

Annual report 2010

This year proved to be very fruitful for Microsfere (MSFR): the first loan cycle which had started in 2009 was completed, and groups moved successfully into the 2nd and some even in the 3rd loan cycle.

A long awaited activity, namely the provision of technical training to the MSFR participants was finally realised this year, with very positive results and encouraging participation. In terms of obstacles, the diversification of funding sources remains a key issue; however, now that MSFR has concrete results to show, it will increase its donor search activities.



This report presents in a concise way the activities that were undertaken in the year 2010.

Microfinance

Within 2010, MSFR moved to the 2nd loan cycle for all solidarity groups. Those who successfully completed the 2nd cycle within 2010 even moved to a 3rd cycle. Following the 1st loan cycle, which allowed MSFR and its partners to identify various obstacles in its microfinance products, the following major changes were made in ensuing loan cycles:

- Solidarity groups were re-formed so as to have between 10 and 15 members;
- Special microfinance products were proposed to cocoa farmers, in order for the loan cycle to coincide with the cocoa growing and harvesting cycle;
- The timing of loan disbursement was made to coincide with the timing of the activities (e.g., beginning of cocoa farming season, beginning of fishing season, etc.)
- Additional emphasis was given on the savings component.
- Increased average loan

To be noted that there was a 100% recovery rate for the 1st loan cycle, though the loan period had to be extended. The table below summarises the evolution of the microfinance component of the Microsfere projects:

	Kakum	Amansuri	TOTAL
Number of beneficiaries – 2 nd cycle	303	175	479
Total portfolio 2 nd cycle (without interest)	6. 812 GHC (30.906 €)	35.700 GHC (17.850 €)	97 512 GHC (48.756 €)
Average loan – first cycle	126 GHC (63 €) N=241	125 GHC (62,5 €) N=157	126 GHC (63€) N=398
Average loan – second cycle	204 GHC (102 €) N=303	204 GHC (102 €) N=175	204 GHC (102 €) N=478
Average loan – third cycle (includes only groups that entered 3rd cycle in 2010)	301 GHC (150 €) N=49	310 GHC (155 €) N=29	304 GHC (152 €) N=78

As the above table indicates, the project has moved from 398 beneficiaries in the first cycle to 479 beneficiaries in the 2nd cycle, and from average loans of 126 GHC (63 €) in the first cycle to average loans of 204 GHC (102 €) in the 2nd cycle. Also to be noted that the total portfolio (without interest) increased from 50.000 GHC (25.000 €) in the 1st cycle to 97.512 GHC (48.756 €) in the 2nd cycle. For the 3rd cycle, average loans are even higher [304 GHC (152 €)], but since not all groups had entered the 3rd cycle by the end of 2010 we cannot yet provide total figures on portfolio size and number of participants for the 3rd cycle.



Participant capacity building

Market research for Training Institutions

In 02/2010 MSFR subcontracted to an external consultant a Market Research in order to identify the various institutions operating in the Central and Western Regions that are able to provide business, microfinance, and technical training to the MSFR participants. The final report was submitted in 04/2010. A total of 10 organisations were assessed on the basis of a set of common criteria, and CRAN, a microfinance NGO, was identified as the most suitable for the needs of the MSFR training project.

Elaboration of Training Needs Assessment study

Following the aforementioned market research and a round of deliberations, MSFR subcontracted in 06/2010 the NGO CRAN, in order to elaborate a Training Needs Assessment (TNA) Study. The aim of this TNA was to identify the following:

- Training needs of the \pm 400 participants of the Microsfere project in both the Kakum Conservation Area and the Amansuri Wetland in the areas of a) microcredit training, b) business training and c) technical training.
- Participants' willingness to enter into new activities and to receive training on them, notably activities with high added value that are compatible with biodiversity conservation (e.g. grasscutter rearing, mushroom cultivation, aquaculture, bee keeping, snail rearing, etc.).
- Training needs of the 2 Loan officers (LO) of KRB and 1 LO of JRB, so that they can later on provide regular training to the MSFR participants in the areas of a) microcredit training and b) business training.

The field work for the data collection took place in 06-07/2010 and the final study was submitted in 09/2010. It proposed a detailed set of modules for business training, and then identified a number of technical training topics pertaining to micro-enterprises for which there was an interest on behalf of participants, and a very good feasibility in terms of socio-economic and marketing conditions.

Business and technical training for project beneficiaries

Following the aforementioned Training Needs Assessment (TNA), Microsfere implemented between November 2010 and January 2011 an intensive training programme targeting its 479 beneficiaries. The aim of this training, implemented with the support of CRAN (a microfinance NGO striving to reduce poverty and its effects among disadvantaged groups and communities in rural Ghana), was to increase the capacity-building of our participants in two areas: business and technical skills. Due to

MSFR's budgetary restrictions, it was decided to skip the provision of the microfinance training to project participants, and to focus on the capacity-building of the 2 collaborating Microfinance Institutions' credit officers, who would then be in position to offer regular and long term training.

The **business training** was addressed to all 479 beneficiaries in both project sites, though only 302 finally participated. It consisted of the following 10 modules: 1) Entrepreneurship & business plan development; 2) Effective communication; 3) Effective time & resources management; 4) Savings & increasing business profit; 5) Proper record keeping; 6) Good customer care & marketing skills; 7) Business diversification & investment opportunities; 8) Cost-benefit analysis; 9) Difference between revenue & profit; and 10) Prudent/effective credit management.

The **technical training** was addressed to 258 participants who had indicated during the TNA an interest in applying improved techniques or starting new micro-enterprises. The technical topics taught were: 1) Small ruminants rearing; 2) Pig rearing; 3) Improved cocoa farming techniques, 4) "Chorkor" smoker for fish; 5) Agroforestry; 6) Bee-keeping; 7) Grasscutter rearing; and 8) Soap making. Six of the eight technical topics taught (cocoa farming techniques, "chorkor" smoker, agroforestry, bee-keeping, grasscutter rearing and soap making) are "biodiversity-compatible activities" as they either relieve pressure on natural resources or they introduce alternative livelihoods that have no impact on protected resources.



In addition, Microsfere provided training to the loan officers of the two Microfinance Institutions that handle the day-to-day microfinance operations of the Microsfere project. The aim of this training was to increase their capacity-building in financial literacy and microfinance principles' training for the project participants in a regular and long-term basis.

Regular participant training by Credit Agents of the collaborating Microfinance Institutions

According to the agreement that MSFR has with the two collaborating Microfinance Institutions (MFIs), Kakum Rural Bank (KRB) and Jomoro Rural Bank (JRB), they are to provide regular training to the project participants in financial literacy and microfinance issues. However, due to personnel issues, they had not been able to do so in the previous year.

JRB was able to provide to the Amanzuri project participants a one-off training in 09/2010 on record keeping and reading the bank passbooks. Further JRB training was halted due to the CRAN intensive training, and is supposed to restart in 2011.

KRB set a detailed training plan for the Kakum participants, covering issues such as borrowing principles, debt management, savings, income, setting financial goals, developing a budget. This training plan was elaborated by KRB and started being implemented in 11/2010. This training is now part of the weekly/monthly meeting that the KRB credit officers are having with the various solidarity groups: each meeting starts with a 30 minute training session, and then continues with disbursement/reimbursement activities.

Community Project Management Committee Meetings (CPMC)

In order to enhance the project understanding and objectives as well as the capacity building of the solidarity group leaders, Microsfere organised Community Project Management Committee Meetings. In Kakum, a CPMC meeting was organised in 7/2010 in the Wildlife Division/Microsfere headquarters near Abrafo village, with a total of 65 participants from all 6 communities in Kakum. In Amanzuri, a CPMC meeting was organised in 8/2010, with a total of about 40 participants. The newly appointed Jomoro Rural Bank Microfinance Officer was presented to the communities at this occasion. The aim of those meetings was to remind the role of each Microsfere project partner, discuss the status of the 2nd cycle reimbursements, problems faced by groups in terms of reimbursement and in terms of organisation.



Capacity building and support for MSFR personnel

Hiring and Logistic support for Amanzuri Field Officer

The Amanzuri Field Officer (AFO) was under “National Service” status till the end of 08/2010. After that, he was hired with a regular contract.

MSFR established a small office within the office of our partner, the Ghana Wildlife Society, in the village of Beyin, in Amanzuri. The office was equipped with the necessary furniture and equipment and a motorcycle was purchased in order to facilitate the movements of the AFO between the project communities.

Training of Microsfere personnel

Both the Project Field Coordinator (PFC) and the Amanzuri Field Officer (AFO) received training in different fields:

The PFC participated in 03/2010 in a one-week workshop in Accra organised by the Carsey Institute of the University of New Hampshire in collaboration with CHAMFIN Ghana. The theme of the workshop was “Sustainable Microenterprise Development Program.” The PFC participated in the module entitled “Microfinance Essential Skills.”

The AFO participated in 04/2010 in a two-week Information Systems course in Half-Assini (Western Region), in order to improve his skills in Windows and particularly Excel and Word.

Visit to Afadjato Conservation-Microfinance project (Eastern Region)

The PFC and the AFO undertook in 04/2010 a field visit to the Afadjato area (Eastern Region) where the Ghana Wildlife Society is undertaking the Afadjato- Agumatsa Forest Conservation Project (AAFCP), and which has, among else, a microfinance component. The aim of this visit was:

- To critically investigate the training methodology and strategies adopted to extend microfinance to three communities involved in the AAFCP.
- To understand how GWS is managing the Microfinance component of the AAFCP alongside the conservation of the protected area.
- To find out the opportunities and challenges in the project area in extending microfinance to the rural communities.

Training of Group promoters

The PFC provided continuous support to the 10 Groups Promoters (1 per target community), whose function is to be the intermediaries between Microsfere and the solidarity groups and to provide support to the solidarity groups during their regular meetings. The PFC held training workshops for the GPs in report presentation, and on how to help group executives organise group meetings.



Capacity building of partners

MSFR provided different kinds of support to the two collaborating MFIs in order to improve their technical, organisational and logistic skills

Concerning Jomoro Rural Bank:

MSFR and JRB selected and hired jointly a new JRB Microfinance Officer (MFO), with extensive experience in microfinance. The MFO dedicates 50% of his time to the MSFR project and the other 50% to other JRB duties. The new MFO started working with JRB and MSFR in 08/2010. In order to facilitate his access to the communities, MSFR provided the MFO with a motorcycle, as well as a laptop and a modem.

Concerning Kakum Rural Bank:

The Microsfere PFC provided various workshops on report writing for the two credit officers working in the MSFR project, in order to improve the quality of their monthly reports. He also provided in 7/2010 a training workshop on “Credit and Savings with Education”, to which participated also the Microsfere Amanzuri Field Officer and the KRB Microfinance Officer. Furthermore, the two KRB credit officers, as well as the AFO and the PFC, participated in 11/2010 to an in-depth two-day training provided by CRAN on microfinance principles. MSFR also provided KRB with a laptop in 02/2010 in order to facilitate the reporting duties of the KRB credit officers.



Environmental awareness programme

Preparatory activities for identification of previous/existing environmental awareness activities

Prior to determining and starting an environmental awareness campaign, Microsfere deemed it was necessary to fully understand the environmental awareness activities undertaken by our local partners, namely the Wildlife Division in Kakum, and the Ghana Wildlife Society in Amanzuri. The aim of this preparatory task was to ensure that the eventual Microsfere environmental awareness programme complements those of the two partners, and does not repeat them. Thus, Microsfere worked closely with the two partners, in order to identify their previous and ongoing environmental awareness activities.

Environmental awareness campaign in Amanzuri

A basic environmental awareness campaign was started among project participants in Amanzuri, by the MSFR Amanzuri Field Officer. The aim of this awareness campaign is to improve the MSFR participants' understanding of “biodiversity”, its importance, and how they can contribute to

protecting it. Other subjects discussed include proper waste management, the importance of planting trees around communities, and the dangers of polluting water bodies and the environment.

Communication

Update of the website

The website had initially been created in 2008 prior to the beginning of the field project, and had not been updated since. Given the significant evolutions on the field, MSFR updated its website in order to better reflect the current situation. Various pages' contents were revised, and some new pages were added, notable the "Success stories" page, which illustrates various MSFR participants and their implication in the MSFR project.

Production and distribution of 2 Newsletters

The first 2 Newsletters were produced this year, one in May and one in September. Each Newsletter is published in English and French; the French version is mainly for the French members and partners, while the English version is for the international members and the Ghanaian partners and stakeholders. The Newsletters were made available on the webpage, sent to various institutions/people by e-mail, or printed out and distributed.



Presentation of Microsfere to various institutions

In order to disseminate better the information about Microsfere's objectives and project status, a number of institutions were contacted either by direct visits, or e-mail and phone. Some of those organizations include the French Embassy in Ghana, the microfinance institution Initiative Development Ghana (Accra), the microfinance institution ASA-Initiative (Cape Coast), the French NGOs Horizons Partagés, Xetic and Sankofa. Microsfere participated also to the Annual National Forum for Associations in Paris.

Project monitoring

A number of tools have been put into place from the outset of the project in order to ensure the appropriate monitoring and assessment of the project.

Regular monitoring

The key regular monitoring tools are the monthly reports from the field provided by the Microsfere Project Field Coordinator, and the monthly reports provided by each of the two Microfinance Institutions.

Baseline data monitoring

In order to meet its medium- to long-term project result monitoring needs, Microsfere (MSFR) collected back in 2009 a set of baseline data, through the use of project participant interviews. The aim of those interviews was to collect data on the socio-economic conditions of the participants as well as on natural resource issues at the outset of the project. In 2010, when some new groups joined the project, Microsfere undertook some complementary baseline data collection in one community, and in two control communities in Kakum and in one control community in Amanzuri.

Microsfere then subcontracted the baseline data entry and analysis to a Ghanaian consultant (Ecoconsult). This aims of this task were as follows: 1) Do the data entry into a statistical software package, 2) Produce a baseline report which draws conclusions on the baseline situation (i.e., right at the beginning of the MSFR microfinance project) concerning: a) socio-economic aspects of the participants and b) their attitude towards conservation of the Protected Areas and of the natural

resources, and 3) Provide a report with detailed recommendations on the Questionnaires and propose a monitoring programme.

Request to Limonest municipality for funding

In order to diversify its funding sources, MSFR made in 09/2010 a funding request to the Limonest municipality, where its headquarters are. The request did not receive a positive response, since the municipality gave priority to its ongoing twinning project with a village in Burkina Faso.

Request to French authorities for recognition of « public interest » of Microsfere

Following the submission of a first request for the recognition by the French authorities of its “public interest” back in 2008 which had been rejected, MSFR submitted a new request in 09/2010. By the end of the year, no reply had been received.

The recognition of this character, which is based on the “humanitarian” nature of the activities, has various fiscal advantages and allows organisations to access a larger number of donors. The complications that MSFR has to face for the recognition of its “public interest” is that the French public authorities consider that microfinance activities are of “economic” nature and not of “humanitarian” nature.

Targets for 2011

The key targets for 2011 are as follows:

- Introduction of new activities (grasscutter rearing, bee-keeping, soap making, chorkor oven for smoked fish, Agroforestry), which are compatible with biodiversity conservation;
- Expansion to neighbouring communities (notably Kakum);
- Identification of donors (private, public) and submission of funding requests for diversification of funds;
- Examination of possibility to introduce Fair Trade in the cocoa growing business in Kakum;
- Establishment of regular biodiversity awareness campaigns.