

Regional Youth Savings Initiative (RYSI)

Background

On behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH has established an Open Regional Fund for the Middle East and North Africa region, which is managed by the Cooperation with Arab Donors Programme (CAD). In partnership with Silatech and the Microfinance Network of Arab Countries (Sanabel), CAD carried out the joint “Regional Youth Savings Initiative” to promote youth savings in Yemen, Egypt and Morocco.

The initiative offered the provision of dedicated youth savings accounts with leading regional financial institutions. The saving products were combined with financial literacy and social marketing campaigns to increase access to financial services for low-income youth. The provision of financial services to youth across many Middle Eastern and North African (MENA) countries remains far below its potential. This is mainly because many microfinance institutions continue to favour clients from a higher age bracket who have established businesses and longer credit histories. Therefore, a significant opportunity to unlock financial access for youth exists, and recognising the catalytic impact of doing so can spur job creation and poverty alleviation in the region.

Micro-savings offer an entry point into the formal financial sector, reducing vulnerability to economic shocks, evening out irregularities in income and creating collateral for lending to support business start-up and growth. However, the MENA region has the world’s lowest levels of access to formal savings instruments. Therefore, creating and expanding youth savings opportunities in the MENA region combined with financial literacy to increase access for low-income youth is an important issue.

Project Objective

The objective of this initiative was to increase and improve access to suitable financial services for disadvantaged youth through four components:

1. Development and marketing of specific youth savings products in cooperation with local partner banks and MFIs,
2. Financial literacy training programmes,
3. Social marketing campaigns on savings to develop a culture of saving amongst youth,
4. Regional knowledge sharing and policy application.

At the end of the two-year initiative, 50,000 youth were expected to have been influenced through the social marketing campaigns, provided with financial literacy and assisted with the creation of their savings accounts. At the end of the project period in December 2014, the project had reached more than 70,000 youth.

Results

In Yemen, the initiative worked with [Al-Amal Microfinance Bank \(AMB\)](#), [Al-Kuraimi Islamic Microfinance Bank \(KIMB\)](#) and the [Yemen Microfinance Network](#). In April 2013, the implementation of financial literacy training started in seven cities (Sana’a, Aden, Ta’iz, Hudaida, Ibb, Dhamar and Al-Mukalla), involving around 6,700 young people (of which almost 60 per cent were women), who received training on budgeting, the importance of saving, debt management and other financial services. Furthermore, a Training of Trainers (ToT) was carried out in 2012 for 29 employees of AMB and KIMB. 23 participants received certification as trainer of financial literacy courses.

The saving product became available in June 2013 and at the end of the two-year project in December 2014 more than 70,000 youth had opened saving accounts in more than 90 sales points throughout Yemen, with a total balance of over EUR 37 million or EUR 531 on average per saver.



In **Morocco**, the initiative worked with Al-Barid Bank and Centre Mohamed VI de Soutien à la Microfinance Solidaire (CMS). In August 2013, the implementation of financial literacy training started in seven cities with 501 young people participating (40% were women). As of September 2014, a total of 1922 people had participated in the financial education trainings, 1219 thereof being female and 703 being male. The saving product became available in March 2014 and allows the target beneficiaries to open youth saving accounts at Al-Barid Bank.

In **Egypt**, the project targeted economically disadvantaged youth (age 16-30) who have completed at least secondary education or are enrolled in schools/universities. Cooperation with the Faculty of Economics and Political Science (FEPS) at the University of Cairo and the Egyptian Banking Institute (EBI) allowed for the provision of ToT workshops on financial literacy.

Two trainings were carried out by Sanabel in March and April 2014 for FEPS and respectively EBI staff with the objective to receive certification in order to organize and facilitate the training of the direct beneficiaries of the programme, namely the youth population in Egypt in the following step. 32 people participated in the ToT, 44% of them being academics, 28% bankers, and the remaining 28% working in the financial services sector. 62% of the participants were female.

11 candidate trainers received certification as accredited trainers on the financial education curricula and are ready to deliver the course content in its entirety. A group of 8 candidate trainers was certified as associate trainers on the financial education curricula and is ready to co-facilitate and contribute with an accredited trainer.

About Silatech

Silatech is a social initiative, established to address the critical and growing need to create jobs and expand economic opportunities for young people. The initiative promotes large-scale job creation, entrepreneurship, and access to capital and markets for young people, starting first in the Arab world, where the highest rate of youth unemployment exists. Silatech was founded in January 2008 by Her Highness Sheikha Moza bint Nasser with broad support from other regional and international leaders.

About Sanabel

The Microfinance Network of Arab Countries (Sanabel) was established in 2002 when 17 representatives from 7 Arab countries gathered in Tunisia to launch the first and only network designed to serve microfinance institutions in the Arab world. Currently, Sanabel has 90 members from 13 Arab countries. The network aims to support and build the capacity of the microfinance sector for the provision of sustainable financial inclusion to low-income people in Arab countries.



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