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Child and Youth Finance International

Teaching Case

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Introduction

It was a blustery day in Amsterdam in November 2010. Jeroo Billimoria sat on the train returning home after a long day at the offices of Aflatoun. A week later, the Aflatoun Board of Directors would gather for its final meeting of the year, and Billimoria was critically aware that the outcome of this meeting could change the course of her life. A key piece of the agenda concerned the future of the organization, and whether or not Billimoria would continue in her leadership role as founder and CEO.

Billimoria had founded Aflatoun in 2005 as a social enterprise to counter the effects of childhood poverty. Aflatoun had created a comprehensive social and financial education curriculum to teach children about money and finance, while fostering greater personal understanding and knowledge of rights and responsibilities. With the help of supporting organizations to roll out the curriculum, Aflatoun had scaled dramatically. By 2010, Aflatoun was working through 72 organizations in 61 countries to provide social and financial education to 983,555 children.[1]

As Aflatoun had grown, however, Billimoria had increasingly realized that the organization was limited in its growth by two distinct issues. First, many countries' educational systems did not include a strong emphasis on financial, social or entrepreneurship education in their national curricula. Aflatoun had circumvented this issue by partnering with cutting-edge nonprofits and non-governmental organizations (NGOs) in these countries. However, by aligning with the most progressive organizations, Aflatoun was often seen as a "renegade" organization and not necessarily trusted by the established education ministries. Billimoria knew that in order to reach the majority of children globally, she would need to have government education ministers on her side.

Second, the financial regulatory environments in many countries restricted children and youth from opening savings accounts, either explicitly, by having a minimum age for opening accounts, or implicitly, by not promoting child-friendly banking products as a matter of course. A critical component of the social and financial education that Aflatoun promoted was the experiential side of opening a bank account. In fact, the literature on financial education, as well as the extensive experience Aflatoun had gained over the previous five years, emphasized that the practical experience of saving was an essential component to children learning about finance. If Billimoria wanted to deliver the best educational experience possible – aligned with formal bank accounts for children and youth – she needed to convince financial regulatory authorities to open the financial system for children and youth. At the same time, she needed to convince banks to offer products and services that were tailored to children and safe for them to use.

These systemic issues were increasingly standing in the way of achieving the mass change that Billimoria envisioned for children. Billimoria believed that the problems of child poverty and youth unemployment could be reversed through the mass rollout of child social and financial education (CSFE) combined with bank accounts for children and youth. However, she was increasingly realizing that in order for children worldwide to become economically empowered, these entrenched systems would need to change. Billimoria believed that "systems change" would require a collaborative, multi-stakeholder movement that would change both mindsets and policies – paving the way for organizations like Aflatoun to have the impact that they desired.

A few months earlier, with the support of a pro bono team from McKinsey & Company, Billimoria and her team had hosted a seminal conference for 120 high-level stakeholders and experts to discuss the creation of a movement for child and youth finance. This conference had convened ministers of education, education experts, ministers of finance, central bankers and NGO leaders from around the globe, underscoring the interest and importance of growing a movement focused on financial education for children and youth. However, the conference had revealed a perplexing issue. Billimoria, and indeed some mobilizers, had concerns for Aflatoun leading such a movement. Their concern was that Aflatoun was an organization with a strong brand that had successfully promoted a curriculum and pedagogical approach through its network of implementing partners. Aflatoun the organization was seen as synonymous with its program, and was justifiably interested in promoting the use of the curriculum in as many organizations and countries as possible. Many of the participants stressed that a multi-stakeholder movement required an "honest broker" – an organization that did not have a stake in promoting its own operations. With an inherent bias toward its own approach, there was significant question as to whether or not Aflatoun would be able to act as this "honest broker".

Billimoria had taken these concerns to the Aflatoun Board. However, the Board's reaction was mixed: some members strongly believed that these concerns could be alleviated by building the movement within the organizational umbrella. Other members could understand the concerns about objectivity that some of the stakeholders had raised. All of the Board members were concerned about splitting the organization into two entities, with the duplication and diverted resources that could result. They also did not want to lose Billimoria as the CEO of Aflatoun.

1. Aflatoun Strategy Document, October 2009.

As a result, the Board had asked Billimoria to lay out her proposed strategy for the next five years, including her vision for the child and youth finance movement. They wanted Billimoria to propose the way forward for the movement, including the decision of what entity would be best positioned to influence the key stakeholders and ensure the maximum impact for the movement.

As she sat down at her desk that evening, Billimoria faced the difficult decision of determining whether her movement for financial inclusion and education for children should continue under the umbrella of Aflatoun, which had achieved much success in the last decade. Alternatively, would it be a better idea to create a *new* entity to carry the movement forward?

Roots in India

Billimoria spent her entire life focused on issues of children's rights. In her early years growing up in India, Billimoria witnessed the impact of poverty on children and their particular vulnerabilities in circumstances where families were under the stress of financial difficulty. Billimoria was very close to her father, who was an accountant, and followed in his footsteps to study Commerce at the University of Mumbai. However, Billimoria was also strongly influenced by her mother's career as a social worker. When her father suffered an untimely death, Billimoria decided to dedicate her life to combining her love of social service with the rigor of her training in business. She achieved her MA in Social Work from India's Tata School of Social Sciences and went on to receive an MS in Nonprofit Management from the New School for Social Research in New York City.

While in the United States, Billimoria became actively involved with the Coalition for the Homeless, the country's longest-serving advocacy and direct service organization for the homeless. Through her volunteer work, Billimoria worked on the streets of New York City, encouraging homeless people to use the organization's shelter services. During this time, the Coalition was exploring the idea of providing a toll-free number for the homeless to be able to access information about services. The experience of working with New York's homeless would prove to be pivotal for Billimoria.

When Billimoria finished her studies in 1992, she returned to India to join the faculty of the Tata School. Many of her graduate students were working in Mumbai's homeless shelters and, when Billimoria accompanied them, she was particularly struck by the needs of the children. She began to give her phone number to the children, and started to receive calls daily from children seeking assistance. The experience reminded her of the idea for a toll-free number for the homeless in New York City, and she began to consider the idea of a "children's toll-free hotline" in India. At the same time, Billimoria also conceived of the idea for an organization that would bring together children from impoverished backgrounds with those from more privileged households. She called the organization MelJol, which meant "bringing together".

MelJol began as an action project within the Tata School, building on the resources that Billimoria had within the school. As MelJol grew, Billimoria continued to have conversations with children and learn more about their needs. She became increasingly convinced that a toll-free hotline, with referrals to existing services for children, would create linkages across the system and ensure that children in crisis could receive care quickly. In 1993, Billimoria submitted an application for a toll-free number. However, the bureaucracy involved in securing a toll-free phone number seemed insurmountable. Billimoria realized that to overcome the bureaucracy, she would need to move beyond administrative actions and use more action-oriented tactics. Over three years, including two non-violent sit-ins orchestrated by children, as well as a threat of a hunger strike, the toll-free number 1098 was finally secured.

In 1996, Childline India Foundation (Childline) was created to operate the toll-free number in Mumbai. Through referrals and emergency assistance, the foundation was able to coordinate responses for children in need across the city. In 1998, recognizing the success of the hotline in Mumbai and with Childline's continued lobbying for resources, the national government agreed to centrally fund the expansion of the toll-free hotline across the country through the Ministry of Women and Child Development. Within six years, the hotline was fielding nearly 2.7 million calls annually in 42 cities across India.

Beyond the immediate help delivered to children in need, Childline's value included the collection of massive amounts of data regarding children's issues in India. This data revealed a crisis in India's protection system for children, and Billimoria began to make the link between using this data not just for Childline's purposes, but also to advocate for a better policy framework for children in the country.

In 2002, Billimoria was running two social enterprises, lecturing at the Tata School and advocating for Childline and children's rights throughout the country. It seemed that there was not a single minute for Billimoria to focus on her personal life. However, she was certainly due for a surprise. At a conference in Mumbai, Billimoria was introduced to a Dutch accountant from Amsterdam. Despite the fact that she had always envisioned herself living in India for the rest of her life, she found that she had fallen in love. As she contemplated the decision to move to Amsterdam, she wondered if her two social enterprises would be able to thrive in her absence.

Billimoria's nature had always been more entrepreneurial than managerial. It occurred to her that by leaving the organizations in capable hands, both MelJol and Childline might in fact thrive. She was also keen to avoid the plight of so many organizations which relied heavily on their founders to maintain their operations. In 2003, Billimoria moved to Amsterdam, handing over the leadership of MelJol and Childline to two capable CEOs. While India's children would always remain close to her heart, Billimoria considered that MelJol and Childline may have lessons that could be applied in a global context as well.

Creating Aflatoun

With a new adventure ahead of her, Billimoria began to consider her social ventures as a part of the larger global movements for children's rights. When Billimoria arrived in Amsterdam, she explored the idea of taking the Childline concept globally, uniting and supporting countries that either had existing helplines or wanted to start a new helpline. That same year, Billimoria convened 49 child helplines from around the world at a conference in Amsterdam and launched Child Helpline International (CHI). CHI's mission was to strengthen child helplines around the world, providing technical assistance and advocacy to ensure that children in need are heard. From its inception, CHI also recognized the importance of data to support and improve child protection services, so it promoted robust data collection practices among helplines to be used by key policymakers.

As CHI grew, Billimoria's keen and restless nature had already started working on another seed of an idea. After a decade of working with children in distress, she had become frustrated by the seemingly endless stream of calls. Based on her philosophy of "children as change agents", she knew that with the right education and opportunities, children would make choices that would lead them to a better life. She realized that her next challenge was to reach children *before* they experienced a crisis point.

Always an academic, she began to consider the data at her disposal. It was clear from the call records at Childline that poverty formed a backbone to the issues that these children faced, such as hunger, poor health, sexual and emotional abuse and bullying. Anecdotally, at MelJol, Billimoria had learned that children and youth living in poverty were often unaware of their rights, and money and financial hardship prevented these children from escaping the cycle of intergenerational poverty. Furthermore, her recent experiences with CHI had revealed that financial issues were not just affecting children in low-income countries: the financial crisis of 2008 had impacted children of all backgrounds. Billimoria felt that children across the world were not being prepared for the economic challenges that were on the horizon for future generations. She believed that children needed to be given the education and tools to become financial actors in their own right, empowering them to solve problems before they reached a point of crisis.

As Billimoria explained, "These street kids – 12 to 14 years old – would earn 100 rupees a day (USD 1.50). And then at the end of the day, after eating their meal, they'd spend the leftover cash," she says. They had nowhere to put the money and feared it would be stolen if they did not spend it. "People who live on USD 2 a day have the capability of amassing savings, but they don't know where to put it."[2]

With the theme of money in mind, she began to look more closely at a savings and financial education scheme that had been piloted by MelJol. The scheme had been initiated in 2001 as a savings programme and then developed in the rural areas of Maharashtra surrounding Mumbai. The children at MelJol loved the fireball cartoon character representing the scheme, who was named after a mischievous but good-hearted Bollywood character. In India, "Aflatoun" was a colloquial term for an intelligent, adventurous person; the term originated from an Arabic reference to Plato, the Greek philosopher who championed social justice. Through a series of activities and games, children were encouraged to become "Aflatouns", or children who could "separate fiction from fact, change their lives with their acts and thereby create positive impact." By 2005, the MelJol program in Maharashtra was reaching 70,000 children and, collectively, these children had saved over EUR 2.6 million.

The MelJol programme revealed a critical learning: the compatibility of social and financial education. As described by Aflatoun:

> MelJol experimented with a programme covering only child rights and found that it lacked the tangibility. They experimented with a savings-only programme and found it was too transactional. But, upon combining the programmes, they found that child rights education and savings education were excellent complements. Participation in child-run savings programmes is a productive way for children to exercise their rights and responsibilities, and the inclusion of rights and responsibilities education gives saving and spending transactions greater meaning.[3]

2. Gross 2013.
3. Aflatoun 2006.

rather than aid at the point of crisis. In 2005, while still Executive Director of CHI, Billimoria incorporated a new organization in the Netherlands called Child Savings International (known better by its short name, Aflatoun). As she explained in the initial annual report, the incorporation in the Netherlands was purely for administrative purposes and "[the organization] has its origins in economically developing countries and will continue to follow a bottom-up approach shaped by our partners and countries."[4]

Aflatoun was committed to implementing through NGO partners rather than attempting to set up national operations of its own. In the first year of operation, Aflatoun selected ten partners in ten countries[5], based on the calibre of leadership, involvement in social entrepreneurship, ability to provide resources to the programme, and attitude towards scale. These partners were responsible for piloting and tailoring the Aflatoun concept locally, as well as suggesting changes to the curriculum where necessary. The partners worked across a broad range of sectors, including youth development, microfinance, education and children's rights. Each of the organizations were interested in integrating the Aflatoun curriculum into their existing programmes or setting up new programmes to deliver the curriculum.

Through 2006 and 2007, Aflatoun piloted its programme in schools in its initial ten launch countries. This pilot revealed that the programme was viable, however it required modifications in each country and locality where it was implemented. Billimoria felt that she needed to grow and mobilize a broader network of stakeholders to expand Aflatoun's reach. In July 2007, Aflatoun convened the network at an International Stakeholder Meeting. This meeting was pivotal, with implementing partners and supporters committed to launching a campaign to reach one million children in 75 countries by 2011.

Curriculum and Training

The key to Aflatoun's scaling strategy was its curriculum and training platform. Each partner "contextualized" the Aflatoun curriculum for their own country context and population. The core of the Aflatoun programme included both financial and social education, rooted in the early learnings at MelJol about the compatibility of children's rights education and financial education. Philosophically, Aflatoun ascribed to the idea that learning should be "child-centred" and participatory, using games, songs, puzzles and fun activities to help children learn and internalize effectively. In formal school settings, teachers generally devoted one hour per week to the Aflatoun programme. Elements of the curriculum included forming clubs, operating saving schemes and starting micro-enterprises.

Aflatoun supported its curriculum rollout with extensive training, which it called its "Training Tree". The tree consisted of three levels: the Aflatoun Secretariat trained the implementing partners, the implementing partners trained local trainers, and the trainers then trained teachers. These teachers then used the Aflatoun curriculum to teach children in formal and informal settings, such as school classrooms and afterschool programmes. Through this training cascade, Aflatoun targeted that each implementing partner trainer would ultimately reach 10,000 children.

Fundraising

Aflatoun was entirely grant funded. Initial seed funding came from Plan Nederland and Plan International, while ongoing financial support for the Secretariat came from private donors and foundations. Aflatoun also received much needed support in expanding its network and selecting implementing partners through Ashoka and the Schwab Foundation for Social Entrepreneurship. Funding for country partners was also provided through select donor partnerships, however partners were ultimately responsible for funding their own programmes.

Aflatoun's budget in 2005 was approximately EUR 100,000. By 2008, Aflatoun was well on its way to achieving its goal, reaching 500,000 children in 20 countries with a budget of approximately EUR 1,475,000. However, with growth there were also challenges. As the financial crisis of 2008 unfolded, several country partners were affected in their ability to raise funds to deliver their programmes, including the Aflatoun programme. Of the original partners, two were unable to continue their operations; however, at the same time, other NGOs were able to join the Aflatoun network. Fortunately, Aflatoun's Secretariat was operating at full capacity during this period, and its strategy of partnerships allowed it to scale with relatively little growth at the head office level. Through the 2008 to 2010 period, Aflatoun used its resources wisely, maintaining its budget at approximately the same level, while doubling the number of children that it reached.

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4. Aflatoun 2005.
5. The initial implementing partners and the countries in which they operated were Ecoclubes (Argentina), National Council for Childhood and Motherhood (Egypt), MelJol (India), PASECA (Mali), LYNX (Nigeria), PLAN Philippines and NATCCO (Philippines), Children's Care Fund (Serbia), Agape Copeland Train (South Africa), The Private Education Development Network (Uganda), PLAN (Vietnam), and Junior Achievement (Zimbabwe).

Governance and Staffing

At inception, Aflatoun's staffing requirements for the Secretariat were small. Billimoria hired just two staff members to run the central operations. At the same time, Aflatoun recruited a small but high profile Board of Directors, including a former partner of McKinsey & Company, a chairman of Ernst & Young the Netherlands, and the Chair of the United Nations Committee on the Rights of the Child.

In 2008, Aflatoun made the decision to open its Board of Directors to regional participation, inviting members of the global network to sit on rotating seats of the Board. In March 2008, five members of the regional network were elected by the entire network to participate on the Board. At the same time, several global taskforces were created to guide the organization in several key areas, including Child Participation, Curriculum Development, Impact Assessment and Quality Assurance.

By 2008, the organization had 21 employees and had filled the key roles that it required to reach its ambitious campaign goals of one million children in 75 countries. With moderate changes to staffing, Aflatoun was operating with 17 employees by 2010.

Impact Evaluation

Billimoria knew that scale would be meaningless without empirical proof that the Aflatoun programme had positive impact on outcomes for children. Prior to 2010, Aflatoun had worked to gather existing research that supported the programme. Several research studies indicated that financial and social education contributed to better financial behaviour, as well as less risk-taking in adolescence. Other studies showed that participation in savings and microcredit programmes had positive effects on savings behaviour.[6] However, the research was often inconclusive and left funders and policymakers without definitive actions to pursue. With five years of programme development and implementation under their belt, Billimoria and her team felt that it was time to pursue a formal evaluation of their programme.

In late 2010, Aflatoun launched its first randomized control trials in Uganda and Ghana, in partnership with Innovations for Poverty Action.[7] In preparation for the study, baseline data was collected from 5400 children in 135 schools. They projected that early results would be available in the latter part of 2011. At the same time, the Aflatoun monitoring and evaluation team, alongside external researchers and consultants, launched 14 partner-level research studies addressing topics such as teacher training, participation, enterprise developing and savings behaviour.

By the end of 2010, Aflatoun had nearly reached its campaign goal of one million children – during the year, Aflatoun had reached 983,555 children in 61 countries. With the impact evaluation and research studies in process, Billimoria felt confident that they would have enough evidence to take the Aflatoun curriculum beyond the campaign, and encourage further scale-up in the countries where they were operating, as well as launch programmes in more countries. The strategy of working through NGOs, including the curriculum contextualization and training cascade, had proven its value in reaching this impressive scale. However, Billimoria was beginning to have doubts about implementing partners as a strategy to create long-term, system-wide change.

Beyond One Million Children

As the Aflatoun campaign was nearing its end, Billimoria found herself oddly dissatisfied. She was uncertain about where to go next. With Aflatoun's social franchising model, she felt that the programme had the potential to reach tens of millions of children. But while many social entrepreneurs would have been satisfied with impacting tens of millions of children, Billimoria's ambitions were orders of magnitude larger. Ultimately, she envisioned a scenario in which countries' educational and financial systems were fundamentally changed, allowing organizations like Aflatoun to reach every single one of the world's two billion children.

Interestingly, one of the major barriers to scale was embedded in the organization's strategy of partnering with progressive NGOs. Billimoria believed that NGOs, operating with donor funding and each with their own programmatic goals and operations, had an ingrained obstacle to scale. Although the implementing partners had been selected based on their interest in scaling, these organizations found it very difficult to implement a programme without depth. The result was that the partners' programming utilized a higher cost-per-child than would be able to be scaled effectively.

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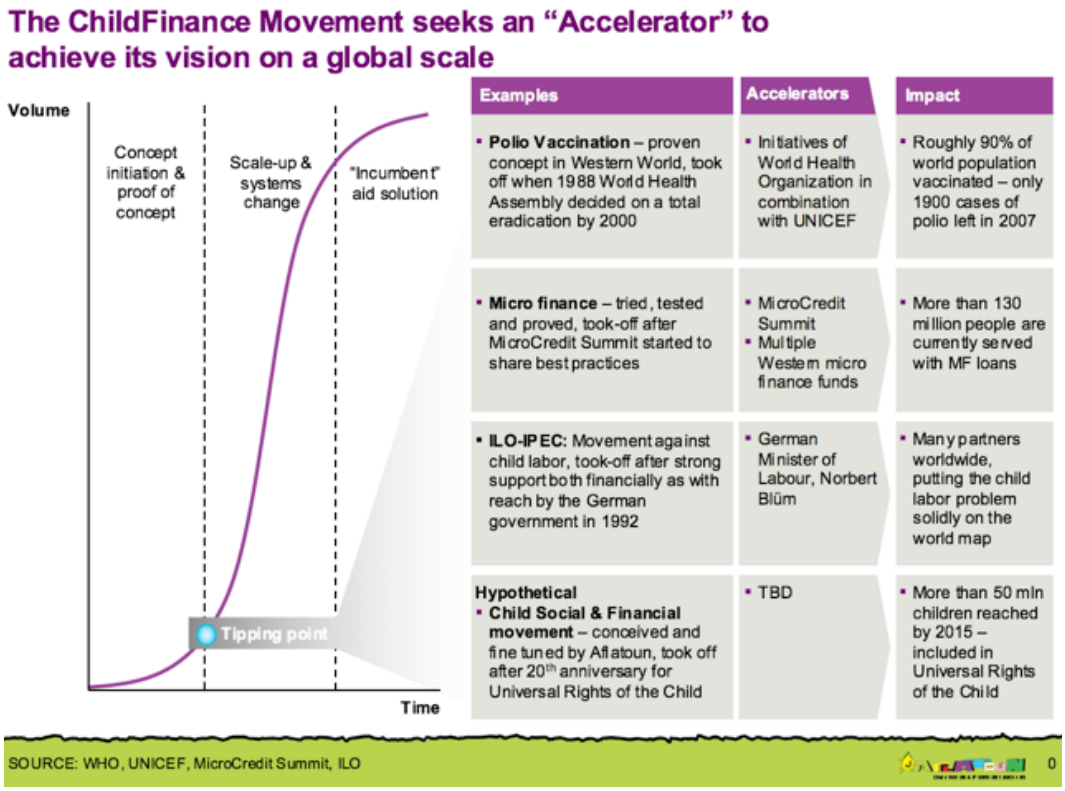
6. Sherraden & Ansong 2013.
7. The evaluation results from Uganda showed significant improvements in children's financial attitudes, money recording behaviour, and saving behaviour, as well as an increase in children's personal interest in schooling and enthusiasm in class. The evaluation results from Ghana showed significant changes in children's attitudes and savings behaviour compared to control schools. Students were more likely to save money. This study also showed that financial education, when not accompanied by social education, led children to work more compared to the control group, whereas no such effect was found for a combined program of social & financial education. For further information, visit https://aflatoun.app.box.com/s/o2xcy5o2rr1yx8g2psubikwc6kugc16a.

At the same time, the education and financial sectors were slow in recognizing the need and promoting widespread adoption of social and financial education. Billimoria knew that government and financial sector adoption were critical to achieving massive scale, yet despite the momentum in the Aflatoun network, there were still substantial hurdles to bringing governments and banks on board.

When preparing her strategic plan for the upcoming year, she asked her Board Treasurer, a board representative from McKinsey & Company, if the consultancy would consider providing pro bono capacity to assist. With his assistance, McKinsey agreed and dedicated six consultants to creating a plan of action for Aflatoun.

Billimoria and the McKinsey consultants used an interesting approach. Rather than studying other organizations that had achieved large scale, they devoted the early portion of their exercise to studying "social movements". In particular, the consultants reviewed social movements that had achieved global scale, including the global vaccination programme for the eradication of polio, the microfinance movement and the movement against child labor. These movements had similar trajectories, in which an organization or multilateral government body had identified a concept or solution that had been piloted effectively, scaled it significantly, ultimately making it the "incumbent" solution for other stakeholders globally.

Figure 1: McKinsey Analysis for Aflatoun



The idea of a movement for financial and social education for children had always struck a chord with Billimoria. She had long considered her social ventures as "movements", but the McKinsey research suggested that there were additional strategies that organizations could deploy beyond scale to achieve systems change. Billimoria considered the possibilities: by creating a new strategy for "systems change", would Aflatoun be able to successfully overcome the barriers in the education and financial systems that prevented financial and social education from being delivered across the globe?

The Global Context

After fielding hundreds of thousands of calls from children through Childline and witnessing the creative solutions that children inspired when they came together through MelJol, Billimoria began to cultivate a unique mindset about the issues of vulnerable children. She realized that "children are an extremely persistent and powerful agent of change". Rather than seeing children as beneficiaries of charitable services, she believed that children themselves were the trigger for change. However, the children that she encountered were limited in their abilities to change their own lives for the better by circumstances out of their control. She was particularly concerned with the cycle of intergenerational poverty and how difficult it was for children to remove themselves from hardship.

Children's vulnerability, and therefore their ability to secure rights, was heightened by issues of poverty. Globally, in 2010, one billion children lived in poverty and nearly 400 million children lived in extreme poverty, defined as under USD 1.25 per day. About 22,000 children died each day due to conditions of poverty.[1] Moreover, children living in conditions of poverty were more likely to work for a living rather than attending school[2], be forced into sex trafficking or early marriage, and experience armed conflict or be recruited as a child soldier.[3]

Furthermore, impoverished children were far more likely to become impoverished adults, thereby creating a cycle of poverty across generations. Opportunities for employment and income generation were lower for youth from poor backgrounds. In a world where youth unemployment stood at 12.6%, with some countries facing youth unemployment levels as high as 46.6%,[4] the prospects for youth with already limited opportunities seemed difficult to overcome.

Most experts agreed that there was one tried and true way to lift subsequent generations out of poverty: providing children with universal, free education. In 2010, 691 million children and 543 million children globally were enrolled in primary and secondary schools respectively.[5] This constituted 85% of primary school age children and 61% of secondary school children.[6] The global agenda for education was given a boost by two political commitments adopted by the international community at the turn of the millennium. The Dakar Framework for Action on Education for All, adopted in April 2000, and the Millennium Declaration, adopted by the United Nations in September 2000. While these political commitments were far-reaching in their ambitions, in practice, the result was a focus on the most easily measurable aspects, including enrollment percentages and gender parity numbers.[7]

A few exceptions did exist. UNICEF had an initiative called "child-friendly schools" (CFS) which created a model for schools to "operate in the best interests of the child".[8] In a partnership with UNESCO, the CFS model provided a framework and a set of guiding principles for the creation of child-centred schools. UNICEF insisted that the model was "not a blueprint" and was flexible and adaptable to different contexts, however it did offer a way of promoting quality standards and pedagogical concepts within schools around the world. Likewise, the OECD had an initiative called the Programme for International Student Assessment (PISA), which implemented a triennial survey for 15-year-old students aiming to evaluate education systems worldwide. Students from 74 countries had participated in the assessment in 2009. Importantly, the PISA programme did not provide any input into countries' curriculum or school standards, however it allowed countries to compare their educational outcomes to other countries through creating a common standard of assessment.

Aside from these efforts, responsibility for the content and quality of education largely fell to national and local governments. Historically, governments had used a few ways to influence education. First, governments set standards by which teachers were certified, ensuring that teachers met minimum qualifications and teaching hours before entering the classroom. Second, governments developed national or local curriculum, providing standards and frameworks for the content and pedagogy of classroom instruction. Finally, governments in many countries set standards and measured quality through national or regional progress and exit exams. Countries, however, differed dramatically in how these standards and norms were developed and implemented within localities and schools.

At the same time, Billimoria felt that education was not enough. Children needed practical exposure to financial and savings products in order to practice the skills that they were learning in school. Yet, similar to the national education systems, the financial system had not yet recognized children as financial actors in their own right.

When Billimoria began looking at the financial landscape for children, the idea of financial inclusion for children did not feature highly on the agendas of banks and regulatory authorities. Many countries still had restrictive laws that prevented banks from creating and marketing financial products to children and youth. These included age restrictions, high minimum deposits, high costs of opening and maintaining accounts, as well as marketing materials and contracts that were incomprehensible to most children. Most countries and banking authorities were still in the early stages of recognizing the importance of financial inclusion for children and youth.

Through her experiences in India, Billimoria was critically aware that influencing national systems and policies was a difficult task. However, she was also aware that few countries had emphasized financial and social education in their national curricula. If she wanted to reach children on a massive scale, she felt that she had to influence governments and financial institutions, not just civil society organizations.

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8. Mascarenhas 2014.
9. Naeem et al. 2011.
10. http://www.care.org/work/poverty/child-povrty/facts
11. Child and Youth Finance International 2011.
12. The World Bank 2014.
13. UNICEF 2016.
14. Right to Education Project 2015.
15. UNICEF 2010.

A “Systems Change” Strategy

With the global context in mind, Billimoria was now seeking to fundamentally alter the “DNA” of country systems for education and finance, ultimately developing a movement for child social and financial education.

Billimoria believed that systems change would require a new “conversation” with stakeholders, one which went beyond asking for support and instead asked them to accept and promote a new set of rules and norms for the financial and education systems in countries. She understood that stakeholders would be driven by different motivations – some political, some financial, and others humanitarian. To interact with these stakeholders, she knew that she needed to recruit a team with a different skillset than Aflatoun currently possessed.

Billimoria also recognized that systems change would be more about connecting and advising these stakeholders, rather than showcasing a programmatic approach as Aflatoun had done. The Aflatoun team members were justly proud of their curriculum and programme, but Billimoria was concerned that they would find it difficult to separate the programme from the principles of systems change. Her gut instinct was that this conversation would need to be led by a team that was seen as independent from Aflatoun, one that was not associated with any particular solution or curriculum, but rather could act as the negotiator and driver of these conversations.

Inspired by the approach of the McKinsey consultation, Billimoria hired two new employees within Aflatoun to focus on the movement. These new employees were given an independent mandate from the programmes team, and were tasked with exploring the landscape for a social movement, analyzing the stakeholders, and beginning the process of bringing these stakeholders together.

Identifying Accelerators

McKinsey’s research into historical social movements had revealed the necessity of identifying “accelerators” that could mobilize multiple stakeholders into action on a particular issue. Accelerators included multilateral bodies, government ministries and independent convening structures which brought together stakeholders with varying agendas and helped to align goals and provide incentives for taking action on specific issues. Billimoria recognized that her movement for financial and social education for children and youth needed to motivate a select group of “accelerators” to further its objectives.

Billimoria and her team identified a “dream list” of potential accelerators that they could mobilize for Child Social and Financial Education (CSFE). These included: National Ministries of Education, Central Banks, Financial Services Providers and Academics. Each of these accelerators had a different set of motivations and hurdles to overcome.

National Ministries of Education**:**

National education authorities were the most obvious accelerators for the CSFE movement. Integration into national education systems could take several forms, including integrating CSFE into the national curriculum by adding a new, dedicated subject or as multiple topics and themes across the standard curriculum. Ministries of Education could also potentially open the door to teachers’ colleges and education programmes, allowing CSFE to be incorporated into teacher training, with teachers deciding how to integrate the learnings into their classroom practice. Finally, CSFE could be delivered outside of the formal curriculum, as extra-curricular activities through school clubs and afterschool programmes.

Resistance to financial education in schools typically centred around arguments that emphasizing money and earning may divert students’ attention to jobs and employment, rather than focusing on or finishing their education. Other resistance was subtler: in resource-constrained settings, any new programme or initiative had to compete for funding and time on the priority list for public resources. In many countries, even those with relatively high funding, financial and social education simply was not a priority item on the education agenda. To a degree, the financial crisis had heightened policymakers’ awareness of the need for financial education, and Billimoria sensed that the crisis had given her a window of opportunity to push for greater priority for social and financial education in schools.

Central Banks**:**

Central banks were responsible for overseeing the monetary system for countries. Nearly every country in the world, with the exception of North Korea, had a central bank managing its currency, money supply and interest rates. In many countries, central banks were the primary regulator of the financial sector, providing many of the rules and regulatory frameworks that governed financial institutions’ activities. Therefore, educating and influencing central bankers on the issues of financial literacy and inclusion for children and youth was a primary tool for opening up the regulatory system to include these populations.

For central banks, financial literacy and inclusion were important national issues, albeit with a longer term horizon than the pressing issues of setting interest rates and controlling monetary policy. Central banks considered financial literacy and inclusion as critical to ensuring macroeconomic stability and encouraging economic growth. While central bankers were aware of the importance of financial literacy and inclusion on their core activities, most were not engaging in national efforts to increase focus on these issues in their countries. Furthermore, many central banks had not yet considered the impact of restrictive policies for children and youth opening bank accounts on their agendas.

Financial Services Providers:

Financial services providers had a financial incentive to provide services to children and youth as future customers. An analysis by MasterCard in Europe had shown that while "young professionals" in their thirties were the most profitable segment for financial institutions, the cost of acquisition for teenagers was relatively low.[16] Therefore, although servicing children and youth might not be highly profitable in the near-term, banks could anticipate a long-term benefit of creating child- and youth-friendly products by retaining these young clients into adulthood. Furthermore, technology innovations in financial services, such as mobile banking, had the potential to significantly lower costs of servicing children and youth, who were particularly adept at adopting new technologies.

Financial institutions, however, were sometimes reluctant to create child- and youth-friendly banking products because of the regulatory environment surrounding children. Global banks recovering from the financial crisis – and dealing with adapting to a more restrictive regulatory environment as a result – were predictably reluctant to take on more regulations by catering to a new, and unproven, market.

Billimoria's team realized that financial services providers were, in fact, the most conservative audience to "win over" in building momentum for their movement.

Academics:

Finally, academics were an interesting audience to consider when developing the movement for child and youth finance. A few leading academics, such as Lewis Mandell at the University of Washington and Michael Sherraden at Washington University in St. Louis, had focused their research on financial literacy and children. These academics were interested in collaborating with a movement for child and youth finance as they saw such a movement as critical to furthering their research and using it to influence policy and practice.

First Steps

Billimoria and her team decided that the first step was to understand the current state of child and youth finance through the lens of the stakeholder community. Together, they contracted the social enterprise consultancy Volans to conduct a series of two surveys in 2010. The first survey went out to the institutional network that Aflatoun had built, resulting in more than 200 responses. The second survey went out to the children and youth and also generated more than 200 responses, building on Billimoria's belief that their core constituency should be consulted at every stage of development.

The survey results, entitled "Word on the Street", gave Billimoria and her small team the first insights into the topics and themes that were deemed important by both experts and children with regards to financial education. Specifically, the experts' survey identified an overwhelming sentiment that a lack of understanding of money and resources hinders children and youth's development into adulthood. Furthermore, more than 90% of respondents identified limited access to savings mechanisms and the existence of unsafe savings mechanisms as barriers to children and youth acquiring financial skills.

Based on the results from the survey, Billimoria decided that a critical next step would be to convene the key stakeholders at an "Experts Meeting". To guide this meeting, she asked the McKinsey team to help her develop the agenda and facilitate the sessions. With the sponsorship of the Citi Foundation and the Skoll Foundation, Aflatoun organized the meeting for 126 participants from over 40 countries, including representatives from government, regulators, central and private banks, savings banks, microfinance institutions, academia, and civil society institutions. In her capacity as UNSG Special Advocate for the Inclusive Finance for Development, HRH Queen Máxima of the Netherlands opened the event.

Billimoria had three objectives for the three-day event. First, she wanted all of the key stakeholders to be included in the effort. Second, she aspired to hear all ideas and innovations, and include these in the strategy for the movement. Finally, she believed that the event would create a pivotal chance to market the efforts going forward. With this spirit of inclusion, the team drafted over 50 versions of the agenda and included more than 60 speakers on the roster. Over several days, working sessions were held with the attendees so that everyone's ideas could be included in the movement's strategy. The McKinsey team worked late into the night after the last working session, drafting a strategy document to present at the closing ceremony. The attendees enthusiastically embraced the ambition of the event, pushing Billimoria and the team to include the ambitious goal of reaching 100 million children by 2015.

16. Child and Youth Finance International 2014.

Throughout the event, Billimoria had the sense that the movement was gaining traction – however, the organizing profile of Aflatoun was downplayed throughout the sessions. Billimoria sensed that the movement would be hindered by placing Aflatoun too prominently on the agenda.

Mobilizing for Child and Youth Finance

Billimoria believed that the way forward was to influence key government ministers, policymakers, regulators and bankers around the world to take up the vision of the Child and Youth Finance movement. Her aim was to see financial and social education incorporated into every national curriculum, and to enable children and youth to open savings accounts in every country around the world. In order to do this, Billimoria needed to overcome resistance in key areas and mobilize key accelerators to raise financial and social education on the agendas of national governments and regulators.

The question, however, remained: was Aflatoun in the best position to lead this movement? Should she continue to progress the movement for social and financial education through Aflatoun, or should a movement be mobilized under a separate entity?

In preparation for next week's Board meeting, Billimoria needed to create a presentation that outlined her answers to the following strategic questions:

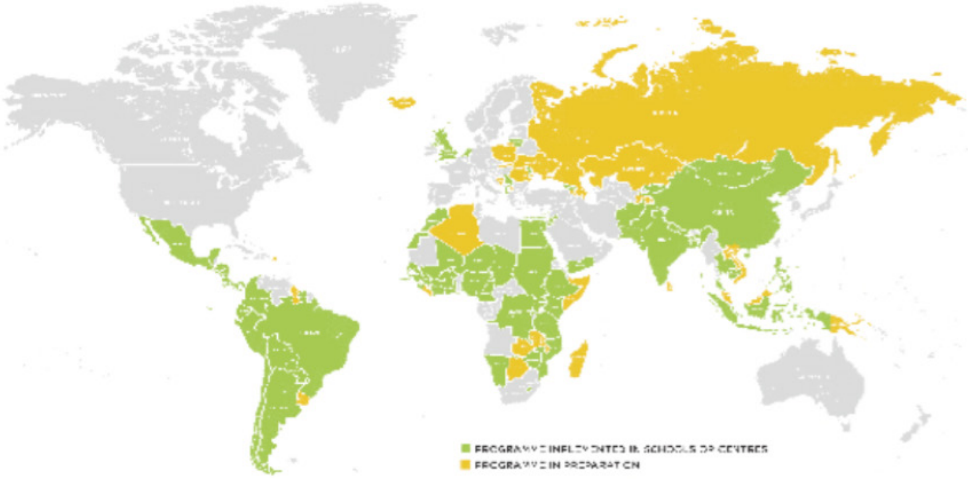
- What were the two "systems" that Aflatoun sought to influence?
- What were the key "accelerators" for each of these systems? How would these accelerators be motivated to include CSFE in their activities?
- Would the movement be best served by continuing under Aflatoun? If not, what would the alternative be? What would be the relationship between Aflatoun and a new entity?

Appendices

Appendix 1: Aflatoun Operations, 2010

Where We Were at The End of 2010

Aflatoun almost doubled the numbers of countries that it worked in during 2010. The growth was the result of growth in Latin America and Francophone Africa and Aflatoun's regional master trainers' ability to fulfil the demand for training from new organisations.



AFLATOUN PROGRAMMES			
AFGHANISTAN	ETHIOPIA	MEXICO	RWANDA
ALBANIA	GAMBIA	MOLDOVA	SENEGAL
ARGENTINA	GEORGIA	MONGOLIA	SERBIA
BANGLADESH	GHANA	MOROCCO	SIERRA LEONE
BOLIVIA	GUATEMALA	MOZAMBIQUE	SUDAN
BRAZIL	GUINEA	NAMIBIA	SURINAME
BURKINA FASO	GUINEA-BISSAU	NEPAL	TANZANIA
CAMBODIA	HONDURAS	NETHERLANDS	THAILAND
CAMEROON	INDIA	NICARAGUA	TOGO
CHAD	INDONESIA	NIGER	UGANDA
CHILE	JORDAN	NIGERIA	UNITED KINGDOM
CHINA	KENYA	OCCUPIED PALESTINIAN TERRITORIES	YEMEN
COLOMBIA	KOSOVO	PAKISTAN	ZIMBABWE
CONGO	KYRGYZSTAN	PANAMA	
COSTA RICA	LEBANON	PARAGUAY	
CÔTE D'IVOIRE	LESOTHO	PERU	
ECUADOR	LITHUANIA	PHILIPPINES	
EGYPT	MALI		
EL SALVADOR	MAURITIUS		

AFLATOUN PROGRAMMES IN PREPARATION	
ALGERIA	POLAND
ARMENIA	PUERTO RICO
AZERBAIJAN	ROMANIA
BOSNIA AND HERZEGOVINA	RUSSIAN FEDERATION
BOTSWANA	SLOVAKIA
GUYANA	SOMALIA
ICELAND	SRI LANKA
KAZAKHSTAN	TAJIKISTAN
LAO, PEOPLE'S DEMOCRATIC REPUBLIC	UKRAINE
LIBERIA	URUGUAY
MACEDONIA	VIETNAM
MADAGASCAR	ZAMBIA
MALAWI	
MALAYSIA	

Appendix 2: Aflatoun Milestones, 2010

MILESTONES:	
No. of children:	**983,555**
No. of countries:	**61**
No. of schools:	**8,434**
% of children saving:	**44%**
Total no. of youth enterprises:	**5,952**

Appendix 3: Examples of Child Friendly Banking Products Globally

- **Bank West Australia** provides Children's Savings Accounts that are available to children under 15, charge no fees or charges, allow parents to access the accounts via phone and online banking, and earn credit interest which is calculated monthly and paid annually.

- **HSBC UK** offers MyMoney to children and youth: a package of a savings account (called MySavings) when children are aged 7 or over and a current account (called MyAccount) when children are aged 11. With MySavings, a child can open an account with a minimum balance of GBP 10, earn monthly interest, and manage his account online or on his mobile 24 hours a day, 7 days a week. With MyAccount, a child will receive a HSBC Visa Debit Card and PIN with parental permission and use it in shops, online, and at cash machines.

- **UBS in Switzerland** credit savings accounts for young people or investment fund accounts opened for newborns with 20 Swiss francs. Also, UBS provides numerous extra perks for young savers such as competitions with attractive prizes, Topsy advent calendars, gift cards and many more surprises. Moreover, UBS Generation savings accounts for young people ages 12 to 22 benefit from preferential interest rates, no account charges or maintenance fees, and free UBS Credit Card. When a young saver joins the UBS KeyClub, s/he can take advantage of discounts and free offers exclusive to Generation clients with EUR 26, Switzerland's most popular youth card.

- **Hatton National Bank in Sri Lanka** collaborated with the Ministry of Education to establish nationwide Student Banking Units in schools. These deposit centres are safe places for students to formally save money and develop life-long savings habits. Through the Student Managers Programme, HNB selects secondary-level students to manage the daily operations of a mini-bank under the supervision of a teacher or HNB representative. In addition, HNB has placed regulations that protect children from the risk of their parents emptying their accounts for non-urgent reasons. Currently, HNB operates 200 Student Banking Units in 200 schools across the country through 180 branches. Since 1990, over 600,000 students have become clients of HNB through 200 Student Banking Units; HNB holds savings deposits up to nearly USD 40 million from these students.

- **Al-Amal Microfinance Bank in Yemen** was established in 2008 based upon the principle of universal financial inclusion, covering the unbanked population, youth and women. Children and youth under 18 can open Child Savers (savings accounts) with parental permission and only need to maintain a minimum balance of USD 1, while adult accounts require a balance of USD 2.50. Where physical branches are too costly, Al-Amal provides money boxes in schools for children to save. By the end of 2010, Al-Amal had mobilized over USD 31,000 through 6,317 child savings accounts (44% of its total savings accounts). In addition, 5,000 youth over the age of 18 had opted to open adult savings accounts.

- **MFI XacBank in Mongolia** offers a Nomadic Banking programme, a mobile-based savings and payment platform to assist and reach the banked and unbanked clients. Those in the most remote areas of Mongolia have constant access to Future Millionaire, a child savings accounts program that awards children MNT 3,000 (USD 2.245) at birth and provides competitive, annually compounded interest. Children, youth, and their parents can make deposit transactions and same-day transfers between AMAR accounts (XacBank´ s mobile accounts), view transactions, check/print account balances, and receive money through AMAR agent.

Global Banking Restrictions on Children and Youth

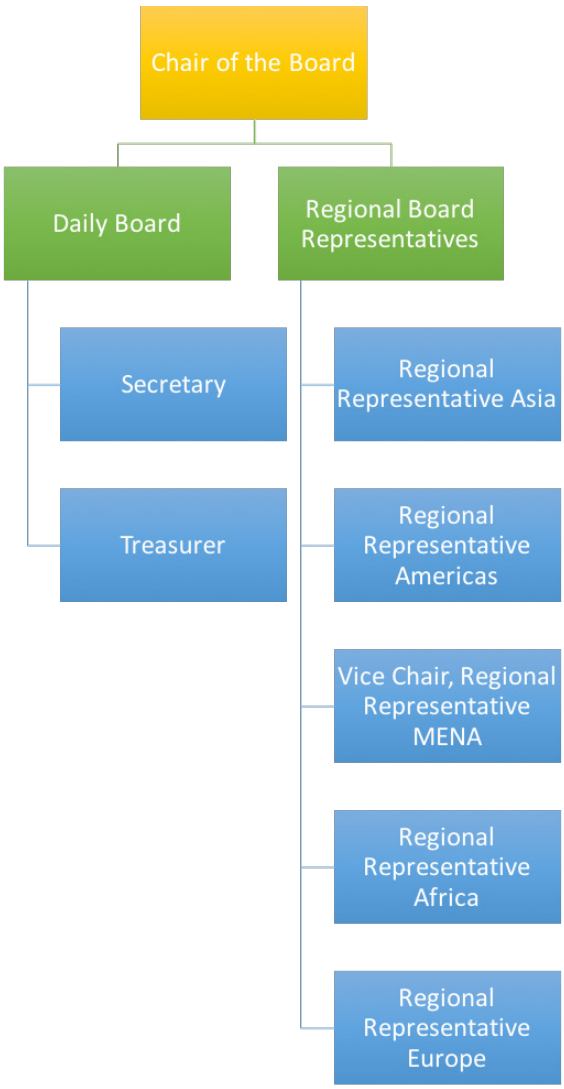
Country	Minimum age to open an independent bank account	Independent account for minor[1]	Youth control[2]
Armenia	18		X
Austria	18		X
Bangladesh	18		0
Belgium	18		X
Bolivia	18		X
Brazil	18		X
Chile	18		X
China	16		√ if above 16
Egypt	16		√ if above 16
Germany	18		X
Greece	18		X
India	10	√	√
Japan	20	√ with parental consent	X
Luxembourgh	15	√ with parental consent	X
Malawi	18		X
Malaysia	18		X
Mozambique	Not standardized	√ with parental consent	√
Netherlands	18	√ with parental consent	X
Norway	18		X
Pakistan	18		X
Peru	18		X
Philippines	Not standardized, but generally 7	√	√
Poland	18	√ at 13 years old with parental consent	X
Romania	14	√ at 14 years old	√
Russia	14	√ at 14 years old	√
Singapore	21		X
South Africa	Not standardized, but generally 18		X
Spain	18		X
Sri Lanka	7		√
Turkey	18		X
Ukraine	14	√ at 14 years old	√
United Arab Emirates	18		X
United Kingdom	7	√ with parental consent	√
Uzbekistan	18		X

Source: Child and Youth Finance International Short Report on Clifford Chance Research on Financial Inclusion

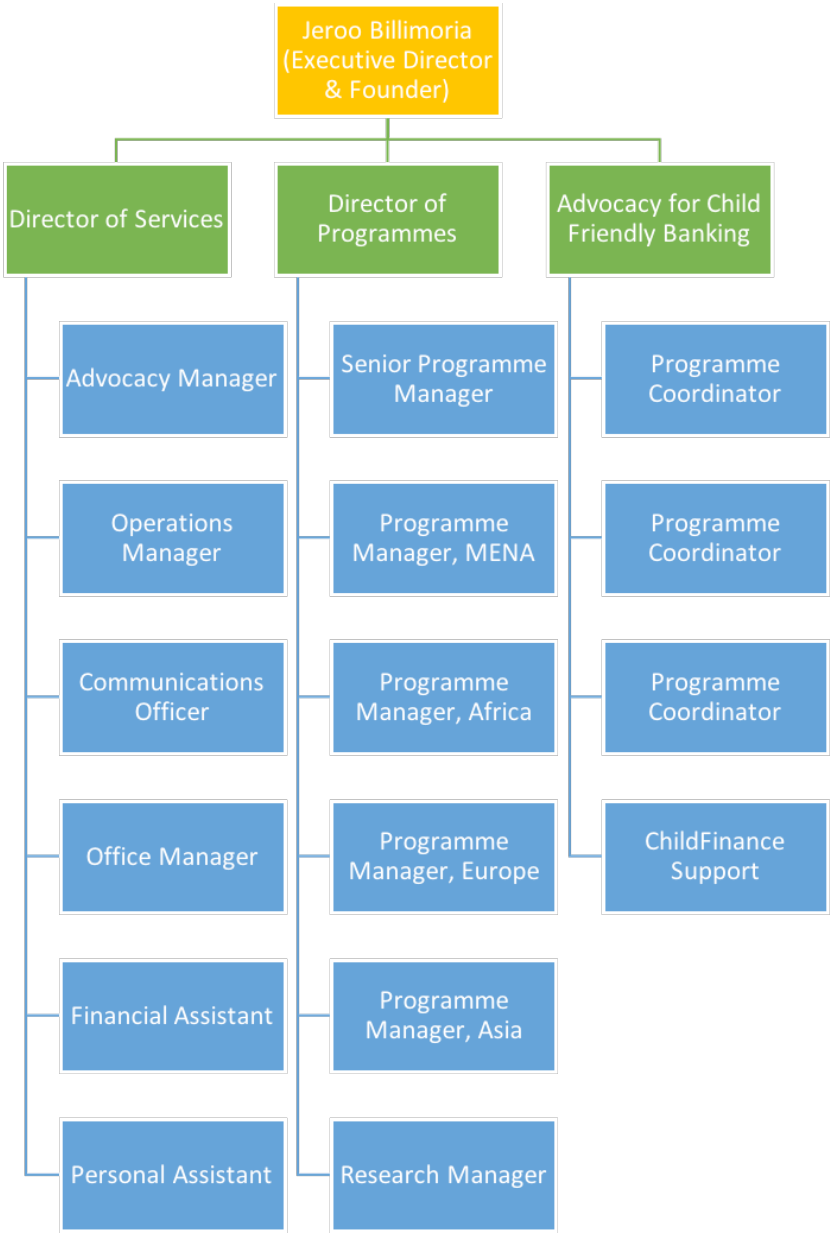
[1] For all countries listed here except Egypt and Singapore (21 years), Scotland (16 years) and Japan (20 years) the legal age of majority is 18.

[2] √ = Youth can access account without guardian permission and guardian cannot access account without youth permission;
X = Either guardian controls how account is set up or youth cannot ccess account without guardian permission and guardian can access account without youth permission;
0 = No consistent regulation.

Appendix 5: Aflatoun Board Structure



Appendix 6: Aflatoun Organogram in 2010



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