

Providing financial access to all children and youth across the world



Child and Youth Finance Proposal For Country
Level Implementation



Child and Youth Finance
International



Executive Summary

Child and Youth Finance International (CYFI) has a goal of facilitating financial access for 100 million children in 100 countries. To achieve this, CYFI has built an international, multi-stakeholder network. Over 1000 institutions and individuals are working towards providing financial education and financial access to children under and including the age of 18 in all countries of the world. All are united in their belief that children and youth who are given the opportunity to understand, manage and make wise choices with their financial resources are empowered to make positive changes in their lives and break the cycle of poverty.

The Child and Youth Finance International movement currently benefits from the support and expertise of a number of diverse stakeholders. These include financial regulators like Basel Committee member representatives, financial institutions, non-governmental organizations, education providers, academics, corporations and many more.

The CYFI movement is looking to develop strategies for introducing CYFI activities at the national level is based upon the needs, capabilities and existing efforts of every country. To achieve this, CYFI is working with central banks and financial supervisory authorities from 25 countries to develop such strategies for their countries. The CYFI movement currently benefits from the support and expertise of a number of Basel Committee members who are represented in the CYFI Regulation working group.

National Child and Youth Finance International efforts focus on:

- **Financial Inclusion:** determining the steps for increasing access to banking services for children and youth. This includes the promotion of ChildFriendly products and their certification. Currently, these products are limited to savings accounts, current accounts and exclude lending products.
- **Child & Youth Financial Education:** integration into national curricula and outreach to the greatest number of children and youth
- **National Platforms:** This involves local initiatives coordinated by a network of local stakeholders to place CYFI as a key item in the national agenda. This includes efforts relating to research, technology and media.
- **CYFI day/week:** Brings together the members of the local network and other relevant parties for a national outreach campaign. These include activities with children, schools, the media and the general public.

The Child and Youth Finance International network proposes that planning and delivery of all these actions to be conducted and overseen by a multi-stakeholder group of local organizations and individuals committed to promoting CYFI activities nationally. We further propose that this national committee to be steered by the national central bank or supervisory authority. The CYFI network, through its annual events, interactive sharing spaces and working groups, will ensure that knowledge is shared and global CYFI efforts are coordinated. We invite central banks and supervisory authorities to join the international CYFI movement and to take part in the annual meeting and award ceremonies.

This paper will outline the objectives and rationale of the CYFI movement, propose strategies for the implementation of CYFI activities in countries, highlight the role of the national supervisory authorities, and outline the proposed involvement of national central banks and regulatory authorities in the CYFI movement.

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I. What is CYFI International?

1.1 Background

Child and Youth Finance International is a multi-stakeholder initiative which promotes financial access to children and youth under and including the age of 18. The goal of the CYFI network is to reach 100 million children and youth in 100 countries by 2015.

By bringing together a large number of stakeholders from different sectors, the CYFI network advocates for increased financial capability for children and youth. This includes social and financial education for all children and youth across the world. It also works with financial institutions and national financial supervisors to complement this education with access to financial services, mostly savings accounts, which are accessible and appropriate for children and youth. Together, these allows children to experience firsthand the sense of responsibility and ownership that will empower them to make positive changes in their lives, make them less vulnerable to debt and give them the opportunity to break the cycle of poverty.

Currently there is no effort addressing Child and Youth Finance either on this scale or with this holistic approach.

In recent years, the global community has seen great strides forward in the reduction of child poverty, improvements in primary and secondary education and the increase in social protection and livelihoods support for young people throughout the world. However, large numbers of vulnerable children and youth are still not able to acquire essential skills provided through social and financial education, nor access financial services that can build their asset base and financial capability. Of approximately 3 billion people under the age of 25, less than 10% have access to financial services and products¹. The CYFI movement aims to trigger and coordinate a multi-stakeholder approach to these problems, ultimately building a global consensus on a multifaceted, culturally sensitive, approach to the provision of ChildFriendly Banking Services and social and financial education for children and youth in all countries of the world.

Today, governments and their agencies, central banks, supervisory authorities, multi-lateral institutions, financial institutions, NGOs, academics and others are actively engaged to help support this goal. Working together, they can ensure greater impact and faster, more efficient scale up through sharing lessons learnt and a unified strategy.

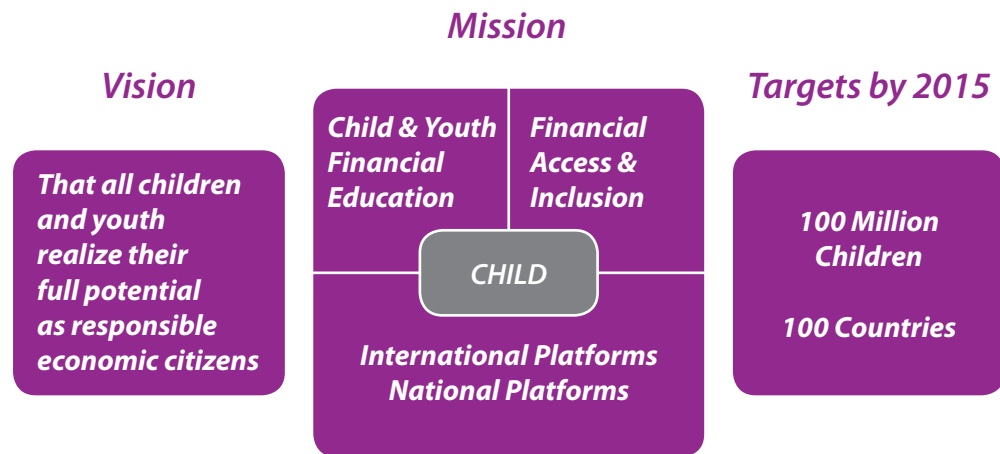
1.2 Why is this important now?

There is no better time than today for this effort.

Children and youth are the future economic actors whose financial decisions will dictate the state of world economies. Based on experience and research, the experts stressed that promoting a positive financial culture in children and youth is essential to ensuring a financially literate population, capable of making well-informed decisions. Communities will benefit, as this generation of financially capable children and youth grow up to be responsible investors and entrepreneurs. Critically, important skills and experiences of managing financial resources at an early age allows for lessened financial vulnerability and reduces the risk of poverty caused by debt.

¹ <http://www.youthsave.org/>

II. How will CYFI work to realize its vision?



Child and Youth Finance International seeks to promote a holistic approach to building financial capability for children and youth. To achieve this, CYFI has chosen to employ a three-pronged approach which is based on the experiences of organizations working in this and related fields. The CYFI movement will bring together all the key ingredients to creating the systems needed to bring about financial capability, namely:

1. Child & Youth Financial Education
2. Financial Access and inclusion to appropriate and safe banking services
3. Global and Local platforms for the promotion of the CYFI concept and development of related activities nationally and internationally.

2.1 Child & Youth Financial Education

Financial capability and security can only come about once built on a foundation of strong financial education. Complemented by social education (learning about rights, responsibilities and building self-confidence), financial education received at an early age serves to create the necessary knowledge and understanding that children and youth need to become financially able and secure and upon which they can build as they enter adulthood.

The CYFI network believes that integrated social, and financial education, combined with access to safe, appropriate financial services, is essential in the development of strategies to empower children and develop their socio-financial capability and sense of economic citizenship. This vision is grounded in experiences of organizations already working in this field and research on financial education. The latter has shown that to achieve true financial capability, children and youth need not only the **ability** to act (knowledge, skills, confidence, and motivation), but also the **opportunity** to act through access to appropriate banking services.

The CYFI network is undertaking a coordinated approach with a diverse network of stakeholders in the field to create a common framework for core curriculum content in child social and financial education. Through such collaborative efforts, CYFI seeks to promote high quality, globally recognized standards for social and financial education that will reach a large number of children and youth in all parts of the world.

2.2 Financial Access and Inclusion

Through access to safe banking services children and youth can learn how to apply the lessons learned from financial education, and build the skills necessary to learn how to use financial services in a productive and responsible manner. Growing evidence shows that children and youth who can access savings products specifically designed to facilitate financial education and accumulation of assets at an early age experience multiple positive outcomes, including greater educational attendance and entrepreneurship, and ultimately economic and social advancement for themselves and their families.

The recent financial crisis has shown us the consequences of not investing in financial education in a marketplace flooded with a wide range of complex financial products that allowed both individuals and institutions to become over-leveraged or use banking services without full understanding of potential risks. Financial decisions are much more complicated today than they were twenty years ago, and even with improved supervisory oversight, the importance of understanding financial services will only increase over the next twenty. Too little attention has been focused on creating responsible, educated and experienced users of banking services of tomorrow, the world's children and youth.

Initial analysis has shown that while some banking services are offered to children and youth under the age of 18, many of these vary greatly in their characteristics. Working with financial institutions, networks and supervisors, the CYFI network is defining and establishing baseline criteria for certifying ChildFriendly banking services, which will focus on both the empowerment and protection of children and youth, while enabling banking institutions to offer appropriate banking services for their clients of tomorrow.

2.3 Global Platform and National Platforms

2.3.1 Global Platform

The Child and Youth Finance International network is building a platform to create alliances among international policymakers and financial supervisors who are building a strategy to increase financial education and access for children in their countries. Through its annual events, interactive sharing spaces and working group, the CYFI network will ensure that knowledge is shared and global CYFI efforts are coordinated. The CYFI network also seeks to coordinate national and global efforts in developing dedicated research, media and outreach strategies and technological channels for the support and promotion of the concept.

2.3.1.1 Research

Child and Youth Finance International works on the development of a theoretical base upon which the movement will stand and inform the strategic directions taken for the movement. With the aid of leading academics, a theory of change model has been developed that will guide the direction and outputs of the CYFI movement. This theory of change holds that financial education in concert with social education and financial inclusion will lead to empowered and socio-financially capable children and youth who will, in turn, provide leadership for more economically and civically engaged future generations.

2.3.1.2 Technology

The network will also explore the ways in which to best harness existing technologies in the dissemination of social and financial education, media and outreach strategies and in the promotion of financial access for children and youth, through such efforts as mobile and internet banking. Taking advantage of new developments in communication technology will serve to build the CYFI movement amongst partners, stakeholders and, most importantly, the children and youth.

2.3.1.3 Media

As Child and Youth Finance International builds its brand and advocates its activities across the world, it is important to ensure that the messages and actions of the entire movement are heard. Through media infrastructure and technological platforms the CYFI messages can be spread and the concept promoted further.

An important medium for the promotion of the concept is the creation of a CYFI day/week at the country level, coordinated internationally by the CYFI network. This week will bring together the members of the network and other relevant parties for a national outreach campaign that include activities with children and youth, schools, the media and the general public.

2.3.2 National Platforms

Global platforms build on the work done at the national level. CYFI encourages collaboration between national stakeholders in every country. Together they can form a committee which creates an action plan for undertaking CYFI activities. This will be discussed further in the following sections.

III . Why introduce CYFI/ ChildFriendly Banking at the national level?

The merits of a population's increased financial education and financial access are reflected in a country's economic growth, better income distribution and reduced poverty levels. Yet while different national initiatives exist for increased financial access for the local population, there is considerably less focus given to the child and youth segment in many countries.

Through the introduction of CYFI, national policymakers can ensure that children are given a specific focus and that national activities for this topic are aligned. The introduction of CYFI will also work to enhance public/private relationships between financial institutions, governments, communities and NGO and many more. Coordination by the central bank or supervisory authority is key. While children's financial access becomes increasingly encouraged and supported, it is important that national policy ensure the constant inclusion and protection of children and youth against incidents of financial vulnerability.

IV. How can CYFI be implemented at the national level?

Creation of a National Action Plan

The approach for the promotion of CYFI will need to be adapted to the needs, capabilities and existing efforts of every country. CYFI is promoting the development of a CYFI Advisory Committee in every country, which is an active and collaborative network of national entities who wish to provide and facilitate financial education and access for children and youth in the country. This network is steered by the national central bank, financial supervisor or another entity as appropriate for a particular country. It is made up of policymakers, representatives from the ministries of finance and education, banks and banking associations, educators, media personalities and others. The advisory board is responsible for creating the capacity within the country and creating the national action plan for the promotion and support of financial education and access initiatives.

The action plan outlines the necessary initiatives within the country for the promotion of children's financial education and access, sets a clear timeline, determines a monitoring & evaluation plan and identifying the key players in moving the initiative forward.

Child and Youth Finance International activities can be implemented at the country level along the three main themes of CYFI:

1) **Child and Youth Financial Education:** promoting the integration of social and financial education into national curricula and outreach to the greatest number of children and youth through schools, daycare centres, NGOs, children's clubs, etc.

2) **Financial Access:** determining the steps for increasing access to savings accounts for children and youth. This includes the promotion of ChildFriendly products and their certification.

3) **National platforms:** This involves local initiatives coordinated by a network of national stakeholders to place CYFI as a key item in the national agenda. This involves work related to :

- **Research:** Local academics play an important role in the documentation, assessment, monitoring and evaluation of the CYFI activities in the country.

- **Technology:** Determining relevant technological channels for the promotion and delivery of social and financial education and financial access for children and youth.

- **Media:** Public awareness on the topic and the efforts surrounding it makes use of existing media infrastructure to promote the messages of CYFI.

- **Child and Youth Finance International day/week:** Brings together the members of the national network and other relevant parties for a national outreach campaign. These include activities with children, schools, the media and the general public.

Part of the global network: Child and Youth Finance International can assist in the creation of the framework for a national action plan and serves to provide linkages with other national entities who have committed to promoting CYFI initiatives in their countries.

V. National Action Plan Steps

5.1 Child & Youth Financial Education

The introduction of Child and Youth Financial education at the country level is a multi-level process conducted in collaboration with a number of stakeholders including government bodies such as the ministry of finance or the ministry of education, NGOs, educators, schools, day cares, religious centres and social clubs.

Potential steps include:

Step 1: Brainstorm meeting with local NGO's and education officials and experts

This includes setting up an initial meeting with the relevant parties to create a high-level work plan for implementation of Child and Youth financial education and its scale-up. Initial mapping and target setting is essential.

Step 2- Implementation

The committee decides on the appropriate curriculum for social & financial education. The curriculum can be launched at the beginning of the school year.

Step 3 - Nation-wide roll-out

A sustainable pace for national roll-out and steering must be determined in order to eventually meet the target reach of children and youth. The advisory committee plays a special role in encouraging the integration of Social & Financial education in national education systems.

Part of the global network: The CYFI Education working group, made up of leading NGOs and educators in the field of children's financial education is creating benchmarks and assessment criteria for existing financial education curricula. UNICEF and OECD co-chair this working group. This will provide a benchmark for curriculum content on social & financial education and can be used as a reference for curriculum selection.

5.2 Financial Access and Inclusion

To ensure financial access and inclusion for children and youth within the country, the national central bank in collaboration with local financial institutions and the banking association can collaborate to engage in promotional and developmental activities for ChildFriendly products, particularly savings accounts.

Step 1 - Mapping the current landscape of financial products for children and youth.

This will help assess the level of financial access currently afforded to children in the country.

Step 2 - Outlining the current supervisory landscape

Documentation of the current legal and supervisory frameworks which surround the provision of financial products for children and youth is key. This will help in assessing currently policy and outlining the opportunities and challenges which need to be overcome.

Step 3 - Creating and promoting ChildFriendly products

To determine the characteristics which would make products most suitable and appealing for children and youth, we recommend conducting a national survey with children and youth. The results can be shared at the national CYFI day.

Step 4 - Provision of ChildFriendly products

The advisory committee can choose to modify existing products to meet the global ChildFriendly products requirements as created by the CYFI Inclusion Working Group or create a government-supported ChildFriendly products which is uniform, offered by all deposit-taking financial institutions and which meets the characteristics that the children and youth highlighted in the national survey.

Part of the global network: The CYFI Regulation working group has developed international minimum standards for child-friendly product (mostly savings accounts) which can be used to certify existing products or help create new ones.

5.3 National Platforms**5.3.1 Research**

Gathering a group of academics who focused on the topics of social and financial education and financial access for children and youth is essential to creating the necessary theoretical framework and evaluation processes for CYFI efforts in the country. The research arm of the advisory committee can focus on market research with the different stakeholders involved, building a theory of change and documentation, monitoring and evaluation of processes and projects for national CYFI activities.

Part of the global network: The CYFI Research working group is charged with creating a pool of academic research on this topic and conducting research and analysis in financial education and financial inclusion for children and youth.

5.3.2 Technology

Technological specialists in the countries to outline the ways in which to best harness existing technologies in the dissemination of social and financial education, media and outreach strategies and in the promotion of financial access for children and youth. This taskforce can also examine ways to include mobile phone technology, online games and other technological channels to reach out to children and youth and deliver CYFI activities.

5.3.3 Media

Media professionals and local communication experts can outline a strategy for increased communication and media efforts within the country. This includes increasing public interest through national awareness campaigns and determining appropriate media channels through which to promote CYFI topics. This includes highlighting CYFI themes in local television and radio shows, and involving the national press.

Part of the global network: The CYFI Media working group brings together media companies, publishing companies and telecommunications companies to assist with creating global and country level strategies in using appropriate media and technology to spread awareness and increase reach.

5.4 CYFI Day/Weeks

The Child and Youth Finance International day and week are dedicated to the promotion of CYFI activities at the national level. We propose that the CYFI day be held on March 16th, and the week in which it falls as the CYFI Week. The purpose of this week is to create national-level awareness on the topic and engage all stakeholders in its organizations and activities. Potential Activities include:

- Open day at local banks for children
- Activities in schools and other learning centers dedicated to children's financial topics
- Television and radio programming dedicated to the topic of financial education and access.
- Articles and opinion pieces on the topic
- Special lectures, debates and events on the CYFI topics

Part of the global network: All CYFI week activities can be conducted in coordination with CYFI weeks in other countries.

VI. Structure and members of the National Advisory Committee

Planning and delivery of all these actions can be conducted and overseen by the National Advisory Committee. This is a multi-stakholder group of local organisations and individuals committed to promoting CYFI. The committee is steered by the central bank or supervisory authority and is made of specialized taskforces. These taskforces are responsible for carrying out the activities in their related field.

The role of the National CYFI Advisory Committee is to:

- Hold regular meetings to create an integrated action plan for the implementation and promotion of CYFI activities
- Detail the CYFI vision into concrete activities by task force
- Decide and implement appropriate CYFI policy
- Act as local and global advocates for the concept of CYFI and liaise with the global/regional CYFI network

CYFI National Advisory Committee members would be senior executives of parties involved in implementing CYFI activities. The committee can also include task forces which steer the implementation of the different initiatives.

Members of the CYFI National Advisory Committee include:

Central banks/supervisory authorities who play a key role in steering the direction of the committee and serve as the link between network members.

Government bodies such as the ministry of finance and the ministry of education to drive local efforts in the promotion of social and financial education and access and its integration into schools and to vulnerable children.

NGOS and education providers plays a key role programme delivery, content and technical support and can serve as the closest link to the children and youth.

Financial institutions have a key role to play in the promotion of financial access for children through increasing appropriate and certified product offerings.

Relevant Bilateral and multilateral agencies with a focus on children's development topics at the country level can provide financial and technical support to CYFI initiatives.

Local academics and academic institutions can conduct and oversee the necessary research to support CYFI activities as well as their monitoring and evaluation.

Corporations who can provide assistance and support for CYFI efforts through technical and financial support and sector expertise.

VII. Linking national efforts with global efforts

Child and Youth Finance International, as a global multi-stakeholder movement, provides the international platform for collaboration and sharing of best practices. Members of the movement are given the opportunity to interact and be profiled in the following ways:

CYFI Annual Summit: Through annual summits and working group meeting, members are able to input into the strategic direction of the movement and share and benefit from the experiences of other countries who conduct/wish to conduct similar initiatives.

Awards ceremonies: Award ceremonies will be held in recognition of CYFI initiatives and practices in countries and by institutions. Best practices from participating countries will be profiled during these events and in the media. These ceremonies will seek to promote local banks and country initiatives.

Documentation and publication of best practices: CYFI will publish an annual report documenting best practices in social and financial education, financial access and country-level activities.

Technical assistance: As well as affording members the opportunity to share and interact, CYFI can also provide technical assistance and content advice as outlined previously in the highlighted sections of this paper.

VIII. The role of the central bank/ supervisory authority in the CYFI Movement

- Central banks and supervisors bringing CYFI to the country are the pioneers who help take the movement forward globally, in their country and in their region
- Central banks and supervisors are the key drivers and coordinators of the CYFI Advisory Committee in countries
- Member central banks and supervisors commit to remaining collaborative and open source and willing to share best practices and lessons learnt with other entities wishing to undertake similar initiatives
- Pro-bono support to assist in the efforts of the CYFI movement including translation assistance and provision of conference facilities. Payment of a contribution to support the CYFI movement is welcome.
- Taking part in the CYFI Regulation Working Group and at the CYFI annual meetings and annual award ceremonies.