



CRAN Freundeskreis, H. Wallhäuser, Purweider Winkel 82, 52070 Aachen

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

CRAN Newsletter Nr. 48 / April 2008

Dear CRAN friends,

“ In Africa you learn to live with question marks. You recognise what you cannot recognise. And in the course of time you become more gentle, cautious and perhaps more gracious in your judgements about this continent.”*

Some things just take a long time – longer than we have become used to in the meantime. So recently we received reports and drawings from the children whose school education is sponsored by us (Transport needs months...)**. The CESS sponsors have received “their letters 2007). Here I like to add a drawing as an example.

Dagmar Ameyibor from our friends' circle visited 'Ghana at the beginning of this year. Even though she had only few contacts with CRAN she took notes of her impressions. That may show us the situation of life there.

From CRAN Ghana we received a lot about the Micro Credit Programme. Based on the relevant (external) evaluation at the end of February there is a detailed professional presentation. For us as friends' circle I chose some parts that give us more insight. Financial experts are invited for further information.

Thanks for all support. And for your interest.

Hans Wallhäuser

* Quotation from an article from Bertholomäus Grill, latest edition of “der Überblick” (the overview)

** What does the Bible tell us about waiting :”My times are in your hands.” (Psalm 31,16)

Report from Dagmar Ameyibor

Ghana has become more like the western world during the years I have not been there. No wonder. The media and all the families that have relatives and friends abroad, see and hear from a different, "better" world.

During my stay in Accra fantastic big watches and many more items (as copies) were offered. Great! ... Young people hardly educated were able to explain very well why these brand names were on their items. Young people having no jobs let alone somewhere to stay.

We cannot stop "progress", but I hope that through the work of CRAN in educating/training young people, through private contacts marks are set, that make people in Ghana (and Germany) to think.

Visit in Ghana 02.02. - 29.02.2008

In a dense snowstorm I start for the airport. In the evening I arrive in Ghana with more than 30°. For six years I have not been here. Positive surprise: Control of passports and giving out of luggage are done quite speedy, and no insistent persons offer help. Porters stay discretely in the background until they are called if needed. When I come out of the airport my brother-in-law Kofi and my son Kwame are waiting for me. I am very happy and feel "at home" at once. I live with my sister-in-law in Accra / Dansoman, from the airport almost at the other side of the city. I am amazed at the tremendous traffic in the evening.

On my arrival the Africa-Cup is going on. The atmosphere is similar to that during the world championship in Germany. Everybody is excited, wearing ribbons and pendants in national colours, cars are decorated with Ghanaian flags. Near the airport is a big place with a large screen for the fans.

Richard Anipayena, the constructor responsible for the kindergarten in Alavanyo visits me and gets his instructions and the money for the kindergarten. With Agnes, who is working in the Ministry of Education in the Volta Region, I arrange by telephone to meet her at a filling station in Kpando (near Hohoe).

In the Volta Region

12.02. we start . The trip from Accra to the Volta region takes 3-4 hours. We cross the Volta bridge and after a short drive we reach the small town Peki. Here I visit relatives and old friends. I appreciate the joy about my visit.

The network for mobile communication just failed. It is good that I already arranged the meeting point with Agnes for a visit of the kindergarten in Accra. Agnes had a problem with the V-belt, on her way some repair had to be done, the car had to be left in Kpando. So transportation sometimes does not work out as planned. Over red sandy streets going up and down in a hilly country (that will probably turn out as reddish muddy slippery slopes in rain) we reach Alavanyo-Deme after 45 minutes. We are already expected. Under a beautiful big tree in front of church and kindergarten the elders, teachers, children of the kindergarten, interested mothers and other villagers are gathered. I was not prepared for such an "official reception". The village eldest, Agnes and the primary school director deliver short speeches and I am given fresh pineapples, bananas and coconut. Their juice is really refreshing and delicate here in Ghana.

I brought two picture books translated in English. That is really not much for 80 children, but my luggage did not allow more. I think, that at least the children of the kindergarten get an idea. The books could be read alternatively in small groups. You cannot find German picture books in English often.

The children were waiting for the visitors from Germany and during the speeches they sat beside

the grown ups very well disciplined. Now they sing for us happy songs with a lot of clapping and laughing. Counting and using fingers to play are essential for many songs which they sing with enthusiasm and loud voice. Then we visit the kindergarten. If you compare it with other buildings of kindergartens this one structurally complete is airy and spacious for three kindergarten groups. The leader of the kindergarten shows us the room for staff, the kitchen, storage and sanitary facilities. The rear part of the house is built a little into the slope. Once the garden is ready, it will be beautiful.

The site manager has an appointment with the carpenter today because of the wood for the windows. Perhaps the money I could bring from Bochum is sufficient for further construction work. The kindergarten teacher and the elders report, that they need more chairs and tables, and also teaching materials. Books are scarce commodity. The nice primary school teacher would like to have a partnership for his school, because here also are so many needs... I do not want to make false promises; and I think he understands. We say goodbye and leave for Hohoe. Here is a CRAN office, a well kept building looking as nice as on the pictures. My son Steve <see his report in newsletter 44, December 2006> is happy to meet staff again with whom he worked as a trainee two years ago. In town some CRAN clients recognise him and heartily greet him.

Mr. Abiti whom I should consult about a missing receipt unfortunately is not in his office and I cannot reach on the phone. Another staff member promises to present him my request in the next days. (It works out. Before my departure the site manager of our kindergarten brings the receipt to me in Accra.) But he cannot say anything about the missing CESS letters.

... and in general

At the end of February George Bush's visit to Africa brought many reports in TV and newspapers.

When will which streets be closed because of the state visit – an additional burden for Accra's working population... Many people are not happy about this visit for they do not want American military basis in Ghana. Programmes for fighting malaria have been existing for ages. It is not so that they are not necessary. But people ask why there are so many places without running water. Whoever has the opportunity can buy water from a tanker and deposit it in a poly tank. But what about the people in the slums? < And this is also CRAN's question: What about the many remote villages?> In a TV report President J.A. Kufuor thanks the state visitor roughly like this: "We thank you for every help. Help especially in the educational sector is important, because the worldwide migration can hardly be controlled. Good education is extremely important for people and their home countries, but also for the nations they migrate to (for whatever reasons)."

My son Steve who has to work in Accra this week takes me to Kumasi. 28 years ago I travelled this road. Then there were primeval forest trees on the right and left of the road. I am rather shocked...all cleared. Instead there are small trees and banana plants.

My impression in general

During the last 6 years things have changed – not necessarily for the better. The mobiles are a great relief. For many people they are affordable and most often mobile networks operate. Even in the villages now bedridden old people can talk with their children who are studying or working somewhere in the world.

In Accra there are supermarkets and do-it-yourself stores where you can buy almost everything if you have the money. The income of the ordinary people is still low and everybody is happy about some small financial support for daily transport to work, electricity and water bills, or appointment with a doctor or dentist, quite apart from school fees for the children.

Problems with trivial things in everyday life you find them everywhere you go. I feel somehow ashamed that last year I complained that an email with information of CRAN or our kindergarten could just easily be sent. If you do not have your own internet connexion it is often not all easy.

Cybercafés are often closed or cannot operate just that moment. I gave up and postponed it until I was back in Germany.



Kindergaren in Alavanyo



Drawing - CESS Child

CRAN Ghana 2007, by Patrick Agbesinyale

1 Energy Crisis & the Threat to the Ghanaian Economy

The energy crises that besieged Ghana during the later part of 2006 and the first half of the year under review had a terrible impact on the national economy. However, Government made strenuous efforts to address the problem in the short, medium and long terms. Significant among those efforts was the successful negotiation of a \$622 million loan facility for the construction of the Bui dam and Bui City. This investment is the second largest single investment in the history of the country after Akosombo Dam and it is to help improve upon the generation, transmission and distribution of electricity.

The last quarter of 2007 witnessed the full cessation of the energy load shedding exercise which started in August 2006. The cessation has been possible on account of two main factors; (i) improved water levels in the Akosombo Dam due to severe flooding upstream and (ii) purchasing of additional power generating equipments to supplement the levels being generated in the country. With these developments, cost of doing business was expected to be minimized in the subsequent months. However, the effect of the energy crises lingered on throughout the major part of the second half of 2007. Losses made could not be fully regained during the short period just before the end of the year. However, one can confidently say that the efforts being made so far to plug Ghana's energy deficit gives hope for the future.

2 Redenomination of Ghana's cedi

The Bank of Ghana on July 1, 2007 re-denominated the cedi by setting 10,000 cedis to 1 Ghana Cedi, to help remove the significant dead weight burden that the old cedi regime placed on the economy. This measure, taken in the context of strong economic fundamentals and macroeconomic stability, has already resulted in significant efficiency gains which are expected to enhance the way we do business.

The redenomination of the cedi has become necessary as a result of years of decline in the currency's value. Now inflation has been reduced to about 12%.

Again, with the currency redenomination, the government has attempted to reassert its monetary sovereignty. The re-denomination has freed the economy to do business in the most efficient way, based on the cedi as a means of exchange; and with continued commitment to prudent and disciplined economic policies, would serve as a store of value for all, both within and outside of the banking system. The confidence in the Ghana cedi is now judged to be very high.

3 Central Bank Prime-Lending Rate

The Central Bank of Ghana has consistently been reducing its prime-lending rate over the last few years. The rate fell from 15.5% in June 2005 to 12.5% in December 2006 and has been stable ever since. The fall compelled commercial banks to reduce their base rates to around 20% in response to the performance of the money market. With an average of 20% base rate, cost of borrowing is still very high for several businesses in Ghana. Thus a number of them including the textile companies are folding up owing to their inability to adequately finance their cost of operations and also due to the influx of cheap goods including textiles literally dumped from China. Consequently, job cuts are common in recent times. Fears are that unemployment rate could increase beyond control.

4 Celebration of Ghana @ 50

Ghana celebrated its 50th anniversary of independence on the 6th of March 2007 (Ghana being the first black African country to be independent). However, the celebration was at the time that the country had been plunged into a severe energy crisis. Ghana also successfully hosted the African Union Summit in June 2007. The AU Summit in particular witnessed the highest turnout of African Heads of State and Heads of Government in recent times.

5 Oil Discovery

Ghana has discovered oil in commercial quantities off its extreme western coastline. With the country poised for accelerated growth and the attainment of a middle income status within the next decade, a massive infusion of capital is required to undertake the necessary infrastructure to facilitate such growth. The discovery of oil in commercial quantities could therefore not have come at a more opportune time. A technical team has been constituted to undertake the necessary analysis of the impact of the oil discovery on the economy in the long term.

... and what that means for CRAN Micro Credit

Within the period under review, a total of 3,907 loan clients/beneficiaries received pre-credit training, financial counseling and entrepreneurship training. Others included training in group dynamism and marketing of products. In all, 100% of the loan clients benefited from the above categories of training over the half year period. The capacity building of the clients is aimed at developing their business potentials, for improvement in their businesses, which for CRAN would result in improvement in loan repayments and savings mobilization.

Within the period under review, CRAN microfinance has supported directly over 500 small primary and informal sector businesses – both group businesses and individual businesses. About 1,249 new jobs have been created for people in the informal sector, with at least 10% of those receiving microfinance and entrepreneurial training support from CRAN improving upon their businesses substantially. Targeting poor households with microcredits in combination with entrepreneurial training and facilitating access to appropriate technologies for same is bound to help pull these households out of poverty.

The redenomination exercise took off well during the second half of the year and with a lot of vigilance and monitoring, there were no major losses or crisis. We must confirm that it was hectic though, but having successfully gone through the period under review, and having also phased out the old currency, we do not envisage any challenge with the new Ghana cedi. It rather makes business swift and handy and the same goes for data entry and all related issues.

The contract of the Director of Microfinance Mr. Samuel Dsane ended in May 2007. The Board of Directors subsequently appointed Mr. George Tokpo, CRAN's Internal Auditor who has been in charge of Internal Audit and Monitoring & Evaluation as the new Director of Microfinance operations. Mr. Tokpo was a pioneer in developing CRAN Microfinance albeit as a volunteer for the past ten years before fully joining CRAN two years ago. As a former banker with the SG-SSB bank for over twenty five years, he has been very instrumental in giving shape and a new positive image to CRAN microfinance <see newsletter August 2007>. Currently, Mr Mawutor Ahiaku, CRAN's Volta Regional Internal Auditor with rich experience in Internal Auditing acts as the Internal Auditor CRAN, while the search for a substantive Internal Auditor goes on.

The Area Manager with very rich experience in banking and Microfinance who has been engaged for the Hohoe Office continues to contribute a great in straightening up Microfinance operations in the Volta Region. He has the oversight responsibility for all the Units in the Volta Region and reports to the Director of Microfinance. His strength is in cost control. The Hohoe Unit currently pays all operational expenses from its own revenue. The Area office has also been given the authority to make savings and loan decisions within stated limits due to its geographical distance from the head office in Cape Coast. Loans granted to Hohoe clients are financed through capitalisation grant made available by the EED of Germany. The Area office is however, responsible to and reports to the Head Office in Cape Coast for its strategic guidance, financial dealings and operations.

During the second half of the year, three organizations have been selected in Ghana including CRAN to benefit from the KIVA funds. KIVA, which is a microfinance donor Institution based in California

in the United States of America was started about two years ago when some young men wanted to use their IT knowledge to help pull people out of poverty in the developing countries. KIVA's operation involves getting individuals in the rich world to lend directly to individual borrowers in the poor countries at 0% interest. KIVA's interest free loan will be a great boost to CRAN's growing Microfinance.