

MONTHLY ACTIVITIES REPORT (January- February, 2014)

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1. SUMMARY OF CURRENT DEVELOPMENTS

2014 is a significant year for the Projects Abroad Micro-finance Project in Ghana. This is because the project has received its greatest number of volunteers since its introduction. The past year was very successful considering the loans which were given to small businesses in villages such as Akwadum, Akokoa and Kwamoso. In 2014, the project is introducing two new projects:

- Community empowerment through setting up small businesses that can employ members of the community who will successfully go through training from volunteers and local professionals. In doing so, these villages will be working and earning some income to help themselves as far as their standards of living are concerned. While the other profits accrued from these small industries can start up other small businesses in the same community; for example, profits from a soap industry can be used to start up a clean water project.
- The second will be starting a Projects Abroad Micro-finance Club in an under-resourced high school. The objective is to organise training workshops as well as other activities with the students. In Ghana, there is a high percentage of school dropouts. We will continue to meet with members of the club who drop out of school and find ways of helping them through entrepreneurial training.

Kizito A. Gyamfi (micro coordinator)
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Matt Fahlman
Kyle Gibson
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2. VOLUNTEER INFORMATION

Dutch volunteer, Peter Hoekstra, will be volunteering at the Micro-finance Project for 6 weeks. Peter has a lot of corporate experience and has worked in various businesses in Holland. He is currently working with other volunteers on the Micro-finance Project to build a soap factory. The idea is to help the village generate their own income and better their standards of living.



Camille Donnadieu, from France, is a 4th year student at IDRAC International Business School in Lyon. His 5 year programme consists of: Accounting, E-Marketing, Human Resources and Business Strategy. He has very solid marketing ideas, which has made him play a significant role in many clubs back home in France. He was a member of the international club of IDRAC. He loves travelling and learning about new cultures. Tennis and soccer are among his favourite sports.



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Matt Fallhman from Canada has a Bachelor's degree in Business Administration from the University of Regina (2008-2012). Matt majored in finance and also obtained a certificate in Economics from the Faculty of Arts. His professional passion involves using financial models to develop viable investment opportunities. He will be volunteering at the Micro-finance Project for 2 months where he will work with his colleagues on the Poultry Farm Project. The objective of this project is to help the locals generate income for themselves.

Kyle Gibson, also from Canada, came to Koforidua to be a part of the Micro-finance Project for two months. He has a solid academic background in business and finance and will bring many innovative ideas to the Micro-finance Project. Kyle is partnering with fellow volunteer, Matt to setup the Poultry Farm Project. In doing so, their role is to study the locals, gather information on local businesses in the area and bring on board strategic ways to make the business beneficial for the locals.



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3. BENEFICIARIES AND CURRENT BUSINESSES WE ARE SETTING UP

The main beneficiaries for this month's Micro-finance projects are the two villages in the new Juaben district in the Eastern Region of Ghana. These villages are Salom and Obuotumpan. Among the objectives for this year, the Projects Abroad Micro-finance Project aims to empower villages by providing community loans. This helps more people, instead of individuals. Before the loan is advanced, the programme will include training the local people, who will be in charge of the day to day management of the small business that will be set up for the community. The role of the volunteers on the projects is to create business plans, financial modules, marketing strategies and more importantly, loan agreements and management.



Members of the Salom village (Poultry Project)

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Members of Obuotumpan (soap-making village)

OBUOTUMPAN VILLAGE (SOAP MAKING FACTORY)

Obuotumpan is a small village close to Akwadum in the New Juaben District of the Eastern Region of Ghana. The Micro-finance team were introduced to the people on January 9, 2014 by Wisdom Yamoah. We met 6 families who live on subsistence farming and depend on outside help for things like clothes and medicine. The village has spirited people who, when given the chance, would put in their best efforts to better their living standards.

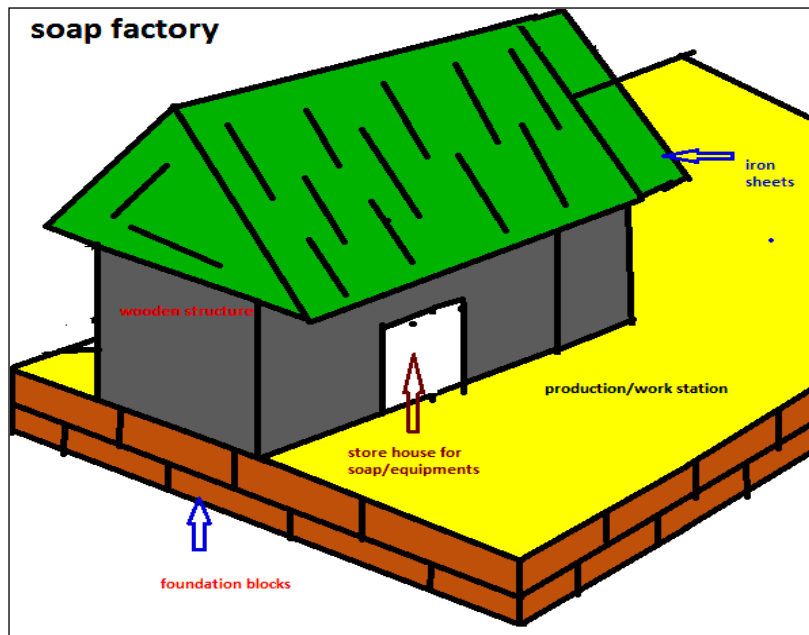
Cost of the soap factory

The cost of the project involved the structure that will serve as the training centre, the work station, the store house (to keep prepared soap), ingredients and the cost of training. The building will be a simple 2 x 4m wooden structure with iron sheets. There will be a storekeeper from the village who will check the inflow and outflow of the soap. According to the professional soap maker, who happens to be a former

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beneficiary of a Projects Abroad Micro-finance loan, it is important to get a structure where the soap can be stored and kept clean from dust and other materials that can contaminate the finished product.

The building of the structure has begun and due for imminent completion; after which training will commence. We took advantage of the building skills of the locals, to cut down the cost of setup.



Transporting materials to Obuotumpan

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Peter Hoekstra
Camille Donnadieu
Matt Fahlman
Kyle Gibson
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Peter, supervising the youth in the village who helped to build the structure



The completed structure

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Trainer teaching the community how to make soap

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Cutting the soap

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First batch of soap completed

4. LOAN PORTFOLIO

A. SOAP FACTORY (OBUOTUMPAN VILLAGE)

The first and second batches of the soap have been made and the repayment of the loan started on 03/03/2014. There will be weekly instalments of GH¢25.00 and will take 14 months to complete the loan repayment of GH¢1400.00 which happens to be the amount that was invested into the project, all other things being equal.

Village	Total loan	Total received	Total outstanding
Obuotumpan(soap)	GH¢1400.00**	0	0
Salom(poultry)***	GH¢0.00	-	-

***The loan amount is made up of the cost of building the soap factory (i.e. the work station/store house), the ingredients for making the soap, materials (tables, plastic bowls etc.) needed, trainer fee and other expenses incurred(transport, etc.)*

**** Salom Poultry Project is not complete, so the loan amount cannot be quoted as yet. They are waiting for the supply of chicks and feed*

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NB: GH¢1400 from the total received from individual loans was used to setup the soap factory at Obuotumpan

B. POULTRY (SALOM VILLAGE)

The Poultry Project is still ongoing and the loan amount is yet to be determined, that would be after the chicks have been supplied.

C. INDIVIDUAL LOANS

VILLAGE	BUSINESS TYPES	TOTAL LOAN ADVANCED	Total received	Total outstanding/defaults
AKWADUM	Electric sewing machine and an embroidery machine, Food crops, soap, jewellery, cooked food, cosmetics, local gin etc.	GH¢2000.00	1100	900*
AKOKOA	Local gin, food crops, cooked food	GH¢500.00	100	400
KWAMOSO	Food crops, cooked food	GH¢900.00	700	200
KOFORIDUA & NSUKWAO	Food crops	GH¢200.00	100	100
TOTAL		GH¢3600.00	GH¢2000	GH¢1600

**Those are expired loans that have been rescheduled. Women could not pay within the 14 week period. Reasons range from low income from their businesses, where the women are unable to feed their families and pay the loan at the same time. Some have also resettled to different villages due to marriage.*

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1) COMMUNITY BENEFITS FROM PROFITS GENERATED

- Create jobs for the inhabitants of the village. There will be two types of jobs; first the soap-makers - the people who have the knowledge from Mary, the professional soap maker (after the training). Secondly the sellers - they will sell the product on the roads, in the markets and/or to retailers.
- Answer their basic needs (such as buying toothbrushes for example).
- Create something together and improve the community adhesion

2) FUTURE OBJECTIVES

The village is really far from an electricity line and water pump.

- In the long term with these profits, the village will be able to buy their own water pump. People in the village will be able to create new businesses or improve this one. For example, they can insert the fabrication of palm oil which will result in a decrease in the cost of production.
- In short term, the village has to pay back the loan and invest the rest of the money in new investments.
- In the short and long term, people will trust in themselves and they will develop their next ideas easily.

THE SALOM VILLAGE POULTRY FARM

Currently there are seven groups on the Micro-finance Project, all in villages in the New Juaben district in the Eastern Region. All of them are still repaying their loans, some of them are repaying regularly, while some of them are not. We are trying to reschedule the loans of the groups which are having challenges with the weekly repayments.

Operating model

Strategy

Salom will one day be known as the Poultry Village due to their expertise in poultry farming and the amount of poultry they sell in the market every week.

The Salom Poultry Farm is being established to create jobs for the community and to contribute to the community fund. With this in mind, the majority of the cash flow will be kept in the business for reinvestment or put back into the community fund.

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The focus in the first year will be learning the intricacies of poultry farming and expanding the number of chickens.

Initially we will be purchasing one large batch every six weeks. As time progresses, we will move towards staggering our purchases: purchasing a smaller number of chicks each week so that cash flow streams are more evenly distributed.

Organisational structure

There will be five different functions in the Salom Poultry farm:

Function	No. of people	Description
Building and maintenance	1	Primarily building the pen and periodically maintaining it. Also making expansions when needed.
Finance	2	In charge of collecting the money from the sales force and using the proceeds to reinvest in the business. Also in charge of strategy and expansion going forward.
Sales	4	Tasked with heading to the market and selling the product.
Farming	2	Raising, feeding, and taking care of the chickens.
Procurement & immunisations	1	In charge of communicating with Krobodan to purchase new chicks and ensure the current chicks are immunised.

Finance

Volunteers who have experience in finance are integral to the success and sustainment of the Salom Poultry Farm. There will be a significant amount of money flowing in and out of the village, especially as the number of chickens increase, so it is important to manage the cash flow. The Micro-finance Project will provide initial training and ongoing support to the people in charge of managing the finances.

The finance training material has already been developed and can be found in Exhibit One. It will be very important for future volunteers to check up on the finance employees and ensure they are using the material provided and answer any questions if necessary.

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Processes

Purchasing the chickens

The Micro-finance Project will be purchasing the chicks from Krobodan. The reason for purchasing from this organisation is that, their chicks are fully vaccinated against all the chicken diseases. This, in the long run, will help maximise profits.

Raising the chickens

The Micro-finance Project will pass on the information received from Krobodan, in raising the chicks to the locals, who will be spending a lot of time on the poultry farm. The daily routine and necessary education will be given by both our Micro-Finance Project and Krobodan.

Selling the chickens

Due to the approaching Easter season and the maturity period for the species of poultry that is being set up at Salom, the project is going to become popular. Secondly, the locals will be advised to try and propose selling to restaurants too.

Partnership with Krobodan

Krobodan is a non-profit NGO whose mission is to "work with the poor, (vulnerable and marginalised people) to reduce poverty and ignorance, promote the growth of civil society and gender balance by overcoming the injustice and inequalities that hinder development."

We will partner with Krobodan and use their expertise in poultry farming to help Salom with their training and support. Krobodan works with over 700 farmers across Ghana providing them with support.

With regards to poultry farming, Krobodan currently has a brooding house where they raise chicks to the age of 6 - 8 weeks, after which they sell them to the farmers they work with for 4.50 Cedis. They also inoculate the chicks and provide ongoing immunisations (for a price) to ensure the chickens stay healthy so they can be sold for a profit on the market. They also sell food to the farmers, and if Salom can provide some of the ingredients, Krobodan can manufacture it for them and save them money on feed costs.

Krobodan, with similar goals to Projects Abroad, will hopefully provide an excellent partner to help in sustainable poultry farming. They will provide expertise in the farming, along with ongoing support to ensure the project is a success.

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Roles and responsibilities

Task	Projects Abroad	Krobodan	B&M	Finance	Sales	Farming	Procurement
Raising chickens		S				R	
Immunisations		R				S	A
Expanding the number of chickens	C	S	I	C	I	I	R
Buying feed		S		C		C	R
Recording transactions	S			R/A	S		S
Cleaning pen						R/A	
Depositing money in the bank	S			R/A			
Pen up-keep & maintenance			R/A			S	
Selling the chickens		S		I	R/A		
Collecting money from salesmen				R/A			
Liaison abroad with Projects Abroad				R			
Liaison with Krobodan							R
Logistics for sales	S	S			R		

Risks

Risk	Consequence / Likelihood	Mitigation Strategy
Cash flow mismatch	High / Medium	<ul style="list-style-type: none"> - Micro-finance Project will provide financial oversight to ensure there is proper timing of cash inflows and outflows.
Difficult transporting chickens to the market	High / Medium	<ul style="list-style-type: none"> - Micro-finance Project will consult with Krobodan on the most efficient and cost-friendly way to move the product.
Inability to sell the chickens	High / Low	<ul style="list-style-type: none"> - If chickens cannot be sold, Salom can keep the chickens and sell their eggs.
Drought / severe weather	Medium / ?	<ul style="list-style-type: none"> - The financial projections will place excess funds in a “reserve fund” in case of emergency, such as drought.
Disease	High / Low	<ul style="list-style-type: none"> - The chicks from Krobodan are fully immunised and they will continue to monitor the health of the chickens and immunise if/when necessary.
Theft of chickens	High / Low	<ul style="list-style-type: none"> - Communicate to the entire village that the chickens are owned by and benefit the entire community. Hopefully the sense of communal ownership will discourage any unethical behaviour.

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Money mismanagement	Medium / Low	- See above with theft of chickens.
Communication challenges	Low / High	- Having Krobodan as a support system will help because they have employees who are Ghanaian and speak fluent English as well.
No experience raising chickens	Low / High	- Krobodan will be there to support the farmers as they learn how to raise poultry.
No leader to make final decisions	Medium / Medium	- Communication between Projects Abroad, Krobodan and the community will ensure all opinions are heard and a unanimous decision that benefits Salom will be reached.

Implementation Plan

Planning (complete week ending Jan. 24)

- Meet with the village to discuss the Micro-finance Project and discuss their ideas.
- Collaborate amongst Projects Abroad Micro-finance team to discuss ideas.
- Meet with the village to pitch our idea to them.
- Meet with Krobodan to discuss viability and costs.
- Write-up business plan and confirm loan arrangements with Projects Abroad.
- Have Krobodan meet with the village to ensure viability.
- Draft up contract and get Salom to sign it.
- Get land inspected
- Formalise partnership with Krobodan

Training (complete week ending Jan. 31)

- Write / update training materials
- Projects Abroad Micro-finance business training
- Organise training sessions with Krobodan and Salom
-

Construction (complete week ending Jan. 31)

- Meet with Krobodan to get a blueprint of the structure
- Gather and/or purchase all the necessary materials
- Build the structure

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Initial chick purchase (complete week ending Jan. 31 / Feb. 7)

- Buy chicks
- Transport them back to Salom
- Purchase feed

Community Fund

Because this is a community based project, a significant portion of the profits from the poultry farm will be put into a community fund. This will be a fund where Salom saves money to fund something that the community needs (i.e. a water well or electricity). Early on, the majority of the profits will go towards paying the employees and paying back the loan. Once the loan is paid back and the farm has grown, the majority of the profits will be put into the community fund.

5. MONTHLY ACHIEVEMENTS

The project in the Obuotumpan village is complete. Now soap is being made in the village. The people were so excited when the idea became real. Now they can work on the factory, make their soap, sell the product to generate capital for themselves, pay back our loan and, in effect, better their standards of living.

The Poultry Project in Salom is about 80% complete. Once the birds are supplied the project will also be complete

6. FUTURE DEVELOPMENTS

The Micro-finance Project wants to continue to empower villages. For 2014, the main objective of the Micro-finance Project is to set up small businesses that will employ some unemployed people in the villages. This will be beneficial to the entire community. The level of commitment that the people will attach to the growth of these businesses will be more than the individual loan support.

The second objective is to start the Projects Abroad Micro-finance club in an under-resourced school. The objective of the club is to meet up with the final year students of the business class, have meetings with them, hold educational activities and organise workshops. In doing so, the Micro-finance Project hopes to equip the students with the necessary tools to help them with their business studies and to give them some useful knowledge about business which would potentially help them in the future.

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