



**CHRISTIAN RURAL AID NETWORK**  
**FREUNDESKREIS e.V.**

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Dear Friends of CRAN,

"Giving credit is not only lending money. It is more. Most of all, it means to believe in somebody. To trust in his or her ability to pay back the credit. Credit has a lot to do with credibility." This is a statement by the Dutch Minister of Development, quoted in an oikocredit publication. It shows, firstly, why the issue of microcredits has attracted so much attention in the field of North-South-cooperation over the past few years. But secondly, it makes me think about the key words "to believe" and "to trust". Where do we derive our trust from? In its project work, CRAN has made lots of experience with individuals and with village communities. CRAN does not only "donate" something with its programs, the people also give something themselves, and this is why our confidence has been growing. To develop confidence between people it needs two sides. The projects we have started over the past years have not been finished yet. In many cases, the villages are awaiting project expansion - and trust that CRAN is credible with regard to its promises for further help. Therefore we are determined to continue our work in its entirety, now and in future. The commitment of the contributors and executives and the money of our donors will be good prerequisites. Finally, our confidence is built on foundations such as the supportive overall mentality in our partner villages, and such as the knowledge and skills they already acquired at our schools and training centers. We hope that the news will motivate you again, and that they will further strengthen your trust in this partnership for development.

Warm regards

*Hans Wallhäuser*



## Project News

Godwin Ledi, former schoolmaster in **Abakam**, is studying pedagogics in Cape Coast since October 2000, scheduled for three years. He is happy about the opportunity to become acquainted with new teaching methods. He can very well imagine going back to Abakam after termination of his studies. Therefore he also inscribed for courses in Ewe and French.

Concerning **Abakam parish**, we received the following report:

„Abakam congregation is 80 adults and 50 children. As you know in the life of every church, there are ups and downs so has the Abakam church experienced a little static life for the past few years. After some time, growth has not been forthcoming but God is working on that now and we pray things will be well. With the kids, we are also encouraging the drop-outs to start coming to church. Most of them have stopped coming to church for sometime now but the revival wind has started blowing so we hope for the best. With Church life and its impact on the life of the individuals, it has brought civilisation and transformation to the Abakam community. That is the testimony of the people.“

Teye Eben Kodzi, CRAN's project co-ordinator, wrote to us about outreach work in general: "The Almighty God has commanded us in His word saying, 'go and make disciples of all nations... teaching them to obey all my commands...'. We are happy that God has given us this privilege to be instruments in carrying out this command. To do this effectively, we have contacted the Maranatha Assemblies of God Church in Cape Coast to be our partners. They have agreed to take care of our parishes, and we will support them in every way especially in the area of finances. We also thank God for the opportunity to organize an outreach program in the village community of Anlo Durch Komenda (together with the Great Commission Movement Ghana). Only three adults attend church there. If you know about deprived village communities who are without the Lord, please contact us for further co-ordination."

With regard to the **Micro Credit Program** we were able to attract further donors. In addition to the Dutch CORDAID, we are now having the contribution of the German Welthungerhilfe (DWHH). The "village bank" concept will be supported in its implementation phase, covering construction/ renting of room, as well as teaching staff and getting transport facilities - the field officers are working in the neighbourhood areas of the "banks" and have to be enabled to reach them daily; moreover, the "banks" need at least two contacts with the main office per week, varying with distance. Meanwhile, the number of clients amounts to 665. In consideration of this rapid growth an expansion of administrative facilities is important. Thanks to an arrangement with our big donors, we will have the opportunity to introduce a professional computer program called "Micro Banker". It was specially developed for micro credit banks and has been successfully used in more than a dozen countries already, including African countries. Compared to our self-made solutions being used up to know, we expect a decisive improvement here, and will profit from the experience of comparable predecessors. Now that the technical facilities are available, we hope that the software will come to use by the end of the year. A further contribution in the initial phase is the visit of a Dutch consultant. On May 9<sup>th</sup> he started to analyze our work and bring in his experience and advice. By the end of March, Heike Braeuer went to Ghana as a voluntary worker for some month. She terminated her studies in business pedagogics, and is going to contribute her practical help in administrative and clients' education activities. Up to know, no new **village bank** has fully been implemented yet. But several banks are initiated or planned. As possible projects sites are envisaged: Moree and Mankessim (Central Region, east of Cape Coast), Daboasi (Western Region, in the hinterland of Shama), and Hohoe (Volta Region, as a remote branch office, in combination with an expansion of our "conventional" projects). A new cluster called "Cape Coast Central" was recently established for clients living in the area of CRAN's main office. Furthermore, a field officer arranged preparation contacts with a second, economically vivid part of the town next to Siwudu.

Thanks to book donations from Ghana, **school libraries** have been built up or completed respectively in Abakam, Duakor, Sanka and Shama-Kedzi. Two companies from Accra have donated more than 350 books (partly new, partly used). Currently, the necessary book shelves are being built. The success of the book drive has motivated CRAN to implement the "CRAN book drive" as an annual event. For further teaching material and



school furniture, the Grotenbach secondary school in Gummersbach, Germany, donated the proceeds of their Advent bazaar, a total of 6.000 DM.

For the secondary school in **Shama-Kedzi**, we have not found an institutional donor yet. However, the implementation of the 7<sup>th</sup> grade will be badly needed by September. So the construction works need to start soon. As the Friends of CRAN, we are able to provide an amount of 20,000 DM. The sum will not be enough even for the basic requirements, but it is a sign for the village people that we keep them in mind.

Very encouraging news reached us concerning the **Water Project in Sanka**. The British High Commission has agreed to contribute a donation of about 50,000 DM. Even before, the responsible district assembly has promised to support the project financially, subject to completing donations by other donors to ensure full project funding. The promise was renewed after the change of the government in Ghana. And last, a US-based women organization will contribute money, too. Now it is the turn of the village people in Sanka. They have been established a water and sanitation committee vigilant about safety and methods to ensure that high health standards are maintained. The community is also prepared to do the digging and trenching required. Secondly, technical advice is needed to decide on the position of the watermain and to do the measurement works. We are very happy about this development, resulting from persistent work on project applications and fundraising. Special thanks to Natalie Perkins, our long-term voluntary worker, who has done the main part of this job.

We wish to thank sincerely all our donors for their encouraging support!

### About CRAN's work

Last year, CRAN Ghana started to publish a regular newsletter named **CRAN INSIGHTS**. It particularly addresses friends and supporters in Ghana, but also international contacts. The design and style is a bit different from ours, but the intention, the reports and contents are similar. It is a worth reading completion for everybody familiar with the English language and internet access. You can find the current issue on our homepage, via "Archiv".

At our **Spring meeting**, we had some fruitful discussions about the topic of "**Development**" in general, addressing the following issues:

- Does development co-operation fit to present times?
- How do we weight the relations between donations, fair trade and credits?
- What is the typical Christian element of our work?
- Why or when are foreign investments unfair?
- What can we conclude for our micro-credit program?

Some considerations are reported below. (...)

Since the micro credit program has not only been growing but also changing due to the "village bank" concept, we updated our Micro-Credit **information** material. (...)

In June 2001, CRAN will be present at a district church festival in Siegen, Germany. Some information desks will be presented in co-operation with the German CVJM Weltdienst.



By the first three weeks of September, we expect a **visitor from Ghana**. Seth Adzadi, a voluntary helper since several years who cared for many German visitors at site, wishes to learn more about our life and work in Germany. In particular, naturally, he could attend some parish meeting or other group meeting to talk about CRAN Ghana's work and about his own motivation. If you are interested in an invitation, please contact me for further details.

#### **Donations** - how much less due to banking costs?

A view on the financial report 2000 shows it: Our banking costs have been raising. Naturally each transfer causes banking costs not only for the donor, but also for us. What happens, for instance, with a monthly standing order of 20 DM earmarked for an education sponsorship?

0.39 DM transfer costs for us.

0.39 DM transfer costs for the donor (estimated).

0.06 DM transfer costs portion for the two-monthly transfer to Ghana.

0.34 DM transfer costs portion for CRAN Ghana.

This results in total banking costs of 1.18 DM (5.9%).

This is just for your information, explaining why "administrative costs" can rise to considerable sums sometimes. Our bank cannot dispense with these costs, but in response to our inquiry it has given us a donation that almost compensated our transfer costs within Germany. This shows their appreciation of our charitable intentions. Another alternative would be fewer transfers. For example, yearly transfers of 240 DM would lead to lower costs of 2.3 %. However, it is not always possible or not always wanted to reduce the frequency. In any case, banking costs for donations cannot be reduced to zero.

#### **Theses concerning development cooperation**

*The following theses have been presented by Hans Wallhäuser at the CRAN spring meeting in April, 2000. They served as a basis for the discussion and do not necessarily reflect a concerted position of the Friends of CRAN.*

1. In spite of its failures or part-failures, development cooperation has also brought appreciable advantages for many countries of the South. Typical examples are the establishment of facilities in the educational or health sector accessible for the general public. Other areas, concerning public services that are difficult to privatize, are infrastructure or social insurance nets.
2. Development cooperation can only lead to sustainable success if it is founded on motivating values. Such values have been provided by Christianity, Humanity, or by ideologies such as socialism/ communism. In present times, however, there is a lack of modern formulations and of societal discussions leading to supportive consensus. Striving for political power or economic gains establish values that are only one-dimensional and do not lead to sustainable improvements for those in need.
3. Development cooperation can only be successful if there is a consensus about the question of which contributions by the donors as well as by those who are supported can be expected and can be made.
4. The design of development cooperation is multi-dimensional, as development itself is multi-dimensional. This is true for the areas of development as well as for the methods of realizing development cooperation.
5. Development cooperation has to be honest in showing up its potential impediments. This does not only conclude project-specific or local circumstances, but also structural impediments such as societal, political or economical forces.



6. Unfair trade relations are an example for such structural impediments. The establishment of alternative trade relations, at least in certain niches, can be a useful strategy, as long as more far-reaching, fundamental reforms in (global) trade relations are not realized. If fair trade innovations are directed to development intentions and based on motivating values, they can be a helpful part of development cooperation. This is true independent of more far reaching demands such as a higher proportion in the secondary sector for the countries of the South.

7. Unfair international financial relations are an as serious structural impediment. For investments, ethical norms and intentions directed to sustainable development are similar to those I applied to fair trade. The debate on debt remission has already led to reforms, but their nature is rather curative than preventive. Besides, the concept is an inter-governmental one, whereas the impact on the people has not been addressed in an appropriate way.

8. Nevertheless, the “Year of debt remission (Erlaßjahr)” - campaign was an example of how the solution of complex problems can be stimulated by complex networks of civil society organisations. The current challenge for NGOs is to develop their (networking) strategies and thinking in cooperative terms. The common goal of more global justice should encourage us to intensify our efforts.

9. Development cooperation will have to be focussed on “international social insurance”, or “international guaranty of basic needs”, in combination with means that help to improve self-helping capacities. In consequence,

The advantages of such a concept are to be discussed and promoted more prominently in our societies.

The concept is to fix a right of being supported, and a duty to support, to leave no space for high-handed coercion.

The concept aims to step-wise reduce supportive measures, dependent on a successive improvement of self-helping capacities. The recipients are supposed to develop such sustainable capacities as per their ability, but simultaneously retain influence on the process.

Such a concept is consistent with religious norms of charity, not only for Christians, but also for Jews, Muslims and others.

In history, reforms were often promoted successfully by original minorities (proscription of slavery, for instance). The minority has to follow up and communicate its goals persistently. For us as Christians, the love of God is the basis of our goals. Anyone who shares the goal of global justice is welcome as a partner for development cooperation.

### **Micro Credit Program (MCP) - values and conditions**

*This part is meant as a selection of views and impulses.*

Up to now, CRAN's success was founded on “conventional” activities such as church work or education. As an NGO, we have the choice to continue concentrating on these areas, and to intensify and expand our efforts. Alternatively, MCP actually means that “conventional” frames are crossed, entering an innovative field of development cooperation.

MCP is development cooperation in the form of financial services. The focus is on supporting development, in a complex framework of conditions that have to be considered. Most of all, MCP is non-profit, but it is no gift-giving either.

MCP is meant to build up fair financial services. It is exclusively meant for those who do not have access to conventional banks and, consequently, who would have to fall back on usurious lenders alternatively.



The goal of MCP is to integrate these people in modern financial services. In present times, nobody can remain independent of monetary transactions, thinking of school fees, for example. In future, the need for money will rise with intensifying market relations and costs for power and water infrastructure etc., considering Ghana's intention to develop into a lower-middle income economy as soon as possible.

Fair financial services include the chance of learning how to handle with money and with institutions similar to conventional banks. Therefore, training is an essential part of MCP.

The establishment of financial structures within village communities, creating common capital savings in domestic currency, enters new development opportunities by own responsibility. This process needs our intensive support. Besides, the concept offers complementary opportunities to build up participatory decision-making structures (e. g., administrative committees, committees deciding on credit applications etc.)

The conditions of externally financed initial grants have to be designed "fair", too. They are nearly similar to those known from conventional development grants. Fair conditions reduce the risks resulting from currency fluctuations. This concept stands in distinct contrast to profitable currency speculations.

Moreover, fair external grants are a basic prerequisite for fair conditions offered to the customers, ensuring a sensible relation between debit interests and credit interests. To avoid risks and losses, the customers have to be informed and cared for to an extent far more extensive compared to conventional banks.

Most useful are financial services that are simple but flexibly adjustable to the requirements of the target groups. The simplicity may and should stand in distinct contrast to the complexity of the international financial market. Furthermore, flexibility implies responsiveness to changes concerning the clients' situation (and consequently, time and type of demand), and the general framework (national monetary market etc.).

For CRAN's work as an NGO, entering this new field of action does not only help us to become more acquainted with the financial sector. More important, it raises the challenge as well as the legitimacy to discuss about determinant factors and effects of developments on the national and international financial market, and to stand up for our arguments. Strategically, this approach draws us nearer to the above mentioned (advocacy) role of modern NGOs.

MCP is very well compatible to our values as a Christian NGO. The approach is to "help the poor" as well as to "provide training to overcome poverty". This, in short, circumscribes the responsibilities of the donors as well as of the recipients.