

Social Development Fund

Kanifing Institutional Layout
Kanifing Municipality
P. O. Box 1895
Banjul, The Gambia
Tel: 4399963/4399964
Fax: 4399962
Email: info@sdfgambia.gm

SDF Credit Review Committee Report

January – June 2017

Prepared By: The Director of Operations

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1.0 Introduction

The Credit Review Committee is a sub-committee of the Board of Directors (BoDs) comprising the Director General, the Director of Finance and Administration, the Director of Operations and 3 members of the Board of Directors appointed by the BoD. The CRC reviews applications for loans from the SDF's designated intermediaries and approves or rejects them.

The current Membership:

- | | | |
|--------------------------|---|--|
| 1. Mr. G. L. Thomas | - | Board Member - Chairman |
| 2. Mr. Alieu Secka | - | Board Member |
| 3. Mrs. Naffie Barry | - | Board Member |
| 4. Mr. Sonko B. Fofana | - | Director General- SDF |
| 5. Mr. Lamin Fofana | - | Director of Finance and Administration- SDF |
| 6. Mr. Lamin MF Jobarteh | - | Director of Operations- SDF - Secretary |

1.2 The functions of the Credit Review Committee are as follows:

- (a) Ensuring that all new contracts with partner intermediaries are supported by the necessary documents
- (b) Analysing requests for loan contracts from potential partner intermediaries and assessing the recommendations of the Operations Unit with a view to approving or rejecting them.
- (c) Ensuring that all decisions bearing on loans are recorded in sufficient detail to permit a reader to understand the scope of the risk.
- (d) Approving the design and administration of the risk management function.
- (e) Strict compliance with the credit risk management policy of the SDF.
- (f) Verifying adequate liquidity as ascertained by the ALCO (Assets and Liability Committee) for the prompt provision of funds to partner intermediaries.
- (g) Reviewing the credit risk management programme for wholesale lending operations periodically.
- (h) Ensuring that lending to intermediaries in the categories agreed is within the prescribed limits in the lending manual.
- (i) Approving credit ceilings for selected intermediaries as proposed by the Operations Unit.
- (j) Ratifying lending levels that exceed the percentage indicated in the Policy.
- (k) Reviewing credit appraisals of intermediaries to ensure that they are sound financially and prudently managed.
- (l) Reviewing the loan portfolio quality as prepared by the Operations Unit to ensure that current lending is within the parameters specified.
- (m) Reviewing monthly monitoring reports of partner intermediaries and the quarterly summaries to ensure their viability in a changing economic environment.
- (n) Biannual assessment of partner intermediaries' financial statements and LPQ (Loan Portfolio Quality) with the objective of identifying inherent credit risks.
- (o) Endorsing proposals for changes to the Credit Risk Policy by the Management for submission to the full Board for approval.

- (p) Attending to any other issues pertaining to loans that may deserve special attention as and when the need arises.

2.0 Credit Review and Approval

2.1 Applications Received and Reviewed

During the period under review, 13 loan applications were received from intermediaries for a cumulative amount of D18.1 million. These included applications from MFIs, VISACAs and CBOs.

Following the requisite due diligence conducted on the applications at both the Regional and Management levels, and taking into account the ceilings for the various categories of applicants, as well as the viability of the proposed investments, Management recommended D17.5 million out of the total request for consideration for approval by the CRC. These loan applications were reviewed in three meetings held in February, April and May.

2.2 Presentation and Review of Applications

2.2.1 Reliance Financial Services Limited

In his presentation of this loan application, the DO reported that Reliance Financial Services has been one of the most reliable intermediaries of the SDF with an outstanding repayment performance. He further stated that the intermediary previously accessed four different loans from the SDF which were successfully executed. The DO also highlighted that the intermediary just paid off its last of D10 million within 8 months, which was disbursed in June 2016 for a period of 18 months. This move, he reported was made by the intermediary to enable it access more funds to meet the growing demand for its highly successful product “Women Group Finance”.

The DO further reported that based on the above, the applicant is requesting for D12 million to respond to the growing demand for the product

Following a careful review of the application, the CRC gave approval for the disbursement of D12 million to Reliance Financial Services to be finance under the BADEA Line of Credit Fund.

2.2.2 Moonshine Vendors Association

In presenting the application from the Moonshine Vendors Association, the DO reported that the Association has a good management structure, experience in the management of an internal revolving loan scheme. The DO further highlighted the good credit history of the Association in the execution of previous loans from the SDF. The DO reported that from 2012 to date the Moonshine Vendors successfully executed four (4) wholesale loans from SDF totaling D2.2 million.

The Director said the current loan request is D1 million and the intended purpose of the loan is for on-lending to association members to expand their existing businesses. He said the loan will be secured through personal guarantees by the executive committee members and the deposit of a title deed for a landed property within the GBA.

Following a thorough review of the application, the CRC unanimously granted approval for the disbursement of D1 million to Moonshine Vendors Association.

2.2.3 Madina Sancha VISACA

In presenting this loan application, the DO reported that Madina Sancha VISACA has been one of the most reliable intermediaries of the SDF with an outstanding repayment performance. He stated that the intermediary previously accessed seven loans from the SDF amounting to D5.4 million. He further indicated that the VISACA's intended use of the loan was to purchase fertilizers for on-lending to its members in preparation for the upcoming rainy season as well as refinancing some off-farm income generating activities in the areas of groundnut paste production and buying of farm produce at harvest for re-sale during the lean season.

Following a careful review of the application, the CRC gave approval for the disbursement of D2 million to Madina Sancha VISACA to be finance under the BADEA Line of Credit Fund.

2.2.4 Tahfeez Muhammed Al-Amin Association

In presenting the loan application from Tahfeez Muhammed Al-Amin Association, the DO reported that the Association is an Islamic Association operating two Arabic schools at Tallinding Kunjang, Serekunda East and Mandinarin in the Kombo North District. He reported that the School in Mandinarin is a Boarding School while the one in Tallinding Kunjang is a day school. The DO further highlighted that the President of the group had accessed three individual loans from the SDF with excellent repayment performance. The DO described the President of the Association to be a trustworthy person with commitment to the principles of Islamic finance.

The CRC was also informed that the intended use of the loan was to facilitate the extension of one of the schools occasioned by the increasing demand for admissions. The DO reported that once approved the loan would be anchored on the Islamic Murabaha financing facility in which disbursement will be based on the supply of building materials instead of cash. Under this Islamic financing model, the SDF will pay the identified supplier directly to supply the materials to the Association.

Following a thorough review of the application, the CRC unanimously granted approval for the disbursement of D500K to Tahfeez Muhammed Al-Amin Association for financing under the GAMWorks-CILIP Islamic Microfinance Pilot Fund. The loan is repayable in 12 months and secured by the Association Executives through personal guarantee and deposit of a title deed for a landed property within the GBA

2.2.5 Kambeng Kafo - Wellingara

During his presentation, the DO reported that the Kafoo previously benefitted from a loan of D250K from the SDF in 2015 which was satisfactorily repaid. He further reported that the Kafoo has been operating an internal revolving fund scheme since 2006 from the proceeds of their weekly membership contributions. The accumulated amount is disbursed as soft loans to members. It also reported that the Kaffo's internal revolving fund scheme has a maximum repayment duration of three months with an interest rate of 20%. The total fund in circulation at present is D105K.

Following much deliberations, the CRC unanimously granted approval for the disbursement of D350K to Kambeng Kaffo-Wellingara to be funded under the BADEA Line of Credit. The

loan is repayable in 12 months and secured by the Kafoo Executives through personal guarantee and deposit of a title deed for a landed property within the GBA.

2.2.6 Group Juboo Bu Nyangen

In his presentation of the application from Group Juboo Bu Nyangen the DO stated that the group is located in a community popularly known for its hard work in the areas of crop production, vegetable gardening, livestock management and other off-farm related income generating activities. He further indicated that the community has interacted with many development partners over the years and had experience in managing funds allocated for community development activities.

The DO reported that the purpose of the loan is to support the refinancing of proposals from group members to undertake business activities in areas such as livestock selling and petty trading. He stated that the group had some experience in managing internally generated funds which they use as a revolving fund for disbursement to members on rotational basis with small interest.

He reported that the group requested for D500K, however as this will be the first time for the group to manage an external loan, the SMT recommends that the group be tried with a smaller loan amount for the first time and monitor their performance. The SMT proposed that a smaller loan size be disbursed to a lesser number of group members with the understanding that the remaining members would benefit from the second cycle on satisfactory execution of the first loan cycle. The SMT further argued this would also help to generate peer pressure within the group for timely repayment from those members waiting to access from the second cycle.

Following a review and clarifications, the CRC unanimously granted approval for the disbursement of D300K to Group Juboo Bu Nyangen for a loan period of 12 months secured through personal guarantee by the Group Executive Committee members and to be funded under the BADEA Line of Credit.

2.2.7 Kerr Ali Jelleh Village Development Group

In presenting this application, the DO reported that Kerr Ali Jelleh Village Development Committee (VDG) is located in Kerr Ali Jelleh Village in Upper Saloum District. He stated that the group requested for a loan of D322K to on-lend to members engaged in livestock business. Following a review by the SMT, it was proposed that as first timers with no previous experience of managing external funds, a smaller amount be considered for approval for a few members to benefit with the understanding that the rest of the members would benefit from a second cycle on satisfactory repayment. The DO informed the CRC that it was the SMT's belief that this would, inter alia, help to generate peer pressure within the group to facilitate timely repayment for other members to benefit from the second loan cycle.

Following a thorough review and clarification of issues raised, the CRC unanimously granted approval for the disbursement of D250K to Kerr Ali Jelleh VDG to be financed under the BADEA Line of Credit.

2.2.8 Traditional Healers Assembly LRR Chapter

The DO reported that the Traditional Healers' Assembly, LRR Chapter was founded in 2000 under the leadership of the then Assistant Commissioner of the Region, Mr Salieu Puye,

who was also the National Vice President of the Association at the time. The DO informed the meeting that the Assembly has a total membership of 29 (18 females/11 males), with a Management Committee to coordinate operations.

The meeting was further informed that since its establishment, the Assembly was mainly engaged in mobilising resources to facilitate the following activities:

- a. Production of Traditional Medicine
- b. Packaging and distribution of Traditional Medicine within the Region and beyond
- c. Provision of cereal milling services to the community
- d. Press Brick production and sale
- e. Bread production and sale

The DO also updated the CRC on the assets of the Assembly as indicated in the table below:

| Asset | Status | Remarks |
|------------------------|---------------------|---|
| Oil Extracting Machine | Operational | Used for processing oil from various cereals and nuts such as Groundnut, Sesame, maize, and moringa for the production of traditional medicine. |
| Findi Milling Machine | Operational | This machine threshes and mills Findi into different grades. |
| Packing Machine | Operational | The machine is used for the packaging of traditional medicinal products for sale. |
| Power Tiller | | Used for ploughing and transport services to the community on commercial basis. |
| Rice Milling Machine | Yet to be installed | When installed will provide the community with the relief from drudgery associated with manual food processing. |
| Brick Pressing Machine | Operational | The machine is providing brick pressing services to the community and beyond. |
| Bakery | Operational | The bakery supplies bread to the community and its environs. |

The DO reported that the Assembly requested for a loan of D200K to be used for the procurement and installation of Ice Plant to facilitate the storage of traditional medicine and the sale of ice blocks to the community.

Following a careful review of the application, the CRC gave approval for the disbursement of D200K to the Traditional Healers Assembly to be financed under the BADEA fund. The loan is for a period 12months and secured through personal guarantee and the deposit of a title deed for a landed property in Soma Town, LRR.

2.2.9 Nannebulo Tie and Dye Kafoo

In presenting this loan application, the DO reported that this Kafoo is operating in Jendeh, and was a Community Development supported group operating a Multi-Purpose Centre (MPC) funded by the CSIP for ten villages.

It was further reported that the Kafoo is managed by a Management Committee comprising members from the participating villages. The management committee members are elected by the respective villages and serve for a period of two years after which an election is held for a new committee. The Kafoo is reported to be currently engaged in the following income generation activities:

- Soap making
- Tie and Dye
- Sale of Ice block
- Mobile phone charging service

The CRC was also informed that produce from the soap making and tie and dye activities are given out to members on credit to be repaid on the next production date with interest. The proceeds of the various income generating activities are used for the operations of the Centre and for augmenting an existing revolving fund scheme. The Kafoo has years of experience in operating an internal revolving loan scheme; the seed money of D30K for which was provided by TOSTAN, a local NGO in Basse. This scheme continues to record 100% recovery rate with a resulting 50% increase in the size of the credit funds.

The CRC was informed that the Kafoo's request was for a loan of D150K to establish a Bakery, a Livestock Management scheme, and the expansion of the existing solar facility at the MPC to diversify sources of income generation.

Following a thorough review of the application, the CRC unanimously granted approval for the disbursement of D150K to Nannebulo Tie and Dye Kafoo to be repaid within 12 months and secured through personal guarantee under the BADEA Fund.

2.2.10 Dental Affia Kafoo

In his presentation, the DO stated that the group is registered with the AG's chambers and has a bank account where group funds that are not immediately needed are saved.

The DO further reported that a management committee comprising both male and female are elected during group meetings for an initial term limit of two years at the end of which the post holders are assessed and are either replaced or retained based on performance.

The DO also reported that Dental Affia is also engaged in handicraft activities, and that the group also loans income generated from these activities to interested members at interest rates determined by the management committee. He stated that individual members are engaged in small ruminant and food item selling, and vegetable gardening.

The CRC was informed that the group also benefited from training sessions provided by Tostan, WASDA, DCD and the SDF. The training sessions included Adult Literacy, Enterprise Development and Microfinance, Leadership, Management and Skills development. The group worked with the TOSTAN's Civic Rights project and WASDA's Livelihood Improvement project for a period of two years.

Following the DO's presentation, the CRC thoroughly reviewed the application and unanimously granted approval for the disbursement of D140K to Dental Affia Kafoo to be funded from the BADEA fund.

2.2.11 Kawral Kafoo

In presenting this application, the DO reported that the Kafoo comprises both male and female members residing in the village. The group is currently engaged in handicraft activities and the products are given out to interested members on credit and are repaid on the next production date. The income generated from the group's activities are used to fund the group's operations as well as the revolving fund scheme. The management committee, comprising both male and female members are elected at general body meetings with an initial term limit of one-year renewable based on satisfactory performance.

The meeting was informed that minutes of group meetings and related transactions including finance are kept by the Secretary. The group was also reported to be registered with the AG's Chambers as a charitable organization and recognized by the Department of Community Development and the Area Council. The Kafoo has a bank account with 3 signatories to the account.

The Kafoo is also reported to have received training sessions from various institutions operating in the region such as CILIP, TOSTAN and the Department of Community Development. The training sessions ranged from Adult Literacy, Micro Finance, Leadership, Management and Skills Development. Almost all female members are skilled in either soap/omo making, or tie and dye.

It was further reported that individual members of the group are engaged in various income generating activities ranging from the selling of food items, vegetable gardening, Ice and 'Wonjo' and other Income Generating Activities (IGAs). Individual group members are reported to earn a lot of income from these activities annually.

The DO informed the CRC that the Kafoo has experience in managing an internal small loans scheme with a good repayment performance. The funds for the scheme was generated from the proceeds of the groups' income generating activities. The DO reported that the current loan request from the group is D267K for a period of 12 months,

Following the CRC's review and the provision of clarifications on the points raised, the CRC unanimously granted approval for the disbursement of D267K to Kawral Kafoo to be funded under the BADEA fund.

2.2.12 Sanchaba Group of Brikama Sanchaba

In his presentation of this application, the DO reported that Sanchaba Group is a community based organization with a membership of 50 (48 females/2 males) located in Brikama Sanchaba in the West Coast Region. The DO stated that the group was formed in 1992 and registered with the AG's Chambers in 2009 as a charitable organization. The group members have been involved in skills development and petty business activities.

The DO reported that the group had an external loan of D75K from GAWFA in 2013 which was successfully executed. The group also gives out small loans to members from their membership subscriptions with little interest on a short-term basis.

The DO further reported that the group's wholesale loan application of D491K was within the ceiling for CBOs. He however observed that as this was the group's first experience with the SDF, Management's recommendation was to disburse a smaller amount of D150K to enable the SDF assess their performance. This amount could be raised upwards upon successful implementation of the first loan. The DO reported that as first-time borrowers this would also generate peer pressure within the group to ensure timely repayment for other members to benefit from the second cycle.

Following a thorough review of the application, the CRC observed that the amount recommended by the SMT for approval was on the low side. The committee argued that the women should be given the chance to maximize their potentials. The CRC also pointed out that as first-time borrowers the group was eligible to access up to D350K. The CRC therefore granted approval for the disbursement of D350K to the Sanchaba Group subject to the fulfillment of all conditions precedent to disbursement.

2.2.13 Alliance for Democracy in Africa

In presenting this application, the DO reported that the Alliance for Democracy in Africa (ADA) is an independent non-profit, non-governmental, tax exempted membership based organization that is dedicated to promoting democracy by encouraging Africans, particularly women and children, to internalize and practise democratic values in their societies. The organization was founded in May 2000 and opened a West Africa Regional Office in The Gambia in June 2001.

The DO further informed the CRC that ADA is also involved in youth economic empowerment through skills training for income generating enterprises like wood work, carpentry, and roofing. The organisation has established a wood work and carpentry workshop in Tallinding in the Kanifing Municipality where thirty male youths are currently being trained in wood work, carpentry, and roofing as part of an empowerment process for self-reliance and confidence building. He stated that at the end of the training, these youths are supported to set up their own income generating projects in wood work and carpentry.

The DO stated that it was in line with the above objectives that the ADA applied for a loan of D200K to procure basic wood work, carpentry and roofing tools for on-lending to 30 trained youths to set up their own enterprises to create employment.

Following the DO's presentation, the CRC thoroughly reviewed the application and unanimously agreed that the consideration of the application be deferred, and that the ADA be formally requested to provide the following clarifications/additional information for subsequent review:

1. Evidence of NAQAA Certification as a training institution
2. A clarification of its mandate as authorised by the National Accreditation and Quality Assurance Agency (NAQAA)
3. Its Sources of funding as a charitable organisation.

The CRC requested its secretary to communicate the outcome of the review to ADA.

Table 1: Applications Reviewed by the CRC

| No. | Name of Applicant | Location | No. of Beneficiaries | | Amount Requested GMD | Amount Recommended by SMT for CRC Approval GMD | Amount approved by CRC GMD |
|---|--------------------------------------|---|----------------------|------------|----------------------|--|----------------------------|
| | | | Male | Female | | | |
| KUWATTI GOODWILL CREDIT FUND (KGCF) | | | | | | | |
| 1 | Reliance Financial Services Limited | Kairaba Avenue, KMC | 0 | 600 | 12,000,000.00 | 12,000,000.00 | 12,000,000.00 |
| Sub-total | | | 0 | 600 | 12,000,000.00 | 12,000,000.00 | 12,000,000.00 |
| GAMWORKS/CILIP ISLAMIC MICROFINANCE FUND | | | | | | | |
| 2 | Tahfeez Muhammad Al-Amin Association | Tallinding Kunjang, Serekunda East, KMC | 200 | 150 | 500,000.00 | 500,000.00 | 500,000.00 |
| Sub-total | | | 200 | 150 | 500,000.00 | 500,000.00 | 500,000.00 |

| BADEA FUND | | | | | | | |
|--|------------------------------------|------------------------------|-------------|-------------|----------------------|----------------------|----------------------|
| 3 | Madina Sancha VISACA | Madina Sancha, LRR | 550 | 395 | 2,000,000.00 | 2,000,000.00 | 2,000,000.00 |
| 4 | Moonshine Vendors Association | Serekunda Market, KMC | 47 | 32 | 1,000,000.00 | 1,000,000.00 | 1,000,000.00 |
| 5 | Kambeng Kafoo Wellingara | Wellingara, Kombo North, WCR | 2 | 19 | 350,000.00 | 350,000.00 | 350,000.00 |
| 6 | Kerr Ali Jelleh VDG | Kerr Ali Jelleh Village, CRR | 13 | 0 | 322,000.00 | 250,000.00 | 250,000.00 |
| 7 | Group Juboo Bu Nyangen | Nyangen Village, CRR | 10 | 11 | 500,000.00 | 300,000.00 | 300,000.00 |
| Sub-total | | | 622 | 457 | 4,172,000.00 | 3,900,000.00 | 3,900,000.00 |
| Poverty Reduction Project Credit Fund (PRP) | | | | | | | |
| 8 | Traditional Healers Assembly | Mansakonko LRR | 11 | 18 | 200,000.00 | 200,000.00 | 200,000.00 |
| 9 | Nannebulo Tie and Dye Kafoo | Jendeh, Sandu District, URR | 500 | 1050 | 150,000.00 | 150,000.00 | 150,000.00 |
| 10 | Dental Affia Kafoo | Sare Mamudou, URR | 5 | 22 | 140,000.00 | 140,000.00 | 140,000.00 |
| 11 | Kawral Kafoo | Mansajang Kunda, Basse, URR | 1 | 38 | 267,000.00 | 267,000.00 | 267,000.00 |
| Sub-total | | | 517 | 1128 | 757,000.00 | 757,000.00 | 757,000.00 |
| 12 | Sanchaba Group of Brikama Sanchaba | Brikama Sanchaba, WCR | 2 | 24 | 491,000.00 | 150,000.00 | 350,000.00 |
| 13 | Alliance for Democracy in Africa | 67 Kombo Sillah Drive, KMC | 30 | 0 | 200,000.00 | 200,000.00 | 0.00 |
| Sub-total | | | 32 | 24 | 691,000.00 | 350,000.00 | 350,000.00 |
| Grand Total | | | 1371 | 2359 | 18,120,000.00 | 17,507,000.00 | 17,507,000.00 |

After a thorough review of the applications by the CRC, approval was granted to 12 applicants for a total amount of D17.5 million as tabulated in Table one.

The applications approved were considered to have fulfilled the requirements of the SDF to access a loan, and the loans were secured through personal guarantees by group executives and/or landed properties. Some groups were repeaters whose performances in their previous loans were satisfactory.

All approvals were formally communicated to the affected groups through offer letters indicating conditions precedent to disbursement. All offers have been accepted with all the beneficiary intermediaries fulfilling the conditions precedent to disbursement and the loans have accordingly been disbursed, except for Sanchaba Group of Brikama Sanchaba which was yet to be disbursed. The group was working on the conditions precedent disbursement.

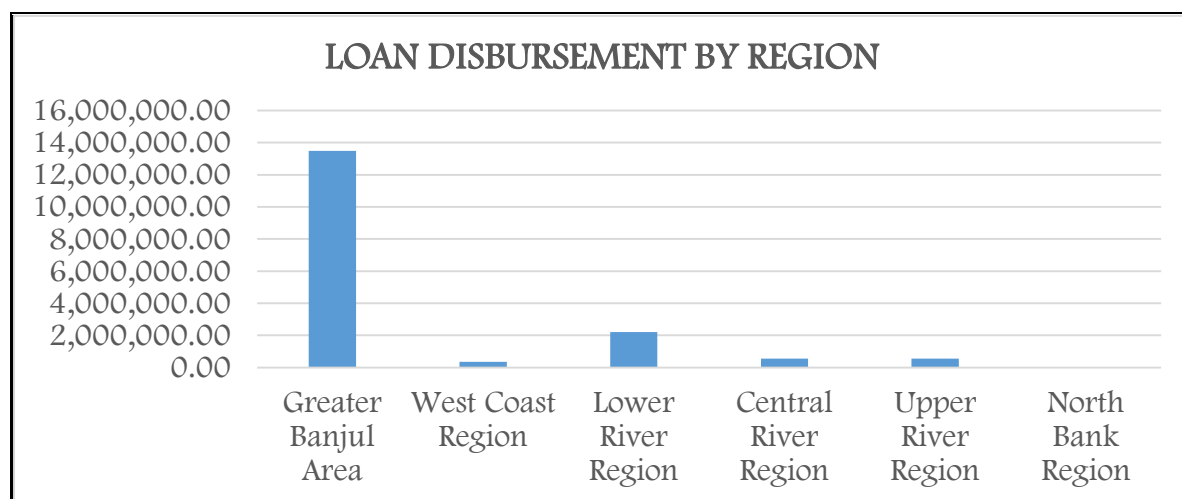
3.0 Loan Disbursement

3.1 Loan Disbursement by Region

As presented in the graph below 79% of the funds approved went to the Greater Banjul Area followed by 13% to Lower River Region, 3% to Central River Region and Upper River Region each and 2% to West Coast Region. The reason behind the greater part of the funds going to the GBA was the fact one of the applicants is in the MFI category requesting for 12 million out of the total amount of 17, 157, 000.00 disbursed.

Table 2: Loan Disbursement by Region

| No. | Region | Amount (GMD) |
|--------------|----------------------|----------------------|
| 1 | Greater Banjul Area | 13,500,000.00 |
| 2 | West Coast Region | 350,000.00 |
| 3 | Lower River Region | 2,200,000.00 |
| 4 | Central River Region | 550,000.00 |
| 5 | Upper River Region | 557,000.00 |
| 6 | North Bank Region | 0.00 |
| Total | | 17,157,000.00 |

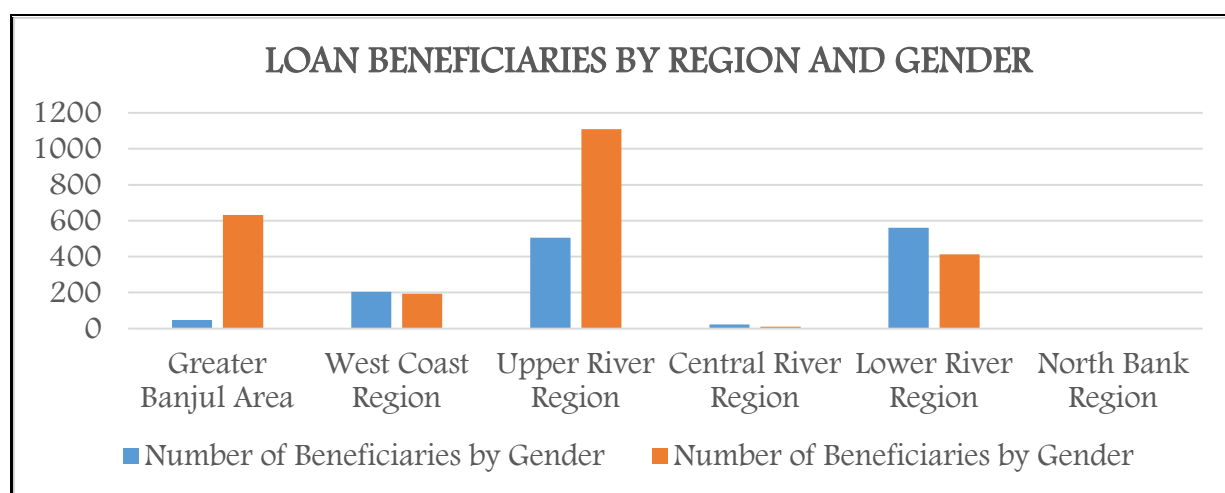


3.2 Loan Beneficiaries by Region and Gender

Table 3: Loan Beneficiaries by Region and Gender

| Region | Number of Beneficiaries by Gender | | |
|----------------------|-----------------------------------|--------|-------|
| | Male | Female | Total |
| Greater Banjul Area | 47 | 632 | 679 |
| West Coast Region | 204 | 193 | 397 |
| Upper River Region | 506 | 1110 | 1616 |
| Central River Region | 23 | 11 | 34 |

| | | | |
|--------------------|-------------|-------------|-------------|
| Lower River Region | 561 | 413 | 974 |
| North Bank Region | 0 | 0 | 0 |
| Total | 1341 | 2359 | 3700 |



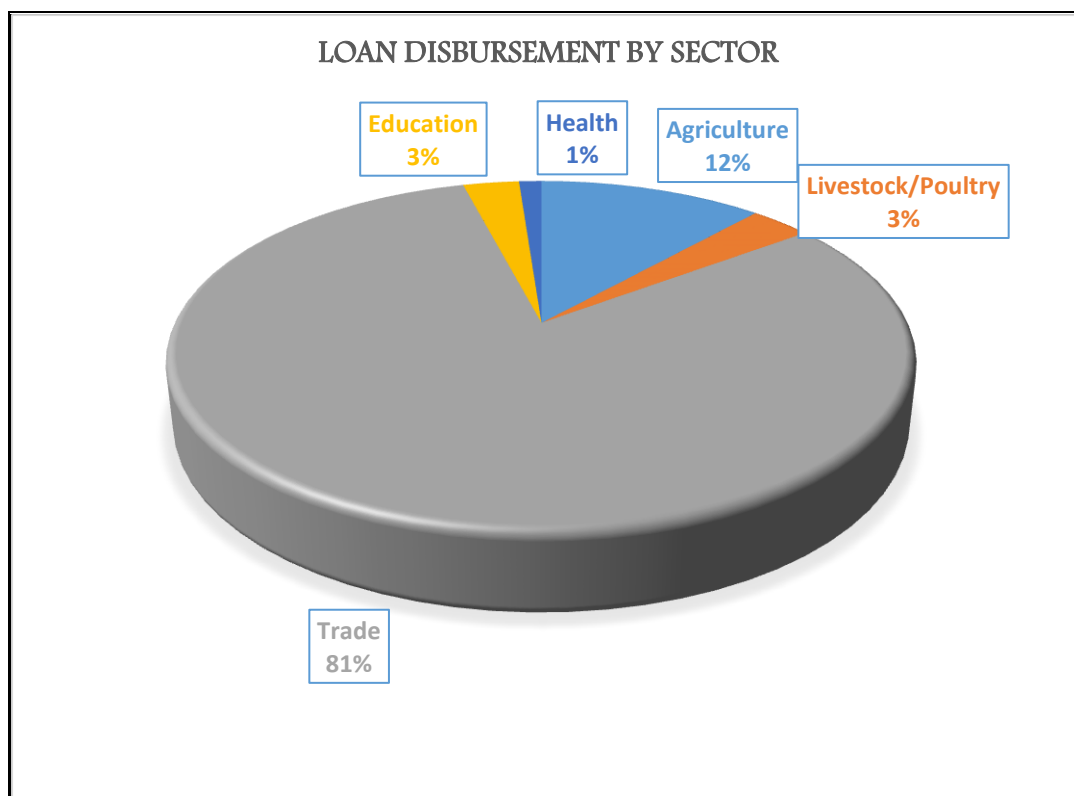
3.3 Loan Disbursement by Sector

The loans disbursed during this period went into financing mainly Trading, Agriculture, Livestock Business, Education and Health sectors as shown in Table 4.

Table 4: Loan Disbursement by Sector

| No. | Sector | Amount (GMD) | Percentage (%) |
|--------------|-------------------|----------------------|----------------|
| 1 | Agriculture | 2,000,000.00 | 12 |
| 2 | Livestock/Poultry | 550,000.00 | 3 |
| 3 | Trade | 13,907,000.00 | 81 |
| 4 | Education | 500,000.00 | 3 |
| 5 | Health | 200,000.00 | 1 |
| Total | | 17,157,000.00 | 100 |

As presented in the graph below, 81% of the funds approved went to supporting Trade activities, 12% to Agriculture, 3% to Livestock/Poultry, 3% to Education and 1% to Health. This is principally due to the 12 million requested by Reliance Financial Services which targeted women petty traders. The 12% to Agriculture was to support the purchase of fertilizer by Madina Sancha VISACA for on-lending to its members whilst the lowest (1%) went to support the Traditional Healers Assembly for the production of Traditional Medicine.

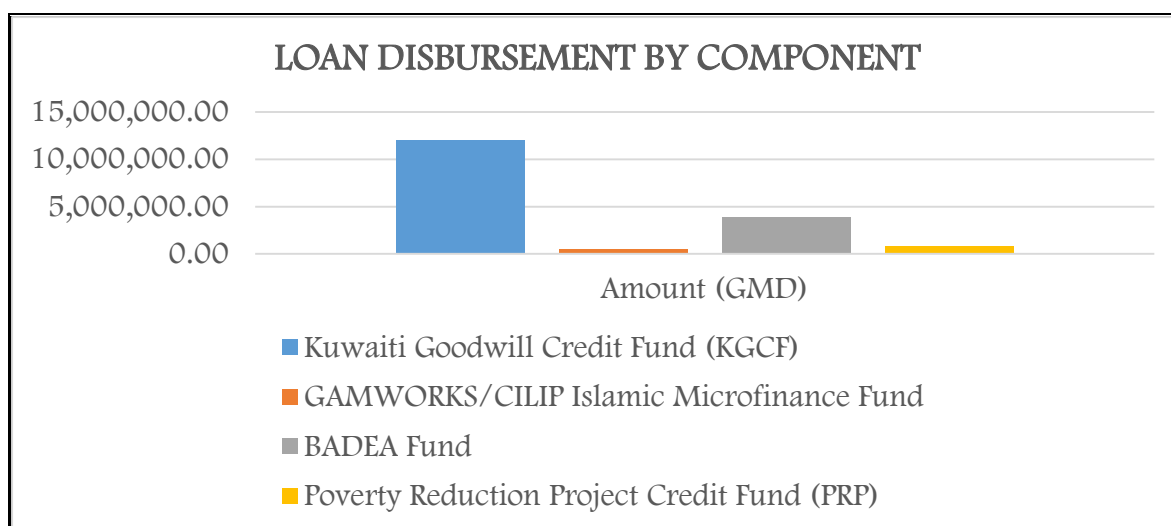


3.4 Loan Disbursement by Component

About 70% of the amount requested and approved was funded under the Kuwaiti Goodwill Credit Fund (KGCF), 23% under BADEA Fund, 4% under the Poverty Reduction Project Credit Fund (PRP) whilst 3% was funded under the GAMWORKS/CILIP Islamic Microfinance Fund.

Table 5: Loan Disbursement by Component

| No. | Sector | Amount (GMD) | Percentage (%) |
|--------------|---|----------------------|----------------|
| 1 | Kuwaiti Goodwill Credit Fund (KGCF) | 12,000,000.00 | 70 |
| 2 | GAMWORKS/CILIP Islamic Microfinance Fund | 500,000.00 | 3 |
| 3 | BADEA Fund | 3,900,000.00 | 23 |
| 4 | Poverty Reduction Project Credit Fund (PRP) | 757,000.00 | 4 |
| Total | | 17,157,000.00 | 100 |



4.0 Portfolio Quality Report as at end June 2017

The cumulative disbursement for the period is D51.1 million benefiting 10,114 individuals (6,356 females and 3,758 males). The cumulative repayment rate for the period July 2014 to June 2017 is 98% as detailed in table 6.

Table 6: Cumulative Loan Repayment

| <u>Cumulative July 2014 to June 2017 Loan Portfolio Report</u> | | | | |
|--|------------------------------------|-------------------------------|--|-----------------------|
| <u>Intermediary name by Component</u> | <u>Cumulative Amount Disbursed</u> | <u>Cumulative payment due</u> | <u>Cumulative payment Jul14 to June 2017</u> | <u>Repayment rate</u> |
| EPMDP | 250,000.00 | 263,200.24 | 265,064.13 | 100% |
| Moonshine Vendors | 250,000.00 | 263,200.24 | 265,064.13 | 100% |
| KGCF | 15,209,800.00 | 12,313,410.71 | 11,338,686.31 | 92% |
| National Federation of Gambian Women | 500,000.00 | 544,502.28 | 544,502.28 | 100% |
| Allah Leya Keh Kafo | 281,000.00 | 306,010.28 | 306,010.28 | 100% |
| Concern Youth Association | 250,000.00 | 272,251.14 | 185,520.00 | 68% |
| Darawesut Jaam Association | 200,000.00 | 217,800.91 | 217,800.91 | 100% |
| Daru Youth Development Group | 350,000.00 | 381,151.60 | 283,550.00 | 74% |
| Dobong Kunda Kuteh Jonbulu Kafoo | 300,000.00 | 326,701.37 | 326,701.37 | 100% |
| Group Juboo Society | 200,000.00 | 217,800.91 | 217,800.91 | 100% |
| Jokere Endam Sare Patch Jawo | 224,500.00 | 244,481.52 | 170,729.62 | 70% |
| Julabe Beyang Niani | 500,000.00 | 544,502.28 | 544,502.28 | 100% |
| Kaba Kama Womens Yiriwa Kafoo | 300,000.00 | 326,701.37 | 288,900.00 | 88% |
| Kambeng Kafoo - Wellingara | 250,000.00 | 272,251.14 | 272,251.14 | 100% |

| | | | | |
|--|----------------------|----------------------|----------------------|-------------|
| Kuwanku Ba Yeriwa Kafoo | 200,000.00 | 217,800.91 | 133,949.80 | 62% |
| Madina Sancha Visaca | 1,000,000.00 | 1,104,869.32 | 1,104,869.32 | 100% |
| Mamut Fana VISACA | 1,000,000.00 | 1,089,004.56 | 1,089,004.56 | 100% |
| Moobe Kanyang Kafoo | 150,000.00 | 163,350.68 | 136,645.00 | 84% |
| Moonshine Vendors Association | 500,000.00 | 544,502.28 | 544,502.28 | 100% |
| New Yundum Women Advocates | 300,000.00 | 326,701.37 | 206,100.00 | 63% |
| Nyambai College Youth Development Kafoo | 200,000.00 | 217,800.91 | 217,800.91 | 100% |
| Soforie Society | 200,000.00 | 217,800.91 | 161,300.00 | 74% |
| Sutukoba Young Women Yiriwa Kafoo | 167,000.00 | 181,863.76 | 181,864.00 | 100% |
| Kuteh Jombulu Kafoo | 187,300.00 | 152,977.92 | 152,977.92 | 100% |
| Malvern In The Gambia | 300,000.00 | 245,026.00 | 141,676.00 | 58% |
| Brikamaba Sula Kunda Kafoo | 250,000.00 | 204,188.30 | 204,188.30 | 100% |
| ECOWAS Federation of Businesswomen and Entrepreneurs | 500,000.00 | 544,502.28 | 544,502.28 | 100% |
| ECOWAS Federation of Businesswomen and Entrepreneurs | 500,000.00 | 544,502.28 | 557,050.00 | 102.3 |
| Group Juboo Society | 400,000.00 | 435,601.82 | 360,601.82 | 83% |
| Nyambai College Youth Development Kafoo | 500,000.00 | 544,502.28 | 319,125.00 | 59% |
| Supersonicz The Microfinance | 2,500,000.00 | 1,361,255.70 | 1,361,255.70 | 100% |
| Reliance Financial Services | 3,000,000.00 | 563,004.63 | 563,004.63 | 100% |
| PSIP | 5,500,000.00 | 4,093,503.35 | 4,037,437.80 | 99% |
| Madina Sancha Visaca | 1,000,000.00 | 1,105,000.00 | 1,105,000.00 | 100% |
| Moonshine Vendors | 500,000.00 | 535,296.00 | 535,296.00 | 100% |
| Fashion Designers | 500,000.00 | 547,449.35 | 491,383.80 | 90% |
| Supersonicz The Microfinance | 2,500,000.00 | 1,361,255.70 | 1,361,255.70 | 100% |
| Julabe Beyang Niani | 1,000,000.00 | 544,502.30 | 544,502.30 | 100% |
| BADEA | 19,900,000.00 | 15,547,086.60 | 15,982,086.60 | 103% |
| Reliance Financial Services | 5,000,000.00 | 5,323,283.06 | 5,323,283.06 | 100% |
| Reliance Financial Services | 5,000,000.00 | 5,323,283.06 | 5,323,283.06 | 100% |
| Supersonicz The Microfinance | 1,000,000.00 | 1,089,004.56 | 1,089,004.56 | 100% |
| Supersonicz The Microfinance | 2,000,000.00 | 2,178,009.12 | 2,178,009.12 | 100% |
| Supersonicz The Microfinance | 1,000,000.00 | 816,753.40 | 816,753.40 | 100% |
| Supersonicz The Microfinance | 1,000,000.00 | 816,753.40 | 816,753.40 | 100% |
| Mamut Fana VISACA | 1,000,000.00 | 0.00 | 435,000.00 | |
| Group Juboo Bu Nyangen | 300,000.00 | Not due | n/a | n/a |

| | | | | |
|--|----------------------|----------------------|----------------------|-------------|
| Kambeng Kafoo – Wellingara | 350,000.00 | Not due | n/a | n/a |
| Kerr Ali Jelleh VDG | 250,000.00 | Not due | n/a | n/a |
| Madina Sancha VISACA | 2,000,000.00 | Not due | n/a | n/a |
| Moonshine Vendors Association | 1,000,000.00 | Not due | n/a/ | n/a |
| PRP | 9,757,000 | 1,689,013.88 | 1,689,013.88 | 100% |
| Reliance Financial Services | 9,000,000.00 | 1,689,013.88 | 1,689,013.88 | 100% |
| Traditional Healers Assembly LRR Chapter | 200,000 | Not due | n/a/ | n/a |
| Nannebulo Tie and Dye Kafo | 150,000 | Not due | n/a/ | n/a |
| Dental Affia Kafoo | 140,000 | Not due | n/a/ | n/a |
| Kawral Kafoo | 267,000 | Not due | n/a/ | n/a |
| Gamwork/CILIP IsMF | 500,000.00 | Not due | n/a/ | n/a |
| Tahfeez Muhammed Al-Amin Association | 500,000.00 | Not due | n/a/ | n/a |
| Grand Total | 51,116,800.00 | 33,906,214.78 | 33,312,288.72 | 98% |

5.0 Monitoring and follow-up of Disbursed Loans

Loan monitoring and follow up continued on disbursed loans by the regional teams, complemented by quarterly field missions by the Director of Operations, Director of Finance and the M&E Manager. The Officers monitor loans at both the intermediary and end-borrower levels to ensure that loans are put to the intended use and that repayments are collected as and when due. The regional teams monitor and follow up all disbursed loans whilst the DO and M&E Manager monitor and follow up on selected loans during their field missions. The Director of Finance monitors to ensure that laid down financial management practices relating to loan repayment collection and accounting are prudently followed.

During this period, the following issues were identified and actions taken or proposed to address them.

MALVERN IN THE GAMBIA: This group was found wanting on its repayment obligations after paying its first instalment. After several follow up visits to recover the due loan without much success, the SDF lawyer was instructed to issue a demand notice to the group requesting for settlement of the amount in default or face legal actions.

DARU VILLAGE DEVELOPMENT GROUP: This group defaulted in the settlement of their outstanding loan after several follow ups by both the Regional Staff and the Headquarter Officials. During the last visit of the M&E Manager, the group was strongly advised to liquidate the balance without further delay, failing which the SDF lawyer will be instructed to initiate the process of entering into the landed property deposited as collateral for the loan to recover the outstanding balance

CONCERN YOUTH ASSOCIATION: The group has an overdue loan balance which they claim was taken by a member who died. It was made clear to the group that the loan was given to the group and therefore it is the group's responsibility to settle the outstanding balance. After several follow up visits without success the SDF lawyer was instructed to

issue them a demand notice to pay or legal actions will be taken against them. Management has decided that legal action be taken to recover the outstanding balance when the courts resume sitting in October 2017.

GROUP JUBO BU NYANGEN: During a visit to the group the importance of responsible investment and management in business was discussed by the M&E Manager and the Director of Finance and Administration as well as the timely repayment of loans. Some of the group members who received the loan explained how they invested their loan in various activities ranging from Ram Fattening to Petty Trading. The executive expressed their appreciation for the timely disbursement of the loan and promised to comply with their repayment obligations.

JULA BEYANG NIANI: The group benefitted from a loan of D1,000,000.00 (One Million Dalasis) from the SDF in 2016 for investment into livestock business. The group was therefore visited as part the quarterly monitoring field visits to assess loan utilisation and hold discussions with the group.

During the discussions, the group expressed their appreciation for the increase in the loan ceiling for CBOs from D500,000.00 to D1,000,000.00. According to the group the increase in ceiling will go a long way in enhancing their capacity to expand their businesses to maximise profit.

6.0 Planned Activities

- a) Quarterly field missions to be conducted by the M&E Manager, Director of Operations and Director of Finance
- b) Sensitisation activities on the products and services and the terms & conditions for accessing SDF loans