

# Kick Start Loan Policy

**Subject: *Operations Management***

Comment	This document is gathering the elements of the project of the development of kick start loans project financed by the FSD II.		
Keywords	kick start loans		
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Created & revised	22/01/2009 & 04/01/2011	Version	1
		Status:	<input type="checkbox"/> Draft - <input checked="" type="checkbox"/> Final
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# 1 Kick Start Loan Product Features

	First loan	Subsequent loan
<b>Loan type</b>	<b>Individual</b> loans	
<b>Loan purpose</b>	<b>Business</b> creation or expansion	
<b>Eligibility</b>	<ul style="list-style-type: none"> <li>• For women only;</li> <li>• Minimum 18 years old;</li> <li>• Physically &amp; mentally fit;</li> <li>• Good reputation in the community;</li> <li>• Legal activities (except alcohol shops, cigarettes shops, gambling activities &amp; any other activity known to be harmful for human health);</li> <li>• No activity involving child labour;</li> <li>• Minimum 6 months in the project area.</li> </ul>	
<b>Documents</b>	<ul style="list-style-type: none"> <li>• Passport size photo</li> </ul>	
<b>Criteria</b>	<p>Any woman falling into at least three of the following criteria:</p> <ul style="list-style-type: none"> <li>• Total Estimated Value of Business GH¢ 100 or less (as per Business Assessment form);</li> <li>• No access whatsoever to any type of financial services (i.e. fully financially marginalized individual);</li> <li>• No/Almost no savings (less than GH¢ 4);</li> <li>• No social support (NHIS, family, friend, etc.)</li> <li>• Single mother (as far as household management is concerned);</li> <li>• Improvised housing;</li> <li>• Illiterate or less than 3 years of schooling.</li> </ul>	<ul style="list-style-type: none"> <li>• Good repayment behaviour;</li> <li>• Attitude towards meeting and training</li> <li>• Attitude towards savings/susu</li> <li>• Total Estimated Value of Business GH¢ 100 (as per Business Assessment form);</li> <li>• Tangible expectation to see the partner make substantial progress within the next loan cycle (based on TO &amp; BM/CO appreciation at the end of loan assessment).</li> <li>• Business growth</li> </ul>
<b>Loan amount</b>	<ul style="list-style-type: none"> <li>• Depends on partner's business needs;</li> <li>• min = GH¢ 20/-;</li> <li>• max = GH¢ 100/-.</li> </ul>	
<b>Loan duration</b>	<ul style="list-style-type: none"> <li>• fixed at 24 weeks</li> <li>• 2 weeks grace period</li> </ul>	
<b>Repayment frequency</b>	Weekly	
<b>Interest &amp; fees</b>	<ul style="list-style-type: none"> <li>• 0% interest</li> <li>• 0% processing fees</li> </ul>	

	First loan	Subsequent loan
<b>Guarantees</b>	<ul style="list-style-type: none"> <li>• Nil</li> </ul>	
<b>Graduation</b>	Kick start partner may be graduated to "Onipa Nua" after at least 3 loan cycles.	
<b>Repayment process</b>	<ul style="list-style-type: none"> <li>• Repayments ALWAYS happen on field by a Credit Officer;</li> <li>• Repayments are ALWAYS collected during weekly group meetings;</li> <li>• Voluntary savings are collected <b>each week</b>;</li> <li>• Both repayments and susu are recorded in the Group Register by the Credit Officer.</li> <li>• No early repayment is possible / any amount in excess of what is due on the loan is deposited in partner's savings account.</li> <li>• Any partner who missed repayment is communicated to the TO for immediate follow up</li> <li>• A brief report is written on any partner with a problem, it is then discussed at the branch level before onward submission to the SMM.</li> <li>• All Kick Start activities should be carried out after 12.00 except for collection/repayment that happen during group meetings.</li> </ul>	

## 2 Kick-Start Loan Process

WHERE	WHEN		WHAT	WHO
Community (on field)	Week 1, day 1		<ul style="list-style-type: none"> <li>▪ Partner Identification</li> </ul>	Group members/ leaders/ Community leaders/ ID team
Branch	Week 1, day 1, 2 and 3 (After 12.00 noon)		<ul style="list-style-type: none"> <li>▪ Referral to TO/CO</li> </ul>	Group leaders / community leader
Branch	Week 1, day 1 2 and 3 (After 12.00 noon)		<ul style="list-style-type: none"> <li>▪ Brief new partners on ID-Ghana mission, vision and objective</li> </ul>	Branch team
Business/Home Screening (on field)	Week 2 (pm)		<ul style="list-style-type: none"> <li>▪ Assessment/screening of partner for orientation.</li> <li>▪ Invite new partners and give them a specific day and time for orientation and application filling at the branch</li> </ul>	Training Officer and Branch Manager/Credit Officer
Branch	Week 3	1 <sup>st</sup> meeting	<ul style="list-style-type: none"> <li>▪ Orientation on ID Ghana mission, vision and objective and Kick Start policy. (at least a</li> </ul>	Training Officer and Branch Manager/Credit Officer

			<p>minimum of 10 or more prospective partners)</p> <ul style="list-style-type: none"> <li>▪ Social training on NHIS</li> <li>▪ Application form filling</li> </ul>	
Home visit	Week 3 (pm)		<ul style="list-style-type: none"> <li>▪ Home visit for filling of PAT form</li> <li>▪ Pictures (old or new, full size or passport size) should be collected during the Home Visit</li> <li>▪ Partners met during Home visit and their PAT forms processed should be invited for second meeting</li> <li>▪</li> </ul>	Training Officer and Branch Manager/Credit Officer
Branch	Week 3	2nd meeting	<ul style="list-style-type: none"> <li>▪ Training on Personal Hygiene and Importance of Savings</li> <li>▪ Orientation towards mother group (Onipa Nua group)</li> <li>▪ Inform them of the date and time for the next meeting (training &amp; appointment)</li> <li>▪</li> </ul>	Training Officer and Branch Manager/Credit Officer
Branch	Week 4	3 <sup>rd</sup> meeting	<ul style="list-style-type: none"> <li>▪ Training on Costing and Pricing</li> <li>▪ Appointment</li> <li>▪ Inform them the day/date &amp; time for loan disbursement</li> </ul>	Training Officer and Branch team
Branch	Week 4	4 <sup>th</sup> meeting	<ul style="list-style-type: none"> <li>▪ Orientation on ID Ghana mission, vision and objective and Kick Start policy</li> <li>▪ Training on loan management</li> <li>▪ Another Orientation towards mother group (Onipa nua group) meeting place.</li> <li>▪ Disbursement</li> <li>▪ Each partner should be</li> </ul>	Training Officer and Branch team

		(disbursement day)	<p>taken through the conditions of the loan contract before the thumbprint.</p> <ul style="list-style-type: none"> <li>▪ Each partner should be given a copy of the loan contract and repayment schedule.</li> <li>▪ Mention the day and date for the first repayment.</li> </ul>	
Field/Group meeting place	Week 5 onwards		<ul style="list-style-type: none"> <li>▪ Orientation for the Onipa nua group before the arrival of the Kick Start partners.</li> <li>▪ Kick Start partners should be introduced to the Onipa Nua group members during their first meeting.</li> <li>▪ Repayment/Collection</li> <li>▪ Saving deposit.</li> </ul>	TO/CO
Field/Group meeting place	Week 5 onwards		<ul style="list-style-type: none"> <li>▪ Monthly follow up interview for ALL kick-start partners</li> </ul>	Training /Credit Officer

### 3 Trainings topics for Kick Start prospective partners

Training topics to be delivered during the loan processing (week 3 to 4)☺

NO.	WEEK/MEETING	TRAINING TOPIC (1 <sup>st</sup> Applicant)	TRAINING TOPIC (Subsequent Applicant)
1	1 <sup>st</sup> meeting (week 3)	National Health Insurance	National Health Insurance
2	2 <sup>nd</sup> meeting (week 3)	Importance of savings; Personal hygiene	Credit Management
3	3 <sup>rd</sup> meeting (week 4)	Costing & pricing.	Time Management
4	4 <sup>th</sup> meeting (week 4)	Loan Management	Importance of Savings & Loan Management

At the time of assessment (week 2), credit policy will be introduced to the partners. This includes advice to avoid misuse of the loan and to ensure its proper use. Just before granting, these policies will be repeated to the partners.

## 4 End of Loan Assessment

### Subsequent partners assessment

The subsequent loan application form should capture the global status of the Kick start partner through following points:

- Business assessment to see if business is stagnant or grew;
- Consistency in repayment;
- Consistency in saving;
- Social status evolution of the partner through questions related to trainings undertaken;
- Capability of the partner to make herself accepted by an Onipa Nua group;
- Short narrative comment on the partner by the branch team.

The form should enable ID-Ghana to make an informed and / or effective decision related to graduating the partner to an Onipa Nua product or not.

The assessment would aim at measuring the business progress on one hand as well as the amount of trainings inputs retained by the partner on the other hand.

### Credit Officer Section:

- Did the partner repay regularly?
- Did the partner save regularly?
- Was the partner able to have herself accepted by a group?
- Did the business grow? To what size?
- Was the partner able to build a "smart" business (procurement, selling points, etc.)

### **Training Officer Section:**

- Her attitude towards meetings.
- Her attitude towards trainings.
- Her NHIS registration status
- Her general comportment during meetings throughout the repayments period.

### **General Observations/ impression about the partner**

4/5 lines of narrative comment aiming at describing the level of advancement of the partner at the end of the loan. It should touch on indicators like the business (economic), the family situation (social), attitude towards ID policy (terms and conditions), personal hygiene and future plan.

Recommendation (s) by the Branch team.