## Evaluation planning Event No 5

Evaluated period:2015 - 2016

**Notes:**

It may be so that the women do not use the money as explained in the business management training. But in total SEVIE Action10 get 100 % back. It seems that even though we do the training they still put all money into one pot. Even though they pay back well, sometimes the paying back is delayed. Sometimes up to six months.

The truth is that life is so extremely difficult that it is not possible to be hard on them. The really struggle and we feel we can’t push them more….

If they manage to pay back according to plan, then they will get a second loan. But only then.

The saving that was intended for bank never reach the level of a bank. The women use the money at once, possibly to expand their businesses.

#### New initiatives Investment, medium scale

Solar panel: One family bought a solar panel and borrowed funds from Action10 SEVIE. They set it up at their roof and it is now used to charge mainly cell phones but also computers and torches. The cost to charge is 100 CFA. The solar panel buyer will pay back with 10 % interest. The panel also charges a lamp and the room can be used for homework for pupils. (They bought the solar panel for 400.000 CFA?) . The equipment cost, transportation and installation was in total 368.000 CFA. The solar panel was bought in Lomé.

Mill: Another family bought a mill and provides milling services to the village. Details are available in the interview material.

#### Microfinance institutions

Levels of interest

The government has a programme where they give microfinance loans at 8% interest, FNFI. The government has included training. But the government does not implement the activities on-site but has assigned the Microfinance institutions to do it. The maximum loan amount is 30 000 CFA. The women have to be in co-operatives. In the field we have noticed that the Microfinance does not always provide training.

The Government agrees that other Microfinance Institutions, which have not been assigned by the Government take 18%. The normal level, accepted by everyone, in the field is therefore 18%. They give larger loans than 30,000 CFA and the women do not have to be in a cooperatives. In the field we have noticed that there are also Microfinance institutes that takes 25 % interest.

Training

In the field we have noticed that the Microfinance does not always provide training, even though the Government institutions.

Address challenges / Penalties

We have learnt from the field that some Microfinance come with harsh penalties if they don’t pay back, the villagers mention (killing but means the pressure is too much), arrested by the police, or that the microfinance come to the village and just take their belongings.

How to pay back

The villagers have to travel to the office to pay back the loan back to the Microfinance institute.

SEVIE Action10

SEVIE Action10 provide investment capital at 10 % interest. We visit our partners every week, coordinate the entrepreneurs into cooperative groups so that the group pay back in time and the group members cover for each other. The first loan is 40,000 CFA and the second depends on how well the entrepreneur has managed the first, but maximum 80,000 CFA. If one member does not pay back in time due to lack of seriousness, then she will not be eligible for another loan (until she pays back). If members face challenges then we sort them out together. We also provide training on business management according to a method developed by SEVIE. (One lady said the training had transferred her from ignorance to being aware). The children to the entrepreneurs are offered to be included in the Basic education programme. This is an improvement from the previous education programme, as we now have contact with the parents.

In January ?2016 S.E.VIE made a change to adapt to the government programme and lowered the interest rate to 8%, because the government offer microfinance loans to that level. Several microfinance institutions operate in the villages on behalf of the government. We discussed and agreed to increase to10 % again, as we also provide training, which has been developed to match very well the realities on the ground, and coaching in the sense that we face challenges together as equal partners. We do not have a penalty system where we come and collect the belongings or put in jail if the partner is not paying back. Our equal partnership approach together with the cooperative system (groups of five who are responsible for each other), ensures a 100% pay back. If we include family members then the payback decreases, so we do not.

When we met in May we discussed the situation and we agree to change back to 10 %, as our programme is more supportive than the governmental and we need the funds to cover our running costs. We do continue with 8 % at sites where we have introduced the change.

We take 10 % interest and give out the same money twice so we earn 20 %. We are considering to use 5 % of the funds earned for the school programme. To have a sustainable economy we need to have 10,000,000 CFA (142,000 SEK) on the SEVIE Action10 account. This will thus generate a yearly income for SEVIE of 1,500,000 CFA (15%, 21,000 SEK). The running costs for the programme include; traveling to the villages, work hour /salary to collect funds, provide trainings and address challenges; office space and material. We have to make the calculations of all running costs to ensure that we actually do cover them with the interest generated.

We have 6,438,450 CFA on our account SEVIE Action10 account and an unpaid amount of 334,550 CFA. Thus we will need to add about 3,500,000 (ca 50,000 sek) to achieve the expected 10,000,000 CFA. To cover the first capital needed for giving double loans we will borrow money from other programmes. We also need a motorbike, which is 555,000 CFA. We agreed that an Action10 crowd funding campaign of 4,000,000 CFA, would be a suitable initiative.

We will focus on a few villages only, rather than trying to be in many villages, in order to reduce the running costs. The number of entrepreneurs will be the same as planned; just the number of villages will be decreased. We will remain in one village until all the entrepreneurs involved in the programme have enough capital for the businesses, to ensure sustainability and limit the number of travels and work hours.

We will save money from the businesses for a village and start health emergency program if they want, they have to pay back with 10 %. We will not do that now.

We also save a capital for them as in rural bank. The capital is always paid back with the last business payment.