

Phase 3. Mobilisation and Development

The mobilisation and development phase of a CYCI programme comprises four elements:

- Promoting and publicising the scheme
- Assessment and selection of beneficiaries
- Beneficiary training
- Formation of beneficiary groups.

These four elements are dealt with in this section. *Beneficiary training, enterprise development and formation of beneficiary groups are also discussed in Module 4 of the CYCI Toolkit.*

Step 9. Promoting and Publicising the Scheme

Once the programme has been designed and approved, promote the scheme in the target communities where it is to be implemented. There are three stages:

- preparation
- field visits
- getting support from other agencies.

Preparation

Familiarise all staff with the programme, design a communications plan and prepare the brochures, posters, and visual aids to be used to promote the programme in the field.

Staff familiarisation with the programme can be handled through a half-day, one-day or longer workshop, depending on the staff's level of involvement with the programme design. Keep field officers closely involved in the whole process of programme design, including baseline surveys and needs assessment. If they are not – for example, because they are newly

hired staff – familiarise them thoroughly with all aspects of the programme. This can be achieved as part of the general staff training component of the CYCI (*see Module 4 of the Toolkit*) or dealt with separately as specific preparation for the promotion of the programme.

A communications plan is a useful tool in promoting the programme and should include:

- dates, times and locations of planned field visits
- names of community leaders, representatives of youth groups and other individuals/groups who should be contacted
- promotional materials to be developed
- local media that can be of use in promotional activities.

Much of the local information used to build the communications plan should be accessible, together with the data gathered during the baseline survey. For example, informants who were helpful during the baseline survey, and those individuals or groups that assisted in the programme design, should be contacted during the field visits.

Flyers, brochures, posters and visual aids are essential tools in promoting the scheme. Flyers, in the local language, should explain the programme and invite potential beneficiaries to attend a public information meeting. In areas of low literacy levels or where a range of local languages are used, visual aids should be designed which represent the scheme by way of maps, charts, diagrams or models. (Some visual presentations of CYCI are included in Appendix B. *See also Module 4, Training Resources, for further examples of how the programme can be promoted.*) Where available,

video is a good medium for explaining a CYCI scheme.

Field Visits

The promotion of the scheme can be accomplished in two field visits (UNDP, 1997).

During the initial visit, make contact with the key community leaders, youth representatives and informants identified in the communications plan. Provide them with general information about the programme, gather support among community leaders, and distribute flyers, posters, etc. Contact local media. Agree a time, place and date for a second meeting, and invite potential beneficiaries to attend.

During the second visit, hold an information workshop. Organise it in a public assembly area and provide potential beneficiaries and other stakeholders with a more detailed explanation of the programme, the rules for joining, what is expected of participants, and so on. Materials for this presentation are included in Module 3 of the Toolkit. If a video-player is available, show the information video at this workshop.

Invite participants to consider whether they wish to join the programme and, if so, to complete an application form.

Getting Support from other Agencies

In order to institutionalise the programme, work with commercial banks, and other agencies and organisations that may have a stake in the scheme. The implementing agency usually requires the services of a local bank in order to deposit the loan fund, and to make withdrawals for loans and other outgoings. The beneficiaries also require group bank accounts in which to deposit loans and group savings. Individual beneficiaries also require individual bank accounts. The implementing agency should meet with commercial banks to apprise them of the programme and its approach and enlist their support. If possible, invite

representatives of commercial banks to the information workshop described above. If not, make separate arrangements for these meetings.

There may be other NGOs working in the area whose collaboration may be sought, or with whom it would be useful to set up communications and informal linkages. Where possible, invite these agencies to the information workshop.

Step 10. Assessing and Selecting Beneficiaries

Select beneficiaries to participate in the CYCI through a two-stage process:

- completion and assessment of application forms; and
- personal interviews.

The field officer identifies potential beneficiaries at the information workshop and provides them with application forms. S/he arranges a subsequent field visit in order to meet and have informal discussions with potential beneficiaries. Where possible, make appointments for these discussions at the information workshop. However, if there are any potential beneficiaries who cannot attend the information workshop allow during the discussion visit to meet with them. A sample beneficiary application form is provided in Appendix A.

These informal discussions provide the field officer with an opportunity to get to know potential beneficiaries, establish a rapport, and review the application form, if one has been filled out, and clarify any answers on the form that are incomplete or ambiguous. This is also an opportunity for the field officer to assist potential beneficiaries who are illiterate or have difficulty filling in the application form.

Based on what s/he learns in these discussions, the field officer writes a brief report and appends it to the application form. The

Figure 7: A Typical Breakdown of Numbers in the Selection Process

	Women	Men	Total
Number of application forms distributed	125	125	250
Number of completed application forms received	90	110	200
Number of applicants called for interview	70	70	140
Number of applicants finally selected	35	35	70

Source: ICECD

completed forms are returned to the implementing agency, the applications are assessed and a selected number of applicants are called for interview.

In determining how many application forms to hand out, reference should be made to the planned number of beneficiaries. Field officers should distribute some 3 to 4 times that number of forms, so that a wide range of applications is received. In terms of the numbers of applications processed, a typical breakdown for one CYCI programme in a specific community or area might be as shown in Figure 7.

Criteria for assessing applications

Beneficiary applications are assessed on the basis of the application form, the field officer's comments and the interview. See template for assessing applications at F.

Questions that should guide the selection include the following:

- **does the applicant have a genuine need for the full package of services that the CYCI offers?** (Some applicants may already have thriving businesses and the necessary business skills, and only be interested in low-cost credit. Others may already have access to credit via commercial banks, or have a level of prosperity which provides them with a higher standard of living than that of the target beneficiaries.)
- **does the applicant have a clear understanding of the principles and practicalities of the programme,** including

group formation, group savings and peer support/peer pressure?

- **is the applicant fully aware of the responsibilities of beneficiaries,** including that of repaying the loan within the specified time?
- **is the applicant highly motivated,** with a strong will to succeed in his/her chosen business?
- **does the applicant have a clear idea of what use s/he would make of the loan?** Although business ideas may undergo modifications and refinements during the training process, a clear plan at the outset is always an advantage.

Applicants who are selected for the programme are then enrolled in training programmes, at which they will refine their business ideas, learn the basics of financial management, form credit groups and prepare a finalised Business Plan and Loan Application.

Step 11. Beneficiary Training

The CYCI takes a holistic, integrated approach to micro-credit provision. Successful completion of an intensive training programme is both a preparation for entering into entrepreneurial activity and a prerequisite for receiving a loan under the CYCI model.

The essential areas in the basic CYCI beneficiary training programme cover:

- Overview of CYCI methodology
- Motivation, awareness, communications

F: Template for Assessment of Applicants

1. TYPOLOGY OF BENEFICIARY:

- (a) Already running a business? Yes/No
- (b) Trained but without capital? (Yes/No)
- (c) Completely untrained with good business idea? (Yes/No)
- (d) Others:
 - (i) Young men/women living with HIV. (Yes/No)
 - (ii) Street people/ refugees (Yes/No)
 - (iii) Other group (specify)

2. ASSESSMENT OF BACKGROUND (FAMILY CIRCUMSTANCES AND PREVIOUS EXPERIENCE)

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3. ASSESSMENT OF STATED GOALS AND REASONS FOR APPLYING

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4. FIELD OFFICER'S COMMENTS ATTACHED (yes/no)

5. OVERALL ASSESSMENT AND RECOMMENDATIONS

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Name Of Loan Supervisor:

Signature Date

6. FINAL DECISION

Name Of Programme Manager:

Signature Date

skills, personal development and growth

- Development of a business idea – including identification of business opportunities, product selection, feasibility study
- Marketing
- Credit, savings and financial management skills, including book-keeping and reporting to the implementing agency
- Formation of savings and credit groups
- Preparation of a Business Plan and Loan Application.

Other specific modules may be added, depending on the specific needs to be addressed. For example, leadership, conflict resolution, environmental sustainability and gender awareness are all relevant topics that may be particularly appropriate in a given context.

The exact structure and content of a CYCI training programme needs to be developed within the specific context in which the programme is being implemented. Variables within this context include:

- the size of the group to be trained
- their existing levels of skills in the essential areas listed above
- the nature and range of business opportunities available in the target area
- the extent to which a culture of entrepreneurship exists in the area
- the training budget available.

A sample training schedule covering the essential areas of the CYCI is provided below. *Full details of the content of training programmes are provided in Module 4 of the CYCI Toolkit.*

Step 12. Formation of Beneficiary Groups

The formation of credit groups is a critical phase in the implementation of a CYCI. It can

be done before the training starts or after it has finished. Forming groups as part of the training programme itself helps to ensure that the process is an orderly and effective one, and that all group members are clear about their rights and responsibilities. Linking group formation to the training programme also provides the opportunities for participants to get to know each other informally and learn about each other's business plans and projects beforehand. Ideally, groups should be formed around common interests or goals, to promote group cohesiveness. They can even be based on groupings that existed before the introduction of the programme.

Group members act as guarantors for each other's loans, and defaulting loan repayments may be covered out of group savings. Also, new loans may not be accessed by any member of the group if any other member is in arrears with loan repayments. It is therefore essential that group members come together in a spirit of mutual trust, respect, transparency and accountability. It is important to emphasise these values throughout the course of the training.

The benefits of group lending are well known (UNDP, 1997):

- Group self-selection serves as a screening process for the character of individual members and the validity of their business plan
- Group members provide peer pressure towards prompt repayment
- Group members provide each other with support in times of difficulty
- Groups can pool their abilities in terms of administration of loans and repayments. This may provide learning experiences for group members. It also enables the implementing agency to keep its administration costs to a minimum, thereby enabling lower interest rates within the context of a sustainable programme.

CYCI Sample Training Schedule

Day 1: Introduction and overview	Welcome and introductions Ice-breaking activities Presentation of CYCI Overview Presentation of Training Overview
Day 2: Personal development (1)	Motivation Communications skills Introduction to entrepreneurship Group Exercises
Day 3: Developing a business idea (1)	Identification of business opportunities Identifying a market Product selection Research
Day 4: Developing a business idea (2)	Calculating costs Legal and practical issues Preparation of a Business Plan
Day 5: Marketing the product	Market research Setting objectives Determining strategies Group exercises
Day 6: Personal Development (2)	Leadership skills Conflict resolution Gender awareness Environmental sustainability
Day 7: Financial management skills (1)	Principles of group credit and savings Accountancy and bookkeeping (1)
Day 8: Financial management skills (2)	Bookkeeping (2) Reporting to implementing agency
Day 9: Group formation	Beneficiaries form credit groups Establishing rules and regulations Rights and responsibilities of group members Roles and functions of group officers Distribution of loan application forms
Day 10: Finalisation of Business Plan and Loan Application	Review and fine tuning of Business Plans Completion and group approval of Loan Application forms with Business Plans Closing review and celebration

Figure 8: Good Practice Guidelines for Group Formation

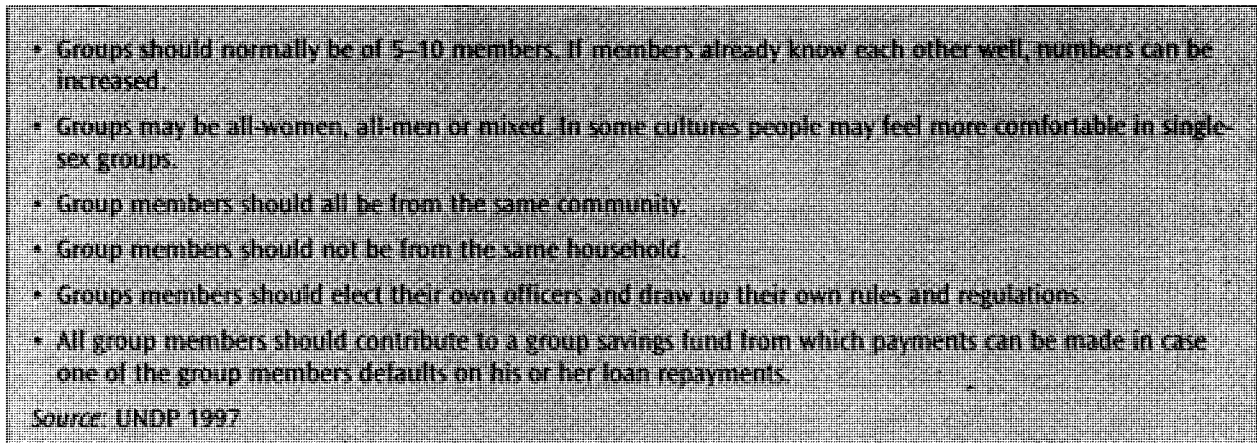


Figure 8 shows some good practice guidelines for credit group formation.

Establishing rules and regulations

In order to remain in the group, members must observe the group's rules and regulations, which are determined partly by the implementing agency at the programme design stage, and partly by group members themselves. Areas covered by basic rules and regulations agreed by group members may include the following:

- eligibility criteria for joining the group
- criteria and procedure for expulsion from the group
- criteria and procedures for approving individual members' loan applications
- maximum number of members
- procedure for electing group officers, length of term, removal from office
- attendance at meetings
- collection of loan payments
- group savings.

Roles and functions of group officers

Credit groups require, as a minimum, a group leader and a group treasurer. The responsibilities of these officers are as follows:

The group leader: organises and chairs group meetings; serves as the contact person between the group and the implementing agency's field officer; submits group-approved loan applications to the field officer; coordinates the group's response to late or defaulting loan repayments on the part of any member; and resolves any other problems that may arise within the group.

The group treasurer: is responsible for maintaining records of all financial transactions relating to individual loan disbursement, loan repayments, and group savings.

Rights and responsibilities of group members

As credit group members, all CYCI beneficiaries have the right to:

- peer support and encouragement, courtesy and respect
- have their business plans and loan applications considered by the group
- a fair and impartial decision regarding group approval of their application.

Members have the responsibility to:

- make prompt loan repayments
- contribute to a savings fund which can be used to make loan repayments if any group member defaults

- treat their fellow members with courtesy and respect, and provide moral support and encouragement to each other in their business ventures.

Once the groups are formed and the loans are

disbursed, beneficiaries will still require ongoing business support and counselling. This is normally supplied by Field Officers in the course of their regular field visits. *More details on this are found in Modules 3 and 4 of the CYCI Toolkit.*