



**KRABAN  
SUPPORT  
FOUNDATION**

**2002**

**ANNUAL OPERATIONAL  
REPORT**



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# KRABAN SUPPORT FOUNDATION

## Capability Statement

Economic growth is the process of creating wealth. Economic development on the other hand is the process of creating a balance between wealth generation and the improvement of the human condition. Community Economic Development (CED) therefore is a method for building efficient, self-sustaining and locally controlled initiatives that support both profitable ventures and effective social programs. It seeks to help consumers become producers, users become providers and employees become owners of economic enterprises. CED is an essential tool in the fight against poverty. It is in this view that micro enterprise programmes extend small loans to poor people for self-employment projects that generate income, allowing them to provide for themselves and their families. Clients of microfinance institutions (MFIs) are the poor who do not have the collateral needed to access the financial services in the formal banking sector. In many cases microfinance programmes offer a combination of services and resources to their clients in addition to credit for self-employment. These often include savings, business development training, networking and peer support. Microfinance is a powerful anti-poverty tool that has demonstrated relevance to people in nearly all the six continents in the World. It is estimated that microfinance programmes now reach some millions of very poor families in developing countries especially Asia and Africa. Within Ghana microfinance programmes can be seen as an alternative to welfare to many families and as a means of fostering employment and investment in deprived communities.

Kraban Support Foundation is a credit-oriented non-governmental organisation in Ghana whose ultimate aim is to operate to enhance the access of small-scale entrepreneurs to sustainable financial services. The organisation accomplishes this through strong and viable Cooperative Savings and Credit Societies (CSCS). The NGO facilitates savings-deposits and offer small-scale loans in addition to business development services in a cost effective and sustainable manner. The financial services offered by Kraban Support Foundation is market based and to expand outreach, the organisation provides an on-lending scheme to its clients who number about 6,336 as at June 2002. The support offered assists the operations of the small-scale entrepreneurs within the CSCS. To provide lending the organisation retail credit to clients in a linkage banking arrangement.

However, the responsibility for loan appraisal and approval, entering into loan agreements, disbursement and loan recovery solely rest with our organisation. Though, this mechanism ensures a high level of commitment and effective ownership to recover loans, our organisation has a well-built staff capacity and improved management skill to address this enormous task. The staff has acquired operational tools that they use to perform effectively in the micro finance industry and have introduced and implement micro enterprise development strategies that had enabled our clientele operate profitably and had promoted the needed growth within the micro finance industry in Ghana.

It is in this light that we wish to express interest in the Ghana Poverty Reduction Project/Social Investment Fund (Microfinance Component) as a Technical Assistance/Services and Training Provider. We hope if given the opportunity to undertake this venture through a poverty-related training and the provision of technical support for micro enterprise development for the numerous clientele in the country to be conducted in-house and also through other related vestibule-training programmes.

### **Mission**

To develop innovative strategies and programmes that enhances the capacity and productivity of vulnerable groups especially micro entrepreneurs to operate independently and effectively in the informal sectors of the economy.

### **Goal**

Our aim is to render effective and efficient humanity service through the use of micro credit as a financial intermediation tool to improve the livelihood of our clientele.

### **Objectives**

- Ø To collaborate with other institutions to plan, design, implement and manage educational programmes such as rural health and sanitation improvement, water and waste management and environmental awareness creation.
- Ø To re-direct financial resources to organized community groups who have not generally had access to organized credit by linking them with already established rural and micro finance institutions.

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

### **Training Methodology/Activities**

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 NGO 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. We do this by efficiently and effectively delivering 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 palm fruit and kernel oil processing, food and fruit juice processing, dressmaking and hairdressing among other economic activities.

### **Our Target Groups include:**

- § Kente weavers
- § Food crop producers
- § Food crop Marketers
- § Artisans
- § Dressmakers
- § Hairdressers
- § Cooked food sellers
- § Construction
- § Commerce
- § Youth initiatives in agriculture

### **Expected Output**

- 1 Evolution of micro finance as an economic development strategy in our operational districts.
- 2 Acquire practical skills in the design of a micro finance initiative for community animators in the selected districts.
- 3 Identify appropriate ways and means of either improving upon the organization's products or developing new ones using the RFSP as a case study.
- 4 Understand and recognize the major issues facing the micro finance and micro enterprise development field in Ghana.

## **DESCRIPTION OF THE INSTITUTION**

### **Organisational Background/History**

Kraban Support Foundation is a local development-oriented NGO with the aim of eradicating rural poverty through community education. The organisation deeply shares a philosophy of commitment to help fight poverty by facilitating improved quality of human life in the communities we operate in Ghana. We do this by rendering efficient and effective humanity services that

improve the livelihoods of clients in our target communities. Our mission is to develop innovative strategies and programmes that enhance the capacity and productivity of vulnerable groups in our target deprived communities.

### **Projects Undertaken**

#### **Accomplished**

**PCIP:** The Public Catering Improvement Project was implemented at Daboose 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.

**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. Ajahma Trust of UK funded the project.

**ORACLE:** The Organic Agriculture and Credit Lending Education project was undertaken in 2000. The partners of this project is the Centre for Biodiversity Utilisation 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.

**TEACH I:** The Training Education and Credit for Health project is an Entrepreneurship Skills Development and Sanitation improvement project. It was being undertaken in Christian Village and Kisseman communities in the Okaikoi-North sub-metro 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.

**Ongoing**

**TEACH II:** An HIV/AIDS behavioural change and awareness promotion programme in the Yilo Krobo District of Ghana. The District is noted for a high infection rate of about 5% in the country. The overall infection rate in the country is 3%. Our Modules include: Overcoming stigmatisation & Discrimination, Communication for Behaviour Change, Voluntary counselling and Testing, Reproductive Health programmes, Reducing Mother-to-Child Transmission, Care and Support for PLWHAs, Opportunistic infections and Future Directions: Vaccines/Microbicides. The project is being financed by the Ghana AIDS Commission under the Ghana AIDS Research Fund (GAR FUND) and the Yilo Krobo District Assembly.

**MINUTES OF THE SECOND DIRECTORS MEETING OF KRABAN  
SUPPORT FOUNDATION HELD AT THE CONFERENCE ROOM OF  
GHANA ASSOCIATION OF CONSULTANTS (GAC), ASYLUM DOWN,  
ACCRA ON SATURDAY APRIL 28, 2001**

**Present**

1. Nana Opare Djan Board Secretary/Recorder
2. Mrs. Salome O.Essuman
3. Mr. George A. Biney
4. Ms. Beatrice A. Torto

**In Attendance**

1. Mr. Samuel Kwofie
2. Ms Angela Fraiku

**Absent with Apology**

1. Dr. Martin K. Etrebi
2. Mr. Ebenezer Papa-Eti Entee
3. Madam Rosina T. Larbi
4. Ms Hilary G. Wobil
5. Mr. Ezekiel A. Obuobisah

**Opening**

The meeting began at 11.20 a.m with the Ag. Board Secretary introducing members present. The Secretary, Nana Opare Djan, thanked members for making time for the meeting. He was full of praise to Mr. George Biney and Mrs. Salome Essuman for respectively providing Conference accommodation for the meeting and vehicles for the organisation's operations.

**Presentations**

The meeting went straight to business with the Secretary taking Directors through a presentation session on the Origins, Mission Statement, Constitution, Sources of Funds, Structure and Management, Operational Activities and the Way Forward for Kraban Support Foundation. The highlights of the Secretary's presentation were as follows:

## Ø Origins of the NGO's Name

The Secretary informed the Board members present that, the name KRABAN was coined from the first letters of the names of the very first six Directors who initially accepted the idea of being part of the non-governmental organisation. They were:

- Kwadjo K (Dr. Martin Kwadjo Etrebi)
- Rosina R (Rosina Takyiwa Larbi)
- Abena A (Hilary Abena Asa Wobil)
- Biney B (George Anthony Biney)
- Anim A (E. Anim Obuobisah)
- Nana N (Nana Opare Djan)

The Secretary who is the founder of the organisation indicated that the name KRABAN also represent the other name of Opare in the Akuapem-Akan naming system. He also agreed and alluded to members' view that an organisation's name normally reflects its activities that makes it unique and "catchy". However, he explained to members that the organisation is already registered in the name KRABAN and members must accept the organisation's current name and use it till such a time that it would be amended.

## Ø Mission Statement

The Mission Statement of the non-governmental as presented by the Secretary at the meeting read as follows:

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

## Ø Constitution and Official Registration

The Secretary informed the meeting that the NGO is officially registered with the Registrar General's Department and operates within the ambits of the Constitution of the Companies Code of 1963, Act 179. It has also been registered with the Department of Social Welfare as a Private Voluntary Organisation in Development. Members of the Board however were of the opinion that the Constitution must be available to them for study. This was

to enable them examine the legal implications of being a Board member. The Secretary promised to make copies available to members.

#### Ø Sources of Funds/Signatories to Accounts.

The Secretary listed the following as sources of funds for the organisation. The sources listed were:

· Directors Contribution	57%
· Depositors Funds	25%
· Donors' Support	5%
· Private Capital	13%

He mentioned the following organisations for supporting the operations of the NGO financially.

They include: Ricky Boakye Yiadom Ltd., German Development Service (DED), the Women's Cooperative and Savings Societies including Wonsom Wonsom, Yonkodo, Norviwowo and Dzigbodi. He also mentioned that some Directors have contributed financially to the organisation and as such would naturally want to monitor the cash inflows and outflows. In order to build confidence and trust therefore they were made signatories to the organisations accounts. Some members wanted to know why members of the Board who seemingly has some close relationship with the Secretary are the signatories to the organisations Accounts. In response, the Secretary answered that they were the persons available at the time of opening the accounts and had also contributed the initial capital at the inception of the organisation. The Secretary promised to make necessary amendments as the organisation grows and also provide financial statements to the Board at the next meeting. The Secretary used the opportunity to appeal to members who have financial expertise to assist in preparing the organisation's accounts for auditing.

#### Ø Structure and management

The Secretary indicated to the meeting the structure and management of the organisation as follows: the Board of Directors as he stated were at the top of the organisation's organogram. They are responsible for policy direction, strategy and soliciting for resources (financial and material) for the organisation. The Secretary further informed the meeting that the

Board would have a nucleus group known as the Committee of Trustees on Credit (COTC). This committee he indicated would have an oversight responsibility for project management, approval of loans to CSCSs and general monitoring of credit operations. The meeting was informed that the Executive Director would be an ex-officio member and also Secretary to the Board. However, the day-to-day administration of the operations of the NGO would be in the hands of the Executive Director.

A Director (Programmes & Training) and a Director (Finance & Administration) would assist the Executive Director in the day-to-day administration of the NGO. Other supporting staff would be 2 Credit Liaison Officers (CLOs) who would assist the Director (Programmes & Training) to supervise Community Credit Liaison Assistants (CCLAs) for field operations. An Administrative Secretary would oversee the daily duties of the Secretariat known as the Programme Support Unit (PSU) and also assist the Director (Finance & Administration).

The Administrative Secretary would supervise the auxiliary staff of the organisation including a Clerk, a Driver, and a Messenger. The Secretary appealed to the Board members to facilitate the putting up of a permanent office for the NGO, as it was currently located in the home office of the Executive Director. Subsequently this would also assist the NGO recruit the requisite personnel to run the numerous planned programmes the NGO is looking up to accomplishing.

#### Ø Programmes and operational activities

The meeting was informed by the Secretary that various innovative products have been developed by the organisation that has culminated into projects. The products were in two main categories: Savings and Inventory. The savings products has culminated in projects such as the Public Catering and Improvement Project (PCIP); Credit and Education for Change (CEC); Rural Enterprises and Agricultural Development for the Youth (READY); Training, Education, and Credit for Health (TEACH); Organic Agriculture and Credit Lending Education (ORACLE) and the SANKOFA savings programmes. The meeting was informed that the PCIP was the pilot project and was located at Daboase in the Western Region. The pilot project was operated through a group known as Wonsom-Wonsom Women's CSCS. In the Greater Accra Region, the CEC programme was undertaken in Osu in the Osu Klottey sub-metro of the Accra Metropolitan Assembly (A.M.A) with the formation of

Yonkodo CSCS whereas the TEACH programme was conducted through groups known as Norviwowo and Dzigbodi Women's CSCS located at Christian Village and Kisseman respectively near Achimota College in the Okaikoi-North sub metro of A.M.A. The Secretary again informed the meeting that the ORACLE, SANKOFA and READY products have been developed to projects and proposals have been sent to the World Bank in Washington, U.S.A for adoption and subsequent funding under the Pro-poor Innovative Grant programme. This pilot programme proposes to provide \$50,000 to new but innovative learning programmes. The Ghana Ecumenical Church Loan Fund (GECLOF) was also mentioned as having been contacted to assist the organisation with a loan facility to run some of the NGOs programmes.

### **Way forward**

The Secretary suggested that in order to move the organisation forward, members must devote a little more of their time for proposal writing to solicit financial and material assistance for the organisation. In response to this suggestion members requested that the Secretary should develop draft write-ups and circulate to Directors for their necessary inputs. Secondly members also resolved to regularize the Board meetings. Members unanimously agreed that meetings must be scheduled for the third Saturday of every month.

The next meeting was fixed for May 19 2001. However, the Secretary indicated that this would depend on the identification of a meeting venue and the availability of Board members. Before the meeting closed at 1.30 p.m a member requested that the Secretary makes available the financial statements of the organisation for the period at the next meeting.

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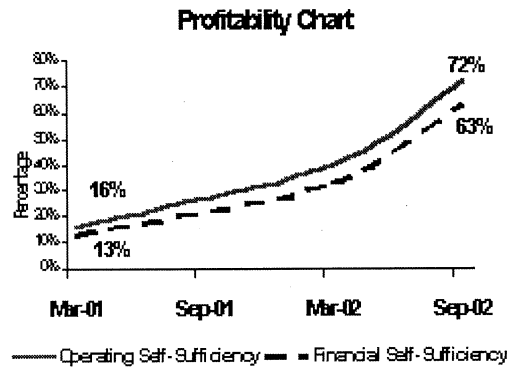
## Operational Highlights

***Operating Achievements.*** In the past four years, KRABAN has more than doubled its loans outstanding, the productivity of its field officers, and its profitability, while retaining near-perfect portfolio quality.

***Fundraising Success.*** Since March 31, KRABAN have received assistance of over US\$ 80,000 (¢700,000,000.00) from development partners including Ricky Boakye Yiadom Ltd, a Kumasi-based Guinness Ghana Ltd distributor, German Development Service, Empretec Business Foundation, National Board for Small scale Industries and Ghana AIDS Commission. With over US\$ 70,000 in new borrowings sanctioned since July 31 2002, Kraban continues to build financing relationships with some Ghanaian commercial banks including Prudential Bank Limited and Barclays Bank Limited. International microfinance networks such as the Rural Pro poor Innovative Challenge Programme of CGAP/IFAD have also extended loans to the organisation. Kraban expects to raise a total of (US\$ 1-1.6 million) in borrowings for on lending during the 2003 fiscal year.

***Institutional Development.*** During the last two years, Kraban Support Foundation has been among some selected MFIs in Ghana to implement Activity-Based Costing (ABC), an advanced tool to optimize operations efficiency. The German Development Service (DED) supported the project. Kraban has also been part of an NGO forum networking to Act Locally and Link Globally. This Network is a partnership of some local credit oriented NGOs who have come together to address certain identified issues based on competence and expertise. Charities Aid Foundation, West Africa and Shell Ghana Ltd are supporting the forum.

***Internal Audit.*** Since July 2000 Kraban has formed an Internal Audit Department to ensure adherence to the organization's mission, to ensure financial control, and to maximize operational efficiency and effectiveness. Kofi Kye, an auditor formerly with GIMPA and K.Kye and Associates, 4<sup>th</sup> Floor (Rafil Offices), America House Tudu Accra, now the Head of Internal Audit at Ghana Broadcasting Corporation.



### Operational Achievements

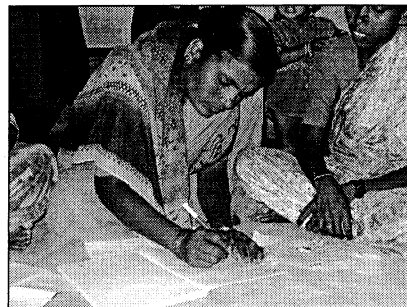
Kraban's focus on efficient processes and management systems has allowed Rapid growth without any compromise in portfolio quality: *Growth*. Since March 31 2001, loans outstanding has more than doubled (from US\$ 8,000 to US\$ 18,000) *Productivity*. Each Credit Liaison Assistant (loan officer) now manages 272 clients and loans outstanding of US\$ 18,500, as compared to 170 clients and US\$ 9,000 six months ago

*Profitability*. Operating self-sufficiency was 83% and financial self-sufficiency was 71% for the six months to December 31 2002, compared to 60% and 53% for FY 2001.

*Portfolio Quality*. Portfolio-at-Risk > 30 days remained low at 0.01%

### Case Study

*Ophelia Sewodzi, Christian Village, Achimota*  
 After taking an Income Generating Loan (IGL) of 2.5 million Cedis (US\$ 300) in March 2002, Ophelia Sewodzi set up a Hair dressing and a Communication Center in her village. Ophelia now earns net profits of approximately 100 thousand Cedis a day from the businesses; a substantial difference from the 30 thousand Cedis a day she earned from agricultural produce marketing activities she did earlier.



*A new borrower learning to sign her name during a Compulsory Group Training (CGT) session*

**PERSONNEL/STAFF PROFILE**

<b>NAMES</b>	<b>QUALIFICATIONS</b>	<b>WORKING EXPERIENCE</b>	<b>REMARKS</b>
1.Nana Opare-Djan	MA (Adult Education) Postgraduate Dip. (Public.Admin.)	18 years	Paid Staff
2.Miss. Beatrice Torto	M.Phil (Adult Education)	15 years	Volunteer
3. Mrs. Salome Essuman	PHD. Student	20 years	Paid Staff
4. Mr. George Anthony Biney	B.Sc. Administration (Accounting)	18 years	Paid Staff
5. Mrs. Henrietta Sakyibea- Pinto	Professional Nurse (Public Health Care)	15 years	Paid Staff
6. Mr. Samuel Ben Kwofie	B.Commerce	8 years	Paid Staff
7. Miss Francisca Akanza	GCE 'O' Level	4 years	Paid Staff
8. Mr. Samuel Larbi	GCE 'O' Level	4 years	Paid Staff

The 3 key persons in the organisation are Nana Opare Djan, Executive Director; Mrs. Salome Essuman, Director, Training and Programmes; and Mr. George Anthony Biney Director, Finance and Administration.

## ACHIEVEMENTS:

- We have re-directed financial resources to 40 organized women's groups, known as Cooperative Savings and Credit Societies (CSCSs) who comprise about 1500 individual rural women entrepreneurs by linking them to established Rural and Micro Financial institutions. These women generally had not had access to organized credit.
- Have provided business advisory services to these organized women in credit, business and society management and micro enterprise development with the assistance of such Service Providers such as Empretec Business Forum and the National Board for Small Scale Industries.
- Through our vibrant Microcredit schemes and community-based financial services, our foundation had provided savings and borrowing opportunities for these productive poor women, thus our *TEACH* lesson sessions have increased their self-confidence.
- Some of the organized women's groups have contributed substantially to the infrastructure development in their communities. Such infrastructure includes construction of community clinics and schools.

## **LOCATION OF LOCAL OFFICES**

### **1. GREATER ACCRA**

**PLOT NO. 8 BEHIND G-TECH  
JEHOVAH WITNESS CLOSE  
SIC FLATS ROAD,  
TAIFA, ACCRA  
CONTACT: NANA OPARE DJAN**

### **2. EASTERN REGION**

**IN THE PREMISES OF MAHU ADAMTEY  
PRINTING PRESS LTD, SOUTH OF  
YILO KROBO SECONDARY SCHOOL  
C/O DIST. YILO KROBO DIST. ASSEMBLY  
SOMANYA  
CONTACT: MR. J. A. ASIHENE**

### **3. WESTERN REGION**

**H/NO 326D, NEW SITE  
P.O.BOX 20  
SHAMA  
TEL: 031-31393  
CONTACT: MR. GEORGE A. BINEY**

### **4. VOLTA REGION**

**ADJACENT TO THE PREMISES  
OF BLOCK MOULDING AND CIVIL  
& BUILDING CONSTRUCTION  
NEAR HO CENTRAL MARKET, RTC ROAD  
P.O.BOX 488,HO  
TEL: 091-8131  
CONTACT: MR. WELBECK ASAMOAH**