

5,000 beneficiaries served by a Ghanaian director and a close-knit team. Increasing sustainability and a more comprehensive provision of non-financial services aimed at the poorest of Accra



KEY FACTS

- > 24 million inhabitants
- > 130 out of 169 in HDI ranking
- > Life expectancy: 57 years
- > Democracy and Political Stability



KEY FIGURES

- > 6 agencies in late 2010
- > 7996 loans granted
- > 37 285 participants in training

PARTNERSHIP

Technical, operational and financial support within close proximity

Entrepreneurs du Monde has supported ID-Ghana since 2005. After trying several, more or less successful, management models with external consultants or expatriates, the decision was made to recruit a Ghanaian director to sustain the structure and anchor it in the communities. After several years of variable results, it seems that

ID Ghana has now found its way both in its organization; with the implementation of new methodologies, and its leadership; with the recruitment of a Ghanaian director.

With strengthened governance bodies

In addition, the Board of Directors has been restructured and now includes two beneficiaries of the MFI¹. The field teams have appreciated their active involvement in recent methodological decisions. These should help them reach the poorest more effectively and enable them to achieve the objectives of their respective agencies. All conditions are now realigned for a better social dialogue between the community and officials of the MFI.



2010 RESULTS

Harmonization of practices

The Onipa Nua² methodology of groups without joint liability (see Zoom) was extended to all agencies. It became the perfect setting in which to articulate the financial and non-financial services offered by ID-Ghana. Further, today the teams of the 6 agencies each have a trainer whose role is twofold. On the one hand, they hold weekly sessions with micro-entrepreneurs. On the other hand, they support the poorest group members by offering the credit product "kick start" loan at 0% interest, and referring people with particular social and medical problems to specialized facilities.



Now all microentrepreneurs respond to an annual questionnaire that allows evaluation of changes in living standards of families in the program over time. Moreover, the evaluation based on SPI⁴ resulted in a score of 69% and ID-Ghana was, for the first time, audited by Microfinanza. This rating highlights the good performance of ID-Ghana in terms of social mission but also the need to strengthen its financial base, especially with a higher level of equity.

Rigorous monitoring of results

Details of loans and repayments are entered at the central office, but each agency head receives a daily copy of their agency's data to monitor performance indicators for their team. In addition, the implementation of the poverty assessment tool (PAT³) has been generalized:

¹ Microfinance Institute

² "Mutual aid" in Tiwi local dialect

³ Poverty Assessment Tool

⁴ Social Performance Indicators



MARIAM
RAMAN

For a time Mariam had sold children's clothing, but this activity was neither vibrant nor profitable enough and the microentrepreneur then decided to retrain in the sale of kitchen utensils. In 3 years, thanks to 6 loans of 220 to 450 Ghana cedis (€ 110-225) and training, Mariam has managed to build a broad and attractive range of products, which she shows us with a proud and welcoming smile. Her business is doing really well. Mariam is satisfied with the income she makes and manages to save (she has currently 100 GHS, around 50 € on her savings account), especially for her children's education... and perhaps one day to buy a plot of land and build a solid house!

ZOOM

Onipa Nua: More than a methodology, a philosophy...

Since 2008, ID-Ghana has established the foundations of the Onipa Nua methodology, using group lending without joint liability. The methodology was adapted from the practice of ASA in Bangladesh. Onipa Nua advocates discipline and method in assessing the needs of beneficiaries, as well as the granting and repayment of loans. It abolishes the principle of joint liability between group members to allow everyone to adapt the repayment to the time period that suits them. ID-Ghana has set up a manual of procedures and checklists to ensure a uniform implementation of the methodology in all agencies.



...supported by a comprehensive and adapted training program

The groups comprise between 15 and 30 people. They meet weekly at a fixed day and time. These meetings provide an ideal opportunity for a 30-minute training on economic or social issues, depending on the current priorities. To ensure that the group has a good start, the first topics are group dynamics, the importance of savings, and health protection. The latter includes the promotion of the national health insurance system NHIS. Particularly, ID-Ghana encourages the purchase of this insurance by subsidising premiums for 3 years (50% in the first year, 33% and 25% in the following years). This approach should enable beneficiaries to reduce their health spending over the long term.

...and in the process of being replicated

Apart from this micro-health insurance component that is specific to the Ghanaian context, the generic Onipa Nua approach has already been emulated: other partner MFIs are in the process of replicating this model in Burkina Faso and Benin.



KEY FIGURES

	Number of members	Of which borrowers	Loans granted	Average loan	Outstanding loans (€)	30 day PAR	Cumulative savings (€)	Savings/member	Training enrolments
2008	6,818	3,991	6,440	159 €	301,557	24.5%	181,107	27 €	n.d.
2009	5,705	2,442	4,499	112 €	165,156	2.8%	77,067	14 €	23,375
2010	5,959	4,420	7,996	149 €	399,216	5.7%	182,696	27 €	37,285

*PAR, Portfolio At Risk: portion of outstanding loans at least one repayment behind schedule

OBJECTIVES FOR 2011

Financing growth to achieve sustainability

The challenge today for ID-Ghana is to meet the growing demand on three fronts: current recipients who see their capital requirements increase with the development of their business; other microentrepreneurs who seek the support of ID-Ghana in neighborhoods where it operates and, finally, strong needs that are identified in other areas. This growth is necessary for beneficiaries and for the institution since it will facilitate ID-Ghana's financial sustainability, which is scheduled for 2013.

By maintaining resolutely social microfinance

This expansion should remain cautious. ID-Ghana will have to show creativity and commitment to

continue to ensure the monitoring of social impact for families with resources that still remain limited. For example, rather than hiring a second instructor for each agency, the communities will get more involved: in each Onipa Nua group facilitators will be selected and trained to supplement the trainers every other week. Equipped with illustrated learning materials, they will provide social education.



FOCUS ON FUNDING

Towards enhancing the operational viability

The financial situation of ID-Ghana has improved considerably in 2010. Operational income has continued to increase while expenditure has been contained. Operational viability rose 15 percent. The deficit was covered by funds from several foundations (Air Liquide, Araok, Mérieux) and private donations. The credit funds themselves were financed by loans from Microfinance Solidaire

and Entrepreneurs du Monde. In 2011, sustainability will continue to grow, but funding is yet to be found for uncovered expenses. The important need for credit funds will be covered as a loan by Microfinance Solidaire, to the extent it has managed to gather these funds, as well as other institutions from which funds are currently being solicited.

PARTNERS



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