

General Background on Global Microfinance Trends

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1.0 OVER VIEW OF MICROFINANCE IN GHANA

1.1 DEFINITION

Microfinance encompasses the provision of financial services and the management of small amounts of money through a range of products and a system of intermediary functions that are targeted at low income clients. Microfinance refers to provision of small loans and other facilities like savings, insurance, transfer services to poor low-income household and microenterprises. Microcredit also refers to a small loan to a client made by a bank or other institutions.

1.2 EVOLUTION OF MICROFINANCE IN GHANA

The concept of microfinance is not new in Ghana. Traditionally, people have saved with and taken small loans from individuals and groups within the context of self-help to start businesses or farming ventures. Available evidence also suggests that the first Credit Union in Africa was established in Northern Ghana in 1955 by Canadian Catholic Missionaries. Susu, which is one of the current microfinance methodologies, is thought to have originated in Nigeria and spread to Ghana in the early 1990s. Microfinance has gone through four (4) distinct phases worldwide of which Ghana is no exception. These stages are described below:

Phase One: The provision of subsidized credit by Governments starting in the 1950's when it was assumed that the lack of money was the ultimate hindrance to the elimination of poverty.

Phase Two: Involved the provision of micro credit mainly through NGOs to the poor in the 1960's and 1970's. During this period sustainability and financial self – sufficiency were still not considered important.

Phase Three: In the 1990's the formalization of Microfinance Institutions (MFIs) began.

Phase Four: Since the mid 1990's the commercialization of MFIs has gained importance with the mainstreaming of microfinance and its institutions into the financial sector

In Ghana, the term microfinance is understood as a sub-sector of the financial sector, comprising most different financial institutions which use a particular financial method to reach the poor. Microfinance sector in Ghana comprises

various types of institutions and these have been grouped into four (4) categories, namely:

- Formal suppliers such as savings and loans companies, rural and community banks, as well as some development and commercial banks;
- Semi-formal suppliers such as credit unions, financial non-governmental organizations (FNGOs), and cooperatives;
- Informal suppliers such as susu collectors and clubs, rotating and accumulating savings and credit associations (ROSCAs and ASCAs), traders, moneylenders and other individuals.
- Public sector programmes that have developed financial and non-financial services for their clients

1.3 THE NEED FOR MICROFINANCE IN GHANA

The main goal of Ghana's Growth and Poverty Reduction Strategy (GPRS II) is to ensure "sustainable equitable growth, accelerated poverty reduction and the protection of the vulnerable and excluded within a decentralized, democratic environment". The intention is to eliminate widespread poverty and growing income inequality, especially among the productive poor who constitute the majority of the working population. According to the 2000 Population and Housing Census, 80% of the working population is found in the private informal sector. This group is characterized by lack of access to credit, which constrains the development and growth of that sector of the economy. The observation was stressed in the International Monetary Fund Country report on Ghana of May 2003 that "weaknesses in the financial sector that restrict financing opportunities for productive private investment are a particular impediment to business expansion in Ghana."

Microfinance perceived as a financially sustainable instrument meant to reach significant number of poor people of which most are not able to access financial services because of the lack of strong retailing financial intermediaries. Access to financial services is imperative for the development of the informal sector and also helps to mop up excess liquidity through savings that can be made available as investment capital for national development (World Bank-Africa Region, 1999). Microfinance as a sector has the potential to reduce poverty by bringing a significant improvement in the lives of the active poor who are largely women.

1.4 MICROFINANCE CLIENTS IN GHANA

In Ghana, the clients of microfinance are predominantly women in both rural and urban centers. These women are engaged in activities such as farming, food processing, petty trading, service provision and street vending.

2.0 PROFILES OF MICROFINANCE APEX BODIES IN GHANA

2.1 GHANA CO-OPERATIVE CREDIT UNIONS ASSOCIATION (GCCUA)

The Ghana Co-operative Credit Unions Association (CUA) Ltd was established in 1968 as the apex body of the credit union movement in Ghana. It does not represent the interest of only the movement at the local level but International levels too. The aim of its establishment was to develop itself into a sustainable financial institution and to create an enabling environment for credit unions operations. As a credit union leader, CUA has a responsibility of promoting, educating and training at all levels of the movement. In order to ensure the viability and sustainability of Credit Unions, CUA offers both technical and financial services to its members including education and training, auditing, bookkeeping, computer services, general supervision and Risk Management Insurance Service.

CUA has over the last five years received support from the Rural Financial Services Project. These include assistance in building the capacity of its affiliates through numerous training programs, provision of means of transport like motor-bikes, a Pickup and a cross country vehicle and Computers, printers and accessories to help in the Data Management of CUA both at the head office and regional levels.

Currently, there are two hundred and sixty two (262) active credit unions in Ghana, with a total membership of over one hundred and sixty thousand (160,000) even though it is believed that its total membership is about two hundred and seven thousand, four hundred and two (207,402). CUA has taken some initiatives such as training center for Credit Unions, Home Banking Scheme (New Product) and Micro Finance for the active poor

2.1.1 Some Current Performance of GCCUA

- Conducted business plan development training for 100 Credit Unions.
- Under the linkages collaboration with the Ghana Cooperatives Council, CUA received 5 Economic Cooperatives groups from Ghana Cooperatives Council and is working to convert them into Credit Unions.
- Organised capacity building workshops for its Board of Directors, managers, bookkeepers, supervisory committee members as well as its primary members.
- Expanded its education into the rural areas through promotional talks and membership education programs. Brochures and other reading materials to disseminate information to the general public were also done.
- Field monitoring was undertaken to verify and assist credit unions complete their accounting and auditing and to check whether business plans were being implemented.

2.1.2 Outstanding Challenges and Future Resource Requirements of CUA

- Improvement on the Limited Resources (both material and human).
- Replacement of the current out-dated co-operative law to reflect the realities of the modern times.
- Staff Capacity Development and the formulation of staff development policy.
- Strengthening of its management information system to collect, collate and to analyze data relevant to the development of the Microfinance sub-sector.
- Financial support to complete the on-going credit unions training centre at Kasoa.

2.1.3 Summary of Credit Unions Annual Performance

DETAILS	2001	2002	2003	2004	2005	2006
Members	96,052	125,000	132,000	163,860	174,026	202,390
Deposits	¢84.6B	¢150.2B	¢206.0B	¢354.7B	¢425.3B	584.2B
Loans	¢59.4B	¢88.3B	¢142.0B	¢216.6B	¢315.2B	396.5B
Total Assets	¢98.6B	¢200.0B	¢250B	¢423.8B	¢50.7B	702.1B

Source: Ministry of Finance and Economic Planning

For further information about services or comments, contact: Tel 021-220299/231717

2.2 GHANA CO-OPERATIVE SUSU COLLECTORS' ASSOCIATION (GCSCA)

The Ghana Co-operative Susu Collectors' Association, (GCSCA) was established in 1994 as an umbrella organization for all Regional Susu collectors Societies in Ghana. The association was formed to (self)-regulate the activities of Susu Collectors and instill practices, which would build clients confidence in their deposits mobilisation.

The GCSCA is one of the indigenous Microfinance institutions with a broad clientele base and a wider environment for funds mobilization. The few years of Microfinance transformation has also led to a massive evolution in the operations of Susu Collection in the microfinance sector. The main services provided by Susu Collectors are savings mobilization and sometimes the provision of mobile services for individuals and groups in rural and urban areas. Currently, GCSCA has regional offices in all the regions and some districts in the country with a total membership of one thousand three hundred and thirty-five (1,335).

2.2.1 Some Current Performance of GCSCA

- The Association mobilized a deposit of GH ₵ 38.5m as at December 2007.
- GCSCA has widened its network by extending its On-lending program to include formal banks such as the Women's World Banking and the Intercontinental Bank.
- Training programme in the areas of Risk and Delinquency management has been organized for its members in Upper East and West.
- Develop an inadequate but manageable system to help collect data from its members for data reporting.
- Train members of the Association in topics such as financial management, report writing, book keeping and policy formulation.
- The Association increase its membership base by 45%
- Help for the setting-up some regional offices through the provision of office equipments.
- Disbursed over Gh ₵1.02m to it members with financial support from Barclays Bank and Microfinance and small loans Centre.

2.2.2 Outstanding Challenges and Future Resource Requirements for GCSCA

- Some of financial institutions and Financial NGOs are attempting to offer Susu related products to their clients in direct competition with the members of the GCSCA.
- Measuring Performance in Line with Standard Microfinance Practices
- Products Development and access to On-Lending Funds

- Institutional Strengthening of GCSCS Apex Institutions
- Development of Monitoring & Evaluation and Training Units
- Data System (MIS) and logistical support

2.2.3 PERFORMANCE COMPARISON OF GCSCA TO CUA AS AT OCTOBER 2007

INDICATORS	GCSCA	CUA
Membership	12,590	500,000
Deposit mobilized (GH¢)	38,398.04million	70.9 million
Amount Lent (Gh¢)	N/A	46.1 million
Interest Rate	N/A.	3% per month on outstanding balance (19.5%) per annum
Details on products/Product offered	Mobilisation of Savings: This entails members offering mobile bank services in the communities by collecting fixed amounts agreed by clients and saving it on commission basis. On-lending: linkage with formal financial institutions i.e. Banks to secure credit facilities for clients of members. Susu family trail: Internal savings product for members which will serve as a pool for the association's on-lending product	Business, Farming, School Fees, Housing, Medical, Funeral, Car Loans etc.
Repayment Rate	N/A	93%
Outreach	N/A	Operates in all ten regions including rural and remote areas

Source: Ministry of Finance and Economic Planning

For further information about services or comments, contact: Tel 021-221923/231397

2.3 ASSOCIATION OF FINANCIAL NGOS (ASSFIN)

The Association of Financial NGOs was inaugurated in 2005 as an apex organization of all financial organizations in Ghana with the aim of regulating

the activities of member institutions as well as advocating for the development of financial NGOs. ASSFIN is accredited as a private voluntary organization in development. It has been registered as a organisation under limited guarantee under Act 179 of the Companies Code of 1963 Currently, the operations of ASSFIN are run by a 7-Member Executive Council at the National level supported by 3-Member Executive Committee at the three Zonal levels. The current membership of ASSFIN is 96 Institutions spread across the length and breadth of the country.

2.3.1 Some Current Performance of ASSFIN

- Established three (3) zonal councils and held meetings in various zones to deepen and strengthen members' knowledge and to inform them of progress on ASSFIN activities.
- Assisted eight (8) of its members to secure an amount of GH ₵265,000
- Wrote proposals for funding and held discussions with some financial institutions such as MASLOC, ECOBANK, AMALBANK, WWBG and JBIC
- A number of financial NGOs had their clients trained in the area of Financial Management, Microfinance Operations, Governance and Operation under the RFSP.

2.3.2 Outstanding Challenges and Future Resource Requirements for ASSFIN

- Limited financial resources and inadequate staff at the national secretariat;
- Inadequate logistics & equipment;
- Absence of Operating Structures, (M&E, Training and other units);
- Politicization of government's microfinance programme e.g. PAF, MASLOC, WDF, etc. making access to funding by non-political FNGOs difficult.
- Access to funds from mainstream financial institutions is still difficult despite huge excess funds in the system as a result of reduction in base rates. For example banks still demand immovable property as collateral from FNGOs.
- More support from development partners going to already well-endowed and mainstream financial institutions.

For further information about services or comments, contact: assfin2005@yahoo.com

2.4 GHANA COOPERATIVE COUNCIL (GCC)

The Ghana Co-operatives Council is the supra Apex body of all cooperatives in Ghana. It is an independent apex organization that promotes and develops co-operatives and other self-help organizations on a sustainable basis. The Council facilitates an enabling environment and provides quality services for the economic and social well being of its members, non-members and communities. The Council practices and upholds the co-operative principles and values of democracy, co-operation, community development, honesty, transparency and care for its members.

Ghana Co-operatives Council was registered in 1957 by the Department of Co-operation as a non-trading, non-governmental organisation. Specifically it was formed to take over the function of cooperative education from the Department of Co-operation. On January 22, 1973, the alliance was reregistered by the Department of Co-operatives as the Ghana Co-operatives Council (GCC) as it is known today. It operates in four (4) sectors, these are: Agriculture, Industry, Finance and Service.

There are currently thirteen national apex Co-operative Associations that are affiliated to the Council and all national Co-operative Associations are listed in the council. The Council is run by Board of Directors drawn from the National Associations.

2.4.1 Some Current Performance of GCC

- Capacity development programme was organized for staff of the Council including Regional Co-operative Development Officers (RCDOs.)
- The Council also sensitized fifteen (15) non-economic co-operatives include micro-finance operations in their activities.
- The Council has assisted Co-operative Societies to develop their own five (5) year business plan.

2.4.2 Outstanding Challenges and Future Resource Requirements for GCC

- Development of Monitoring & Evaluation and Training Units
- Data System (MIS) and logistical support
- Lacks of budgetary support to conduct regular follow-up activities on groups sensitized on Microfinance operations as well as ensure update of data.
- The lack of district level structures in terms of offices and personnel to interact directly with Co-operative societies.

2.4.3 GCC'S BASELINE DATA AS AT DECEMBER 2005

Baseline Data on Ghana Co-Operatives Council as at December 2005 is presented in table below:

Baseline Data on GCC as at December 2005

INDICATORS	GENDER	BASELINE AS AT 2005
1. Generic Indicators		
1) Number of Depositors	Male	69,900
	Female	57,464
	Total	127,364
2) Number of Borrowers	Male	61,153
	Female	52,095
	Total	113,248
3) Average Monthly Deposit	Male	
	Female	
	Total	18,123
4) Number of Societies/NGOs		2,440
5) Value of Savings mobilized	₡ million	27,699
6) Value of loans granted	₡ million	16,362.5
2. Training Indicators		
1) 1. Repeated training for members of RMFI Apex Bodies (i.e. Economic Co-operatives)	No. of Groups trained	
	Male	
	Female	
	Total	
2) 2. Financial SHGs/CBOs Linkage training (Cooperative Study groups to be converted by CUA into Credit Unions)	No. of Groups trained	
	Male	
	Female	
	Total	
3) 3. MFI Apex Bodies training	No. of programmes trained	42
	Male	1474
	Female	122
	Total	1596
3. Institution Specific Indicators		
1) Number of clients/members in rural areas		110,722
2) Number of Training monitored		
3) Amount of savings/credit in rural areas	Savings ₡ million	
	Credit ₡ million	₡1,452.5
4) Portfolio at Risk (PAR)		9%

5) Operational Self-Sufficiency		70%
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For further information about services or comments, contact: Tel: 021-686254 /686263 /665165

2.5 GHANA MICROFINANCE INSTITUTION NETWORK (GHAMFIN)

Ghana Microfinance Institution Network (GHAMFIN) is a network with a diverse range of Microfinance practitioners comprising: Savings & Loans Companies, Rural and Community Banks, Credit Unions, FNGOs, Susu (savings) Collectors, and Business Development Service Providers as well as Apex bodies such as the ARB Apex Bank Ltd, Ghana Credit Union Association.

The GHAMFIN seeks to promote the growth and development of the microfinance industry in Ghana. The focus has been on building the capacity of microfinance institutions to improve upon their performances, thus, enabling them to provide long-term sustainable and affordable access to financial services to meet the needs of their clients, majority of whom are women living in rural communities.

2.5.1 Some Current Performance of GHAMFIN

- GHAMFIN has established Resource Centres stocked with documents and publications on microfinance in Ghana and else where.
- GHAMFIN has carried out a series of Sensitization workshops for the Financial NGOs (FNGOs) on the Community Based Rural Development Project (CBRDP) in the Northern and Southern Ghana.
- GHAMFIN has assisted Barclays Bank Ghana to develop a micro banking product.
- GHAMFIN a key stakeholder in the Microfinance Industry initiated the celebrations of the International Year of Micro Credit in Ghana.

2.5.2 Outstanding Challenges and Future Resource Requirements for GHAMFIN

- Lack of clear governance and membership structures.
- Inadequate capacity for GHAMFIN in terms of organizational structure, human resources, systems, procedures and conditions to enable it executes its functions.
- GHAMFIN did not have a permanent office to ensure efficient and effective services delivery as their current rented office is costing them \$1,500 a month.

2.5.3 GHAMFIN'S Baseline Data As At December 2005

The Baseline Data on GHAMFIN as at December 2005 is presented in the **table** below.

Baseline Data on GHAMFIN as at December 2005

INDICATORS	GENDER	BASELINE AS AT 2002 DEC	BASELINE AS AT 2005 DEC	TARGET
				2006
1. Generic Indicators				
1) Number of Depositors facilitated	Male	2,402	1,578	5,202
	Female	17,750	15,040	37,750
	Total	20,152	16,618	64,952
2) Number of Borrowers	Male	7,932	5,995	9,932
	Female	62,300	70,466	90,300
	Total	70,232	76,461	128,232
3) Average Daily Deposit	Male	N/A	N/A	N/A
	Female	N/A	N/A	N/A
	Total	N/A	N/A	N/A
4) Number of Societies/FNGOs		53	23	29
5) Value of Savings facilitated		₺5,83 bn	₺7.98 bn	₺8.6 bn
6) Value of loans granted		₺42.2 bn	₺59.3 bn	₺60.5 bn
2. Training Indicators				
1) Repeated training for members of RMFI Apex Bodies (FNGOs)	No. of Groups trained		1	10
	Male			
	Female			
	Total			
2) Financial SHGs/CBOs Linkage training	No. of Groups trained		N/A	40
	Male			200
	Female			800
	Total			1,000
3) MFI Apex Bodies training	No. of programmes trained		3	13
	Male			
	Female			
	Total			
3. Institution Specific Indicators				

1) Number of clients/members in rural areas		N/A	N/A	18
2) Number of Training monitored			N/A	10
3) Amount of savings in rural areas		N/A	N/A	N/A
4) Amount of credit in rural areas		N/A	₵53.3 bn	₵60.7 bn
5) Portfolio at Risk (PAR)		19.8%		
6) Operational Self-Sufficiency		141.2%		

For further information about services or comments, contact: www.ghamfin.org

2.6 ARB APEX BANK

The ARB Apex Bank Ltd. is a mini “Central Bank” for the Rural/ Community Banks (RCBs). The idea of rural banking date back to about three (3) decades in the form of a dialogue between Bank of Ghana and Ministry of Finance about what was called “junior league” of banking institutions to serve the special needs of the rural population. The traditional licensed banking institutions were concentrated at the urban centers hence it became necessary to bring the rural population into the banking system under rules designed to suit their socio-economic circumstances and the peculiarities of their occupation in farming and craft making.

The ARB Apex Bank Ltd. is mainly financed through the Rural Financial Services Project (RFSP). The RFSP is a Government of Ghana project designed to holistically address the operational bottlenecks of the rural financial sector with the aim of broadening and deepening financial intermediation in the rural areas. To date, there are one hundred and twenty five (125) Rural/Community banks with over five hundred (500) branches/agencies in the country.

The Rural/ Community Banks under Apex Bank undertake a mix of microfinance and commercial banking activities structured to satisfy the needs of the rural areas. Some of the activities are:

- Provision of banking services by way of funds mobilization and credit to cottage industry operators, farmers, fishermen and regular salary employees.
- Grant credits to customers for the payment of school fees, acquisition/rehabilitation of houses and to meet medical expenses.
- Devote part of their profits to meet social responsibilities such as donations to support education, health, traditional administration and the needy in their respective communities.
- Specific gender programmes focusing on women-in-development and credit-with-education activities for rural women.

For further information about services or comments, contact: www.arbapexbank.

3.0 DONOR SUPPORTED MICROFINANCE PROJECTS/PROGRAMMES AND OTHER INSTITUTIONS

3.1 MILLENNIUM DEVELOPMENT AUTHORITY (MiDA)

The Millennium Development Authority (MiDA) is the body set up by the Millennium Development Authority Act, 2006. MiDA is to oversee and manage the implementation of the Ghana Programme under the Millennium Challenge Account for sustainable reduction of poverty through growth. The goal is contained in the agreement between the Government of Ghana and the Millennium Challenge Corporation acting for and on behalf of the Government of the United States of America. The objectives of MiDA are:

- To oversee and to manage the implementation of the Ghana Programme under the Millennium Challenge Account of the United States Government for sustainable reduction of poverty through growth as contained in the Compact;
- To secure the proper and effective utilization of the Millennium Development Fund granted to Ghana under the Compact; and
- To oversee and manage other national development programmes of similar nature funded by the Government of Ghana, Development Partners or by both.

For further information about services or comments, contact: www.mida.gov.gh

3.2 SUPPORT PROGRAMME FOR ENTERPRISE EMPOWERMENT AND DEVELOPMENT (SPEED)

The Support Programme for Enterprise Empowerment and Development (SPEED) is the continuation of the program for the Promotion of Small and Micro Enterprises (PSME) that started in 1999 with the signing of the first Financing Agreement between the Government of Ghana (GoG) and the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) from Germany. In 2004, Danish International Development Agency (DANIDA) collaborated with GoG and GTZ to support the development of MSMEs.

The Technical Assistance (TA) to the microfinance sector provides results/services to support the framework conditions of MSME financing. It will further provide sector support and involve in direct TA support to 20 to 30 financial intermediaries. SPEED will support the credit reference service, set up of a rating service and contribute to quality standards for Service Providers. As part of the sector support and development, it will also carry out or subcontract studies to better understand the demand side of the microfinance market and launch a consumer education and protection initiative. All these results will be provided in close collaboration with other institutions or are results of already ongoing initiatives.

At the end of 2006, the Funding Facility (FF) had €2.5 million of funds placed on a revolving basis. This will be augmented by additional funds of €2.7 million from DANIDA to expand the FF and to finance new product support to MSME-FIs. During the first quarter of 2007 the financial custodial responsibility and management accountability for the fund was passed from the Bank of Ghana to SPEED Company Limited

It is expected that SPEED will expand its services to the central and northern regions of Ghana and concentrate more on the rural areas. Improved outreach assumes that there is a real demand and absorption capacity for development support in these areas. The demand and capacities will be different between the components and much depends on the institutional landscape in the northern and rural areas

For further information about services or comments, contact:
www.speedghana.org

3.3 SOCIAL INVESTMENT FUND (SIF)

The Social Investment Fund (SIF) was established in 1998 through the concerted effort of the Government of Ghana (GoG), the African Development Bank (AfDB) and United Nations Development Programme (UNDP). The primary objective of SIF is to alleviate poverty in Ghana through institutional and capacity building; human development; and targeted pro-poor socio-economic investment in selected areas. It supports small scale enterprises and uses microfinance as a poverty alleviation tool to achieve accelerated growth

in the rural areas. The SIF also aims to increase access to basic social services such as education, health care and to bring governance to the doorsteps of Ghanaians.

From 2003 to 2007, SIF under Poverty Reduction Project I (PRP I) disbursed \$2.2m to 32 microfinance institutions for onwards lending to about 14,000 clients of which 80% are women who are engaged in income generating activities. SIF has four year (2004-2008) project to implement small-scale demand-driven sub-project with the view to improve infrastructure, boost income and raise living standards among rural poor. This project worth forty five million (\$45million) is being sponsored by African Development Bank.

Currently the SIF is implementing the GoG's Urban Poverty Reduction Program (UPRP) with the aim of halving poverty by 2015. By this; the SIF is seeking to create an enabling environment for wealth creation for all Ghanaians which will facilitate economic development. By this objective the SIF is involved in building the capacity of microfinance institutions to enable them reach out to the rural poor.

In this direction, the SIF was found to share a similar goal with RMFI and so the need for both projects to find a common area of coordination for better services delivery in the microfinance sub-sector. The Facilitating agency (FA) held a discussion with the SIF Manager on existing and proposed projects, implementation procedures, possible areas of collaboration between SIF and the RMFI component of the RFSP.

For further information about services or comments, contact:
www.sifinghana.org

3.4 UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

The United Nations Development Programme (UNDP) is a United Nations (UN) agency with a mandate to assist developing nations such as Ghana, in their effort towards socio-economic growth and poverty reduction. Over the years the UNDP has partnered with the government of Ghana on many development projects including "Promoting Private Sector Development Programme" (PPSDP) which was a two (2)-year microfinance capacity building intervention aimed at improving the economic and social status of micro entrepreneurs (MEs) particularly women through their enhanced access to requisite financial and non-financial services resulting from effective and sustainable capacity building of selected Microfinance Institutions (MFIs). UNDP Ghana supports national efforts and capacity building for sustainable human development in line with Ghana's own development strategies.

The UNDP country programme for Ghana which covers the period 2006-2010, is formulated from the United Nations Development Assistance Framework (UNDAF). It responds to the Growth Poverty Reduction Strategy II, and the national development agenda which encompasses the Millenium Development Goals. UNDP Ghana provides policy advice, development services and develops programme or projects that assist the formulation and implementation of national policies. UNDP programmes for Ghana focuses on the following areas:

- Consolidation of good governance practices and capacity building
- Ensure wealth creation and economic empowerment
- Ensure environmental sustainability and vulnerability

For further information about services or comments, contact: www.undp-gha.org

4.0 MICROFINANCE SUPPORTING INSTITUTIONS

- Microfinance and Small Loans Center (MASLOC)
- The Ghana Microfinance Institutions Network (GHAMFIN)
- Development partners and international non-governmental organizations
- Universities, training and research institutions.

5.0 GOVERNMENT OF GHANA INSTITUTIONS THAT SUPPORT MICROFINANCE

- Ministry of Finance and Economic Planning,
- Ministries, Departments, Agencies (MDAs) and Metropolitan, Municipal and District Assemblies (MMDAs),
- Bank of Ghana.

6.0 MICROFINANCE TECHNICAL SERVICE PROVIDERS

Training Provider	Training Area of Expertise	Contact Person	Telephone
GHAMFIN	Fin Mgt & Training	Dr. Andah	0244 256180
Pentax Management Consultancy Services Ltd.	Governance, Financial Management & Operations	Mr. Bernard Joe Appeah	021 253559/60 0244 717140
MEL	Financial Management & operations	Mrs. Aba Quainoo	0243 255690
Freedom from Hunger	Governance, Financial Management & Operations	Mrs. Beatrice Kuzume	021 774828
A-BAS SME Solutions	Financial Management & Operations	Mr. Stephen Kainyah	0244 206899
Ghartey Associates	Operations & Governance	Mr. Adom Ghartey	022 411068
WEGFL	Operations	Ms. Esther Nyamalar	020 8160601
HEPO	Operations	Mr. Alex Esua-Mensah	0277 682815
EMPRETCH	Operations	Mr. Morton	021 7010203
FP Quansar Resources	Financial Management & Operations	Mr. Felix Quansar	0244 239190
EDSAM	Financial Management & Operations	Mr. Esinu Darkey-Mensah	091 27621
Dansman Consultancy	Financial Management	Mr. Danumin Subiniman	020 8171661
Trend Group	Financial Management & Operations	Mr. Joshua Taylor	051 28294
PAB Consult	Operations	Mr. Phil Cliff Aye-Gatsey	022 414204
Dan Fosu	Financial Management & Operations	Mr. Dan Fosu	0244 221258
Enterprise Development Network (EDN)	Financial Management & Operations	Nana Asantewa Boateng	0244 881718
J.S. Addo Consultants	Financial Management & Operations	Mr. Nkansah Boadi	020 8125071
Glendale Consultants	Financial Management	Mr. Richard Adu Poku	020 8168876
Ghana Cooperative Council	Governance, Financial Management & Operations	Mr. Kofi Wgissah	021 686253

Credit Union Association	Governance, Financial Management & Operations	Mr. B.B. Fidelis	0244 548025
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7.0 SOME ACHIEVEMENTS AND CHALLENGES OF MICROFINANCE IN GHANA

7.1 ACHIEVEMENTS

Microfinance in Ghana has made some remarkable strides in the Country especially within the private sector. Among these achievements are as follows:

7.1.2 Provision of Working Capital

The introduction of microfinance into the Country has made it possible for operators of small businesses to access credit facilities which hitherto were difficult to access due to difficult modalities by the formal financial institutions. Even though the amount involved are modest not huge, it supports their businesses to some extent.

7.1.3 Provision of Employment

Microfinance provides people with capital to start and or expand their businesses. Small businesses with microfinance support have grown into Medium Enterprises creating employment opportunities for others.

7.1.4 Capacity Building

Microfinance projects and programmes have gone a long way in building the capacity of clients in the areas of loan management, customer care, pricing, marketing and selling on credit as well as on social and community issues.

Figure1: Mad. Agness Agyei of Boafo Ye Na Women Association. Awaso –W/R



Madam Boafo stated that after the death of her husband she was rendered helpless due to lack of capital to start a business venture. But after the training and subsequent receipt of a couple of loans from Upper Amenfi Rural Bank, she now has a 'provision' store and is able take care of all her children by herself.

7.1.5 Community Development

Microfinance has helped some communities to provide certain social amenities like portable water which enhance community development.

7.2 CHALLENGES

Microfinance in Ghana encounters the following challenges among others:

- The current strategies for credit delivery by some microfinance institutions are not adequately diversified or efficient as they fail to fully meet the varying demands of the market and different categories of end-users.
- In most cases the interest rate charged by the microfinance institutions are higher than the formal banking institutions due to the default risk which form part of the interest rate build up. This drives away potential costumers and makes microfinance products/services too expensive sometimes.
- There is lack of funds to run microfinance sufficiently as the demand for microfinance assistance keeps on increasing.

8.0 TIT BITS ON THE SECTOR

- SPEED II has appointed a new leader with the person of Maria Vitores from Span. Her appointment took effect from 7th November 2007.
- ARB Apex Bank has also got a new MD with the person of Mr. Eric Osei Bonsu. His appointment took effect from 1st January 2008.He was the formal Deputy MD of Amalgamated Bank
- Barclays Bank Ghana, has given an amount of Gh₵ 750,000 to Ghana Co-operative Susu Collectors Association (GCSCA) for onward disbursement to its members.

9.0 LINKS TO OTHER USEFUL SITES

www.microfinancegateway.org

www.uccmicrofinance.net

www.uncdf.com

www.mixmarket.org

www.kiva.org

www.ghamfin.org

www.speedghana.org

www.mida.gov.gh