



CHRISTIAN RURAL AID NETWORK
FREUNDESKREIS e.V.

CRAN Freundeskreis, H. Wallhäuser, Roermonder Str. 110, 52072 Aachen

CRAN Newsletter No. 29/ August 2001

Dear Friends of CRAN,

In our previous newsletter of May we informed you about the forthcoming visit of Seth Adzadi from CRAN Ghana, expected to come to Germany in September. On the occasion of his visit we were planning to arrange personal meetings and presentations and expecting Seth's presence at our regular Autumn Meeting, to discuss approaches, motivations and outcomes of CRAN Ghana's work at first hand. Unfortunately, this is no longer possible. We were informed at short notice that the German embassy in Accra did not permit a visa to Seth, despite his various calls at office. The embassy does not have the duty to give reasons and we do not know about any. We will have to explore the causes and consequences at a later point of time. This means that any events that have been planned or prepared have to be cancelled. We want to say Thank You to all our members and friends who contributed to the visit with their ideas, preparations and prayers.

Of course, our Autumn Meeting on September 22nd is NOT cancelled.

We hope that Heike Braeuer, a voluntary worker for CRAN Ghana since March, 2001, will be back in time to tell us about her experience. Patrick Agbesinyale will not attend the meeting personally like on previous occasions. He will stay in Ghana in September and October again because of his studies.

As usual, this newsletter focuses on the project reports. Considerable progress has been made in several projects since the previous newsletter was published. We would wish to share our happiness about these developments with you.

Debt relief: Which possibilities and opportunities does it offer? We will talk about this topic at our Autumn Meeting. As a background for the discussion, a paper from a political and development perspective is cited in extracts as the final section of this newsletter.

With best regards

Hans Wallhaeuser



Project Reports

Meanwhile, the construction works for the secondary school in Shama - Kedzi have quickly advanced. Financed by an additional donation of 10,000 DM from CRAN-Germany, walls, roof, windows and doors were being constructed. The photo below shows the school in its current state. Consequently, the next school term classes starting in September can be conducted in the new school building, and pupils who finalised the primary school before summer can change to the 7th grade without interruption. The only requirements that remain are the furniture and teaching and learning material. Again, we hope that an early contribution by CRAN-Germany will help to make good school classes possible. The old village school at the beach was not affected by floods this year and is also in use - fortunately: otherwise the additional demand would load extreme burden on the new school right from the beginning.

As far as CRAN's work is concerned, the water project in Sanka is almost finished as well. Ditches were being excavated, mains were being laid. A small number of pumps installed in a central position in the village will enable the village people - including the kindergarten - to cover their water needs in good quality and at short distance, similar to many other villages in the region. The official opening will be held soon. The water supply will be integrated into the official system (one official waterworks is located in Cape Coast), which implies further technical assistance as well as official models of collecting the water fees.

The Micro Credit Program has expanded and improved. In particular, the new administration and analysis program "Micro Banker" was introduced and the necessary memory capacity was bought. A number of experts from Ghana (working at the SBB bank that has been using the same program since several years) did the installation works and conducted some introductory lessons. The data on clients and accounts was transferred from the former "self-made" program. The daily work has become easier and routine analysis - such as branch-wise development analysis and reports to the main sponsors - was considerably simplified.

The Micro-Credit program is still expanding. The village bank in Elmina that started in the end of 2000 with some initial problems (Elmina is a village with vibrant business activities where trust has to be built up by other means compared to the remote villages where CRAN is well-known) is currently the most expanding branch. A further village bank in Abura (an outlying district of Cape Coast in the direction of Kakum National Park) started its work in August. Additionally, a special donation enabled CRAN Ghana to offer the Micro Credit Program to the women of Liati-Wote. The central office for the region will be set up in Hohoe where negotiations about the necessary real estate have just been completed.

Just in time in view of the PANAFEST in July, CRAN opened its permanent vending stall near the castle of Cape Coast that is often visited by tourists. The products from Duakor and Liati-Wote range from clothing to honey, little presents and many more. The range is completed by products from other producers in the villages. Moreover, the stall can be used to distribute information about CRAN through leaflets or personal talk. If this business can be run with a small-scale but regular profit, it will help the training centre in Duakor to become more independent, or open new ways for informal professional training.

CRAN is currently appointing a new staff member into its management with responsibilities for the project in Liati-Wote. He is a qualified and trustworthy person who recently completed his university studies in agriculture and administration. He already started his work in the Volta region on a preliminary basis, and has already developed some useful conceptual ideas. For the time being, his work in the region is set into a two-years' time frame.



About the internal work of CRAN

In May, a consultant from the Netherlands attended a workshop in Cape Coast where conceptual questions about CRAN's work and other issues were being discussed for about one week. The topics were: CRAN's core goals and overall strategy, the relationship between Micro Credit and the "classical" social projects (school, training etc.), the future approaches for projects or programs respectively, the co-operation between management, board and members, the significance of donations of sponsors - such as the Friends of CRAN - , and others.

Indeed: CRAN is growing. The familiar atmosphere, with three people drinking tea and talking informally about such questions, is no longer sufficient in many cases. The core is fix: being sent as Christians to help the poor and disadvantaged to develop. But which is the best way to keep the good and to improve our work? CRAN Ghana is engaged in discussing this question, as well as the Friends of CRAN, and it is worth to answer it carefully and in consideration of all people being concerned.

For this reason, it was very helpful that Doris Agbesinyale almost spontaneously visited the Board in June to report personally on the results, or better, on the preliminary considerations and open questions and processes. Of course, comments and questions from your side would be welcome.

Maybe the focus in CRAN's work will shift, or the views of sponsors "how development should work". But in any case, the overall continuity in our work will keep to be a goal in itself: The people who need our help - for instance, a kindergarten child - needs this help over years. It is a prior concern to keep up to this responsibility.



In June, the Annual Report 2000 of CRAN Ghana was handed over to us. It reflects the distinction between Micro Credit finances and finances of other activities. For the other activities' finances, an overview of the receipts and expenditures for 2000 compared with 1999 is offered in the following table (in German DM, conversation by CRAN Germany):

	Jahr 2000		Jahr 1999	
Gifts-in-kind via CRAN Germany	16 TDM	18%	9 TDM	10%
Donations via CRAN Germany	70 TDM	78%	40 TDM	45%
Donations by others	3 TDM	3%	39 TDM	44%
Other receipts	1 TDM	1%	1 TDM	1%
Receipts, total	90 TDM	100%	89 TDM	100%
Projects, total	46 TDM	69%	73 TDM	75%
- School Abakam	26 TDM		1 TDM	
- School Shama - Kedzi	0 TDM		19 TDM	
- Training Centre Duakor	0 TDM		30 TDM	
- Sponsorships	6 TDM		2 TDM	
- Project salaries (teachers etc.)	7 TDM		8 TDM	
- Other project expenditures	7 TDM		13 TDM	
General salaries	8 TDM	12%	12 TDM	12%
Administration costs	8 TDM	11%	10 TDM	10%
Other expenditures	5 TDM	8%	3 TDM	3%
Expenditures, total	67 TDM	100%	98 TDM	100%

Therefore, our donations largely (and to an extent absolutely necessary) also cover the general costs for administration (office, vehicles etc). As a matter of course, earmarked donations (e. g., for education sponsorships) are spent only for those respective purposes.



The secondary school in Shama-Kedzi in its advanced state of construction.



Indebtedness - Development

"50 years are enough" is a network of 2,000 US-American organisations with various backgrounds, who joint in view of the anniversary of the World Bank and the IMF. They aim to critically evaluate the activities of these global agencies in political and economical terms, and to develop and articulate alternative demands. The organisation's chairwoman, Njoki Njoroge Njehu, is born in Kenya. Her speech at a hearing on U.S. Policy towards the African Development Bank is cited here in abstracts (The complete original document can be found at: <http://attac.org/fra/toil/doc/50years.htm>)

"When one looks at the realities that are experienced by Africans, it is undeniable that the outcomes of implementation of structural adjustment programs, free market reforms, debt relief and privatization have failed. The fact is that aspects of these policies and programs - such as cuts in food subsidies, cuts in credit to farmers, non-food cash crop farming, user fees for health and education and water privatization - condemn millions to hunger, malnutrition, poverty, and death.

Africans work hard and survive against many challenges. Life in rural Africa today, for the majority of people, is very similar to what I knew growing up: raising a wide range of crops, both to sell at local market and for family consumption; raising chickens or selling the family cow when extra income was needed for school fees; no electricity; dirt roads that cover you with dust in the dry season and mud in the rainy season; planting trees to fight desertification; pooling your resources with neighbors to bring piped water, a clinic, or a school to your village in the spirit of 'pulling together'. And above all never losing hope.

There are many questions about why Africa remains impoverished. There have been so many development projects, yet the quality of life of the majority of people seems to get worse instead of better, and the projects fall apart so quickly. The Kenya I left in 1986 was, like the rest of Africa, better off than today's Kenya. Sometimes economists or social commentators say a country has 'hit bottom'. In Kenya, Mozambique, Ethiopia, and the other countries of Africa, we keep finding new bottoms, or to be more precise, that there is no bottom that can't get worse. The external debts grow even as we pay more and more to service the debt.

People are being laid off or getting the 'golden handshake' (early retirement), and university graduates routinely find no hopes for employment. New religious sects spring up to offer people some hope that all the old ways seem unable to deliver. Public hospitals sleep two patients to a bed, require families to go to pharmacies to buy the medication administered to patients. Most families cannot afford the school fees, which often result in girl children not being educated because they are not a priority.

I am not an economist but I would just point out that the African Development Bank lends to very few sub-Saharan countries; its 'soft-loan' affiliate, the African Development Fund, has a wider reach. This is so because most of the continent's countries don't qualify for the Bank's market-rate loans. I want, then, to focus today on what I believe most Africans themselves would say about development and economic recovery on our continent. In a nutshell it's this: it isn't working. The way development is done now, and has been done since the beginning of Africa's economic decline, has harmed Africa more than it has helped it. Our access to services, our employment prospects, our nutritional standards, our overall standard of living have all been declining since 1980.



The debt crisis that swept Latin America in the early 1980s also hit Africa hard. The difference was that the amounts our countries owed were not so large as Mexico's or Argentina's debts, so we didn't make headlines. Sub-Saharan Africa continues to pay back more to the World Bank and the IMF than it gets from those institutions. And despite this tremendous diversion of resources, and in several cases despite even a country's acceptance into the IMF/ World Bank 'debt relief' program, our debt levels continue to rise. Social services continue to be cut, people continue to be laid off, prices continue to rise.

It is obvious that this kind of development is not working for Africa. We have in fact spent years arguing with the institutions and government officials. What is important now is creating change. How do we end the user fees that these programs have mandated for health care and education, which prevent girls from going to school and the sick from getting medicine? How do we get reasonable credit for farmers so they don't have to sell their land? How do we build an Africa where people have enough to eat, with rising levels of literacy, decent health care, access to water, and environmentally sustainable practices?

It is not going to happen through more of the same. Loans for development to already severely-indebted countries do not add less to that debt burden if they come from Abidjan [ADB head quarter] instead of Washington. The market plan has not worked for Africa. We need a Marshall Plan. When Europe was devastated by World War II, the U. S. recognized that lending to devastated economies was an illogical way to develop, since the debt would continue to burden the fragile beginnings of new industry. The much-vaunted Heavily Indebted Poor Countries (HIPC) initiative has fallen short of the goal of relieving Africa's debts. Some beneficiaries of the HIPC Initiative will pay as much, if not more, in debt service after 'graduating' from the program. As the Marshall Plan was providing the kickstart for European economies, Germany negotiated terms that allowed it to pay no more than 3.5% of its annual export income on its foreign debt, and nothing at all if it did not have a trade surplus. The HIPC Initiative of the IMF and World Bank, when it accepts countries into its scheme, aims to reduce those payments to between 10 and 15 percent of annual export income, with no provision for years when a trade surplus cannot be achieved.

Africa needs debt cancellation - one hundred percent of the debts owed by these countries to their multilateral creditors. They say they cannot 'afford' to cancel the debts owed them, but their spending elsewhere suggests otherwise, as did an independent audit released last week by the Drop the Debt campaign in the U.K. Africa needs freedom from structural adjustment conditions, which have failed for over twenty years but keep being revised, renamed, and expanded by the multilateral institutions. There are hundreds of alternative development models that have not been implemented for lack of resources and expertise. There are community level initiatives throughout Africa that are struggling and have not seen widespread implementation because of lack of resources. Africans are not looking for handout, all they want is the chance and the support to enable them to succeed."