

# AYA AFRIKA FOUNDATION

## REPORT ON FINANCIAL SUPPORT SCHEME – SIXTH BATCH OF BENEFICIARIES

October 10, 2023

### Introduction

The Financial Support Scheme under the Nkanfoa Economic Empowerment Project initiated by Aya Afrika Foundation, was established to offer small business owners financial assistance. Beneficiaries apply for the scheme for a number of causes, such as dealing with current financial difficulties and investing in chances for business expansion.

For this batch, the committee opted to provide financial support to a limited number of applicants, focusing on a substantial investment while implementing enhanced safeguards. This decision stems from our past experience, during which some beneficiaries faced challenges in repaying the loan amounts.

This report details the sources of funding, procedure for accepting applications, selecting qualified applicants, and providing financial assistance to small business owners in the sixth batch of the Financial Support Scheme. The report provides an overview of the steps involved in this phase of the Scheme.

### Funding Sources

The financial support scheme was primary funded by Aya Afrika Foundation Chairman's (Nene Kwesi Kafele) generous contribution of GHS 20,000. Additionally, He provider an amount of GHS 2300 which covers salaries of the management team, compensation for the board of trustees and refreshments associated with the scheme's activities. **Annex 2 details budget for the refreshment and administrative expenses incurred.**

### The Selection Process

#### 1. Submission of Applications:

To be considered for the financial support, small business owners were invited to submit applications. The application forms were made available from September 1, 2023 to September 10, 2023 guaranteeing equitable application opportunities for all interested applicants. The committee received 40 applications.

## **2. Interview and Review of Applications:**

All applicants were invited for an interview. The committee used August 19 and August 20, 2023 to interview the forty (40) applicants of which thirteen (13) were already beneficiaries of the Scheme.

The committee on Sunday, August 27, 2023 reviewed each application based on the following criteria:

- a. Applicant's demonstration of financial need.
- b. The potential for the financial support to positively impact the business.
- c. The applicant's nature of business, business size
- d. Applicants financial support history
- e. Applicants interview results.

The committee approved twenty-three (23) applicants after the exercise.

## **3. Selection of Beneficiaries:**

After thorough review and deliberation, the committee selected thirteen (13) small business owners from the pool of applicants. The selection was based on the strength of their applications (those surpassing the selection criteria) and the availability of funds. The review and selection was done on Sunday, September 10, 2023.

*Annex 1 shows the list of selected beneficiaries with the amount they received.*

## **Application and Disbursement of Financial Support**

### **1. Completing Application Form:**

The selected applicants were notified via phone call about their acceptance and were requested to complete an application form as the next step.

The filling of application form was facilitated by the management team on Saturday, October 7, 2023. The applicants were required to submit supporting documents including passport size photo, copy of their Ghana Card, their guarantor's pay slip and a copy of his/her Ghana Card.

### **2. Disbursement of Funds**

The committee invited the Chief of Nkanfoa - Nana Anafo IX, Nkanfoa Police Station officer, the three Elders of Nkanfoa to join the session for disbursing the financial support. The session took place on Sunday, October 8, 2023. Beneficiaries together with their guarantors signed the financial support agreement form before receiving the fund.

Beneficiaries were urged to make use of the financial assistance in line with the demands for their businesses that were specified in their application. They received advice on how to manage the funds responsibly from the Committee, Nana Anafo IX and the Police station officer. Gifty Mensah (one of the beneficiaries) was given the opportunity to advise her colleagues.

The committee disbursed GHS 17, 000.00 to eleven (11) beneficiaries. *Kindly check **Annex 1** for more details.*

### **Observations/ Challenges**

The management team made the following observations during this phase of the scheme.

1. **High demand:** The scheme attracted a sizable number of applications, demonstrating the urgent demand for the financial support among small business owners in Nkanfoa.
2. **Issues with guarantors:** This is because most guarantors are self-employed and do not have pay slip. Some applicants explained to the committee about the need to keep their business finances private. Few beneficiaries brought their spouses and siblings as guarantors for the support.
3. **Selections of Beneficiaries:** Due to the fact that there are consistently more qualified applications than funding, choosing beneficiaries is still a challenging task.
4. **Improved Financial Health:** Most beneficiaries from previous batch expressed how the scheme has helped them stabilize their finances.
5. **High risk exposure:** It was observed the some applicants may have loan facilities elsewhere that needs to be paid. Some applicants may have lied about the nature of their business, their weekly profit among other things during the interview.
6. Two beneficiaries together with their guarantors and the elders who were invited could not attend the program.

### **Recommendations/ Conclusion**

1. Disqualify applicants who possess high risk from reapplying in the future. This will help to minimize future credit risk.

2. To maximize resources and broaden the program's impact, Aya Afrika Foundation should collaborate with agencies, businesses, and other organizations.
3. Gather feedback from beneficiaries and applicants who were not selected to get insight into the strength and weakness of the scheme
4. Continuous support in the form of education to help them improve business operation, financial literacy and long-term sustainability.

In closing, the application, selection, and payout processes for the Financial Support Scheme's sixth batch were successfully. Small business owners who met the eligibility criteria and showed financial necessity were given the assistance they needed to deal with pressing issues or to invest in the growth of their business.

## Annex

### 1. List of Beneficiaries

S/n	Names	Amount Received GHS	GHS
1	Alberta Otoo	3000	
2	Gifty Mensah	2000	
3	Cecilia Cyekye	2000	
4	Cecilia Hooper	2000	
5	Cecilia Quainoo	2000	
6	Lydia Mensah	1000	
7	Adwoa Amissah	1000	
8	Ophelia Eshun	1000	
9	Nana Ama Eduwa	1000	
10	Cecilia Andoh	1000	
11	Rahinatu Yakubu	1000	
<b>Total Amount Disbursed</b>			<b>17,000</b>
12	Ekua Kwaaba **	2000	
13	Elizabeth Agbeko **	1000	3000
<b>Total Funding</b>			<b>20,000</b>

\*\* Beneficiaries were absent during the disbursement of funds.

### 2. Budget for Refreshment

<b>Income:</b>		
Money from Nene Kwesi Kafele		<b>500.00</b>
<b>Expenses:</b>		
Bottle Water (1 Pack)	20.00	
Pie (40 pieces)	200.00	
Malt (11 pieces)	88.00	
Bigoo Cola (1 Pack)	35.00	
Rubber for Packaging (1 Pack)	11.00	
Printing	10.00	
Envelops (17 pieces)	11.00	
<b>Total Expenses</b>		<b>375.00</b>
<b>Surplus</b>		<b>125.00</b>