



# ACCESS TO FINANCE WORKSHOP REPORT



*harambee*<sup>®</sup>  
YOUTH EMPLOYMENT ACCELERATOR



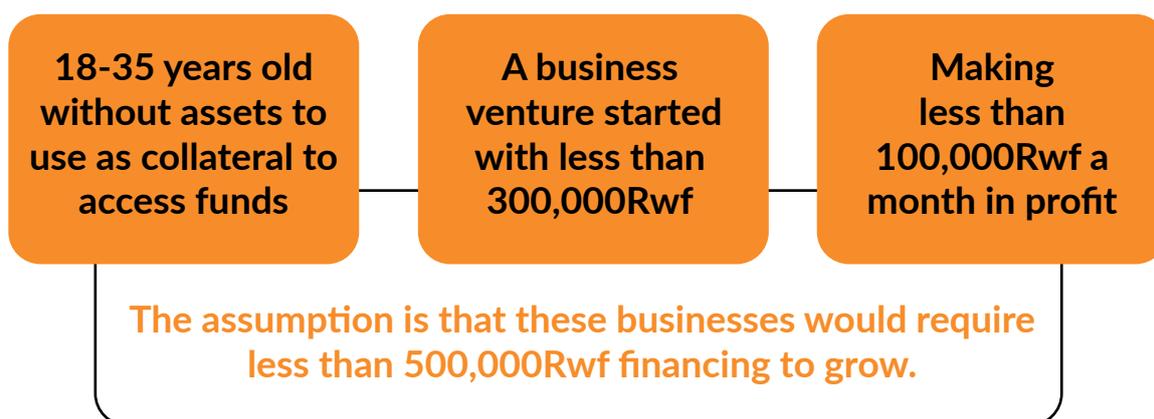
Prince's Trust  
International

## CONTEXT

The Access to Finance Workshop was held as a follow on and recommendation from the [Learning Exchange Event](#) that happened in September 2022. On 17 February 2023, Harambee Youth Employment Accelerator, Prince's Trust International and their partners brought together different stakeholders to discuss the existing challenges and opportunities for young people to access financing for their business ventures.

**Target audience:** Micro lending institutions like saccos and Micro Finance Institutions

**Focus:** The youth that meet the three criteria below:



## CHALLENGES IDENTIFIED AND RECOMMENDED SOLUTIONS

### CHALLENGE 1 Access to Full and Comprehensive Information

Young people shared that at times financial products are available to them, but accessing accurate and comprehensive information is hard. For instance, the young entrepreneurs who qualified for the loans got to learn about interests on loans when they started paying off the loan. This creates mistrust between financial institutions and young people.



#### *Recommended solutions*

- ◆ Financial institutions need to do outreaches to share accurate and understandable information with young people about their services. For example; through radio shows, in schools, youth centres, and through trusted partners including youth-serving organisations.
- ◆ Youth-serving organisations should equip beneficiaries with information and skills to communicate in a timely and professional manner, who understand the importance of honouring their commitments, and communicating regularly with their financial service providers.

## CHALLENGE 2 High Risk of Lending to Youth

A major challenge for financial service providers is the risk involved in serving the youth market. Young people tend to be mobile and hard to locate, have no assets the bank can use as collateral, and they have a smaller timeline to reach profitability than the general population. All these increase their risk of defaulting and limits the trust financial service providers have in them.

### *Recommended solutions*

- ◆ Young people should collaborate and work through cooperatives and savings groups. This increases their accountability through mutual trust and social bonds and provides easier access to financing.
- ◆ Financial institutions need to educate their youth clients on the loan repayment mechanisms and options available to them so that when the business is struggling, they know how to manage their relationships with their financial service provider instead of defaulting.
- ◆ Financial institutions should tailor requirements for access to services/products designed for the youth segment to design for their realities in recognition of the advantages the size and long-term value young people have as a customer segment for them.
- ◆ Youth-serving organisations should collaborate with financing institutions to develop a curriculum on personal and financial management that would decrease the risk that a young person would default on their payments.

*Through the Access to Finance Workshop, I was pleased to meet and discuss with one of the financial institutions that offer loans with no collaterals, and I met fellow young micro-entrepreneurs whom we learned from each other and shared ideas. My request would be to have such workshops as frequent as possible and plan for outreaches to see how far we are with our businesses.*

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**Gilbert Niyoyankunze**  
A Mushroom Farmer in Kirehe



## NEXT STEPS

- *Prince's Trust International will coordinate another session that will bring together commercial banks, youth serving organisations and young entrepreneurs who need more than 500,000Rwf loan facilities, to discuss challenges and solutions for them.*
- *Youth-serving organisations that took part in the workshop and micro-lending institutions will collaborate to ensure young people are getting clear and accurate information about how to access financial services.*
- *Micro-lending institutions will give due consideration and priority to the youth segment as a client audience.*
- *Youth-serving organisations spearheaded by the National Youth Council will include financial education in their programmes for young entrepreneurs.*