USAID Financial Services Implementation Grant Program Learning Network

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CASE STUDY

Blazing a Trail, Addressing Obstacles:

Lessons from Save the Children and Fondation Zakoura's Youth Microfinance and Training Program

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Printed in the United States of America.

To access this publication online, visit www.seepnetwork.org.

SEEP would like to thank Sabina Rogers, The SEEP Network, and Fiona Macaulay, Making Cents International, for reviewing this document.

AUTHOR'S NOTE: Special thanks are due to Sita Conklin of Save the Children, and Leila Akhmisse and Zoubida Mseffer of Fondation Zakoura, without whom this document could not have been written.

This case study was made possible by the generous support of the American people through the United States Agency for International Development (USAID) under The Financial Services Implementation Grant Program and the IGP Learning Network funded through the FIELD Support mechanism. The contents are the responsibility of Save the Children US and The SEEP Network and do not necessarily reflect the views of USAID or the United States Government.

This initiative is carried out as part of the AED FIELD Support mechanism. For more information, please visit www.microlinks.org/field.

Abstract

This case study examines the challenges of Save the Children and Fondation Zakoura Micro-Crédit in implementing a USAID-funded financial services program for youth and the ways the institutions sought to address these challenges. This document examines the institutional, local market, and programmatic difficulties encountered, and offers recommendations and lessons learned.

About Save the Children

Save the Children US (www.savethechildren.org), part of the global Save the Children Alliance, is a leading NGO focused on meeting the needs of children and youth. Save the Children works in more than 50 countries and serves 48 million children and their families in the areas of economic opportunities, education, emergency response, protection, health, and hunger.

About Fondation Zakoura Micro-Crédit

Fondation Zakoura Micro-Crédit (www.zakourafondation.org), founded in 1995, has over 500 total outlets throughout Morocco. As of December 2008, the microfinance institution had approximately 326,000 active clients and an active loan portfolio of US$ 127.4 million.[1] Zakoura (which will become Zakoura Chaâbi in January 2010) offers group and individual loans, as well as financial products specific to industries, such as rural tourism or agricultural irrigation. They also offer training and mentoring services to clients on financial education, basic management, health, and civil rights.

About SEEP

The SEEP Network (www.seepnetwork.org) is an association of more than 80 international NGOs and associations that support micro and small enterprise development programs around the world. SEEP's mission is to connect microenterprise practitioners in a global learning community. SEEP brings members and other practitioners together in a peer learning environment to produce practical, innovative solutions to key challenges in the industry. SEEP then disseminates these solutions through training, publications, professional development, and technical assistance.

About the IGP Learning Network

The Implementation Grant Program (IGP) is a competitive grant program coordinated by the U.S. Agency for International Development (USAID)'s Microenterprise Development office, which serves as a key mechanism for supporting international and local providers of microfinance and value chain development efforts. The IGP is designed to push the frontier of innovation in microfinance and enterprise development and provide USAID and the development community with case studies of "good practice." Since the first IGP grants were awarded in 1995, many of these practices have been copied, expanded upon, and/or integrated by USAID Missions and practitioner organizations around the world.

The Financial Services IGP expands access to microfinance services and increases the financial viability of local institutions. The IGP Learning Network, managed by SEEP, brought together the five grantees under participating in the 2006 Financial Services IGP to share their experiences in learning products. The IGP learning products are written by and for practitioners in the field of financial services. For other learning products in this series, please visit http://seepnetwork.org/pages/FinServicesIGP.aspx.

1. Zakoura website, "Qui Sommes-Nous?" http://www.zakourafondation.org/rubrique.php3?id_rubrique=137&id_parent=1&ordre_menu=2; and MIX Market website, "Microfinance Institutions," "Zakoura," http://www.mixmarket.org/mfi/zakoura. Both websites accessed October 2009.

Introduction

From 2006–2009, Save the Children and Fondation Zakoura Micro-Crédit (Zakoura) partnered to implement a youth financial services and livelihoods promotion project called "Linking Youth with Knowledge and Opportunities in Microfinance," or LYKOM. The project was financed by USAID, as well as with private funding from Save the Children and Zakoura. The program included financial and business literacy training, savings promotion, and access to credit for youth businesses.

At the time of inception, financial services for youth was a very new subject; with little known about this target market. LYKOM taught helpful lessons learned about providing credit and business training to youth, which can inform projects operating today. However, the project also faced challenges in human resources, institutional frustrations, partnership, communication, the enabling environment, and factors beyond the control of those involved. Project outreach was limited and, although the partners felt that this experience was valuable, ultimately none of the partners felt the project had fulfilled its potential.

This case study details how the project unfolded, where challenges developed, and what hindered the LYKOM project from being as successful as it could have been, and makes recommendations for practitioners to use in their own programs. The primary audiences for this document are agencies involved in microfinance and microenterprise development, particularly those interested in reaching new target populations or linking finance to supporting services, and the microfinance institutions (MFIs) with whom they partner. MFIs delivering integrated non-financial services along with finance, particularly those who are new to doing so, may also find this document of interest.

Some of the lessons and recommendations presented here may seem basic. However, this document chronicles two well-established, experienced organizations and a highly experienced donor, which despite their considerable knowledge and skills, found themselves managing a challenging project. Readers should bear this in mind and consider what aspects of their own work might face similar obstacles.

Lykom Project Summary

In 2005, USAID released a request for applications for its Financial Services Implementation Grant Program to focus on moving down market to offer financial services to poor and other vulnerable populations.[2] Given a network of 16 MFIs around the world and its experience working with youth, Save the Children was interested in this bid and began looking for local partners. After considering several potential partners, Fondation Zakoura Micro-Crédit became the top contender. It appeared to be a good match, given that Zakoura staff expressed interest in extending financial services to youth and that the two entities had worked together previously.

Program at a Glance

Youth under 30 years of age represent 50 percent of the population in Morocco. According to national statistics, approximately 1 million Moroccan youth between 15 and 24 years of age live on less than $1 per day. Youth unemployment in Morocco is estimated at 17.6 percent nationally, rising to 34.2 percent in urban areas. According to the International Labor Organization, while youth population rates have grown over the last 10 years in the North Africa region, participation in the formal labor market has not changed significantly. While at least 50 percent of youth between 15 and 24 years are considered economically active, many are still looking for ways to improve their sources of income.[3]

2. USAID microLINKS website, "Grant Programs," "Implementation Grant Program," http://www.microlinks.org/ev_en.php?ID=1213_201&ID2=DO_TOPIC (accessed October 2009).

3. Figures as of 2002 are from Noureddine El Aoufi and Mohammed Bensaïd, 2005/2006, "Chômage et employabilité des jeunes au Maroc" [Unemployment and unemployability of young people in Morocco] (Geneva: ILO), in French, http://www.ilo.org/empelm/

Save the Children and Zakoura both saw this critical need to improve young people's livelihoods and economic status in Morocco. They were optimistic and hopeful about what microfinance and complementary non-financial services, delivered in an integrated manner, might achieve. Out of their desire to meet this need, they developed the LYKOM project.[4]

The LYKOM objectives were 1) to enhance and extend financial and non-financial services available to youth (ages 15–24) and members of their households in Morocco, 2) to develop a system to retain vulnerable youth in a program that prepares them to access appropriate financial services, and 3) to foster inter-agency linkages for successful delivery of financial and non-financial services.

LYKOM project activities fell into four main categories:

- Building young people's confidence, financial/business literacy, and entrepreneurial life skills through training, provided by or in partnership with youth-focused NGOs
- Partnering with La Poste Maroc (Morocco's post office) to foster access to safe savings for youth
- Working with families to create awareness and support for young people and their economic activities and entrepreneurial potential
- As appropriate, creating access to credit services, such as testing out business loans that either invest in youths' existing economic activities or match investments in new ones

Zakoura was excited about testing the youth market particularly because this target segment was largely untapped in Morocco, where over half the population was under the age of 25.[5] The original project envisioned working with 18–24-year-olds to help them access a full range of financial and non-financial services, and with 15–17-year-olds to help them save and prepare for credit.[6] Originally Zakoura sought to serve extremely vulnerable youth: single mothers, young adults released from prison, and the physically disabled. However, Save the Children and USAID felt this might be too challenging a population to reach, so the actual target market ended up being less vulnerable youth, many of whom were already economically active.

The initial project design included four training modules and savings promotion, followed by an optional loan. The training covered entrepreneurial life skills and social asset development, financial education, market research, and business planning—12 hours of in-class learning over 6 weeks.[7] Loan clients were required to open a savings account at La Poste Maroc because Zakoura, as an MFI, could not legally take deposits. Young people who participated in the training, but did not want a loan, were encouraged to open a savings account. Both training and credit was provided by Zakoura.

Project Start-Up

LYKOM officially began in September 2006. It immediately faced a number of early challenges.

Budgeting difficulties: Save the Children and Zakoura's proposal was accepted, but USAID cut the budget to approximately one-third of the original request (from US$ 1.2 million to $380,000 over three years). Two of the budget

what/pubs/lang--fr/docName--WCMS_114149/index.htm (accessed October 2009). This paragraph is excerpted from Conklin et al. (2008).

4. For more information on the LYKOM program, see S. Conklin et al, "Linking Youth with Knowledge and Opportunities in Microfinance (LYKOM) Project, Morocco: A Youth Livelihoods Program Case Study," Financial Services IGP Learning Network Case Study (Washington, DC: SEEP Network, 2008), http://communities.seepnetwork.org/sites/hamed/files/Morocco%20Youth%20Livelihoods%20case%20study%20final%20formatted.pdf (accessed October 2009).

5. CIA website, *World Factbook,* "Africa," "Morocco," "Population," https://www.cia.gov/library/publications/the-world-factbook/geos/mo.html (accessed October 2009).

6. Save the Children, 2006, Save the Children proposal to USAID (Washington, DC: Save the Children), 3.

7. For more on Save the Children's work in youth and livelihoods, visit http://www.savethechildren.org/programs/livelihoods/ or http://www.microlinks.org/ev_en.php?ID=25131_201&ID2=DO_TOPIC.

items cut were a full-time expatriate advisor and loan capital. As a result, Zakoura's sub-award was reduced to $168,000 and Save the Children shrank its staffing contribution from one local, full-time person to 20 percent of one person's time, who worked outside of Morocco. Despite these resource cuts, Save the Children believed it would still be worthwhile to move forward with the project.

Zakoura staffing: Zakoura did not have a dedicated project manager for LYKOM at the start of the project, and the first two project managers hired to oversee LYKOM quit shortly after they began. Only in July 2007—nearly a year into the project—was a qualified project manager hired, and the program was able to begin in earnest. Because of these staffing difficulties, the manager of studies and another staff member from Zakoura's development department conducted the initial market study. Training sessions began in May 2008, and the first loans were disbursed the following month.

Lack of partners: In order for young people to be good loan clients, they needed to have a viable business or income generation strategy. Most, then, would need training on how to develop a business plan and formulate a sound business strategy. At the proposal stage, Zakoura planned to have local partners provide this type of training to youth because this was beyond its core competencies. Zakoura offered training to its active clients, but had never provided free training to potential clients.

Unfortunately, there was a lack of qualified youth-serving organizations able and willing to do this. Zakoura selected the Entraide Nationale (a government agency within the Ministry of Social Development, Family, and Solidarity); the government agency, Office of Professional Training and Employment Promotion (OFPPT); as well as several small local NGOs. Zakoura had identified all these organizations as good potential partners, since they were already offering livelihoods or vocational training to youth in the desired project areas. However, none of these organizations was particularly experienced with providing market-led training, and many struggled with limited institutional capacity. As a result, none of the partners was able to provide this type of training reliably and effectively over the program period, nor was Zakoura equipped or resourced to provide the partner capacity building that would have been needed. This left Zakoura spending the time and effort to develop and deliver the training on its own.

Program Adjustments

Over the course of the three-year project, LYKOM made a number of adjustments to adapt to changing conditions. Specific adjustments included its loan officer profile, target market, and training plan.

Loan officers: Zakoura originally called on existing loan officers experienced in standard microfinance to lead the youth training and disburse youth loans in addition to their usual portfolio. This approach was challenging for a number of reasons. First, the loan officers were busy handling their usual client workload. Second, youth loans were more time- and labor-intensive and thus less lucrative for loan officers. Third, branch managers preferred to prioritize existing clients rather than new outreach. Given these challenges, Zakoura opted to hire three people interested in serving youth and train them as loan officers. Since youth loans required such close attention, these lenders were given a different pay and commission structure than their colleagues.

Youth target population: Once implementation began, Zakoura's staff realized that very vulnerable youth (single mothers, youth with physical disabilities, and youth just out of prison) were generally not sound loan investments because many did not have viable businesses and were not prepared to handle credit. Neither did the youth who chose to attend the trainings fit into this population. Nearly all LYKOM loan clients were economically active (already working or apprenticing in microenterprises), so while poor, they did not qualify as "very vulnerable."

Training length: The training was originally designed to cover 12 hours, delivered over 6 weeks. Although a survey of youth conducted by Zakoura staff after the first trainings indicated that nearly all youth found the training interesting, many felt it was too long and wanted it to be offered at more flexible hours because many of them were working. Zakoura responded to this feedback by condensing the training to two weeks, offering it individually instead of in groups.

Merger with Fondation Banque Populaire pour le Micro-Crédit

During the project period, Zakoura portfolio quality declined. Portfolio at risk over 30 days had been under 1 percent up until 2006. It grew to 2.87 percent in 2007 and nearly quadrupled to 11.24 percent by the end of 2008.[8] After years of growth, the number of total active borrowers shrank by one-quarter in 2008, from 443,016 in 2007 to 326,766.[9] Gross loan portfolio likewise decreased. Much of this was due to a widespread problem of over-indebtedness by loan clients, where many had loans from multiple MFIs. Although they had no direct impact on LYKOM, these shocks did affect Zakoura as an institution, including increasing turnover and greater attention by management to these problems. Given the institution's challenges and the Moroccan market, Zakoura considered merging with another financial institution.

In May 2009, Zakoura and the Fondation Banque Populaire pour le Micro-Crédit (an NGO affiliated with the Group Banque Populaire) signed an official merger agreement.[10] Fondation Banque Populaire had fewer clients (178,000 active borrowers), but a larger loan portfolio (US$ 134.4 million) at the end of 2008. The two institutions worked in overlapping geographical areas, but had different target clients: Fondation Banque Populaire clients were generally wealthier and more urban. (At time of publication, the merger was proceeding smoothly.)

Looking Ahead

IGP funding for LYKOM ended in September 2009. By the end of the project, 400 youth been enrolled, with 165 completing the training and 94 young people taking out loans. The average loan size was MAD 5,500 (Moroccan dirhams), or approximately US$ 690. According to credit officers, there was 100-percent repayment and no delinquency. However, the actual outreach was lower than targeted.

Given the low outreach numbers and the merger, it is uncertain how, if at all, Zakoura can continue this initiative after the end of the USAID funding. The youth loan officers remain passionate about the program and want to see it continue. However, the project operated at a financial loss, making it difficult to justify its continuation. Existing Zakoura loan products might be adapted for younger clients, but the intense mentoring and follow-up that accompanied youth loans will likely end.

Lessons Learned about Youth Financial Services

As noted before, at the time LYKOM launched, youth financial services was a relatively new and unknown field. This project contributed lessons learned that can help the sector as it grows today.[11]

Entrepreneurship training is important for many, but not all, youth. Many young LYKOM clients, even those who were economically active, had little previous access to coaching or guidance on how to improve and stabilize their businesses and productively re-invest their earnings. On one hand, the training was a useful opportunity for them to think through their businesses and see how to improve them. On the other hand, several clients who approached Zakoura for credit had already established profitable businesses and indicated that the entrepreneurial skills component was not relevant to them. Save the Children and Zakoura recommend making this element of training optional for youth who already have a viable business.

8. Mix Market website, "MFIs," "Zakoura" profile, http://www.mixmarket.org/mfi/zakoura/data (accessed October 2009).

9. Ibid.

10. Agence Maghreb Arabe Presse, 2009, "Zakoura, Banque Populaire micro-credit foundations merge to face demand," May 5, 2009, http://www.map.ma/eng/sections/social/zakoura_banque_popu/view.

11. Much of this section is adapted from S. Conklin et al, "Linking Youth with Knowledge and Opportunities in Microfinance (LYKOM) Project, Morocco: A Youth Livelihoods Program Case Study," Financial Services IGP Learning Network case study (Washington, DC: SEEP Network, 2008), http://communities.seepnetwork.org/sites/hamed/files/Morocco%20Youth%20Livelihoods%20case%20study%20final%20formatted.pdf.

Young people need support in developing realistic goals and growth plans. Youth loan officers at Zakoura described the difficulty in teaching youth about the concept of starting a business small and growing it little by little. Many young trainees had large dreams, but did not understand how to get there step by step. Financial education and market literacy can help them change this mindset.

LYKOM "By the Numbers"

- 94 loans were disbursed.
- 71% were individual loans; the remaining loans were in groups.
- 43% of youth clients lived in rural areas.
- 43% of youth clients used the loan to start a new business, and 57% to expand a business.
- 54% also had a savings account.
- 31% were women.
- The average age of youth clients was 21.

Family engagement is critical. Parents are often the ones who can influence how much risk a young person takes. In Morocco, parents have high expectations, yet are very protective and have conservative views of the kinds of economic activities their children should take on. Moroccan parents seemed to feel that it is better to wait for a state job that will lead to steady income than to start an enterprise. To address this issue, Zakoura held awareness sessions for young people and their parents on the factors for success in an economic activity and invited parents to accompany young people to the training.

MFIs may need to adjust staffing structures to effectively provide youth services. As described above, Zakoura moved from a system of having "regular" loan officers provide youth loans to hiring specialized, dedicated loan officers specifically to recruit, train, lend to, and mentor youth. An established MFI with a successful staffing and compensation system for standard microfinance may need to adjust its system if it decides to offer specialized financial services for youth.

Young people need more than an MFI can provide. As LYKOM progressed, Zakoura and Save the Children staff agreed that youth in Morocco needed to develop entrepreneurial life skills, and self-confidence, plus technical and/or vocational skills that respond to market demand. These skills and behaviors could be better developed by the educational system or by youth-serving NGOs because they are beyond what an MFI can provide. Financial services are only one part of the picture. Without these critical inputs, financial services for youth cannot achieve its full impact.

Program Challenges

The LYKOM project suffered many difficulties, despite initial excitement, seasoned partners, and a verified youth market for microfinance in Morocco. Outreach was far below expectations, and the long-term viability of the youth loan product and its complementary training is unlikely to continue, at least in its current form. What were the difficulties for LYKOM, and how can other organizations learn from them? This section identifies five of the major challenges for LYKOM; each is discussed in detail below.

1. Organizational Frustrations

Both Save the Children and Zakoura had their budgets cut and had to manage changing expectations of what this project was trying to achieve. This, coupled with the disappointing outreach and other challenges, led to recurring frustrations and eventually weakened the initial enthusiasm for the project.

For Save the Children, the initial budget cut in the project forced some hard choices on how much to cut each line item. Due to this, staffing for the project was much lower than originally budgeted and was based remotely instead of in Morocco. This made intense support and capacity building for Zakoura more difficult. In addition, with the budget cuts and lower performance of the project, USAID had to constantly adjust its own expectations, as well as the focus it originally intended for the project.

Zakoura experienced a similar challenge regarding the project expectations vis-à-vis its own institutional needs. LYKOM originally seemed like a chance to reach a promising target market and included all of the financial and technical support Zakoura needed. The reality of the project was different, however, because Zakoura had to assume a greater responsibility for developing and delivering trainings than anticipated with a smaller budget to carry out the project. Zakoura management supported LYKOM by approving the hiring of dedicated youth loan officers and by allowing adjustments to loan procedures for youth. However, in early 2009, Zakoura made a strategic decision to increase risk evaluation and shift to a more conservative approach to lending in order to address its portfolio difficulties. This meant that new, untested markets, such as youth, were no longer a top priority.

LESSON LEARNED: Changing expectations, reduced resources, and challenges in implementation can easily wear away the enthusiasm common at the start of a project. Additionally, major issues unrelated to a project may need to take precedence within an institution. Project partners should take the time to periodically re-evaluate their incentives, obstacles, and other commitments to see what can be adjusted in order to keep project success clear and attainable.

2. Limited Staff Time

Donors often frown upon grantees spending large amounts for head-office support of field projects. However, for new products and services, technical support from the head office is often critical. Start-up expenses may need to be disproportionately high at first and then diminish over time.

The Zakoura youth loan officers had to fulfill a number of far-ranging functions, including recruiting, training, approving loan applications, and mentoring youth clients. This required more time-intensive work with fewer clients, compared with the organization's typical loan officers. Youth loan officers also received a different compensation structure than other loan officers, which caused occasional tensions. One youth loan officer interviewed indicated that it was difficult to first be a trainer and then a loan officer because this situation forced them to be both an advocate and an adversary. Another felt that entrepreneurs, not loan officer staff, would be better mentors to young people starting their businesses.

At Save the Children, the staff who managed LYKOM changed several times over the three-year period and were based outside of Morocco. Although they provided competent support from afar, this meant that there was no regular, in-person contact and there was not as much time for face-to-face interaction with Zakoura staff as desired. This weaker relationship made it difficult to provide oversight and technical support.

LESSON LEARNED: Despite ample literature on the importance of human resources, LYKOM is an example of how development agencies find this priority difficult. This can be for a variety of reasons. Programs may underestimate the human and financial resources necessary to successfully implement a project. Budget issues may necessitate a drop in staffing levels. Staff may be pulled in many different directions on different projects. Grantees may face pressure to "do more with less." Programs should ask themselves not only whether they have the staff required to implement the project, but whether project staff have enough time, budget, and support to accomplish the tasks planned. Also, does the project staff have access to the technical support needed to complete the project? When necessary, organizations must consider saying no to projects if they do not have the necessary human resources.

3. Communication Barriers

Communication issues also created difficulties for LYKOM. Staff from Save the Children, Zakoura, and USAID communicated frequently and honestly through regular emails or phone calls. However, the right kind of information—context, details, underlying causes of challenges—was not exchanged often enough. In fact, the high volume of communication might have made it more difficult to highlight and address the key issues. This frustration continued up the reporting chain, with USAID feeling as though program reports did not include enough of the information they were looking for. As a result, the three agencies were not able to help one another as well as they might have been.

Additionally, midway through the project, when it became apparent that the original targets would not be met, USAID and the project partners made the decision to shift the focus from indicators such as financial performance and client outreach to documenting what could be learned from the experience. The changing targets made the ultimate goal and direction of the project less clear to Save the Children and Zakoura, which in turn made it more difficult to measure success.

LESSON LEARNED: Communication needs to be regular and focused, but the *quantity* of communication is not enough, unless it includes quality information that focuses on the key issues and challenges and is communicated in a format that highlights the most important issues. Without sufficient understanding of the context and contributing factors, partners will not be able to help one another overcome problems. Grantees should provide adequate background and explanation of why challenges exist, and donors and lead partners bear the responsibility to follow up and understand the underlying causes of difficulties.

4. The Moroccan Context

Although individuals and organizations were responsible for the project, the national environment in which LYKOM was implemented cannot be ignored. MFIs are not legally allowed to take deposits in Morocco, and numerous people interviewed cited the limited local savings culture. Furthermore, entrepreneurism is not highly valued in the country; young people are most attracted by the possibility of stable employment, especially with the government, rather than by starting their own business.

Additionally, Morocco has few strong, market-led, youth-serving organizations or vocational training institutes. Zakoura thus shouldered many functions outside its core competencies, for which staff were not well suited. Project staff commented that young Moroccans needed extensive foundational support—better education, financial literacy, an understanding of risk, a market-oriented outlook—before they would be ready for credit. It was unreasonable for Zakoura, as an MFI, to bridge such a large gap: it was not its role to do so, nor was it equipped to provide the institutional capacity building needed to strengthen its local partners.

LESSON LEARNED: Even successful and committed institutions can run into roadblocks in a difficult operating environment. Additionally, microfinance is only one piece of the puzzle; complementary interventions are likely necessary in order to be successful.

Preliminary research for projects should be done, whenever possible, during the proposal phase and include assessing and fully understanding what complementary services or additional inputs are necessary for success, and what external challenges and threats may exist to the project. New ideas or pilots might be better tested in more amenable environments before being transferred to difficult contexts.

5. Inability to Adjust

As LYKOM continued, the challenges above became more apparent. An MFI such as Zakoura was not sufficiently equipped to address all of the economic and livelihood needs of young people, and the lack of strong local partners left them with few alternatives. Although LYKOM was able to lower its outreach targets and adjust to meet needs and challenges as they arose, the project did not have a clear "Plan B" or substantial alternative to the planned course. It may be that a major reorganization of the project—such as providing intensive capacity building to the partner youth-serving organizations, stopping the training provision completely, or even working with a different MFI in a less challenging country context—might have resulted in greater outreach.

LESSON LEARNED: Have alternatives at the ready. A USAID staff member noted that donors interested in taking risks and experimenting should assume that not all projects will work as planned. Experimental and pilot programs benefit from escape valves, built-in milestones to re-evaluate activities, opportunities to re-align priorities, or other specific mechanisms to shift course or even stop implementation.

Conclusion

LYKOM put forth an innovative new model in Morocco, challenged an MFI to serve a new target market, and generated new knowledge on youth financial services. Its innovation and experimentation helped provide useful information for current youth financial service providers. In the end, however, the program did not meet its outreach goals. It was a frustrating experience for all three agencies and spurred them to want to understand why the program faced so many obstacles.

Programs rarely run into difficulty for one reason alone. For the LYKOM project, a combination of factors all contributed to programming delays, low outreach, and communication difficulties. Likewise, there is no one solution that can ensure a program's success. Committed and able staff with sufficient time to take on new challenges; open, consistent communication; adequate incentives and mutual understanding of them; and a well-designed intervention all matter. Perhaps most critical, LYKOM demonstrated the importance of being able to adjust course as circumstances change.

Appendix: List of Interviews

Leila Akhmisse, Director of Studies, Development, and Communication, Fondation Zakoura Micro-Crédit, in Casablanca, Morocco, 8 June 2009.

Bahija, youth client, 21 years old, in Casablanca, Morocco, 8 June 2009.

Thierry van Bastelaer, Senior Director, Save the Children, 25 June 2009 (via Skype from Washington, DC).

Mounia Belhaddad, Credit Officer, Fondation Zakoura Micro-Crédit, Salmia branch, in Casablanca, Morocco, 8 June 2009.

Sita Conklin, Livelihoods Specialist, Save the Children, in Casablanca, Morocco, 7–8 June 2009.

Btissam Derdari, former Project Coordinator, Fondation Zakoura Micro-Crédit, in Casablanca, Morocco, 10 June 2009.

Allal Hachchouch, Agency Director, La Poste Maroc, in Tiflet, Morocco, 9 June 2009.

Annica Jansen, Senior Microfinance Advisor, USAID, in Washington, DC, 16 July 2009.

Delegne Driss Khali, Entraide Nationale, in El Jadida, Morocco, 11 June 2009.

Zoubida Mseffer, Project Coordinator, Fondation Zakoura Micro-Crédit, in Casablanca, Morocco, 8 June 2009.

Carissa Page, Financial Services Advisor, USAID, in Washington, DC, 16 July 2009.

Rabia Tahiri, Executive Director, Association Tiflet Al Maamora, in Tiflet, Morocco, 9 June 2009.

Veronica Torres, formerly Senior Specialist, Livelihoods and Youth, Save the Children, email interview, 26 July 2009.

Wafaa, youth client, 19 years old, in Casablanca, Morocco, 8 June 2009.

Nourddine Yachou, Credit Officer, Fondation Zakoura Micro-Crédit, Tiflet branch, Tiflet, 9 June 2009.

Zakia, youth client, 21 years old, in Casablanca, Morocco, 8 June 2009.

Achraf Zemzam, Credit Officer, Fondation Zakoura Micro-Crédit, El Jedida branch, El Jedida, Morocco, 11 June 2009.