**Empowering Women and PLWHA through Microfinance**

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Introduction

Despite steps being made to meet the UN's Millennium Development Goals, Ghana is still burdened by extreme poverty, and for women and people living with HIV/AIDS (PLWHA) this burden can be crippling.

Rather than receiving charity, it's empowering for those living in poverty to have the ability to work and earn a regular income but many are neglected by mainstream banks and find it impossible to access loans that could help them start a small business. Microfinancehas proved to be an effective and efficient method of combating poverty by extending financial services to the people that need it most.

In Ghana, only around 300,000 people currently benefit from microcredit.

This project then aims to alleviate the stress and burden of being trapped in a poverty cycle in Ghana, by creating access to small loans in order to expand or start a small business. Alongside providing the loans, the groups will be offered business skills training in order to enhance their skills and perhaps influence the success of their businesses.

By providing affordable loans and business education, this project is able to support the economic participation of women, promote gender equality and improve the economic welfare of women and PLWHA.

AFAWI’s experience in delivering microfinance services in the past will be the basis for the implementation process, outlined below.

Process & Implementation

* Establish group

The first stage in the process will be to identify a group of women or PLWHA living in a state of low income or poverty. The group will be made up of no more than 25 members and will hold regular meetings in order to better know the members and create a sense of community amongst them.

* Form sub groups to guarantor loans. Specify leaders to oversee the groups.

Sub- groups of no more than four members will be created in order to act as guarantors of each others loans. This will encourage group support of each member’s enterprise, as well as creating less risk of default, as it is the responsibility of all four members to make the repayments. Group leaders will also be specified and held accountable for organizing meetings and the general running of the group. They will be in charge of collecting money for repayments from each sub group.

* Acquire business plans and information regarding estimated profit, logistics etc

Each member of the group applying for a loan will be interviewed by a member of AFAWI in order to inform a business plan. Estimated profits, logistics of the proposed or current business will be revealed in order to inform then lender of sustainability of the business. If the results from the interview prove that an individual member needs extra support in the business plan then further training and support will be given.

* Business training session

A business owner or professional will be asked to come to a group meeting and give advice and general business training to the members of the group. The basic training will last a day and further support and training will be provided as the project continues and questions or problems arise.

* Distribute 100 cedis to begin business

The initial loan amount will be 100 cedis to each member who has produced a business plan that appears sustainable.

* If first repayments are received on time without default increase loan amount

The conditions of the repayments state that every four weeks the initial amount plus 5% interest will be collected from the borrower, if the first repayment is successful and without default, then the individuals will be invited to apply for a larger loan.

* Interest amounts will increase fund and allow lending to other groups

The 5% interest allows for a steady increase of the initial fund which will be paid back into the project and used to fund more microfinance for other groups as and when they are identified.

The above method had already been applied to a group of 25 women living in Akpadgbu**.** The project is successful and all repayments have thus far been paid on time and without default. The group in Akpadgbu is also discussing a group enterprise in order to boost their incomes further; this has had a larger impact than intended. The community spirit has been strengthened and the women can rely on each other for emotional support as well as sharing business ideas.

Conclusion

The success of the above method has already been tested, therefore we can safely say that the aim of the project, which is to empower women and PLWHA by providing them with access to a small loan is certainly achievable. There is evidence of additional positive impact the project has, i.e. ensuring a sense of community and solidarity amongst the group members. The empowerment of women and PLWHA is possible and with the required funds AFAWI can really have a positive impact on the beneficiaries lives.