan Shillings. Once the account balance reaches 50000 shillings the client receives 4% interest per annum on their savings. Star Girl allows girls to save independently of parental approval. 3000 Uganda shilling minimum for opening a Stabe approved Girl account. Financial and health education provided to girls through Population Council and Microsave trainers. 2000 shilling penalty if girls withdraw funds more than once a month. Super Savers program offered through public schools. Teachers and volunteers collect savings from the kids in lock boxes and bring the funds to FINCA branches every month. Savings group members can only withdraw money for school related expenses and must be approved by the adult facilitators.	FINCA wants to expand the financial services it offers to low income families and see children as an important component of future operational success.	Under the Star Girl Program, girls receive training on curriculum developed by Population Council and Microsave. These organizations provide funding for FINCA to carry out the program. Topics covered include: ways to earn money, budgeting personal finances, financial negotiations and elements of financial services.
SUIBI	Research Institute	Uganda	Program	12-16 year olds	300	Research project to test the impacts of savings on health and mental functioning of AIDS orphaned adolescents in Uganda. Children receiving vocational and health education were divided into two groups, one receiving savings accounts and the other not. Savings deposits were matched 2:1 by the program and could only be withdrawn at the end of the program to assist in the payment of education expenses.		
Opportunity International Bank	MFI	Malawi	Product	7-18 years		Accounts are opened and managed by parent or guardian. Children can open accounts and save money through their schools which in turn bring the money to opportunity branches. Minimum account balance of \$3 USD. Prior to the account holders 18th birthday, withdrawals can only be made to pay for school fees and the bank will transfer the withdrawals directly to the school.		This product was still in the development/pilot stage in mid 2010
Family Bank	MFI	Kenya	Product	0-18 years		Accounts must be opened and managed by parent or guardian. Must maintain a minimum balance of \$13 USD. Interest paid on account only when balance reaches \$63 USD. No monthly fees but clients on allowed 3 free withdrawals a year. Bank offers free checks to pay for school fees		
Equity Bank	Commercial Bank	Kenya	Product	0-18 years		Clients limited to only 4 withdrawals a year. Bank offers free checks to pay for children's school fees	Part of bank's mission to mobilize savings amongst low income families	Equity Bank is no longer providing prizes to clients based on their account balances
K-Rep - Pop Council	MFI	Kenya	product/ program	6-18 years (youth savings account) 16-22 year of girls (TRY Program)	535 TRY participants	client must have permission from parents to open account. Minimum account balance of \$3.50 USD. No service fees and unlimited withdrawals. Client receives an ATM card. Account holders eligible for small business or education loans. TRY Program clients also received training and financial education from the Population Council. Girls were required to set savings goals and could not withdraw their savings until they left the program	to provide youth with an opportunity to save for the future with favourable conditions	
The Cooperative Bank of Kenya	Cooperative Bank	Kenya	Product	0-18 years		CSAs opened in conjunction with parents/guardians. Minimum opening deposit of 2,000 Kenyan Shilling. Banks hosts parties for account holders. Offers vouchers for bookstores, uniform distributors and children's hospitals	Product is intended to help parents save money with their children so they can afford decent education	

Post Office Savings Bank	post office bank	Kenya	product	0-18 years	2,600/\$40,000 USD	Parent or guardian must open and manage the account. Must maintain minimum deposit of \$7 USD		
CARE	NGO	Burundi	Program	14-22 year old girls	20,000	CARE will help two groups of girls; those who live in a family context and those who are heads of households access safe savings and financial resources, as well as improved life skills and social support systems through participation in village savings and loans associations		
Freedom from Hunger	NGO	Mali and Ecuador	Program	14-22 years		Freedom from Hunger is working with local cooperative banks in Mali and Ecuador to design savings groups that will allow youth to deposit their savings at weekly group meetings. These meetings also offer the cooperative staff to provide the youth with financial education, enterprise development counseling and other life skills training.	The project is still in the development/pilot stage in mid 2010	
Postfinances	Postal savings bank	Senegal	program	0-12 years		Program set up through the government's Sponsor a Child Program of the National Agency for Little Children's Homes. Upon the birth of a child, sponsors make initial deposits of \$12 USD into accounts set up at Postfinances and then deposit \$6 USD per month until the child turns 6 years old. Sponsors do not have to be the parents or guardians of the children. No withdrawals are permitted until the children begin their first year of primary school. At this point, parents or guardians can withdraw \$70 each September to assist in the payment of school fees.	Part of the government's strategy to assist underprivileged children, ensuring that they have the opportunity to attend school	
PLAN	NGO VSLAs	Senegal, Sierra Leone, Niger	program	15-24 years out of school	4,400	Groups members determine what the minimum weekly deposit and account balances should be for all members in the group. Savings cycles can be anywhere from 6 to 18 months and members receive a payout at the end of the term. In cases of emergencies, group members can decide whether or not to allow an individual to withdraw some of their savings before the end of the term. PLAN provides financial education and life skills training through extension officers and community volunteers		
Caritas - CRS	MFI	Rwanda	program	12-18 years	6,200	CRS works with Caritas to set up and train client groups on their SLC methodology. These are predominantly adult groups but children under 18 are integrated into the groups to save and learn alongside adult mentors. Members save what they can at weekly meetings and receive a payout after 6-12 months. Financial education is integrated with vocational training at the group meetings and sessions are conducted by Caritas staff people through the technical and financial support of CRS	Allow more young people to begin learning about savings and participating in SLC groups at an early age	
Wisdom - World Vision	NGO MFI	Ethiopia	program	4-14 years		CSAs are opened at Wisdom, a local MFI affiliated with World Vision. \$15 is deposited by World Vision into the CSA each year to encourage the young people to keep building their savings. Wisdom provides a higher rate of interest on the savings than other CSAs offered by competing MFIs in the region. Parents or guardians are encouraged to only withdraw their children's money for important items and must receive approval from World Vision so as to prevent any exploitation or theft of savings.	World Vision sees the CSA as one way to bring an important financial service to underserved young people. World Vision works with the children to become better stewards of their personal funds.	
Fundisa	Government	South Africa	Policy	15-35 years	10000 (May 2010)	The South African Ministry of Education provides an investment into a CSA held by parents at local banks to be used for their children's post secondary education. Fundisa pays an additional 25% of the total amount deposited into the account each year up to the maximum of \$63 USD. The savings are locked into the account until the child turns 18 then the money that the parent deposited can be withdrawn. The Fundisa investment can only be used towards education fees and if the child does not end up attending post secondary school then the money is lost.	To give all parents in South Africa an opportunity to receive bonus funds from the government to allow their children to go to school	

Central and South Asia		FSP name	FSP Type	Country	CSA Type	Target Age Group	Number of Clients/Volume of Deposits	Key Features	Objectives	Notes
	XacBank	Commercial Bank	Mongolia	Product	6-18 years (Future Millionaire) Girls 14-18 years (Aspire)	64,000 Future Millionaire Accounts (Dec 2009)	Future Millionaire account has a \$5 USD minimum deposit. Clients do not need parental consent but cannot withdraw money until they turn 18. Interest Rate of 6.8% per annum. Aspire Demand Account has a \$5 minimum balance and pays 6.3% interest per annum. Deposits and withdrawals can be made at any time. Aspire Time Deposits are fixed accounts and can be set up for 3 months to 2 years paying 10-14.3% interest depending on the term.	Based on the success of their Future Millionaire's product, XacBank wanted to create an account so teenage girls could manage their money in a secure manner independently from adults.	Aspire clients receive a special debit card that can be used at ATMs and select retail outlets throughout the city.	
	Hatton National Bank	Commercial Bank	Sri Lanka	Product	0-5 years (Singithi Kiriakiyo account), 5-12 years (Singithi Lama account), 12-18 years (HNC Teen Account)	950,000 clients 18 and under (August 2010)	Parents can sign up newborns for Singithi Kiriakiyo account. \$10 USD initial deposit which is matched by a grant from HNB. Parents expected to save \$10 a month until the child turns 5 years old. At this point account can be withdrawn or transferred to a Singithi Lama account. Parents are eligible for entry into a lottery if account balances exceed \$100 USD. Withdrawals are not permitted on any of the HNB accounts except for "necessities of the minor acceptable by the bank." This includes medical emergencies, education and important living expenses. Children are eligible for prizes when account balance reaches certain levels. Minor accounts receive %5 interest per annum. \$100 account balance required to enjoy benefits under the HNB teen account. All HNB accounts must be opened through a relative or legal guardian. HNB sets up deposit centers at schools managed by students that are trained by the bank. Financial education is offered through the school branches	HNB sees the CSAs as an extension of the banks CSR strategy. The products are in response to a series of youth uprisings that destabilized Sri Lanka in the 1990s. The bank wants to build loyalty amongst clients in a very competitive banking environment in Sri Lanka	HNB funds the promotion of the CSAs, the training of the child branch managers, the provision of financial education and the allocation of scholarships and grants for students that excel at academics and the performing arts entirely through their operating budget.	
	Seylan Bank	Commercial Bank	Sri Lanka	Product	0-18 years		Minimum opening deposit of 100 SLR. Accounts help in conjunction with parents or guardians who are clients with the bank. Withdrawals permitted only when the account transfers exclusively to the child when they turn 18. Bank offers prizes (school bags, toys) to clients based on deposit balance. Bank runs lotteries for clients with ticket numbers based on deposit balance. Convenience of having the bank run deposit centers at local schools	Bank seeks to cultivate a loyal customer base over the long run	Bank provides medical emergency grants to sick clients instead of allowing premature withdrawals. Grants awarded to clients that represent the country at certain international sporting and cultural events. When clients turn 18 they are eligible for a loan worth up to 200% of their account balance	
	SANASA Primary Society	Credit Union	Sri Lanka	Product	0-18 years		Savings accounts must be opened through a parent or guardian. No withdrawals until the account is transferred over to the child on their 18th birthday. Exceptions made in the event of medical emergencies or to fund education	To attract clients that will eventually become longer term savers. Providing "Secure Futures" through financial inclusion	SANASA no longer offering gifts and lotteries to their child clients as they cannot afford to compete with other FSPs in Sri Lanka	
	National Savings Bank	Government Bank	Sri Lanka	Product	0-3 Months (Kiri Keti Hapan) 0-7 years (Puchi Hapan) 7-18 years (Hapan)		Bank provides seed money (\$1.75 USD) into each Kiri Keti Hapan account. Puchi Hapan and Hapan accounts are co-signed between the children and their parent/guardian. Minimum deposit requirement of \$0.05 USD. Child clients are eligible for scholarships and material prizes based on their academic performance and account balance.	Sri Lankan government has a mandate of expanding financial inclusion through the offering of CSAs		
	Children's Development Bank - Butterflies	NGO	India	Program	Street Kids 8-18 years, mostly boys		No Minimum Opening Balance. Members encouraged to make daily deposits. No withdrawals allowed on accounts under \$0.40. Children receive financial education and entrepreneurship training.	Financial inclusion for marginalized street children, inculcating the habit of prioritizing regular savings	Bank branches managed by children that are trained by the Butterflies NGO.	
	Padakthep	NGO	Bangladesh	Program	Street Kids 8-18 years	7,000 clients	Padakthep provides savings and loan services to participants in their program. Children also receive vocational training and psychological counselling from NGO staff members			
	BRAC	MFI	Bangladesh	Program	14-24 year old girls	430,000 clients	Girls are organized into savings and loan groups. Group members are expected to save at least \$0.07 USD each week and they receive 5% interest per annum. At the group meetings, BRAC staff members collect the savings from the girls and provide training on income generation, money management, reproductive health and marriage preparation.	BRAC wanted to provide young girls with credit and savings support to increase their economic empowerment. By giving these girls their opportunity to build their confidence through financial services and education, BRAC believes that they will make greater contributions to their households and communities.	A portion of the funding for this program comes through the Nike Foundation	

South East Asia		FSP Type		Country	CSA Type	Target Age Group	Number of Clients/Volume of Deposits	Key Features	Objectives	Notes
Panabo Multi-Purpose Cooperative	Credit Union	Philippines	Product and Program	0-12 years ("Kiddies" Youth Savers Club), 13-18 years (Power Teens Saver Club)	4,822 Youth Savers, 2,300 Power Teen Savers	Youth under the age of 17 must have their parent or guardian co-sign their account application and approve their withdrawal requests. Youth 17 and 18 years old do not need this permission. Minimum deposits are \$2 USD for Youth Savers account and \$3 USD for Teen Savers account. Both accounts accumulate 2.5% interest per annum tax free once their account balances reach \$5 USD. All account holders receive free accident reimbursement insurance. Youth have the convenience of being able to save through school savings clubs, run by youth officers in their class that are trained by PMPC. While the majority of the deposits are made through the schools, youth must still go directly to PMPC branches if they want to withdraw money from their accounts.	PMPC seeks to increase outreach to children and in turn increase their exposure to parents and teachers. By increasing their savings, PMPC receives a low-cost source of funds to cover their operations. Their social objective is to provide youth with a safe place to save their money and promote a culture of savings while youth were in a formative stage in their lives	PMPC conducts youth leadership trainings as well as financial education sessions through the savings clubs. Youth savers receive prizes based on their account balance. Power savers that achieve the highest account balances get the opportunity to be youth representatives at credit union events.		
Banco de Oro	MFI	Philippines	Product	0-12 years (Junior Savers Club), 13-19 years (Smart savers)		Children can open their own accounts. Minimum balance of \$11 USD required for Junior Savers Accounts and \$23 minimum balance for Smart Savers accounts. Children receive special debit cards from the bank and vouchers to be redeemed for discounts at select local retailers				
Bank Simpanan Nasional	Commercial Bank	Malaysia	Product	6-18 years	60,000 clients/\$13.9 Million USD	Initial deposit of \$1.5 USD. Children are eligible for annual prizes based on their account balance. Interest rates are 2% per annum but can increase to 3.5% if children average less than one withdrawal a month				
Government Savings Bank	Government Bank	Thailand	Product	Students 6-18 years in all levels of academic and		Convenience of having staff from the bank travel to local schools to collect student deposits	Improving the bank's CSR and image in the community			
PNG Microfinance	MFI	Papua New Guinea	Product	students 6-18 years		Student savings account has a higher interest rate than the regular adult account. Convenience of having PNG staff members travel to local schools and collect the deposits of child savings	PNG seeks to develop its future client base by promoting its services through local schools.			
Bangko Kabyan	MFI	Philippines	Program	7-16 years	500/\$250,000 USD	Children can open accounts through savings clubs at their school. Teachers collect the money for deposit at Bangko Kabyan. Minimum balance of \$2 USD required				

South America		FSP Type	Country	CSA Type	Target Age Group	Number of Clients/Volume of Deposits	Key Features	Objectives	Notes
Banco Caja Social Colombia	Credit Union	Colombia	product	7-17 years (Túlcuenta account)	103,000/\$7.6 Million USD	Accounts must be opened with a parent or guardian. No monthly or service fees. Minimum initial deposit of \$5 USD			
Bancolombia	Commercial Bank	Colombia	product	0-13 years (Bancopausas), 13-23 years (Youth Account)	600,000 Bancopausas accounts/\$10 Million USD	Bancopausas accounts must be opened with a parent or guardian. Initial deposit of \$12 USD. No monthly fees. One free withdrawal per month from a Bancolombia ATM. Children receive small gifts if their account balance increases by more than \$37 over the quarter.			
BancoEstado	Government Bank	Chile	Product	0-12 years for girls 0-14 years for boys		Minimum initial deposit of \$10 USD. Clients are limited to two free withdrawals a year. Clients receive a 10% bonus interest rate on their savings if no withdrawals are made over the course of the year.	Build a culture of savings amongst children at an early age		
Proyecto FCF – WOCUU	Credit Unions	Ecuador	Program	8-15 years		Minimum initial deposit of \$5 USD. Credit unions provide child clients with piggy banks and reward them if they can fill their piggy banks within a set time	Promoting financial responsibility among members and their children, especially in low income rural families	Children have been seen to attract adult relatives and other young people into the credit union	
Cooperativas Santa Ana and San Jose - Freedom from Hunger	Cooperatives	Ecuador	Program	13-24 years	5,000 individual saving account holders	Freedom from Hunger works with Plan Ecuador which manages the working relationships with the Cooperatives Santa Ana and San Jose. Youth come together in groups to save money and receive financial education training. The integrated financial and training services are offered by coop staff which have been educated by FFH and Plan Ecuador.	FFH wants to further develop integrated financial and education services to better serve youth instead of just through a single savings product.	This project was still in the development/pilot stage in mid 2010	
Oportunidades Rurales	Government	Colombia	Policy	0-18 years old living in rural areas	4,000	The government encourages parents to open a CSA for their children at Banco Agraria and agrees to match the deposits made into the account over the course of the year by 50%. Account holders can only withdraw up to 50% of the account balance before the child turns 18. Withdrawals are only to be used for education or business expenses.	To combat rural poverty through increased employment and incomes of children the poor rural families, improving access to finance and the development of rural microenterprises.		

