

## **FUTURE ADF MICRO-FINANCE PROGRAM IN ATORKOR**

ADF does not currently have a micro-finance program. It is, however, part of ADF's plan to introduce micro-finance in Atorkor.

Volunteers interested in micro-finance could help ADF develop a program in Atorkor, a small fishing village in Keta District, Southern Ghana.

Below is a description of an initial work package for volunteers:

- 1) Research, using the Internet, to find out about other successful micro-credit/finance programs (case studies) in developing countries, especially in Africa. Key topics to consider:
  - a. What was done and is being done
  - b. How this is being executed
  - c. What kind of selection criteria is used
  - d. The processes used
  - e. Repayment terms
  - f. Repayment success rate
  - g. Bad debt management
  - h. Coaching e.g. entrepreneurship seminars
  - i. Resources required
  - j. The key lessons learnt, etc.
- 2) Based on a) above, make a list of key items ADF needs to work on, and define options available for Atorkor as well as a list of items and processes needed to run basic successful micro-credit/finance programs in a small African fishing villages like Atorkor. ADF can provide feedback on the options and make joint decisions on options appropriate for Atorkor.
- 3) Basic feasibility study: prepare a simple questionnaire for focus groups or selected people in Atorkor to complete. Compile an evaluation of their responses. Some people in Atorkor can neither read nor write. Such people shall be helped to complete their questionnaire.
- 4) Create a concept paper (strategy, targets, implementation plan and roadmap). In this document, clarify how this could be set up in Atorkor and which parts volunteers could execute and specify where local help and expertise shall be required.
- 5) Implementation: Volunteer helps (hand-on) ADF set up a pilot micro-credit/finance system
  - a. Define sector and scope: Which of these areas: Fishing, Trading, Fish Preservation, Vegetable farming, Weaving, Art & Craft, Sewing, etc.

??? Where does ADF start?

- b. Who gets a loan? Age limit? Same criteria for men and women? ADF must make it as transparent as possible who gets a loan? How does one qualify for a loan? Giving a loan to a group of people versus individuals and analysis of pros and cons? Security and collateral requirements?
- c. Selection criteria: This shall be defined and shall be as transparent as possible.
- d. Loan amount = small amounts. Depending on the start capital, maximum initial loan amount shall be \$50 USD to start. People who repay, could get more loan in future.
- e. Repayment and bad debt management: Repayment terms and how ADF ensures that loans are paid back? Giving a loan to a group may help. This needs further analysis. Security and collateral requirements defined.
- f. Coaching e.g. entrepreneurship seminars: How should this be structured? Who runs these seminars on a regular basis?
- g. Tools and Processes Required = ADF management of accounts, records keeping, etc. Also for people who collect loans.
- h. Project Management of micro-credit/finance program: who does what?

6) Volunteer to help raise funds for ADF micro-credit/finance Program