



---

# KRABAN SUPPORT FOUNDATION

---

Strategic Plan 2015 - 2017

## Table of content

Chapter 1: Profile/Current Situation/baseline.....	1
Vision .....	1
Mission .....	1
Objectives.....	1
Functions .....	2
Background of the organization.....	3
Governance structure .....	3
Sources of capital.....	8
Technical assistance.....	10
Community education projects.....	18
Microfinance projects .....	19
Analysis of Financial Performance of Kraban Support Foundation.....	21
Analysis of current development situation of Kraban Support Foundation .....	21

### **Chapter 1: Profile/Current Situation/baseline**

#### **Vision**

Kraban believes in a sound transitional pro-poor strategy towards a path between market responses and social demands with an imperative gender focus. With this perspective, Kraban hopes to be the leading financial non-governmental institution in Ghana by 2025.

#### **Mission**

To develop innovative strategies that enhances the capacity of vulnerable groups to operate independently and effectively in the informal sectors of the Ghanaian economy.

#### **Objectives**

##### **Short-term/Immediate**

1. To design, plan, implement and manage educational programmes such as rural health and sanitation improvement, water and waste management and environmental awareness creation.
2. To organize community groups who have not generally had access to organized credit.
3. To collaborate with other institutions.

4. To re-direct financial resources.

### **Medium-term/Inter-mediate**

5. To promote the use of credit as a fair tool for human development.
6. To sensitize self-propelling learner groups with functional literacy skills.
7. To help improve upon the qualities and methods used in their indigenous techniques of production.

### **Long-term/Ulimate**

8. To build capacity in community project management based on participatory civic engagement methodology called **TEACH**.
9. To link organized community groups to established rural and micro finance institutions.
10. To be a licensed Financial Non-Governmental Organization (FNGO).

### **Functions**

1. Kraban Support Foundation aims to eradicate rural poverty through community education. The organization renders efficient and effective service that improve the livelihoods of clients in the target communities.
2. The organization offers financial services. The financial services include the provision of micro (small-scale) loan products i.e. micro-credit, micro-leasing, micro-money transfer and micro-insurance. The other financial service is small-scale deposit-taking.
3. The organization offers non-financial services. These services include:
  - a. Business Advisory/Development such as Books/records Keeping, Credit Management and Small Business/Marketing Plans preparation.
  - b. Health Education (environmental sanitation, family planning, immunization, exclusive breast feeding and diarrhea management).
  - c. Legal education such as lessons on land title registration, family and property law, marriage and divorce registration law, head of family accountability law, domestic violence law and testate and interstate succession law.
  - d. The civic and population education includes electoral procedures and HIV and AIDS sensitization programmes.

Additionally, the organization provides linkage banking services. These services are retail banking arrangements provided for micro and small-scale clients. However, the responsibility for loan appraisal and approval, entering into loan agreements, disbursement and loan recovery solely rest with our organization.

## Background of the organization

### Governance structure

The institution was promoted and established in July 1996 by seven persons. The seven persons were made up of four females and three males who either subscribed or promoted the interest of the company. The subscribers and promoters delegated the decision making process of the organization to the board of directors. The current board of directors are made up of seven members with diverse professional backgrounds in banking, accounting, education, engineering, institutional management, legal affairs and development planning. The board is composed of four males and three females. They are assisted by the management and staff who provide day-to-day administration of the organization. The key management staff include the Executive Director, Officers in charge of general operations including programmes and training, finance and administration, general credit operations. The head of institution is a member of the Ghana Monitoring & Evaluation Forum (GMEF), Ghana Institute of Planners (MGIP) and an Associate Member, Chartered Institute of Marketers (ACIMG). He holds a Bachelor of Law and Bachelor of Arts (Social Sciences) degrees in addition to post-graduate degrees in Adult Education and Public Administration. He holds PhD in Environmental Science with Development Evaluations as his specialty. He has participated in numerous short term skills training programmes in microfinance & project administration/management and development planning. The other management staff officers in charge hold various Bachelor degrees in Management and Psychology and Human Resource Management. The others have obtained Higher National Diploma (HND) in Accountancy and Business Management. The management staff work directly with credit/loan officers who are Senior High School (SHS) graduates and Diploma in Business Studies (DBS) holders for the management of the financial and non-financial services.

**Table...Names of subscribers, promoters, board of directors, management and general staff**  
**Subscribers**

#	Name	Position	Professional Background	Size of subscription
1.	Dr. Opare-Djan, Nana	Subscriber	Development Planner/Lawyer	29%
2.	Hilary Grace Wobil	Subscriber	Institutional Management	16%
3.	Ricky Boakye Yiadom	Subscriber	Astute Businessman	20%
4.	Other Parties (Clients)	Subscribers	Varied Professionals	35%
	<b>Total</b>	-	-	<b>100%</b>

### Promoters

#	Name	Position	Professional Background	Phone contact
1.	Dr. Opare-Djan, Nana	Promoter	Development Planner/Lawyer	0208132074
2.	George Anthony Biney	Promoter	Accounting/Finance Manager	0244816306
3.	Henrietta Sakyibea Pinto	Promoter	Health Professional	0244569940
4.	Philip Osae (Deceased)	Promoter	Mechanical Engineer	0208132074

5.	Rosina Takyiwa Larbi (Deceased)	Promoter	Educationist	0208132074
6.	Afua Takyiwa Opare-Djan	Promoter	Business Executive	0549505289
7.	Hilary Grace Wobil	Promoter	Institutional Management	0243165393

#### **Board of Directors (Current)**

#	Name	Position	Professional Background	Phone contact
1.	Dr. Matthew K. Etrebi (Deceased)	Chairman	Pharmacist	0245701094
2.	Ms Hilary Grace Wobil	Vice Chair	Institutional Management	0243165393
3.	Madam Fatima Ewudzie	Member	Asst. Dir. of Educ./Guidance & Counselling Coordinator	0243645953
4.	Mr. J.T Owusu-Amoo	Member	Environmental Health Development Consultant	0503262228
5.	Rev. Augustine Amankwaa	Member	Minister of Religion & Programme Management	0246467565
6.	Madam Eunice Ameyaw (Deceased)	Member	Small Enterprise Manager	0244365401
7.	Mr. Ishmael Parry	Member	Adult Educationist/ NGO Programmer	0244759546
8.	Dr. Opare-Djan, Nana	Ex-Officio	Development Planner/Lawyer	0208132074

#### **Board of Directors (Past)**

#	Name	Position	Professional Background	Phone Contact
1.	Ebenezer Papa-Eti Entee	Chairman	Banker	0244283901
2.	Salome Okyerewa Essuman (PhD)	Vice Chair	Educationist	0262644914 0208225198
3.	George Anthony Biney	Secretary	Accounting/Finance Manager	0244816306
4.	Beatrice Ayorkor Torto	Member	Programme Management & Communication expert	0302222917 0244790733
5.	Ezekiel Anim Obuobisah	Member	Accounting	0244717358 0203469592
6.	Dr. Opare-Djan, Nana	Ex-officio	Development Planner/Lawyer	0208132074
7.	Dr. Michael Egyir	Member	Economist	0244795887
8.	Henrietta Sakyibea Pinto	Member	Health Professional	0244569940

## Management and General Staff

<b>Current Staff</b>					
<b>#</b>	<b>Name</b>	<b>P/File number</b>	<b>Position</b>	<b>Qualifications</b>	<b>Contact</b>
1.	Dr. Opere-Djan, Nana	Pf/001/07/1996	CEO	MGIP, ACIMG, LLB, MA, PGDPA, BA, PhD	0208132074
2.	Jones Adzroe	Pf/009/09/2004	OIC, General Operations & Head, Branch Operations - Accra	BA Management & Psychology	0244211298
3.	Millicent Asantewaa Donkor (Ms)	Pf/007/03/2003	OIC, Human Resource	MSc. Urban Housing, BSc. HRM	0503841816
4.	Doreen Lamptey (Ms)	Pf/041/10/2014	OIC, Legal Affairs	BL, LLB, BA Political Science & Sociology	0243683442
5.	Emmanuel Aboagye	Pf/025/09/2007	OIC, Fin. & Admin.	Dip. in Strategic Management, Dip. in Computer Software Programmes, Advance Business Cert.	0244414527
6.	Margaret Nkrumah	Pf/010/02/2005	OIC, Mgt. Info. Systems	HND, Accountancy	0543604575
7.	Derick Twumasi	Pf/043/03/2017	Accountant	ICA Ghana- PL3, BSc Economics & Education	0205039190
8.	Comfort Ofori-Asante (Mrs.)	Pf/029/12/2007	Head, Branch Operations - Somanya	Higher National Diploma, Marketing	0243603611
9.	Gertrude Agyei Agyemang (Ms)	Pf/036/05/2006	Head, Branch Operations - Takoradi	Dip in Journalism	0207772777
10.	Elizabeth Mahu	Pf/008/12/2006	Loan Officer	GCE "O" Level	0245110347
11.	Rebecca Hudson	Pf/015/10/2005	Loan Officer	Dip in Nursing Studies	0244503892
12.	Debora Djan	Pf/014/03/2005	Loan Officer	HND, Accountancy	0247205175
13.	Afua Takyiwa Opere-Djan	Pf/039/09/2014	Office Assistant	Association of Business Executive (ABE) Certificate	0244149954
14.	Rita Adubea Kwabi	Pf/042/08/2015	Office Assistant	SSSCE	0231393494

15.	Martha Egyiriba Instiful	Pf/031/12/2007	Receptionist	SSSCE	0242164685
16.	Paulina Oforiwa Acheampong	Pf/040/07/2014	Cleaner	SSSCE	0277228424 0242957664
17.	Beatrice Dogbey	Pf/044/03/2020	Cleaner	TVET	0540646190
18.	Felicia Nanayaa Sarfo	Pf/045/07/2020	Office Assistant	SSSCE	0244225457

<b>Previous Staff</b>					
19.	Arthur Theresa	Pf/002/03/1997	Credit Officer	BA Sociology	-
20.	Theodora Tetteh	Pf/034/06/2003	Credit Officer	MA Agricultural Economics	-
21.	Hannah Tenkorang	Pf/020/01/2007	Credit Officer	BA Management Studies	-
22.	Emelia Assefuah (Ms)	Pf/011/08/2004	Credit Officer	Diploma, Business Studies	-
23.	Daniel Chester Enyan	Pf/018/02/2007	Credit Officer	Teachers' Cert "A", Diploma, Business Studies	-
24.	Vivian Akofa S. Mottey	Pf/024/06/2007	Internal Auditor	CA Ghana (Intermediate)	-
25.	Ayisi Samuel	Pf/012/12/2003	Community Animator	Higher National Diploma, Mechanical Engineering	-
26.	Charles Brenya	Pf/019/04/2007	Credit Officer	Dip Pharmacy	-
27.	Joseph De-Graft Biney	Pf/028/11/2007	Loan Officer	SSSCE	-
28.	Maud Amoama	Pf/003/04/1997	Loan Officer	SSSCE	-

29.	Augustina Adriana Arthur	Pf/027/11/2007	Loan Officer	SSSCE	-
30.	Samuel Ben Kwofie	Pf/005/06/2001	Credit Officer	Bachelor of Commerce	-
31.	Mariam Kwarteng	Pf/016/06/2006	Credit Officer	BA Sociology	-
32.	Nii Okaikoi Benedict	Pf/032/02/2008	Credit Officer	BA Accounting & Psychology	-
33.	Nakotey Theophilus	Pf/013/12/2003	Community Animator	Teachers' Cert "A"	-
34.	Kwabena Yeboah Asuama Jnr	Pf/022/03/2007	Credit Officer	BA Political Science	-
35.	Frank Obeng Darfour	Pf/035/06/2008	Credit Officer	BA Marketing & Religion	-
36.	Samuel Larbi	Pf/004/08/1997	Community Animator	MSLC	-
37.	Abdul Razak Iddrissu	Pf/030/10/2007	Loan Officer	SSSCE	-
38.	Francisca Akanza	Pf/006/09/1999	Loan Officer	GCE "O" Level	-
39.	Charles Partrick Taardi	Pf/017/12/2005	Credit Officer	BSc Economics	-
40.	Theophilus Idama	Pf/023/05/2007	Community Animator	SSSCE	-
41.	Anabel Narkie Martey (Ms)	Pf/033/03/2008	Credit officer	SSSCE	-
42.	Linda Donkor (Ms)	Pf/021/05/2007	Credit officer	SSSCE	-
43.	Veronica Addae (Ms)	Pf/037/06/2013	Cleaner	MSLC	-
44.	Gertrude Mensah (Ms)	Pf/038/06/2013	Cleaner	MSLC	-
45.	Antoh Emmanuel	Pf/026/08/2007	Driver	SSSCE	-

The credit/loan officers are assisted by community credit animators (CCA). The CCAs are teachers, health workers, opinion leaders, pastors, pensioners for the management of the clients. These CCAs are volunteers domiciled in the communities in which we work. The clients are



organized in solidarity cells (SC) of 5 persons who are willing to guarantee each other's loan. Five SCs come together to form one larger group of 25 persons. Each SC in a larger group elect a leader who becomes an executive member of the leadership of the group. The leadership assists the CCAs and Credit/Loan officers to promote the *TEACH* strategy. The Credit/Loan officers assisted by CCAs promote loan products, train (pre/post disbursement), complete loan application forms, analyze loan applications, sign loan agreements, disburse loans, handle cash and monitor loan repayments.

See details of the governance structure in the organogram in appendix ....

## **Sources of capital**

Kraban Support Foundation has used several capital to promote the activities of the organization since its establishment. The following are the sources of capital used since July 1996:

### **1. Promoters/Subscribers Capital**

The organization started with an initial capital amount of GHS 250.00 from the promoters and subscribers. The promoters and subscribers share of the capital was 20% and 80% respectively. Sixty percent of the capital was in liquid (cash) form and forty percent was in the form of equipments (furniture, type writer, scanner, standing fan, motor bike and stationery). In October 2000, the subscribers' capital base of the organization was bolstered with an amount of GHS 1,000.00 from Ricky Trading Services Limited, a Guinness - ABC Ghana Breweries Limited Distributor based in Kumasi.

### **2. Grants**

In February 2000, the organization received an initial grant of GHS 1,500.00 from the German Development Services (DED). In May 2003, the organization received an additional grant of GHS 3,932.00 from the World Bank Small Grants Program (WBSGP). The organization further raised additional capital of GHS 4,200.00 from the Ghana AIDS Response Fund (GAR Fund). In May 2005, the organization signed a partnership agreement with International Alliance for Women (TIAW) - a micro-enterprise development organization based in Ontario Canada. TIAW has provided a Revolving capital loans to raise Village Banks in the Refugee Camp at Gomoa Budumburam in the Central region of Ghana. TIAW granted an amount of USD 20,000.00 from 2005 to 2010.

### **3. Concessionary loan facilities**

In November 2004, Kraban Support Foundation (KSF) received the first concessionary loan facility of GHS 34,800.00 from the Social Investment Fund (SIF) to support its micro-credit activities. This revolving loan facility was enhanced to GHS 642,800.00 by 2008. The organization has repaid all loan facilities and interest granted by the fund management unit of SIF, however, the organization has renegotiated a facility of GHS 186,430.00 outstanding of clients' to-date (2015).

From December 2006 to April 2007, the organization hosted a partnership agreement with KIVA Microfunds for an internet based on-lending programme. The on-lending programme, was a microcredit scheme where individuals' world-wide made loans to individual clientele of KSF via the internet on a website which KIVA Microfunds an on-line lending facilitator managed. KIVA Microfunds is based in San Francisco, California in the United States of America. The pilot scheme which started in November 2006 reached out to 600 clients with a credit facility of USD 378,358 as at August 2007. The organization has repaid all debt capital owed to KIVA. However, the debt outstanding of ninety-five thousand, four hundred and five United States Dollars (USD 95,405.00) was used to defray the following:

- Expenses - accommodation, travel and transport, stationery, water, electricity, waste disposal, etc for three (3) KIVA fellows (Jacqueline Marshall, Delana Lensgraf and Anne-Sophie Breuning)
- Posting of photographs and clients business stories
- Photographers' fees for 1,000 clients posted to KIVA website
- Communications with KIVA (Telephone calls, email messages, Internet charges, etc)
- Emoluments of 13 project staff (see list attached)
- Loan loss provision on KIVA debt capital loans disbursed
- Maintenance of project vehicles and
- Bank & SWIFT charges

See details of analysis in appendix .....

In October 2007, the organization received a further concessionary loan facility of GHS 50,000.00 from Microfinance and Small Loans Centre (MASLOC). The organization has repaid the loan facility. The disbursing bank, Prudential Bank Limited, Abossey Okai Branch deducted the loan repayment on behalf of MASLOC. In 2008, the organization received USD 11,500.00 from Energy-in-Common (EIC), a New York based not for profit organization. The credit facility was used to purchase solar lanterns for on-lending to rural clients. The Green Energy Loan (GEL) products were supported by People Helping People International (PHPI) who gave a credit facility of USD 13,000.00. The programme is still on-going.

#### **4. Commercial loan facilities**

In addition, the institution contracted commercial loans of GHS 220,000.00 and GHS 50,000.00 from EB-ACCION Savings and Loans Company and Ghana Commercial Bank in 2008 and 2009 respectively. The facilities were to improve portfolio quality under the Extra Mile credit scheme. All these commercial loan facilities have been repaid to the respective lending institutions with interest. The Millennium Development Authority (MiDA) via the Agricultural Credit Programme Consultant (ACPC) signed an agricultural value chain credit agreement with the organization. MiDA disbursed GHS 280,140.00 in three tranches from April 2010 to November 2010 for four out of fifty-five farmer based organizations who applied to KSF for credit assistance. One hundred and eighty-eight farmers who comprised 67 female and 121 male farmers. The project is still ongoing with an outstanding balance of GHS 207,849.92. The organization further enhanced its capital base with a loan from RHEMA Consulting Limited. KSF has received a total amount of

GHS 145,000.00. The institution has repaid all the amount with interest. Kraban has renegotiated the repayment of GHS 36,000.00 and has GHS 21,000.00 as the outstanding credit facility.

### **General partnerships**

Kraban Support Foundation joined the Wishes Alliance forum since 2012. The Wishes Alliance forum is a platform for NGOs to exchange ideas, build new networks and cooperate for the development of Ghana. Wishes Alliance has hosted Kraban Support Foundation on its website and has linked the organization to several funding sources. The sources include Mikro Kapital, ADDAX & ORYX FOUNDATION, Global Innovation Fund, Tiet Foundation, among others. Kraban is yet to access funding from these sources. Though Kraban is faced with some challenges that include increased and intense competition, financial and liquidity shortages, inadequate technical assistance and is yet to obtain any funding on the Wishes Alliance platform, the organization is of the firm believe that it is time for FNGOs to foster togetherness and build an extensive network to ensure substantial support for the FNGO sub-sector. It is suggested that the apex body for financial NGOs, ASSFIN should forge similar alliance among member organisations to enable them to think globally and act locally for the growth of the microfinance sub-sector in Ghana.

Earlier in 2011, Cherie Blair Foundation of UK had expressed interest to partner the organization and Millicom Ghana Limited to promote the TigoCash transfer programme. Though the partnership did not come to fruition, lessons learnt from the feasibility studies permitted the organisation to partner Vodafone Ghana in another service programme called Moonlite in 2012. Vodafone Ghana supplied KSF with 25 pieces mobile handsets (Hybrid & Postpaid) for the mobile savings product which the Moonlite sought to promote.

### **Technical assistance**

#### **Governing Council Training**

**2015 -2011** - The CEO participated in the 4<sup>th</sup> Annual General Meeting (AGM) of ASSFIN held on the 15<sup>th</sup> of December, 2015 at the Prestige Suites, Lokko Road, Osu-Accra under the theme: “*Regulation of the Microfinance Industry: Challenges and Prospects for NGOs*”. Jones Adzroe, the OIC, General Operations also represented the board in an NGO Management training programme at the NIM Avenue Hotel in Tamale from 5<sup>th</sup> to 9<sup>th</sup> October, 2015. The following subjects were taught: The Social Mission and Objectives of NGOs, NGO Membership, Governance and Management Structure, Maintaining the Social Mission through Programmes and Services and Fund Raising & Management. The workshop was organised by ASSFIN and facilitated by MEL Consulting Ltd.

Earlier in July 2015, a board member (Mr. J. T. Owusu-Amoo) had participated in a 5-day workshop on Social Performance Management (SPM). The workshop organised by RAFiP was for the board members of ASSFIN member-institutions. The workshop took place at the Akroma Plaza Hotel, Takoradi from July 14<sup>th</sup> to 18<sup>th</sup>, 2015. The subjects taught were as follows: Why organizations exist?, The Concept of Social Performance and SPM, SPM Implementing strategies, Understanding Universal Standards for SPM, Institutional Self-Assessment & audit and Client protection principles. This workshop was facilitated by CDC Consult. Prior to this workshop, the CEO, Nana Opare-Djan attended a Governance workshop at the Royal Lamerta Hotel, Kumasi from June 23<sup>rd</sup> to 27<sup>th</sup>, 2015. In May 2015, the CEO and a member of the Governing Council, Madam Fatima Ewudzie, participated in a Trainer of Trainers (ToT) workshop. The ToT workshop took place at the Manna Heights Hotel, Mankessim from May 4<sup>th</sup> to 8<sup>th</sup>, 2015. Earlier in February 2015, Nana Opare-Djan had participated in a CEO's forum organised for members of the Association of Financial Non-Governmental Organisations (ASSFIN). The 3-day forum took place at the Ampomaah/Tenko Plaza Hotel, East Legon-Accra from February 24<sup>th</sup> to 26<sup>th</sup>, 2015.

Between 2012 and 2015, the governing council was invited for several programmes that included: M&E Training, Risk Management for MFIs, Principles & Management of Microfinance institutions, Governance for MFIs and Product Development. The organisation could not participate in these training programmes due to the assessment of the impact of the organizational operations by the IE Business School, Madrid, Spain.

However, during the previous year, from October 13<sup>th</sup> to 14<sup>th</sup>, 2011, the Executive Director participated in an African Microfinance Transparency (AMT) Investor's Fair under the theme "*Bridging the Gap between African Microfinance Institutions and Investors Active in Microfinance*". The purpose of the fair was to facilitate and optimise contact between MFIs and investors. The fair was held at the Alisa Hotel, Accra. In August 2011, Millicent Donkor & Emmanuel Aboagye took part in a day's awareness seminar on *Social Performance Management for Microfinance Institutions* in Ghana. The seminar was organised by OikoCredit at the Coconut Grove Regency Hotel, Accra. It was facilitated by GHAMFIN. Prior to this workshop, the Board Chairman, Dr. Matthew K. Etrebi participated in a stakeholders' workshop on the Agricultural Credit Program (ACP) at Anita Hotel, Ejisu-Kumasi on July 7 2011. The workshop was organised by Pentax Management Consultancy Services Ltd. The objectives of the workshop were to discuss the provision of feedback to stakeholders on ACP implementation status, reviewing of the progress made on the implementation of remedial measures agreed on and report on the purchase of motorcycles and other benefits under the capital incentive scheme.

**2010-2006** - Earlier in June 2010, the Executive Director, who was the General Secretary of ASSFIN, presented a paper on Prudential and Non-prudential Regulations of MFIs in a stakeholders' workshop on Regulation and Supervision Framework for Microfinance Institutions in the Semi Formal and Informal Sectors at a workshop held at Coconut Grove Regency Hotel, Accra. This workshop was organised by the Ministry of Finance (MoF) was facilitated by CDC Consult Ltd and was sponsored by the GIZ.

In August 2009, the staff of Kraban participated in a Millennium Development (MiDA) training for Participating Financial Institutions (PFIs) at Woezor Hotel, Ho from 17<sup>th</sup> to 21<sup>st</sup> August. The training was on the theme: “*Agricultural Lending Programme, Monitoring and Returns Procedures, and Development of Innovative Agricultural Lending Products*”. The major topics discussed was on Agricultural Credit Programme (ACP) policy and procedures, ACP monitoring and reporting format and Agricultural lending product – concept and techniques. A board member participated in a similar training programme from April 09 to May 04, 2007. He participated in a Project Cycle Management (PCM-e). The Executive Director participated in an Organizational Development (OD) Skills Training programme. The facilitators of the programme, NKUM & DEVELOPMENT ASSOCIATES Planning Consultants took participants through the 12 Modules of OD techniques from July 05 to 11, 2007 at Continental Hotel, Atimpoku. The programme was funded by SNV/KSF.

From July to August 2007, the Executive Director participated in the 12th boulder microfinance training programme at the ILO/ITC in Turin, Italy. The subjects taught included microfinance LED services for the poorest, enterprise developed for finance types, microfinance in conflict affected areas, managing assets, liabilities and capital, managing NGO transformation and building financial system for the poor. From October to November 2006, the Executive Director undertook a training in Programme and Project Management and Administration (PPMA) at the MDF Training & Consultancy at Ede, Wageningen under the Netherlands Fellowship Programme (NFP).

**2005–2000.** In August 2004, four management staff participated in an orientation for *Microfinance Management and Micro Enterprise Development Training* at Miklin Hotel, Kumasi. In January and February 2002, the organization participated in a programme for *Evaluating Microfinance Programmes*. The subjects taught included the development of an impact evaluation instrument (Questionnaire - Qualitative/Quantitative), data collection techniques and the use of EPI Info software. The impact evaluation workshop was organized by Sinapi Aba Trust/Opportunities International and supported by the Ford Foundation using the AIMS and SEEP tools in collaboration with GHAMFIN. To further enhance the skills of the executive director, he participated in a micro finance best practices consultancy workshop organized by Ministry of Finance (MoF) in collaboration with GHAMFIN and funded by the International Development Agency (IDA) from June 22 to 24, 2000 at Volta Hotel, Akosombo. Furthermore, he participated in a workshop on exposure to micro finance best practices from September 27 to 29, 2001. The workshop was organized by GHAMFIN at GIMPA, Accra. In January and August 2000, the organization participated in two workshops on *Fundraising Techniques*. Participants were taught the 7 Principles and Strategies in fundraising. The training workshop was facilitated by GAPVOD in collaboration with Beyond Aid/Charities Aid Foundation. In June 2000, the executive director participated in a workshop on *Introduction to Microfinance*. The workshop was facilitated by MEL Consulting Limited in collaboration with GHAMFIN at the Bunso Cocoa College.

**1999-1996.** In July 1999, the Executive Director again participated in an *Entrepreneurship Development* programme organized by EMPRETEC Ghana Foundation. The participants were taught the 10 Entrepreneurial Competencies, Business Plans Preparation, Cash Flow & Financial Statements Analysis, among other subjects. Furthermore, in July 1999 to December 2000, the Executive Director and staff of the institution participated in series of *farmer field schools training*

programmes organized by the Ghana Organic Agricultural Network (GOAN). In August 1999, the Executive Director participated in an Institutional Development workshop. The workshop was organized by the German Development Services (DED). The subjects taught were what is microfinance and its impacts on development, the delivery mechanisms of micro finance - institutional structure and methodology, the importance of savings, regulation and supervision, microfinance and sustainability.

In December 1996, the Executive Director participated in *Grantsmanship* workshop organized by GIMPA Consultancy Services in collaboration with Gershowitz Grants Services, Iowa, U.S.A. Participants were taught the 7 guiding questions of project design, the value of technology and the power of networking to look for funding sources and effective proposal development.

### **Management and staff training**

In October 2015, Jones Adzroe attended a workshop from October 29<sup>th</sup> to 30<sup>th</sup>, 2015 on ASSFIN Members Reporting Template. The workshop was held at the SONANT Court, East Legon-Accra. The following key subjects were discussed: Role of ASSFIN in Monitoring and Supervision of FNGOs in Ghana, Benefits and uses of the ASSFIN Database, Prerequisite for accurate and regular reporting on operations and ASSFIN Members Reporting Template (Structure & Guidance Notes, Regional Breakdown, Portfolio Report, Outreach and Social Performance, Balance Sheet -Assets & Liabilities Statement, and Profit & Loss Statement). The 2-day workshop was organised by ASSFIN and facilitated by GIZ-Responsible Finance under the Financial Project: Banking Supervision, Financial Literacy and Consumer Protection programme.

Earlier, in August 2015, the OIC, Legal Affairs (Doreen Lamptey) attended a 4-day workshop on Mix Tool Training. The workshop was organised for the management staff of ASSFIN member institutions. The workshop which took place at the Sonant Court Hotel, East Legon-Accra from August 26<sup>th</sup> to 29<sup>th</sup>, 2015 was sponsored by RAFiP. In July 2015, the Officer In-Charge (OIC) of General Operations (Jones Adzroe) participated in a 5-day workshop on Social Performance Management (SPM). The workshop was organised for the management staff of ASSFIN member institutions by RAFiP. The workshop took place at the Akroma Plaza Hotel, Takoradi from July 14<sup>th</sup> to 18<sup>th</sup>, 2015.

The subjects taught were as follows: Why organizations exist?, The Concept of Social Performance and SPM, SPM Implementing strategies, Understanding Universal Standards for SPM, Institutional Self-Assessment & audit and Client protection principles. This workshop was facilitated by CDC Consult. Earlier, from April 29<sup>th</sup> to 30<sup>th</sup>, 2015, Nana Opare-Djan and Jones Adzroe attended a training on Financial Management and Preparation of Bank of Ghana Prudential and Non-Prudential Reports. The 2-day workshop was organised for ASSFIN member institution at the Manna Heights Hotel, Mankessim from April 29<sup>th</sup> – 30<sup>th</sup>, 2015.

The following subjects were discussed: Data Management (What is data?, What is data management?, Importance of data management, Why MIS? and The Value of information), Financial Reporting Standards/Compliance (Importance of financial reporting standards and

Financial reporting mechanisms), Overview of MS Excel (Data Entry in Excel, Data validation, Creating and editing formulas, Formatting and Worksheet management and linking formulas), Tracking Performance Through Indicators (Financial and management indicators, Calculation on indicators and Reporting to ASSFIN, GHAMFIN and BoG) and Creating Reports (Defining information needs, Report templates, Trend reports, Graphical Analysis and Reporting frameworks). This workshop was facilitated by RIMS Consult. In April 2015, the Executive Director, Nana Opare-Djan participated in a MIX Data Collection Tool (MDCT) Training organised for membership of the Association of Financial Non-Governmental Organisations (ASSFIN). The 3-day forum took place at the Ampomah Tourist Hotel, East Legon-Accra from April 20<sup>th</sup> to 22<sup>nd</sup>, 2015.

In June 2014, the Officer In-Charge (OIC) of Management Information Systems (MIS) – Margaret Nkrumah participated in a workshop on Financial Management and Preparation of Bank of Ghana Prudential and Non-Prudential Reports. The workshop took place at the Institute of Local Government Studies (ILGS) in Madina, Accra from June 25<sup>th</sup> to 28<sup>th</sup>, 2014.

In November 2012, the staff (Emmanuel Aboagye & Millicent Donkor) of Kraban attended a workshop organised by Microfinanza SRL and GHAMFIN at Sunlodge Hotel, Accra on November 21, 2012. The theme for the training programme was: *“Linking Microfinance with the Provision of New Technologies for Lower Income Earners”*. From March 5<sup>th</sup> to 31<sup>st</sup>, 2012, the Officer-In-Charge of Finance and Administration (F & A) also participated in a similar training programme at Ede, Wageningen under the Netherlands Fellowship Programme (NFP). The course he participated in was Project Cycle Management (PCM-c).

In December 2011, Emmanuel Aboagye attended a workshop on Over-indebtedness of Microborrowers in Ghana. The objectives of the workshop were to discuss delinquency and multiple borrowing, over-indebtedness, borrowing characteristics and perception of borrowers about MFIs. This workshop was organised by GHAMFIN on December 12 2011. Earlier, two other staff (Margaret Nkrumah & Millicent Donkor) participated in a day’s sensitization programme organised by Rural Agricultural Finance Project (RAFIP). This programme took place at the Ange Hill Hotel, Accra on 7<sup>th</sup> September, 2011. The staff were sensitized on the conditions for accessing the training fund by Rural and Microfinance Institutions (RMFIs). The conditions were: provision of permanent and dedicated M&E and training managers for training, provision of a minimum of three staff from the MIS and training departments and production of articles for the Microfinance newsletter and collection of data for bi-annual aggregation of the FNGO sub-sector.

Again, Millicent Donkor & Emmanuel Aboagye attended a day’s Awareness Seminar on Social Performance Management for Microfinance Institutions in Ghana. The awareness seminar was held in August 2011 at the Coconut Grove Regency Hotel, Accra. The seminar was organised by OikoCredit and facilitated by GHAMFIN. In August 2011, a day’s workshop was attended by Millicent Donkor on Growth of Mobile Payment System (MPS) in Ghana. This workshop was organised by National Communications Authority (NCA) under the sponsorship of UK Trade & Investment and UNDP. The training was held on 6<sup>th</sup> August, 2011 at the Movenpick Hotel, Accra.

There were presentations on the following: MPS and the opportunities for Ghana, MPS products and regulatory/licensing.

In April 2011, Comfort Koli & Margaret Nkrumah attended a 5-day workshop on Loan Appraisal and Crop Cycle and Budgeting. The training was held at Modak Royal Hotel, Kwahu Pepeease. In May 2011, Margaret Nkrumah & Emmanuel Aboagye took part in a 2-day Skills-Based training on Value Chain Financing. The training was held at the Royal Dede Cesar Hotel, Accra. This training was organised by MiDA and facilitated by Pentax Management Consultancy Ltd. In February 2011, two staff (Emmanuel Aboagye & Comfort Koli) took part in a 2-day skills based training on loan documentation process. The workshop was held at Windy Lodge, Winneba. Again, from February 23<sup>rd</sup> to 25<sup>th</sup> of, 2011, Comfort Koli & Emmanuel Aboagye attended a 3-day training workshop on *Delinquency Management, Loan Structuring and Re-structuring and Enterprise Level Cash Flow Lending*. This training was organised and sponsored by MiDAACPC/Pentax Management Consultancy Services. The training took place at Humility Lodge, Agona Swedru. The facilitators were EDN Consult. The following were learnt: enterprise cash flow, loan delinquency management and loan structuring & re-structuring.

The Officer-In-Charge (OIC) for Human Resource, Training & Programmes (HRT&P) also participated in a four week training programme at MDF and training consultancy at Ede, Wageningen under the Netherlands Fellowship Programme (NFP) from March 07 to April 03, 2010. The course she participated in was Project Cycle Management (PCM-c).

In August 2009, the staff of Kraban participated in a Millennium Development (MiDA) training for Participating Financial Institutions (PFIs) at Woezor Hotel, Ho from August 24<sup>th</sup> to 26<sup>th</sup>. The training was on the theme: *“Agricultural Lending Programme, Monitoring and Returns Procedures, and Development of Innovative Agricultural Lending Products”*. The major topics discussed was on Agricultural Credit Programme (ACP) policy and procedures, ACP monitoring and reporting format and Agricultural lending product – concept and techniques.

In December 2008, Emmanuel L. Antoh attended a 3-day training on Microsoft Excel. This training was organised by GHAMFIN. The training was facilitated by RIMCS Consult. The following topics were thoroughly discussed: the general overview of Microsoft Excel 2007 Workbook, basic formula, formatting and printing. The training took place from December 22<sup>nd</sup> to 24<sup>th</sup>, 2015. In May 2008, two staff of the organization participated in a GHAMFIN/Freedom from Hunger sponsored training on Group Formation. This training was held in the conference room of GHAMFIN and was facilitated by Freedom from Hunger. The subjects taught were as follows: what is microfinance?, group formation process, community entry, presentation, sensitization and awareness creation, training new groups – training content and training guide and field visit. The training took place from May 5<sup>th</sup> to 9<sup>th</sup>, 2008.

In March 2008, Kraban staff attended a refresher workshop on SEEP Monitoring Frame - Excel. This workshop was organised by Ghana Microfinance Institution Network (GHAMFIN) in collaboration with SPEED, Ghana.



The facilitators, Excellent Consultancy Group Microfinance Information Exchange (MIX) discussed the following topics: introduction to basic excel functions, table manipulation, creating a chart sheet, database development and management in excel, auto filtering, custom filtering and advance filtering and managing database and troubleshooting. The training programme took place from March 12<sup>th</sup> to 14<sup>th</sup>, 2008 and March 17<sup>th</sup> to 19<sup>th</sup>, 2008 at GHAMFIN Conference Room, Accra and Erata Hotel, Accra respectfully.

In January 2008, the organization participated in a five-day training programme to learn the Group Lending methodology - Credit with Education. The key topics discussed included: the concept of microfinance and its practice, gender and microfinance – why target women?, credit with education – goal and strategy and credit with education – group formation and development steps. Other key topics discussed were the roles and responsibilities of field agents/community animators/credit officers, who is a facilitator?, managing credit groups – bye laws, regular meetings and leadership and the field trip. The training programme was organized by Support Programme for Enterprise Empowerment and Development (SPEED) with Freedom from Hunger, Ghana as facilitators. This workshop was held at the University of Cape Coast from January 21<sup>st</sup> to 24<sup>th</sup>, 2008.

In December 2007, the organization attended a three-day management training workshop on Cost Control and Financial Sustainability at the Sasakawa Center at the University of Cape Coast. The subjects taught included: basics of cost control, building blocks of effective cost control systems and strategies for implementing effective control systems in MFIs. Other topics were the concept of financial sustainability, measuring sustainability and efficiency, strategies for attaining financial sustainability and the role of MIS in cost control and financial sustainability. The workshop held from December 11<sup>th</sup> to 13<sup>th</sup>, 2007 was organised by SPEED, Ghana with Capacity Development Consortium as facilitators.

Kraban support Foundation again participated in a five-day workshop on Credit Administration & Management. The objective of the workshop was to impact positively on the capacity of participants to change the status quo of their credit administration and management systems in their organizations. Another objective was to build the capacity of management staff to enable them to educate and monitor effectively field officers including Credit/Loan Officers and Community Animators. This workshop organized by SPEED, Ghana took place at the Institute of Local Government Studies (ILGS) in Madina, Accra from September 24<sup>th</sup> to 28<sup>th</sup> 2007.

From June 18 to 22, 2007, Kraban Support Foundation engaged Freedom from Hunger, Ghana (FFHG) to conduct orientation training on microfinance methodologies and practices for its staff to strengthen the needed capacity and skills to deliver microfinance services and related enterprise development education to their groups in their various programme areas.

A total number of 10 participants were drawn from the head office in Accra and other 2 branches located in Somanya and Takoradi. Two students on internship from the USA took part in the 5day training programme. The training programme took place at the Presbyterian Women’s Training Centre, Abokobi.

### **End users (Clients) training**

The organisation developed a community animation manual in 2007. The manual which includes several modules has been used to train clients for the preparation of business and market plans since 2007 to date. The fundamental modules of the manual are the following 12 basic Rules for the community groups. The rules are as follows:

- Borrowers must be women, at least 18 years old, who have grouped in solidarity cells of four to seven like-minded women to personally guarantee each other's loan from the SCS
  - All members must pay a membership fee (to be determined by the FNGO and SCS)
- Each solidarity cell must elect a leader who becomes an automatic officer of the larger group. From among the solidarity cell leaders the whole SCS membership must elect a Chairperson, a Treasurer who can count accurately and properly safeguard the money of the SCS and a Secretary book-keeper who can read, write and have basic arithmetic skills. If none of the officers have these skills another SCS member may be hired. The Chairperson will be assisted by other officers to manage the weekly SCS meetings.
- All members of the SCS must meet weekly.
- The SCS must collect savings from each member each week, the minimum amount to be determined by the FNGO.
- SCS members' individual loan request must first be approved by the members of the same solidarity cell group and then presented to the whole SCS membership for review and approval.
- The SCS may authorize loans not exceeding the maximum recommended by the FNGO.
- The SCS members must pay interest on the principal loan amount to the FNGO. All loans (principal + interest) must be repaid by loan recipients within the scheduled period stated by the FNGO.
- Part of each member's loan principal and interest must be repaid at each weekly meeting.
- All disbursements and collection of money must be made in full view of all SCS members at the weekly meeting with public declaration to the full membership of the payment.
- The SCS is expected to apply appropriate sanctions to borrowers who fail to abide by the rules of the SCS.
- SCS members must agree to practice and motivate others to practice the education practices decided upon by the members and the FNGO.

Prior to the preparation of the community animation manual, the organization in August 2006, had benefited from the Rural Financial Services Project (RFSP) of MoF. The clients, who were the end users of the services of the organization were identified and trained by facilitators from Freedom from Hunger who were business development service providers identified by GHAMFIN under the RFSP. The training was held at two different locations. A total of four hundred and fifty (450) women were trained. One hundred and eighty (180) out of the four hundred and fifty (450) clients were trained at the Area Council Hall at Pokuase for clients from Anyaa, Pokuase, Katapor, Ofankor Barrier and Kpobiman. The rest of the clients were trained at Dodowa. They were clients from Sesemi, Dravaga, Abokobi, Pantang, Adenta Barrier and Dodowa. The total number of clients trained at Dodowa were two hundred and seventy (270) out of the four hundred and fifty (450).

The subjects facilitated were on group management and leadership skills, micro enterprise and entrepreneurial development skills, credit management and loan recovery techniques.

### **Community education projects**

1. **TEACH III:** was a Capacity Enhancement Needs Assessment (CENA) tool used to assess the capacity to deliver education, health, and water services to local communities in Ghana. The objective of this programme was to provide a complementary capacity building role of stakeholders charged to formulate development programmes in some Districts in Ghana to be sensitive to the plight of the poor from 2003 to 2005. This was done through the establishment of an open and collaborative planning, implementation, monitoring and evaluation mechanism of participating communities to prepare environmentally friendly community-based projects in 6 Social Investment Fund assisted District Assemblies in the Eastern Region. The programme was being supported by the World Bank Small Grants. Project cost was GHS 3,932.00. The credit programme has reached 2,050 small enterprises.
2. **TEACH II:** was an HIV/AIDS behavioural change and awareness promotion programme in the Yilo Krobo District of Ghana from 2002 to 2006. The District had a high infection rate of about 5% in the country in the 90s. The overall infection rate in the country was 3%. Our Modules included: Overcoming stigmatization & Discrimination, Communication for Behaviour Change, Voluntary counseling and Testing, Reproductive Health programmes Reducing Mother-to-Child Transmission, Care and Support for PLWHAs, Opportunistic infections and Future Directions: Vaccines/Microbicides. The project was financed by the Ghana AIDS Commission under the Ghana AIDS Response Fund (GAR FUND) and the Yilo Krobo District Assembly. Project cost is GHS 6,500.00 credit for women income generating activities. The number of women reached was 1,200.
3. **TEACH I:** The Training Education and Credit for Health project was an Entrepreneurship Skills Development and Sanitation improvement project from 1998 to 2000. It was undertaken in Christian Village and Kisseman communities in the Okaikoi-North submetro of the Accra Metropolitan Assembly. The project seeks to improve the incomes and health status of women traders especially cooked food sellers. The German Development Service (DED) is supporting the project. Project cost was GHS 1,800.00 as a Small credit scheme for women traders and mostly chop bar operators numbering 851.
4. **ORACLE:** The Organic Agriculture and Credit Lending Education project was undertaken in 2000. The partners of this project is the Centre for Biodiversity Utilization and Development (CBUD) at the Kwame Nkrumah University of Science and Technology in collaboration with the Ghana Organic Agriculture Network (GOAN). Our NGO animated farmer groups in the Fanteakwa District.

The project promoted the use of improved Leafy vegetables, prekese and snail farming methods alongside other improved indigenous farming techniques. Project cost was GHS 1,200.00 for a Revolving loan scheme for 1,310 smallholder farmer.

5. **BEAM:** The Basic Hygiene Education and Micronutrients Promotion project was piloted in the Yilo Krobo District with the District Health Management Team (DHMT) in 1999. The target beneficiaries were lactating mothers and children. Our organisation facilitated the use of protein substitutes to supplement the dieting of weaning mothers. The sessions also included Immunisation, wean mix preparation, the use of iodised salts and Vitamin A supplements for children. Save the Children UK funded the project. Project cost was GHS 1,450.00 and assisted 575 women in various income generating activities.
6. **PCIP:** The Public Catering Improvement Project was implemented at Daboase in 1997 in the Mpohor Wassa East District in collaboration with the National Service Secretariat District office and the Lower Pra Rural Bank. Our NGO facilitated the child growth monitoring component with support from UNICEF. Project cost was GHS 1,000.00 and reached 400 micro enterprises.

### **Microfinance projects**

Various capital had been raised and used as micro-credit loans for our clients. The total number of clients reached as at December, 2014 was 9,709 with an outstanding loan portfolio of GHS 1,917,134.00.

The organization started its micro-credit operations in April 1997 and had undertaken several projects that had resulted in the provision of financial services using the **TEACH** strategy. The projects are listed below:

1. **SIKA ROSE:** This on-going microfinance programme started in November 2004 and is being financed with a Revolving Loan Fund from the Social Investment Fund (S.I.F). The fund is managed by the ARB Apex Bank. The programme has an outreach of 2,098 small scale enterprises. These clients are located in 10 Communities within the Ga East, Ga West, Ga South and Dangbe West Districts of the Greater Accra Region. KSF has received a cumulative total amount of GHS 642,800.00 from the Fund Management Unit of S.I.F. The programme achieved a 100% repayment in 2005, 2006, 2007 and 2008 with an interest repayment of over GHS 10,000. Currently, in 2009 fiscal year, the financial NGO is managing S.I.F revolving loan facility of GHS 200, 000.00. The Rural Financial Services Project (RFSP) of the Ministry of Finance (MoF) has assisted in building the capacity of the groups in financial management, Microfinance operations and governance. The training was handled by Freedom from Hunger Ghana, a Training Provider under the RFSP.
2. **AGAPE:** The Agape loans are humanitarian loans given to externally displaced persons operating income-generating activities to support their families within the informal economy of Ghana. Some beneficiaries of these loans include – Liberia Women Refugees operating micro, small and medium enterprises at the refugee camp in Gomoa Buduburam.

Other clients are migrant Togolese women operating income-generating activities at Kisseman, Christian Village and Katapo, near Pokuase in the Greater Accra Region.

The program which started in May 2005 is supported by the International Alliance of Women (TIAW) – a micro-enterprise development organisation based in Ontario Canada. TIAW has provided a Revolving capital loans to raise Village Banks in the Refugee Camp. USD 20,000 has so far been disbursed to 125 migrant micro women entrepreneurs to promote their alternative livelihood activities.

3. **EXTRA MILE:** The Extra Mile loan product was a micro-credit scheme where individuals world-wide make loans to individual clientele of Kraban via the internet on a website which KIVA Microfunds an on-line lending facilitator manages. KIVA Microfunds is based in San Francisco, California in the United States of America. The scheme which started in November 2006 has reached out to 600 clients of Kraban with a credit facility of USD 378,358 as at August 2007. Kraban has also repaid all debt capital. In addition, the institution contracted commercial loans of GHS 220,000.00 and GHS 50,000.00 from EBACCION Savings and Loans Company and Ghana Commercial Bank respectively. The facilities were to improve portfolio quality under the Extra Mile credit scheme.
4. **GREEN ENERGY LOANS (GEL):** A total of GHS 14,700.00 has been used to purchase Philips brand U-day mini Solar lanterns and disbursed to 138 clients in rural communities in Brong Ahafo, Western and Eastern Regions. The project is jointly funded by Energy-inCommon and Impact Energies, a New York and an Australian based Non-Profit making organizations. This project promotes clean energy use in homes and indigenous businesses and provides savings and credit services in addition to the supply of solar lanterns as an alternative source of energy in Ghana.
5. **HIGHER HEIGHTS:** The organization is implementing an agricultural value chaining financing program with 4 Farmer Based Organizations (FBOs) in 3 communities namely Agormanya, Ahinkwa and Akpamu in the Yilo Krobo District in the Eastern Region of Ghana. The program has reached out to 188 individual farmers cropping maize and chilli pepper. A total amount of GHS 280, 148.00 has been disbursed to the farmer clients.
6. **MOONLITE:** The organization is in partnership with Ghana Telecom Communications Company Limited's subsidiary, Vodafone in November 2012, entered into a partnership agreement. The object of the partnership is to build on the savings habit of clients via a text and pay process with the use of mobile phones. Vodafone has supplied the organization with 25 pieces of mobile phones which was given to selected clients as part of an onlending package. The programme had encountered difficulties as management staff, credit/loan officers and clients have reported that the mobile phones have been lost through pilfering, burglary and/or fire outbreaks or floods. The project is funded by PHP International. Microfinanza and Cook Clean, a Ghanaian-based clean energy services providers provide technical assistance.

## **Analysis of Financial Performance of Kraban Support Foundation**

### **Introduction**

The medium term objective of the organization for the 2012 to 2014 plan period was to promote the use of micro-credit as a tool for human development. The organization set for itself medium and short term goals. The medium term objectives included, collaboration with other institutions to design, plan and implement micro credit schemes and related educational programmes. Secondly, the organization re-directed financial resources to organized community groups who generally do not have access to organized credit. The objectives for the planned period from 2012 to 2014 was to increase the number of loans granted from GHS 1,834,786.00 to GHS 2,385,221.80. This was to increase the loan portfolio by 30% of the loan portfolio for the 2009 to 2011 planned period. However, the organization granted GHS 1,981,744.00 representing 25% for the period under review. The organization planned to reach a clientele base of 10,000 from 2012 to 2014, however, the organization reached a clientele base of 9,709 compared to the 8,017 clientele reached in 2011. In addition, the organization planned to achieve a loan repayment rate of 98% for the period. However, the repayment rate was 95.5%.

Thirdly, the organization helped to improve upon the production qualities, methods and techniques adopted by women to promote their indigenous small-scale enterprises. In addition, the organization sensitized self-propelling learner groups and equipped them with functional literacy skills and gained knowledge in health education which included, environmental sanitation, family planning, immunization, exclusive breast feeding and diarrhea management. Other knowledge gained by clients also included legal education on land title registration, family and property law, marriage and divorce registration law, head of family accountability law, domestic violence law and testate and interstate succession laws.

The clients were taught civic education which involved electoral procedures based on the National Electoral Commission's guide to the voter and the National Commission for Civic Education's guide on unit committees and the Ghana AIDS Commission's guide for HIV & AIDS sensitization programmes.

In conclusion, it could be stated that the organization obtained funding from various partner institutions. They included, Social Investment Fund (SIF), Energy-in-Common (EIC), RHEMA Consulting Limited, Millennium Development Authority (MiDA) and Director's Equity. The total amount obtained from these institutions and others was GHS 1,859,849.79. Though the organization discussed the possibility of funding with three other Development Partners including Microfinanza Ltd, COTVET Skills Development Fund and *IXI Microcredit*, none of these institutions was able to grant a facility to the organization.

### **Analysis of current development situation of Kraban Support Foundation**

**Environmental Analysis** - The Government of Ghana (GoG) recognizes the vital role micro finance plays in alleviating poverty by enabling the poor to create employment and generate

income. The micro finance market is estimated to consist of about 3,600,000 potential micro entrepreneurs. However, it is observed that the existing providers have together met less than 10% of the total market. GoG has therefore created a conducive macro-economic environment by easing policy, bureaucratic handles and legal framework on microfinance issues. The Government of Ghana has also created financial windows that make soft loans available to Micro Finance Institutions for on-lending purposes. Currently the Government of Ghana has established the Microfinance Small Loans Centre (MASLOC) to complement the efforts of other funding agencies within the sector.

Over the past few years, a number of Micro Finance Institutions have appeared on the local financial market to deliver small credit facilities to small and micro enterprises (SMEs). Hitherto these SMEs had no access to institutional credit in the formal sector of the Ghanaian economy. GHAMFIN sought to bridge the gap to access for institutional credit and therefore collaborated with the Ministry of Finance (MoF) to co-ordinate the operations of Microfinance Institutions (MFIs) and other business service developers (BSDs) in the country.

Currently, the Micro Finance service providers include – commercial banks, rural and community banks (RCBs), savings and loans companies, co-operative credit unions, financial nongovernmental organizations (FNGOs), micro-finance companies, susu collectors and money lenders. All these service providers have apex bodies who are members of the governing council of the Ghana Microfinance Institutions Network (GHAMFIN). ASSFIN is one of the five recognized Apex Bodies on the Governing Council of GHAMFIN provided by the Non-Bank Financial Institutions Law (2006), Act 774. GHAMFIN recognizes the unique role being played by FNGOs. It is estimated that 10 FNGOs have been licensed whilst 40 remains on the waiting list of Bank of Ghana for provisional licenses. In addition, 125 rural banks, 250 credit unions, 12 licensed non-bank financial institutions (NBFIs) i.e. Savings and Loans companies, 400 licensed Micro Finance Companies and over 4,000 individual Susu Collectors provide various financial services for the microfinance sector.

Kraban Support Foundation as an FNGO is a member of ASSFIN. ASSFIN has a membership of 45 FNGOs country wide. ASSFIN members have come together to foster good relationship among member institutions to address the growing competition in the sub-sector. Again, ASSFIN ensures that members benefit from the efforts, policies and programmes put in place by the Government of Ghana.

**Risk Assessment** - Macro-economic conditions in Ghana have hampered the provision of credit to micro and small-scale entrepreneurs. The economy of Ghana has been experiencing double-digit rate of inflation since the 2000s. Inflation rate reached a peak level of 49% in 2001. Government of Ghana since 2008 has embarked upon an economic stabilization drive and succeeded to reduce interest and inflation rates. In February 2015, the Monetary Policy Unit (MPU) of the Central Bank reviewed the base rate and retained it at 14.5% to help address an inflation rate of 14% as at December 2014. Commercial banks interest rates ranges between 36 – 65%. The service sector generally attracts the highest rates while the rate for the agriculture and manufacturing sectors are

lower. Micro-finance institutions in Ghana lend between 30 to 40 percent. Though usurious, micro-enterprises and groups prefer the services of the FNGOs due to their flexible nature of operations and their door-to-door service delivery. They therefore find it more convenient to access funds from these FNGOs including Kraban Support Foundation to undertake economically viable and productive ventures at the prevailing rate of interest. The bulk of the credit goes to the distributive and services sector which is dominated by trading activities, particularly imported consumer items and marketing of agricultural produce. Another major problem is the lack of credit for productive ventures. The commercially oriented financial institutions in Ghana are risk-averse and do not on-lend to the clientele deemed to be 'unbankable'. They prefer to invest funds in government bonds and securities, which will yield high rates of return. This has resulted in the crowding out of the private and the informal sector.

Generally, marginalized and poor groups do not bank with the commercial banks and find the operations of these banks bereft with lots of bureaucracy. The conventional banks also consider these clients as 'unbankable'. As a result very few commercial oriented financial institutions including the savings and loans companies, community banks and rural banks undertake full-scale microfinance operations. However, the FNGOs have specialized methodologies adapted largely on the '*Grameen Bank Model*' to lend to the poorer sections of the Ghanaian society. In spite of the positive contributions of such institutions, there are only very few of them with a strong financial base as most of them are operating on weak finances with shoe-string budgets.

Kraban's response to this dilemma is to protect the value of the organization's loan portfolio and to grant short-term credit facilities that ensure prompt loan repayments. The organization closely monitors and tracks credit repayments based on an on-lending strategy called *TEACH*.

Institutional assessment – In 2015, the board and management staff prepared Kraban's strategic plan (2015 to 2017). The plan includes KSF's monitoring & evaluation plan to monitor the implementation of the strategic plan. Annual progress report would be prepared for the three years of implementation.

In 2014, a study was conducted by the organization in collaboration with the Department of Development Finance and Economics, Ohio State University, USA led by Professor Esi Elliott. This study was dubbed: *X-Culture* project. The assessment involved students worldwide identifying institutions and presenting a diagnosis of successes and challenges of the identified organizations to potential investors worldwide. The criteria the students used to diagnose the organization included, selection of client organization and product, identification of market success factors, selection of a new market, entry mode and staffing, product and pricing, and distribution and promotion skills. Uhora Solutions Ghana Limited is developing a loan tracking software based on the loan performer system. The organization participated in a training programme organized by the Association of Financial NGOs (ASSFIN) on Bank of Ghana reporting requirements. The subjects taught were financial management and the preparation of Bank of Ghana's prudential and non-prudential reports. The organization also participated in



other training programmes organized by GHAMFIN and ASSFIN. The programmes include training in M&E, training in Risk Management for MFIs, training in Principles and Management of Microfinance, training in Governance for MFIs and training in Product Development.

In 2012 and 2013, after the sixth assessment, the organization participated in several training workshops organized by FsF. The objective of the training programme was to build the capacity of the board, management and staff. The subjects taught were governance, client assessment & protection, financial management, introduction to excel, financial modelling and introduction to asset-liability management. Again, the organization participated in a workshop with International Foundation for Africa Innovation (iFAI) on how to become an innovative manager in the organization. Furthermore, Kraban participated in an agricultural enterprise development workshop to help promote the agricultural value chain concept. This assessment enabled the institution to access funding for the Green Energy Loans. This program is for the sale of solar energy lanterns in the rural communities. It is supported by two New York based not-for-profit company called Energy-in-Common (EIC) and People Helping People International (PHP). They have assisted the organization with an amount of GHS 50,000.00 to distribute 190 solar lanterns to individual customers. Further, to develop new financial products for sustainable development, the organization partnered with Microfinanza to strengthen the distribution of clean energy technologies based on the REEP-DEMO approach. The main goal of this project was to distribute new energy saving technologies (solar lanterns, improved cook stoves, bio digesters). Again, to strengthen the energy loans, Barefoot Power decided to train and equip staff to handle after sales services effectively and to educate customers on how to handle and use products well. They also provided market support and assistance to help increase sale of the energy savings products.

Furthermore, the organization has hosted a new website in 2013 as part of the rebranding efforts recommended by the FsF study in 2012. The website was developed by Ubora Solutions Ghana Limited. Wishes Alliance, an international NGO has also hosted Kraban on its website for funding and training support.

In 2011 and 2012, a sixth institutional assessment was commissioned by Kraban Support Foundation and Financieros sin Fronteras (FsF) in collaboration with IE Business School in Spain and used the CAMEL Methodology to assess the organization. The organization was rated C and C+ in 2011 and 2012 respectively. The assessment reports indicated in Appendix 1 and 2 with recommendations are summarized in Table 1. The table provides a detailed summary of actions to be taken. These include the focus area, key issues, strategies, time for action, responsibilities and status.

The fifth institutional assessment was conducted by Cyrano Fund Management Ltd. of Bolivia in 2010 and Alterfin/Fefisol of Belgium in 2011. However, the assessment report of these two institutions were not disclosed to the organization. The fourth institutional assessment was commissioned by the Agricultural Credit Consultant (USA) for the Millennium Development Authority (MiDA) in 2010. The results of the assessment enabled Kraban to assess an amount of GHS 263,333.00 from MiDA which was on-lend to 188 farmers of three farmer-based organizations located in the Yilo and Lower Manya Krobo Districts.

A third assessment was commissioned in 2008 by GHAMFIN in collaboration with the Support Programme for Enterprise Empowerment and Development (SPEED) Ghana. Microsave Consulting Limited based in Kenya undertook the study. The study was a follow up to the one commissioned in 2005 to re-assess the position of Kraban Support Foundation two years after the first study and to compare whether the organization could be placed in the peer group of “Medium FNGOs” in Ghana. The other contemporary FNGOs for this study included; Christian Rural Aid Network (CRAN), Association of Progressive Entrepreneurs in Development (APED) now Vision Fund , Initiative Development and Youth and Social Enterprise Fund (Y-SEF). The study found that Kraban was below the average age of its peer group but relatively larger in size. Its gross loan portfolio was GHS 1,351,896 in 2008. The study also showed that Kraban served more clients (6,336). An average loan size that represents a relatively smaller percentage of GNP per capita of 16% in 2008. Kraban, like its peers, mobilized voluntary savings. Kraban’s voluntary savings was GH¢33,156 as at December 2008 and average savings per client was GHS200.84 which compared relatively to the average of its peers. After this assessment, EB ACCION provided a total loan facility of GHS 220,000.00 in 2008 and 2009. Attached to this plan is a customized and comparative performance report from the Mix Market: Microfinance Monitor for 2007 & 2008 on the performance of some key indicators of Kraban Support Foundation. (Source: [www.mixmarket.org](http://www.mixmarket.org) or [mixmarket.org/mfi/ksf](http://mixmarket.org/mfi/ksf)). Again in 2007, the organization received GHS 50,000.00 from MASLOC to on-lend.

A second assessment was commissioned for Kraban in 2006. GHAMFIN collaborated with Planet Finance, a microfinance institution based in France to undertake a diagnostic study for the institution. After the assessment report, the institution entered into a partnership agreement with Kiva Microfunds of USA. After the partnership agreement, Kraban received an amount of US\$378,358.00.

In 2005, the Bank of Ghana in collaboration with GHAMFIN and the Faculty of Economics, University of Cape-Coast (UCC) commissioned a study on microfinance in Ghana. Asamoah & Williams Consulting was contracted to conduct the study. The study revealed that Kraban demonstrated a level of profitability that was lower than the average of its peers and the average of all RMFI participants: its adjusted return on assets (AROA) was -22%, compared with -19.1% for its peers and -0.07% for all RMFIs on average. Its adjusted return on equity (-23%) was similar to its AROA, lower than both its peer average (-26.88%) and the average of all RMFI

participants (14%). Kraban was 100.7% operationally self-sufficient (OSS) and 49.9% financially self-sufficient (FSS), compared to 88.2% OSS and 54.7% FSS for its peers and 123% OSS and 100.29% FSS for all RMFIs on average. The nominal yield on Kraban's gross loan portfolio (22%) was less than that of its peers (35.5%) and for all RMFI on average (40%). Kraban administered its loan portfolio slightly more efficiently than its peers, and all RMFI participants on average: its adjusted operating expenses represented 22.6% of its gross loan portfolio, compared with 28% for its peers and 49% for all RMFIs. This relative efficiency, which was especially notable when considered in light of its relatively smaller loan size, was due to a low cost per borrower: Kraban's adjusted cost per borrower was GHS9.29 as against GHS35.88 for its peers and GHS54.97 for the average of participating RMFIs.

The staff of Kraban was relatively less productive in the administration of the institution's loan portfolio, with staff members serving an average of 798 borrowers each, compared with 503 for its peers and 492 for all RMFIs on average. Kraban was also relatively less productive in the administration on its loan and savings portfolio combined: its personnel productivity indicated that each staff member served 564 clients as against 325 clients for its peer group and 405 clients for all RMFIs on average. Its portfolio quality (0 % PAR > 30 Days) was superior to that of its peers (0.4% PAR > 30 Days) and all RMFIs (5% > 30 Days). Kraban had a similar portfolio quality in terms of arrears rate 0.07% as against 2% for its peers and 27% for all RMFI participants. Kraban enjoyed the impressive distribution of being profitable while providing relatively small loans in a competitive market. As one of the very few FNGOs in Accra, it was well positioned to further improve its efficiency and lower its costs and to make more productive use of all of its assets. More efficient operations and a more productive allocation of assets will allow Kraban to remain competitive in the dynamic Ghanaian microfinance market while maintaining its focus on reaching poor clients. The 2005 institutional assessment was based largely on the memorandum of agreement between the Social Investment Fund (SIF) and Kraban Support Foundation (KSF). The SIF granted the institution a total amount of GHS 642,800.00 to on-lend.

Table 1: Review of Recommendations: 2013 – 2015

Focus Area	Key Issues	Strategies	Time for Action	Responsible	Status
<b>Ownership and Governance</b>	1. More effective Board meetings	-Evaluation of the institution’s progress by setting measurable objectives - Board to document progress of objectives whether they are achieved or not.	Immediately (2013)	Promoters/ Subscribers	Evaluation conducted and report ready
	2. Separation of board and management still not rigid enough.  3. CEO’s influence creates key person risk and conflict of interest due to the ownership of the company.  3. Further diversification of the composition of the board membership is desirable, especially with respect to investor acquisition.	- Board and Management functions to be separated  - Reduce CEO’s influence on the organization  - Board composition to be diversified, possibly to include investors	Immediately (2013)  Medium-term (2014)  Medium-term (2014)	Promoters/ Subscribers  Promoters/ Subscribers  Promoters/ Subscribers/ Investors	Board separated from management  CEO recruited to manage the day-to-day activities of the organization  The founder has no voting power at board meetings and as a result of point 2, the influence of the key person’s risk is reduced  The board has been recomposed with expertise from finance, accounting, law and development planning

	4. Board Minutes must be verified	To verify board minutes, board members to sign on each page of approved minutes	Immediately (2013)	Board Members	Quarterly board minutes are available. The minutes are signed
					by the board chairman and the secretary
	5. The unclear functions of the Committee of Trustees on Credit (CoTC) as a subcommittee of the Board.	The structure of the subcommittee, including the mission, selection criteria for membership and the fixed periods for meetings must be clearly stated.	Immediately (2013)	Board Members	Guidelines for members of the CoTC has been prepared
	6. Absence of Directors procedures	A formalized procedure for the board of directors to be prepared. A Board Manual adaptable to the KSF unique needs as an organization's is recommended.	Immediately (2013)	Board Members	Board manual prepared
	7. Minimal target setting	- Board must set achievable targets for the institution - Board to be held accountable in fundraising.	Immediately (2013)	Promoters/ Subscribers/ Board Members	Targets set for 2015 – 2017 plan period (refer to Kraban Strategic Plan 2015 - 2017)
<b>Management</b>	Absence of formalized procedures for management	Formulize clear operational procedures on all organizational levels	Medium-term (2014)	Board Members	HR policy, Credit policy and the general organizational policy and procedures prepared

	Low investor confidence	Increase transparency for investors by clearly formulating the respective responsibilities of each management team member as well as board members.	Medium-term (2014)	Board Members/ Management	Job description with detailed roles and responsibilities for all management team members prepared
	Non-existent reporting procedures and standards	Strengthen key managements capabilities with regards to reporting and transparency.	Medium-term (2014)	Financieros sin Fronteras (FsF) could provide training	Weekly, monthly, quarterly and annual report formats prepared for financial statements and reports to be sent to all partners

<b>Organizational Structure</b>	Absence of formalized procedures for management	Formulize clear operational procedures on all organizational levels	Medium-term (2014)	Board Members	Organizational structure developed with clear functions of the roles and responsibilities of line management and each staff
	Low investor confidence	Increase transparency for investors by clearly formulating the respective responsibilities of each management team member as well as board members.	Medium-term (2014)	Board Members/ Management	Job description with detailed roles and responsibilities for all management team members and board members prepared
	Non-existent reporting procedures and standards	Strengthen key managements capabilities with regards to reporting and transparency.	Medium-term (2015)	Board Members/ Management	Prudential and non-prudential reports to Bank of Ghana (monthly) Data reports to ASSFIN (quarterly) Financial reports to ASSFIN (annually) Progress reports to partners (annually)

<b>Human Resources Management</b>	HR policy limited in scope – No employee survey procedures	Implement a confidential employee survey to give feedback to the board.	Medium-term (2015)	Board Members/ Management/ ASSFIN	HR policy yet to be enhanced with employee survey procedures
<b>Information Technology</b>	Absence of a software for data generation and reporting	Implement a free online system of data-sharing such as the use of the drop box to create a timelier and more efficient dataflow between headquarters and the local branches.	Medium-term (2015)	Ubora Solutions, SatADSL, ecoband.net, Vodafone, Airtel	A tailor-made Loan performer tracking software developed
		Install loan performer or open source MIFOS to assist the organization's reporting needs.			Internet connectivity enhanced
	Unstructured nature of data and organization	It is desirable to have a better organized data as it would increase financial transparency and thereby increase the attractiveness of the institution to investors.			Data structured and organized based on the tailor-made loan performer tracking system
<b>Internal Controls</b>	Absence of internal control manuals	There is the need to formulate internal manuals for job descriptions, payment management, planning and budgeting, accounting principles and the acquisition of fixed assets	Medium-term (2015)	ASSFINRAFiP	Yet to be developed

	Shortage of cash leads to frequent liquidity crises	There is need for the introduction of stricter cash on hand policy by the treasury to prevent future liquidity crises.	Medium-term (2015)	Board & Management Staff	Cash on hand policy by treasury yet to be developed
<b>Internal Audit</b>	No Internal Audit	An external auditor could help develop an internal auditing structure, thereby improving the accounting processes in the Accra headquarter	Medium-term (2016)	Board & Management Staff	Internal audit unit yet to be established
<b>External Audit</b>	The External Auditor is the 2 <sup>ND</sup> and remains the same since 2002	Introduce an official policy of auditor rotation on a three-year basis	Medium-term (2016)	Board members	Official policy on auditor rotation yet to be established
		Investors must be clearly made aware of this policy, as this would minimize perception of risk associated with doing business with KSF.			Policy to be documented and disseminated to all stakeholders
		The external auditor must sign all pages of the audited report for potential investors to be assured of the correctness of the statements.			Annual audited statement signed by the Board Chairperson and the Secretary
<b>Ratings</b>	The CAMEL analysis tool though useful to KSF is more suited to matured MFIs.	There is the need for rating system suitable for FNGOs in Ghana. A tailored CAMEL analysis tool is preferred.	Long-term (2016)	Board & Management Staff	KSF is commended to continue its current policy of a) Transparency to outsiders and b) Dialogue and implementation of recommendations <i>as this has</i>



					<i>clearly moved KSF in a positive direction</i>
<b>External Relationships</b>	Enhancing transparency is key for investor confidence	Achieve a level of financial transparency that will allow the company to gain access to long term stable loans, so as to minimize the risk of exposure to foreign investors discontinuing their capital investments.	Long-term (2016)	Board & Management Staff	Audited financial statements available to all stakeholders
<b>General Information</b>	It is essential that KSF begin to use financial ratios based on the CGAP trend analysis	Improve the efficiency of KSF financial bookkeeping and ability to generate key reports  Basic course on Microsoft Excel	Mid-term (2015)	Board & Management Staff	CEO/Staff participated in various courses on MS Excel. These include: <ul style="list-style-type: none"> <li>• Financial Management and Preparation of Bank of Ghana Prudential and Non-Prudential Reports</li> <li>• MIX Data Collection Tool (MDCT) Training</li> <li>• ASSFIN quarterly reporting template</li> </ul>
<b>Income Statement Analysis</b>	Create interest revenue and expense	Identify what causes the fluctuations in interest revenue and expense and how to address	Mid-term (2015)	Board & Management Staff	CEO/Staff participated in various courses. These include: <ul style="list-style-type: none"> <li>□ Governance Workshop</li> </ul>

		<p>them. We believe operational expenses are an issue to the extent that low revenues from the loan portfolio are not stated. If KSF can fix the revenue side of its Income Statement, this is likely to be effective tool to improve expense ratios</p>			<ul style="list-style-type: none"> <li>• Risk Management for MFIs</li> <li>• Assets and liability management</li> </ul>
<b>Liquidity Management</b>	Cash flow statements	<p>-Cash flow statements should be easy to understand by outside parties. This will enable potential investors to view cash receipts from repayment of loans and others sources, as well as expense receipts. This is key for investors to make decisions about whether to lend to KSF.</p> <p>-Investments in other current assets must take into account the liquidity needs of the company. The methodology behind this must also be available to potential investors.</p>	Long term (2016-2017)	Board & Management Staff	<p>The organization has re-designed its loan products. The two main re-designed loan products are secured &amp; unsecured.</p> <p>The secured include:</p> <ul style="list-style-type: none"> <li>• Gov't Employee Monthly Salary (CAGD Payroll)</li> <li>• Money Transfer Services/General Merchandise</li> </ul> <p>The unsecured are:</p> <ul style="list-style-type: none"> <li>• Joint &amp; Several Liability loans</li> <li>• Agriculture loans – (Crop Production: Maize, Beans, Pineapples etc)</li> <li>• Energy &amp; Humanitarian Service loans</li> </ul>

<b>Capital Adequacy</b>	Record keeping of loan disbursements.	-We encourage KSF to become even more rigorous in its record, primarily through a breakdown of the total loan portfolio by the type of loans it consists of. For example, it would be interesting to know in detail the %	Long term (2016-2017)	Board & Management Staff	Staff capacity built in record keeping & financial management. Staff participated in Social performance Management (SPM) workshop to improve upon data collection and management skills.
-------------------------	---------------------------------------	---	-----------------------	--------------------------	--

		<p>breakdown of urban versus rural loans, the duration of the different loan types and the average duration of total loan portfolio. We suggest KSF to incorporate this level of detail in its already existing excel record keeping database.</p> <p>-Regarding KSF's ability to mobilize a significant amount of private sector capital and obtain commitments of future capitalizations, we believe it would be useful for KSF to create an investment proposal that specifically covers how KSF would use a hypothetical amount of money, for example, \$20-50 thousand USD. Explaining to investors exactly how the funds would be disbursed and the overall timeframe for collection interest and principal repayments. Describing the life of a hypothetical loan would enlighten investors to how KSF plans to use the funds, gather repayment and principal, and finally repay back investors. In addition, we also realize this report itself also lends to</p>			<p>-KSF has prepared a one year investment proposal based on Section 28 (1) (b) of GIPC Act 2013, (Act 865).</p>
--	--	---	--	--	--

		providing potential investors with an idea of investing in KSF			
<b>Profitability and Sustainability</b>	Higher interest rates	We recommend further analysis on possibly higher interest rates charged to clients because a 4% yield seems very low for any normal lending operation.	Mid-term (2015)	Board & Management Staff	Interest rates determination model has been revised to reflect current financial times.

<p><b>Risk Management</b></p>	<p>Quality of loan portfolio</p>	<p>KSF needs to have more transparency with regards to the quality of its loan portfolio. There needs to be a system in place that captures the delinquency of loans. We recommend KSF utilize the handbook Microfinance Risk Management Handbook, by Craig Churchill and Dan Coster, published 2001. It is very comprehensive and available online:  <a href="http://kb.trilincanalytics.com/upload/f5/f546502afcea3e5.pdf">http://kb.trilincanalytics.com/upload/f5/f546502afcea3e5.pdf</a></p> <p>-We also recommend a more basic course on basic financial management, available on MicroSave.org at <a href="http://www.microsave.org/toolkit/basic-financial-managementand-ratio-analysis-formicrofinance-institutions-toolkit">http://www.microsave.org/toolkit/basic-financial-managementand-ratio-analysis-formicrofinance-institutions-toolkit</a> -A scorecard with specific performance indicators for MFIs</p>	<p>Long term (2016-2017)</p>	<p>Board &amp; Management Staff</p>	<p>The board participated in a governance workshop which treated risk management as one of the core subjects from June 23 to June 27, 2015. The management staff have accessed several Microfinance Risk Management Handbooks on the internet including the one authored by Craig Churchill and Dan Coster, (2001).</p> <p>The management staff has applied to participate in the 2016 School of Applied Microfinance (SAM) programme at Mombasa, Kenya in 2016 and 2017.</p>
-------------------------------	----------------------------------	---	------------------------------	-------------------------------------	---

		should be introduced. There are many available on the internet.			The management staff has prepared an M & E plan with the results matrix which includes identified indicators to monitor the implementation of the strategic plan 2015-2017.
<b>Products</b>	Marketing policy  code of ethics for employees  Extension of business training	<p>– This will allow for effective and fast implementation of new products once funding is obtained. Increasing awareness of KSF and its products outside of the current communities of operation would ensure faster client acquisition when new funds are received.</p> <p>– This could be a part of the community animation manual for example. Any additional training procedures or staff regulations that can be enforced in writing reinforce the social impact of KSF.</p> <p>– By following up on training to ensure clients are operating their businesses effectively and capable of reaching the market will further highlight KSF’s commitment to improving the quality of life in communities it targets. In the long-run this may also further</p>	Long term (2016-2017)	Board & Management Staff	<p>A marketing consultant will be recruited in June 2016 to prepare a marketing plan for the organization.</p> <p>However, a draft community animation manual exists.</p>

		reduce loan delinquency rates as client productivities increase.			
--	--	--	--	--	--



<p><b>Voluntary Savings</b></p>	<p>Deposit taking</p> <p>Documentation on deposits</p> <p>Establishment of strategic goals for savings products</p>	<p>If KSF is taking as much deposits as more than the 10% allowed as guarantee, they must stop – otherwise they will be in violation of regulations regarding Tier 3 FNGO’s which creates significant legal risk that will scare away investors. Otherwise....</p> <p>-Clearer documentation on how the savings are stored and with what institutions is mandatory. To comply with regulations KSF, must make clear who is in charge of the handling the deposits and where (ie. rural banks) they end up. This transparent disclosure would also alleviate investor concerns over the safety of these deposits for KSF clients.</p> <p>-Strategic goals for the savings products should be established with targeted deposit sizes and amount of clients who actively use it. This would tie with KSF’s social mission and allow for an evaluation over time on the success of these products.</p>	<p>Immediate (2015)</p>	<p>Board &amp; Management Staff</p>	<p>The organization is a nondeposit taking Financial NonGovernmental Organization (FNGO) as categorized by the central bank – Bank of Ghana (BoG).</p> <p>As required by BoG all nondeposit FNGOs are to deposit voluntary savings mobilized into an escrow account. KSF has complied with this directive and placed all savings deposits with commercial, rural and community banks in a specially created escrow (call) accounts and/or fixed deposit receipts (FDRs).</p> <p>The strategic goal for the savings products is to invest in short term instruments like the FDRs to enable the institution support its recurrent expenditure.</p>
<p><b>Interest Rate Determination</b></p>	<p>Interest rate determination model</p>	<p>-While KSF does have an interest-rate determination</p>	<p>Immediate (2015)</p>	<p>Board &amp; Management Staff</p>	<p>The board and management staff have revised the interest rate</p>

		model in place that covers many important factors, however it			determination module to cover the operational and financial
--	--	---	--	--	---

	<p>Annual percentage rate model</p>	<p>fails to consider the specific operating costs for KSF as well as profitability considerations. If the goal is to become sustainable, the key questions in setting interest rate policy should be as follows</p> <ul style="list-style-type: none"> <li>• At what percentage can we cover costs (operational and financial)?</li> <li>• Above and beyond that, what percentage of profit due we want to obtain (considering default rates, etc....).</li> </ul> <p>-We believe the APR model does not capture the necessary interest rate for KSF. Due to the volatility of their income inflows and expense outflows (operational and financial) the APR could change year to year quite significantly. Below are calculations for APR 2009-2010:</p> <p>Year APR</p> <p>2009 49,23%</p> <p>2010 41,81%</p> <p>2011 43.68%</p>			<p>costs and also to cover profit and default rates.</p> <p>The organization will use the APR model as the base. In any circumstances the APR will be compared to KSF's rate. The higher of the two will be adopted.</p>
--	-------------------------------------	--	--	--	--

		2012 2013 2014				
--	--	----------------------	--	--	--	--

		2015			
	Delinquency management and interest rate setting	We recommend that KSF take a course provided by CGAP, Delinquency Management and Interest Rate Setting for Microfinance Institutions. This course can provide a solid foundation for creating an interest rate policy that can lead to sustainability and independence from reliance on donor funds	Medium term (2016)	Board & Management Staff	A management staff to participate in the Boulder Microfinance Training programme in Interest Rate Setting for Microfinance Institutions.

<b>Sources of Funding</b>	Restricted funding sources	<b>Obtain additional sources of funding, preferably unrestricted</b> – the main challenge KSF is facing right now is marketing themselves to gain new funding. Despite an abundance of microfinance funding sources, KSF has been unable to attract new funds in recent years. This low success rate may also influence the fact that KSF has to choose funds from sources that place restrictions on how they are used. Obtaining unrestricted funding sources would allow KSF to better carry out lending practices where they feel the impact will be more significant. The methods for doing this are of course elaborated in other	Medium term (2016)	Board & Management Staff	Kraban’s Strategic Plan (20152017), Fundraising strategy plan, KSF’s Operating Policy, Community Animation Manual and Monitoring & Evaluation Plan
---------------------------	----------------------------	---	--------------------	--------------------------	--

	Break down loan portfolio by products	sections and our final recommendation. – This allows for a better understanding of what products are being used and how much each contributes to profitability.	Medium term (2016)	Board & Management Staff	Data Collection Instruments to be used - Social Performance Management (SPM), ASSFIN Member Performance Reporting Template and Mix Market Data Collection Template
--	---------------------------------------	--	--------------------	--------------------------	--

<p><b>Other Financial Products</b></p>	<p><b>Consider offering other products such as checking, insurance, or microleasing</b></p>	<p>–These simple products can have large impacts when used for the first time by KSF clients and improve the social performance. Microleasing of equipment to clients for example is a relatively simple way to allow the client to generate cash flows the following day. This equipment can be used to enhance their own production or can allow them to rent out services to the village. Clients also have an incentive not to damage or destroy the equipment because they are still liable to the lender (KSF). - Although a diversification of products may be limited by capacity and man hours, we believe some of the technological improvements recommended in this report can help facilitate them.</p>	<p>Long term (2017)</p>	<p>Board &amp; Management Staff</p>	<p>Draft TOR for service providers engaged in money transfer, microinsurance &amp; microleasing.</p>
	<p><b>Diversification of loan products</b></p>		<p>Long term (2017)</p>	<p>Board &amp; Management Staff</p>	<p>Proposals for product innovations</p> <ul style="list-style-type: none"> <li>• Ubora solutions (Loan Performer Software)</li> <li>• ecoband.net (Broadband for data transfer)</li> <li>• SatADSL (Broadband for data transfer)</li> </ul>

					<ul style="list-style-type: none"> <li>• Global Innovation Fund (Text n Pay system)</li> <li>• Microfinanza (Energy Loans)</li> <li>• AgDevCo (Agri Business Technology – Value Chain Concept)</li> <li>• AADC (Agri Business Technology – Value Chain Concept)</li> </ul>
<b>Nonfinancial Products</b>	The ability of KSF to find partners to engage in both business and social training has tremendous social impact on lives of their clients.	-A big risk to the sustainability of these training programs is the dependence on other NGO partners to undertake many of these programs when the community engagement process begins. Entering into clearly defined long-term partnership (with supporting documentation) or further developing in house training methods could alleviate investor concern about ongoing social performance.	Medium term (2016)	Board & Management Staff	Draft TOR for partners to be involved in nonfinancial services.



<b>Asset Quality</b>	Structure of loans past due	KSF must describe why a significant amount of loans are >30 Days past due, whether this is a one-off item or a long-term structural problem. A more rigorous classification of loans, including duration of the loan and when interest payments take place. These records are kept at an individual level	Medium term (2016)	Board & Management Staff	Uhora Solutions to update loan performer software for adoption and tracking of loans – principal and interest repayment
----------------------	-----------------------------	---	--------------------	--------------------------	---

	Rescheduled loans	<p>within the passbooks; however a timely conversion to an electronic format may be limited by access to technology outside of the main Accra office.</p> <p>-Rescheduled loans must also be broken down on 1-30 Days, 31-90 Days, and so on. In addition, a clear written policy regarding loan restructuring would reduce investor uncertainty over the long term quality of loans -Although classification is provided by geography, further classification by product would also be helpful. Different products fund different economic activities and are funded at different rates. Such additional information could help identify future repayment problems as well as to</p>	Medium term (2016)	Board & Management Staff	<p>Ubora Solutions to update loan performer software for the classification of loans – principal and interest.</p> <p>Revise KSF operating policy manual</p>
	Classification of loans by ecological zone	<p>to categorize loans by risk level to KSF. Loan recovery documentation is essential for investors to understand how long it takes for KSF to recover loans.</p>	Medium term (2016)	Board & Management Staff	<p>Ubora Solutions to update loan performer software for the classification of loans to meet the standards of other data collection instrument – SPM, MDCT &amp; ASSFIN Member Reporting Template</p>

<b>Monitoring and management</b>	Breakdown of PAR by product type and credit officer	– This will build on the current community based breakdown and will allow for better	Medium term (2016)	Management & Staff	
	Independent auditing of the loan portfolio and practices	<p>detection of problems as they occur.</p> <p>– This will increase investor confidence in the quality of KSF operations and ability to effectively handle loan delinquencies.</p> <p>- Have documents in writing explaining the renegotiation and write off policies – again, clarification of these matters will provide investors with confidence about the sustainability of KSF operations to ensure preferential or ad-hoc treatment is not being given.</p>			
<b>Business Planning</b>	Strategic plan 2015 – 2017	Refine the strategic plan with clear and realistic milestones on a monthly basis, especially covering funding plans			

<b>Financial Projections</b>	Forecast profit & loss statement, balance sheet and cash flows for the business plan period  Sensitivity analysis	-Clearly state the assumptions made for the forecasts, e.g. default rates, expected inflation, number of customers, available funding, administrative expenses, number of staff and personal expenses etc.			
------------------------------	---	--	--	--	--

	Financial projections	-Include a sensitivity analysis with base case, bad case and best case scenarios  -Include matching financial projections (please see “6.2 Financial Projections” for details)			
--	-----------------------	--	--	--	--

<b>Funding</b>	Fund raising strategy  Track records  Investment proposals  Transparency	Setup a clear strategy for funding acquisition, including list of possible investors and milestones. Thereby focus on a more diversified base of investors in order to decrease dependencies on single investors.  -Track and record reasons for decline of potential investors in a separate document  -Put together an investment proposal document for investors (including strategic business plan, projected financials)  -Work on the transparency issues that were discovered in the last and this current analysis			
<b>Social Performance</b>	Social performance	First and foremost, the company has to define its social objectives			



--	--	--	--	--	--





	<p>Separation social goals</p>	<p>of retention of old clients or the % of client complaints actually attended over a period of time.</p> <p>-KSF needs to separate social goals from activities. The activities are steps that have to be undertaken in order to achieve goals. In order to evaluate the social impact, the company has to adopt top – down approach. If the company is planning on increasing the HIV/AIDS awareness of its clients, it should list this under its social objectives, and identify steps (activities) necessary for the achievement of such goal. As mentioned, this goal has to be SMART. The following questions should be answered in analyzed HIV/AIDS awareness goal: What institutions Kraban will cooperate with on this matter? What communities will be considered? In what geographical regions? What specific programmes the company will target? How will the training be delivered? How will it be financed? What will be</p>			
--	--------------------------------	--	--	--	--

		the time horizon? Specifically, how will the results of these			
--	--	--	--	--	--

		activities be measured over time? Such an approach has to be adopted for all social goals and aligned with the company's mission.			
<b>Intent and Design</b>	Obtaining new sources of financing with the possibility of developing tailor – made products in the communities in closer proximity of company's branches, and subsequent, consistent expansion to more remote areas and the increase in the market penetration and outreach.	-We recommend that the company's staff engage in the gathering of as much information as possible on KSEs potential clients. This would allow for more accurate client targeting and more effective product design process in the future, when the company hopefully diversifies its sources of funds and would be able to select projects and clients independently of its donors. The example of a detailed data checklist is provided in the appendix 12.			

<b>Depth and Breadth of Outreach</b>	Outreach	We recommend that Kraban evaluates the social impact of its operations using one or several of the following, publicly available indices and tools:			
--------------------------------------	----------	---	--	--	--

	<p>Cerise Social Performance Indicators<sup>21</sup></p> <p>PPI index</p> <p>Progress Out Of Poverty</p>	<p>- This highly interactive and informative tool has been developed in order to evaluate the impact of MFIs on the communities they operate in. Cerise provides the interested parties with an excel file that can be used to measure financial performance, intent and social strategy, governance, targeting and outreach, quality of services and more.</p> <p>-The use of this index is of crucial importance for any MFI. It allows for evaluation of the change in the clients economic situation over the time of loan financing.</p> <p>-The PPI is an objective client poverty assessment tool. It measures the participation of the clients living on income below National Food Line, National Poverty Line<sup>22</sup>, USAID “Extreme” Poverty line, \$1.25/Day etc. in the total clients’ community. PPI is an easy to use and publicly available to assess the social change in the lives of clients.</p>			
--	--	--	--	--	--

	INCOFIN ECHOS				
--	---------------	--	--	--	--

	<p>Social Performance Task Force (SPTF)</p>	<p>-A comprehensive tool for evaluation the extent to which an MFI realizes its social objectives in practice. It also helps measuring the outreach of the company and its contribution to the society and the quality of services provided. The company is scored in five dimensions: mission/vision, scale and outreach, environment &amp; community Support, human resources and customer service quality.</p> <p>-Poverty Assessment Tools. The organization is one of the best recognized for providing MFIs with means of measuring its social performance over time. The evaluation can be conducted from the perspective of an NGO, Investor or an association. SPTF provides MFIs with guides on strategic management, social audit, market research or client protection. S</p>			
--	---	---	--	--	--

<p><b>Changes in the Social and Economic Lives of Clients and</b></p>	<p>Funds in training programmes</p>	<p>In order to retain clients, more funds and training programmes are necessary. We advise Kraban collects more feedback from its clients and offers more reliable ways of evaluating</p>			
<p><b>their Households</b></p>		<p>client's responses. Compiling more information about their clients or conducting surveys among its clientele on regular basis in order to evaluate their needs and opinions (products, support), would definitely add value to Kraban's services. We emphasize the necessity of delivering objectivity in field visits' environment, arranged for third party entities or research teams.</p>			



<b>Demonstration Effect</b>	Tailor-made products	Creating tailor – made products along with broadening the range of services offered, in order to expand the client network in metropolitan areas. This should strengthen the propagation effect between existing and potential groups of clients. We would like to emphasize however that given the higher MFI competition in the urban areas, Kraban should assess threats and opportunities prior to potential expansion.			
<b>Durability and Impact</b>	Long term financing	If Kraban is not be able to extend its financing, the current clients will not be able to continue their operations if reliant on subsequent loans. Kraban has to provide consistent sources of			
		funds to their borrowers. Again, this highlights the importance of Kraban receiving funding independent of requirements hindering their ability to target the best communities/clients.			

## SWOT Analysis

Internal Forces	External Forces
<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>▪ Information on current financial position - performance indicators</li> <li>▪ Human Resource development plan</li> <li>▪ Adequate and reliable financial plan</li> <li>▪ Adequate and reliable reporting system</li> <li>▪ Pattern of significant growth and profitability</li> <li>▪ Organizational structure with clearly defined lines of authority</li> <li>▪ Teamwork encouraged</li> </ul>	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>▪ Limited no. of other microfinance institutions in our operational areas</li> <li>▪ Vibrant marketing centers in operating districts</li> <li>▪ Productive environment in order to engage women in marketing, profitable use of credit</li> <li>▪ Population/target group has confidence and trust in the scheme</li> <li>▪ Availability of electricity and other tapped energy sources</li> <li>▪ Not all parts of the country are covered – a lot more entrepreneurial poor yet to be reached</li> <li>▪ Presence in the District of organizations and formal financial institutions with funds for on-lending to target group</li> <li>▪ Available concessionary credit and improved liquidity of commercial banks</li> </ul>
<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>▪ Low clients retention (due to small loan sizes)</li> <li>▪ Poor Networking</li> <li>▪ Limited logistics including motorbikes, vehicles for field operations</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>▪ Ethnic conflicts</li> <li>▪ Politicization of micro funds – repayment problems</li> <li>▪ Competition from other financial NGOs</li> <li>▪ Limited loan capital funds</li> <li>▪ Cultural values and practices</li> <li>▪ High client illiteracy rate</li> </ul>

## Markets/Clients

The target market of the industry includes the vast and vibrant informal sector of the Ghanaian economy. The sector clients include small-scale agriculture crop producers/marketers, fish and agro-processors, edible oil extractors, retailers of general goods and general merchandisers. Others include some service operators such as artisans (carpenters/auto mechanics), hairdressers and dressmakers (seamstresses/tailors), local fast food vendors (cooked or roasted foods/bakeries/pastries). Some business/communication services operators are included in the target market. The markets share is expected to increase as micro finance services are extended to more men clientele in the sector. Kraban Support Foundation extends credit to small-scale business operators especially rural women microentrepreneurs. Thus the main target of KRABAN's clientele is the entrepreneurial poor who are and want to become involved in micro enterprise activities. These individuals who belong to groups mostly operate in the informal sector and find it is extremely difficult to access the required resources for the establishment and /or expansion of their enterprises. The plight of operators in this sector is aggravated by their inability to access capital from the formal banking system. Banks consider lending to such customers a risky and unprofitable venture. Additionally, the low literacy levels of informal sector operators and the lack of familiarity with the elaborate formalities of formal lending institutions impose further limitations on their access to credit from the formal institutions.

Kraban Support Foundation has a 98% female clientele with 2% male clientele. While women generally faced constraints in accessing loans, some groups enjoyed access to credit with fewer problems. Women micro-entrepreneurs in our target communities are in the bracket of those who do not generally have access to organized credit. The MFI have identified certain basic characteristics of financial services that meet the needs of women beneficiaries in the organization's target communities. Most of the clientele of the organisation are small scale women entrepreneurs with the following small/medium enterprise characteristics:

No.	Small/Micro enterprises	Percentage
1.	Cooked Rice Sellers	2.7
2.	Retailing of treated Water	2.0

3.	Food crop Sellers (Cassava/Fresh green plantain)	<b>4.7</b>
4.	Orange/Pineapple Sellers (Fresh/peeled)	<b>4.0</b>
5.	Charcoal Sellers	<b>1.3</b>
6.	Fried Plantain Sellers	<b>2.7</b>
7.	Mini restaurant (Chop Bar operators)	<b>2.7</b>
8.	Palm Fruit Oil Processors	<b>4.7</b>
9.	Cooked Garri/Beans Sellers	<b>3.3</b>
10.	Bakers (Bread and pastries)	<b>8.7</b>
11.	Roasted corn/plantain	<b>2.7</b>
12.	Petty Trading (Sale of imported/assorted wares)	<b>10.0</b>
13.	Fuel wood Sellers	<b>5.3</b>

14.	Farmers (garden eggs, tomatoes)	<b>8.7</b>
15.	Dressmakers	<b>3.3</b>
16.	Traders of Cooking Utensils	<b>2.0</b>
17.	Second clothing peddling	<b>2.0</b>
18.	Hairdressers	<b>4.0</b>
19.	Contractors (Sand/Stone for construction)	<b>2.0</b>
20.	Fish processors (Preservation/Marketing)	<b>18.5</b>
21.	Cooked yams/palaver sauce sellers	<b>2.0</b>
22.	Palm Kernel Oil Processors	<b>2.7</b>

A summary of our target groups includes, women in commerce, bakers, agriculture food crop producers and marketers, cooked food sellers, dressmakers, hairdressers, artisans, Kente weavers (traditional garment producers), artisans and youth initiatives in agriculture

### **Product characteristics and pricing**

Kraban's products include the *PCIP, BEAM, ORACLE, SANKOFA, READY, TEACH I, II, III and SIKA ROSE*. The main characteristics of the financial services provided to our clientele include:

- Loans are available for trade and services as well as manufacturing, collateral not required because substitutes such as solidarity groups, character references, ornaments such as jewellery and other personal effects are acceptable
- Deposits/savings are both compulsory and voluntary.
- Loans offered are available for short-term working capital.
- Loans are available in small amounts (Range: \$100-200).
- Loan repayments schedules fit women's business cycles/rounds
- Loan sizes are increased based upon satisfactory repayment of first time loans.

- Micro enterprises with few employees are eligible to participate in programme.
- Signatures of spouses or male relatives are not required.
- Literacy is not a requirement.
- Loans are easily and quickly processed i.e. flexibility in loan processing procedures.
- Loans Officers facilitate the loan processing procedures for the clients' i.e.
  - filling application forms.
- Loans are provided for home-based or ambulant businesses.
  - Location of savings and credit operations are convenient and safe
  - for women micro entrepreneurs i.e. doorstep delivery of services.
  - The hours of operation of the MFI is compatible with women's business
  - and domestic obligations.
- Training in credit management and other ancillary business development
  - issues is a pre-requisite for disbursement of credit.
- Special customized training programmes are arranged to assist clients who are unfamiliar with formal financial services.

The strict adherence to these defined financial characteristics above by our MFI had resulted in on-time repayment that had been quite remarkable. A ninety-eight-percent (96.5%) rate of recovery was achieved as at December 2006. Though there are admitted cases of default in our operations, however the system and procedures developed and adopted had scaled down default to an exceptionally low level. In situations where one participant was in arrears, the remaining members do not qualify for repeat loans. This was to ensure that there was peer pressure to comply with loan conditions. The cumulative repayment record of 96.5%, as stated earlier was achieved through such procedures and had assisted the organisation to maintain a healthy recovery rate over the period. The pricing policy of the organisation depends on the following factors, funds availability for disbursement in a particular fiscal year i.e. whether they are grants or loans, prevailing interest rates of commercial banks, conditionalities of development partners, administrative cost of credit operations and duration for repayment. The loan repayment terms of beneficiaries also depend on the nature of economic activity undertaken by beneficiaries. Beneficiaries in the agricultural sector attract long repayment duration (12 -15 months) than those in the commerce and service sectors (4-6months).

### **Competition**

The total micro financial market has taken an upward trend over the past five years. Competition in the industry has grown over the last two years. Though the influx of new formal banks, especially rural banks are offering micro finance services, the modus of operandi of some are not achieving desired results.

According to the World Bank Report of 1992, evolving vibrant micro- credit delivery by governmental and non-governmental organizations is a way of improving rural incomes, skills training, micro enterprise development and health of the people especially women. The report indicated that such schemes have helped to improve the quality of small businesses and ensured equitable distribution of financial resources for development. Various organizations in Ghana, both in the formal and informal sectors of the economy, have identified the lack of access to credit as a major constraint in the growth and development of micro and small enterprises in the country. However non-existent small enterprise managerial skills and related training had hampered the growth of many micro entrepreneurs. Motivated by the concern to promote rural development through small and micro enterprises development such organizations have experimented with some credit schemes. These include the commercial banks such as the rural banks soft loan credit schemes for farmers and fishermen for the supply of work inputs, the Ghana Co-operative Credit Union's workers credit schemes and Sinapi Aba Trust's spiritual transformation credit lending programme for small enterprise development. Others are the Catholic Relief Services Village Banking scheme for women in food crop marketing, Freedom from Hunger's *Credit with Education* programmes ENOWID Foundation's opportunities for women in developing their micro enterprises and Technoserve International's food crop inventory credit scheme for smallholder farmers. While some of the schemes have achieved their objectives others have failed for various reasons including institutional bureaucracy, complex procedures of loan appraisal, inadequate banking network, restrictive credit delivery and collateral requirements often difficult to be obtained by the often-illiterate local micro entrepreneurs. But despite these constraints, Kraban Support Foundation believes that certain methodologies could be used to yield very high repayments and mobilize significant savings. Such flexible group lending mechanism including mutualist guarantee schemes based on group solidarity concept and other inventory credit systems is adaptable. Furthermore, because small business lending is a specialized activity, such small business lending operations cannot realistically and successfully be undertaken by an average commercial bank without a known methodology.

Such known and specialized methodologies do exist for micro-enterprise finance, but may not be suitable for larger commercial banks operations. A number of financial NGOs have designed various methods in micro enterprises lending in Ghana. They include: Freedom from Hunger and its partner intermediary rural banks, Christian Rural Aid Network (CRAN), Association of Productive Entrepreneurs in Development (APED) among others. The main credit delivery approaches adopted by these institutions could be categorized under the following: Subsidized credit, Group credit and Individual credit. Some specific methodologies include *Credit with Education* and the Spiritual Transformation and lending among others. Kraban Support Foundation is one such unique FNGO with an unparalleled strategy called *TEACH*. The *TEACH* lending methodology facilitates a flexible lending approach for clients.

## **Strategy**

The methodology the organisation adopts is known as *TEACH* strategy. The approach is to develop community animators committed to working with rural communities. The training technique provided is based on the actual developmental needs and conditions prevailing in our target communities. The organisation has developed general skills and knowledge in instructional design, facilitation strategies, instructional management and the principles of adult training. Our emphasis is on practical ways to develop specific training goals, methods, content and structure appropriate for specific situations and circumstances.

The organisation is involved in the sensitization of community-based groups through our Training, Education and Credit for Health (*TEACH*) strategy. We provide information and business advisory services for small/micro enterprises. Our activities involve developing self-financing micro credit schemes that aims at improving upon income levels of rural micro entrepreneurs in the informal sectors of the economy based on social capital which is an important asset for promoting socio-economic development at the grass root and also dealing with emergencies. Activities that will help the poor communities and individuals to utilize their social capital and other assets in enhancing property rights and land ownership for leveraging their access to credits and other financial resources would be supported during the planned period. Kraban would deliver an efficient and effective credit and education to disadvantaged but the productive resource poor people in our target communities in the country. Thus the organisation has the objective of increasing household incomes, economic security and employment opportunities among members of the Cooperative Savings and Credit Societies.

Our *TEACH* lending methodology provides an access for making short-term loans for our animated groups. They are involved in edible oil production and extraction such as coconut/palm fruit and kernel nut processing, food and fruit juice processing, dressmaking and hairdressing among other economic activities.

## **Governance and Management Plan**

The Board of Directors have the overall responsibility of coordinating the all planned activities. Their overarching responsibility is ceded through the Executive Director who is an Ex-Officio member of the Board. The Chief Executive Officer have direct supervisory role over all planned programme activities. This he accomplishes through the Officer-in-Charge, Training and Programmes and the Officer-inCharge, Finance and Administration. The Officer-in-Charge, Training and Programmes provide the needed technical backstopping to all programme activities. This he/she accomplishes through capacity building in project management for all programme officers.

The Officer-in-Charge, Finance and Administration and the Credit Operations Manager link up with the Director, Training and Programmes and the Programme Assistants to administer the various credits that would be advanced to the clients of the various cooperative savings and credit societies (groups) in the target communities. The Loan/Credit Officers are the Trainer of Trainers.

They train the Community Credit Animators (CCAs) to manage the various sub-projects under their domain. The Loan/Credit Officers liaise and supervise the credit delivery activities with the Community Credit Animators (CCAs). The CCAs investigates, promotes and



trains members of the Cooperative Savings and Credit Societies (CSCSs). They are also assisted with the training and supervise the CSCSs management and evaluation committees. They attend all CSCSs meetings on schedule and assist with loan feasibility analysis and approval process and disburse loans. They also facilitate the collection of principal and interest payments and savings deposits and facilitate learning sessions on health, nutrition, family planning, CSCS management and microenterprise development. Finally, they also train the members to take over all the duties of managing their CSCS and report and submit monthly reports.

The CCA visits and facilitates the beneficiaries at their weekly group meetings. The CCA compiles monthly report and presents them to the Loan/Credit Officers. This Report includes a list of all Cooperative Savings and Credit Societies members (Loan Beneficiaries/Depositors), Loan Applications, disbursements, repayments (principals+interest) and education lessons taught. The Loan/Credit Officers collate the data in their respective Districts and forward them to the Officer-in-Charge, Training and Programmes at the Head office known as the Support Services Unit (SSU). The Officer-in-Charge, Training and Programmes upon receipt of the reports conduct an assessment, usually on site inspection of members businesses and approves of the loan and disbursements through the PAs. The PAs conducts due diligence of clients businesses to certify their credit worthiness before loans are finally disbursed to beneficiaries.

□ A summary of key development problems/issues/gaps identified from the situation analysis