

**THE COMMONWEALTH YOUTH CREDIT
INITIATIVE TOOLKIT**

MODULE 2

**Implementation
Guidelines**

Twelve Steps to Implementing the Commonwealth Youth Credit Initiative

Scope and Objectives of this Module

The implementing agency manages the day-to-day running of the Commonwealth Youth Credit Initiative (CYCI at programme level. It is normally a non-governmental organisation (NGO) experienced in micro-credit delivery, working in collaboration with a lead agency, such as national government or international development agency.

This second module of the CYCI Toolkit is for use by the implementing agency. It presents an overview of the CYCI programme cycle and the 12 steps to be taken in the early phases. The later phases, concerned with training, loan disbursement and recollection, and monitoring, evaluation and reporting, are dealt with in subsequent modules.

The Role of Implementing Agency

The CYCI is implemented at three levels:

- by a *lead agency* such as a national government or development agency at the initiative level;
- by the *implementing agency* or partner NGO at the programme level; and
- by *beneficiaries* themselves at the project level. Figure 1 shows how these three levels are interrelated.

The implementing agency – i.e. partner NGO or lender – delivers loans to the client beneficiaries. It contacts beneficiaries directly through a network of field officers. In addition, the implementing agency provides basic business and management training to the borrowers. This training may either be supplied directly by the implementing agency, or indirectly through a training institute or similar body.

Specifically, the implementing agency:

- formulates and designs an appropriate credit scheme, in collaboration with other stakeholders;
- takes responsibility for the day-to-day operation of the credit scheme;
- manages the loan fund and borrower repayments;
- empowers beneficiaries through entrepreneurship, business and management training and ongoing counselling;
- accesses financial services by either (1) creating innovative linkages with formal financial institutions while remaining outside of them or (2) transforming itself into a formal financial institution;
- monitors the scheme through regular reviews with beneficiaries, and reports back to funders and other authorities.

Overview of the CYCI Programme Implementation Cycle

The five phases of the CYCI Programme Implementation Cycle are shown in Figure 2.

Phases 1 to 3, Programme Design, Building Operational Capacity, and Mobilisation and Development, are dealt with in this module. *Training, which forms part of the steps included in phases 2 and 3, is discussed in greater detail in Module 4 of the CYCI Toolkit.*

Phases 4 and 5, Loan Disbursement and Payment Collection, and Monitoring and Evaluation are discussed in Module 3 of the CYCI Toolkit.

Figure 1: The CYCI Implementation Processes

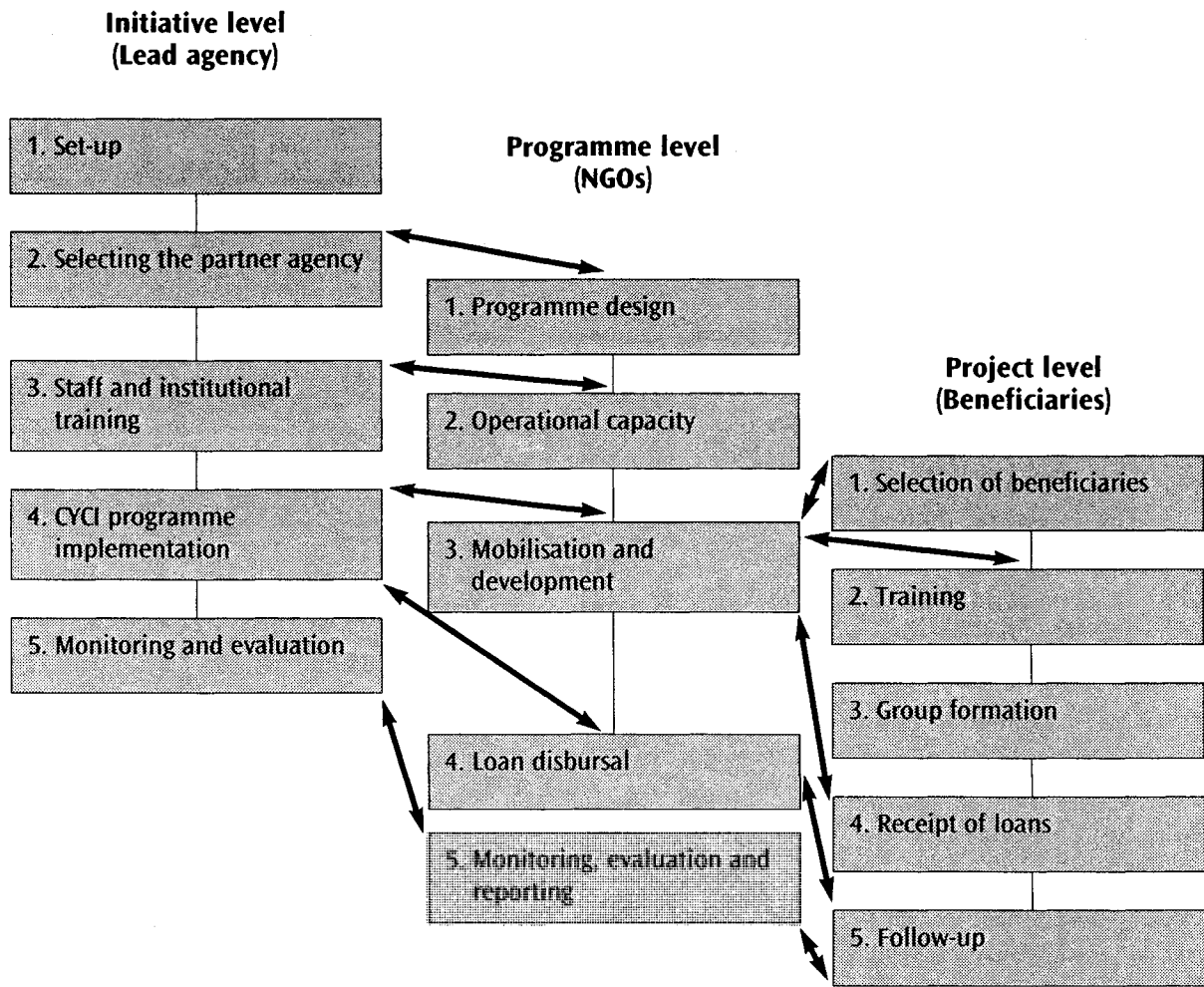


Figure 2: The CYCI Programme Implementation Cycle

