



FinaSol

INCREASING MICRO-ENTERPRISE ACCESS TO LIQUIDITY

IMALI GRANT

PROGRESS REPORT # 5

1 OCTOBER 1999 – 31 DECEMBER 1999

AWARD No. 674-A-00-98-00056-00

Project No. 674-0303

January 30, 2000

Submitted to:

Attn.: Bill Brands
USAID/South Africa
PO Box 55380
Arcadia, Pretoria 0007
Republic of South Africa

Submitted by:

ACDI/VOCA South Africa
P. O. Box 61
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I. IMALI/FinaSol's Vision

Vision: To empower communities to achieve and maintain cooperative self-reliance and economic growth through the development of Financial Services Cooperatives.

Stretch Target: To become an internationally recognized, outstanding African cooperative banking system.

Vivid Description: As one enters a FinaSol FSC one notices, the friendly and efficient customer service, the innovative use of advanced technology despite the rural location, the cleanliness inside and out, and a sense of community pride, which is evident amongst members, most of whom appear to be of modest means. The teller smiles and chats as she deals with each member in turn. During the day she will find herself dealing with a variety of transactions – assisting older members who have come to withdraw pensions, opening new member accounts, accessing loan applications or advising on a range of facilities available to FSC members.

FinaSol FSCs will develop into a hub of local community life. As a viable and trusted provider of financial services, in the predominately rural areas, FinaSol will have empowered communities to achieve and maintain co-operative financial self-reliance and economic growth.

As an internationally recognized, outstanding, African cooperative bank, FinaSol will become a beacon for the African renaissance and will help improve the lives of millions.

II. IMALI/FinaSol's Purpose

FinaSol is the central promotional and support body for FSCs that:

- Assists rural communities to assess whether a FSC is likely to succeed in their area;
- Provides training to FSC leadership, members and employees;
- Assists communities in registering a FSC as a cooperative;
- Provides assistance to FSCs through the start-up period, as well as basic support during the first few years of operations, until a FSC is financially and administratively self-sufficient;
- Provides computer and accounting services that cannot be done at the village level, which allows village level operations to remain as simple as possible;
- Provides training that will be necessary for FSC staff, members of the Board of Directors and other committee members to understand the functioning of a FSC to enable them to carry out the necessary operations in providing financial services to members; and
- Acts as a link between the Registrars of Cooperatives and Banks and a FSC, and provides FSC certification for registration purposes. It acts on behalf of FSCs to ensure that all of the requirements of the Registrars' offices are complied with on time; e.g. returns, audits, etc.

III. Franchise Description

Each FSC is linked to FinaSol by means of a franchise agreement by which:

- FinaSol agrees to provide a package of support services to a FSC;

- A FSC agrees to provide initial basic inputs; e.g. office building and furniture. Furthermore, a FSC agrees to comply with the FSC statute and other operational requirements;
- A FSC agrees to be self-managing from the start-up for financial operations and must be able to generate adequate income to cover basic operating costs after 12 months of operations;
- FinaSol will charge a FSC standard rates for the provision of services; and
- A FSC will function as a business enterprise based on regular business plans and proactive marketing of financial services to members. After payment of its operating expenses and fees due to FinaSol, the surplus made by a FSC will be distributed according to the statute. Aspects to be taken into consideration include the need to develop reserves, improve interest rates on both savings and loans as well as provide for member training.

IV. Principle Activities

1. Key Accomplishments Realized During the Reporting Period

The following key activities were accomplished during the period from October 1, 1999 to December 31, 1999:

- The Registrar of Banks appointed FinaSol as a FSC regulatory body on November 4, 1999.
- 5 FSC Formation Meetings were held (KwaZulu-Natal: 1, Free State: 1, Mpumalanga: 3).
- 5 FSCs registered by the Registrar of Banks and provisionally registered by the Registrar of Cooperatives.
- 2 additional FSCs submitted their documentation for registration.
- As of December 31, 1999 there were 7 FinaSol FSCs with a total of 530 members.
- Improved FinaSol Micro-Banking Software System completed, tested and fully functioning.
- 2 FSCs open and fully operational, using the FinaSol Micro-Banking software system.
- Tellers and Treasurers trained for 7 FSCs.
- FSC Board of Directors trained for 6 FSCs.
- Recruitment and training of a new FSC Trainer, Judith Sibozza, for the Mpumalanga Province.
- Recruitment and selection of three additional FSC trainers for expansion into the Eastern Cape and Western KwaZulu-Natal/Free State Provinces.
- Recruitment and Training of one community trainer to assist a FSC Trainer in the Mpumalanga Province.

- Pre-establishment Training completed for 2 additional FSCs in KwaZulu-Natal. Their Formation Meetings were postponed until the beginning of the New Year.
- FinaSol quarterly Board of Directors and RFST Trustees Meetings held on November 25, 1999.
- FinaSol Training Workshop conducted in December.
- FinaSol Strategic Planning Workshop conducted in December.
- Eastern Cape Feasibility Study completed.
- Modification to the IMALI Budget submitted to USAID/Pretoria for approval.
- Memorandum of Understanding signed with Africa Co-operative Action Trust (ACAT) KwaZulu-Natal

2. Institutional Development

a) ACDI/VOCA Technical Assistance

Technical visits by two of ACDI/VOCA Washington based staff were received by the IMALI/FinaSol project in Nov./Dec. 1999:

1. Devona Bell, ACDI/VOCA IMALI Program Coordinator.
The purpose of Ms. Bell's visit was to provide program support to the IMALI project. This support included finalization of the amendment to the IMALI budget, and participation in the FinaSol Training and Strategic Planning workshops.
2. Peter Parr, ACDI/VOCA Assistant Vice-president for Africa:
The purpose of Mr. Parr's visit was to provide management support to the IMALI project. This support included discussions with FinaSol and USAID on a strategy to resolve the "conflict" with the Department of Agriculture concerning FSC development and FinaSol's role as a regulatory body, evaluation of the senior technical advisor, discussions on study trips for FinaSol staff during 2000, participation in the FinaSol Training Strategic Planning workshops, and presentation of a communications module at the FinaSol Strategic Planning workshop.

b) FinaSol Office Set-up

The FinaSol office moved from 6 Durban Club Place (South African Sugar Association's offices) in Durban to its new offices in Kloof at 1 Bellevue Road on November 16, 1999. The one-year in-kind contribution for office space from SASA was thus completed in November when they also moved to their new offices in Mount Edgecome.

c) Legal Status

The Registrar of Banks officially registered FinaSol as a regulatory body in respect of village financial services co-operatives, as contemplated by the provisions of Government Notice N. 367, published in the *Government Gazette* No. 18741 dated 10 March 1998. A copy of the official appointment is attached in appendix 1.

d) Registration of the FinaSol FSCs

The Registrar of Banks registered six FSCs: Entumeni FSC, Mudan FSC, Tseki FSC, Umtfomba Wempilo FSC, Sihlangu FSC, and Osungulweni FSC. A seventh FSC, Sibonelo has submitted its documents to the Registrar of Banks for registration.

At the same time the Registrar of Co-operatives granted conditional approval to the first five FSCs listed above. The conditional approval is based on the non-compliance of the FSC with provision of Government Notice N. 367, which states that the link bank must provide training and support services to the FSC. While FinaSol works closely with the link banks, all training and other support comes from FinaSol.

FinaSol has requested that the Registrar of Banks amend the requirement that a link bank provides training service to FSCs and allow FinaSol, i.e., an officially designated regulatory body, to provide these services. Thus FinaSol will continue to provide a wide range of training and support services. This will be done under its Franchise Agreement with each FSC. The support provided by FinaSol greatly exceeds both the spirit and the letter of the condition.

e) Board of Directors and Board of Trustees

Both the quarterly meetings of the FinaSol Board of Directors and the RFST Board of Trustees were held on Thursday 25 November 1999.

During their meeting, the FinaSol Board of Directors discussed:

- The October monthly financial report
- SCC funding for 1 Trainer's vehicle (VW Citi Golf)
- SCC funding for a banking Consultant
- R 200,000 line-of-credit loan available from SASA to finance vehicles
- Appointment of FinaSol as a Regulatory Body
- Target achievement progress report
- FinaSol/SASA relationship
- Staff changes
- Board meeting schedule for 2000
 - February 18
 - May 19
 - August 19
 - November 17
 - AGM on June 23, 2000
- Strategic Planning Workshop for 2000
 - September 5-9, 2000

During their meeting, the RFST Board of Trustees discussed:

- Monthly financial statement
- Fund raising
- FinaSol/SASA relationship

f) Staff Recruitment

Mr. Isaac Khumalo, FSC Trainer for the Mpumalanga Province terminated his employment with FinaSol at the end of October 1999. Ms. Judith Sibozwa was appointed as FSC Trainer on November 8, 1999 to replace him. At the same time, a community trainer assistant, Mr. Marvel Mbatha, was retained to assist Ms. Sibozwa in the Nkomazi area of the Mpumalanga Province.

Applications for additional trainers were received for the Eastern Cape and (western) KwaZulu-Natal/Free State Provinces. After careful selection and thorough interviews three trainers were selected: Patricia Njoko, Kokela Silimela and Daisy Sauli.

The training program for the three FSC trainers and the one community trainer will begin on February 1, 2000. It is expected that all of the new trainers will be fully functional by March 1, 2000.

g) Staff Training and Workshops

Two training workshops were held during the reporting period:

First, a training evaluation workshop was held from December 1-3, 1999. This workshop included participants from FinaSol Management, FSC leadership (2 FSC Chairmen), ACDI/VOCA Washington, USAID/Pretoria, and DGRV (Germany and Pretoria), as well as the three FSC Trainers. Discussions focused on community networking, promotion strategy improvement, streamlining/simplification of forms, community selection criteria, review of the awareness, pre-establishment and operations training materials, review of milestones and time scale, and the selection and utilization of community trainer assistants. The detailed program is attached as appendix 2.

Second, the first FinaSol strategic planning workshop was held from December 6-8, 1999. This workshop included all FinaSol staff members as well as ACDI/VOCA Washington. Discussions focused on an overview of FinaSol's objectives and achievements, funding parameters and requirements, creation of a common vision, communications, customer service, operational effectiveness and team building. The detailed program is attached as appendix 3.

h) Collaboration with the National Department of Agriculture (NDA)

There has been no improvement in the status of the MOU with the National Department of Agriculture. In fact, relations have deteriorated considerably to the total incomprehension of the FinaSol Management. Several calls were received from USAID/Pretoria concerning this situation. While the misunderstanding has not been, as yet, resolved efforts have been made to find a workable solution to the problem.

i) Land Bank

No progress has been made on the development of a formal agreement between FinaSol and the Land Bank. It was agreed with the Land Bank that a delegation from it would visit FinaSol during the first quarter of 2000 to see progress to date and move towards a written agreement.

j) Khula

No further progress was made during the reporting period.

k) Collaboration with the Swedish Cooperative Centre (SCC)

Discussions were completed with the Swedish Cooperative Centre to fund self-study training materials development and training of facilitators. The expected amount of funding will be 900,000 Swedish Kroner (approximately R 675,000). The grant agreement is expected to be signed late in January 2000. SCC also agreed to fund the purchase of one VW Citi Golf for FSC Trainers and SwK 150,000 to fund a banking consultancy.

l) Collaboration with Africa Co-operative Action Trust

A Memorandum of Understanding (MOU) was signed with Africa Co-operative Action Trust (ACAT) KwaZulu-Natal on December 15, 1999. The objective of the MOU is to work together to develop communities in KwaZulu-Natal. FinaSol will continue to work exclusively on the development of FSCs, while ACAT will provide additional business development and support services to those same communities. The first order of business after the signing of the MOU was a joint submission for funding of FSCs for nine communities to the KwaZulu-Natal Department of Welfare. No response to the submission had been received by the end of December.

m) Vehicles

The Swedish Cooperative Centre provided FinaSol with R 45,065.31 to purchase one VW Citi Golf for an FSC Trainer. Furthermore, a request was made to USAID/Pretoria to verify if purchases from Ford South Africa would fulfill the source and origin criteria, given that Ford South Africa is majority owned by Ford USA. USAID agreed to explore the option and report back to FinaSol, however, this would only take place after January 14, 2000.

FinaSol Management approached both the Rembrandt Group and Anglo America Corporation to ascertain if they might provide funds for vehicle purchase. Both organizations indicated that they did not see FinaSol activities falling within their areas of support.

n) IMALI Expenses

A summary of project expenditures to date is shown in Table 1. As one can see the rate of expenditure is increasing, as expected, as training and support staff increase to provide support for a rapidly increasing number of FSCs.

Table 1. IMALI Expenditures October 1, 1998 – December 31, 1999

	Year 1 Expenditures	Year 2 Expenditures¹	Total to Date
ACDI/VOCA	\$ 302,944.90 ²	\$ 91,002.78	\$ 393,947.68
FinaSol	\$ 211,784.41	\$ 157,335.84	\$ 369,120.25
FSC Capitalization	\$ 205.45	\$ 5,848.17	\$ 6,053.62
Total	\$ 514,934.76	\$ 254,186.79	\$ 769,121.55

¹This amount is the Year 2 expenditures to date (Oct. 1 – Dec. 31, 1999).

² The amount in the previous progress report (\$ 302,548.47) was incorrect. This is the corrected amount.

o) Matching Funds

The total amount of match for the reporting period is shown in Table 2.

Table 2. Match Funds as of December 31, 1999

Item	Match Type	Value in Rands		
		Current Period ¹	Previous Periods	Total to Date
1	Office space	17,820.00 ²	69,736.00	87,556.00
2	Administrative assistance (staff time, supplies, communications, photocopies, and accounting)		73,200.00	73,200.00
3	Travel expense (Airfare, per diem and other transportation expenses)		64,569.27	64,569.27
4	Financial management consultant		10,000.00	10,000.00
5	Study trip to Europe (Airfare, per diem and salary)		27,611.28	27,611.28
6	Development Bank assistance (consultant & travel)		6,840.00	6,840.00
7	DGRV funds for training	48,835.83	278,169.17	327,005.00
8	Training workshop		14,900.93	14,900.93
9	FinaSol (FAF) Micro-banking software system		1,813,234.78	1,813,234.78
10	Parking for FinaSol Management	2,160.00 ²	9,720.00	11,880.00
11	Legal Expertise		151,293.71	151,293.71
12	FSC Earnings ³	8,750.00	2,530.00	11,280.00
13	SCC funds	45,063.31	0.00	45,063.31
14	VAT Reimb. From non-USAID funded expenditures	7,165.83	0.00	7,165.83
Total		129,794.97	2,521,814.14	2,651,600.11
Average exchange rate used for the period (R/\$)		6.120914464		
Equivalent in \$ US *		\$ 21,205.16	\$ 421,229.71	\$ 442,434.87

¹ The current period includes in-kind contributions from October to December 1999.

² Match from SASA.

³ For the reporting period all FSC earnings come from entry fees. This will change when the FSCs are officially registered and can begin full banking operations.

p) Target Tracker

The Year 2 Workplan updated target tracker table is attached as Appendix 4.

2. FSC Promotion and Training

a) Development of Training Modules

During the reporting period, the Operations Training Manuals for the Boards of Directors (5 Modules and 3 Annexes) and the Teller Training were completed. Formatting into A5 format was also completed as was the translation into Zulu of the Boards of Directors Training Modules. It is expected that the booklets will be printed and ready for distribution by the end of January 2000.

b) FSC Promotion

The FSC statistics at the time of December 31, 1999 were as follows:

Table 3. FSC Statistics as of December 31, 1999

FSC	No. of Members	Value of Share Capital	Savings Deposits	FSC Earnings (Entry Fees)
Entumeni	55	R 2,750.00	R 1,100.00	R 1,650.00
Muden	125	R 6,250.00	R 10,880.00	R 1,250.00
Tseki	106	R 5,300.00	R 5,259.80	R 1,060.00
Sihlangu	75	R 3,750.00	R 1,500.00	R 2,250.00
Umtfomba Wempilo	63	R 3,150.00	R 1,260.00	R 1,890.00
Osungulweni	50	R 2,500.00	R 1,000.00	R 1,500.00
Sibonelo	56	R 2,800.00	R 1,120.00	R 1,680.00
Total	530	R 26,500.00	R 22,119.80	R 11280.00

The FSC growth has increased significantly since the previous reporting period. In fact, a thorough analysis of both probable and potential FSC demand in the Mpumalanga, KwaZulu-Natal, Free State, Northern, and Eastern Cape Provinces indicates at least 34 additional communities that wish to form FSCs. FinaSol is likely to be back on target in terms of number of FSC by the end of June 2000.

Tables 4 and 5, show the FSC training sessions that were conducted during the reporting period (Oct. – Dec. 1999).

Table 4. FSC Training Sessions – Quarter 3, 1999 – Mpumalanga Province

Community	No. of Learners			Training Session
	Male	Female	Total	
Mpumalanga Province				
Sibange ¹			20	Pre-establishment Module 1 & 2
			20	Pre-establishment Module 3 & 4
			20	Pre-establishment Module 5 & 6
			20	Pre-establishment Module 7 & 8
			20	Pre-establishment Modules 9 & 10
			20	Pre-establishment Modules 11, 12 & 13
Vlakbult	10	19	29	Awareness Modules 1 & 2
	10	16	26	Awareness Modules 3 & 4
	6	19	25	Awareness Modules 5 & 6
Steenbok	17	20	37	Awareness Modules 1 & 2
	14	27	41	Awareness Modules 3 & 4

¹The former trainer for the Mpumalanga Province, who resigned effective October 31, 1999, did not produce either a monthly report or individual training session reports for October 1999. The new trainer was unable to verify the number of participants, so an assumption was made that the entire founding committee was present at each meeting.

Table 5. FSC Training Sessions –Quarter 3, 1999– Free State and KwaZulu-Natal Provinces

Community	No. of Learners			Training Session
	Male	Female	Total	
Free State Province				
Tseki (Qwaqwa)	5	3	8	BOD Training Modules 1 & 2
	6	3	9	BOD Training Modules 3 & 4
	6	3	9	BOD Training Module 5 & Annexes 1-3
Eastern Cape Natal Province				
Mount Fletcher	6	17	23	Initial Briefing
KwaZulu Natal Province				
Ladysmith	9	16	25	Initial Briefing
Lotheni (Underberg)	17	35	52	Initial Briefing
Bhetheni (Bergville)	0	18	18	Initial Briefing
Muden	3	3	6	BOD Training Modules 1 & 2
	3	3	6	BOD Training Modules 3 & 4
	3	3	6	BOD Training Module 5 & Annexes 1-3
Zwelisha (Bergville)	4	16	20	Pre-establishment Modules 1 & 2
	4	16	20	Pre-establishment Modules 3 & 4
	4	15	19	Pre-establishment Modules 5 & 6
	4	15	19	Pre-establishment Modules 7 & 8
	4	15	19	Pre-establishment Modules 9 & 10
	4	15	19	Pre-establishment Modules 11 & 12
	4	15	19	Pre-establishment Modules 13
Nkandla	35	40	75	Initial Briefing
Nkandla Extension Officers	10	12	22	Initial Briefing
Harding	46	64	110	Initial Briefing
Waterfall	31	49	80	Initial Briefing
Mholokohlo	20	36	56	Initial Briefing
Mona	215	240	455	Initial Briefing
Nonkombo	101	107	208	Initial Briefing
Ndwedwe	136	126	252	Initial Briefing
	38	69	117	Awareness Modules 1 & 2
	29	73	102	Awareness Modules 3 & 4
	36	60	96	Awareness Modules 5 & 6
	8	10	18	Pre-establishment Modules 1 & 2
	7	11	18	Pre-establishment Modules 3 & 4
	12	6	18	Pre-establishment Modules 5, 6 & 7
	9	10	19	Pre-establishment Modules 8, 9 & 10
	10	9	19	Pre-establishment Modules 11, 12 & 13
Entumeni	5	3	8	BOD Training Modules 1
	5	2	7	BOD Training Modules 2 & 3
Osungulweni (Fort Yollond)	7	11	18	Pre-establishment Modules 1 & 2
	7	11	18	Pre-establishment Modules 3 & 4
	3	11	14	Pre-establishment Modules 5 & 6
	5	13	18	Pre-establishment Modules 7, 8, 9 & 10
	7	10	17	Pre-establishment Modules 11, 12 & 13
Nsingweni (Mtunzini)	6	10	16	Initial Briefing

Additionally three training sessions were organized for FSC Teller training. A total of 8 teller candidates and seven FSC Treasurers were trained on the FinaSol micro-banking system. While it was expected that all of the 7 FSCs would be fully functioning by the end of December only two had the building modification and telephone installations completed. Only Muden FSC and Tseki FSC began live operation in December. It is expected, however, that the telephone situation will be resolved and the remaining 5 registered FSC will begin using the live system during January 2000.

V. Key Work Plan Activities for Quarter 1, 2000

- Training of Trainer Workshop for New FSC Trainers
- Banking consultancy completed
- Formal Opening of Tseki (Feb. 25) and Muden (Mar. 22) FSCs
- Training and Formation of 10 more FSCs
- Installation of FinaSol Micro-banking system in 17 FSCs
- Internal Recruitment of a Training Manager
- Internal Recruitment of a Operations Training Specialist
- Purchase of a ACDI/VOCA project vehicle for support visits to FSCs
- Signature of a funding agreement with SCC
- Expansion of FinaSol FSC activities to the Eastern Cape and Northern Provinces
- Recruitment of a FinaSol Receptionist/Secretary
- Recruitment of an Operations and Development Manager
- Completion and duplication of all of the Operations Training Materials



SOUTH AFRICAN RESERVE BANK
FROM THE OFFICE OF
THE REGISTRAR OF BANKS

CONFIDENTIAL

Ref. DIA8044B/lvdB
Tel: (012) 313-3731

1999-11-04

Dr R F Bates
Managing Director
Finasol
(Association Incorporated Under Section 21)
P O Box 61
KLOOF
3640

1999 -11- 12

Dear Dr Bates

APPOINTMENT AS REGULATORY BODY: FINASOL (ASSOCIATION INCORPORATED UNDER SECTION 21)

We wish to refer to your letter dated 6 September 1999, with annexures, and the meeting held at our offices, on 28 October 1999, between yourself and our Messrs J Delpont and J I van den Bout.

This Office wishes to advise that it grants its consent for Finasol (Association Incorporated Under Section 21 – “Finasol”) to be a regulatory body in respect of village financial service co-operatives, as contemplated by the provisions of Government Notice No. 367, published in *Government Gazette* No. 18741 dated 10 March 1998, subject to the following conditions:

1. Finasol shall furnish this Office with a duly completed application in respect of each village finance service co-operative wishing to become, for purposes of self-regulation, a member of Finasol, which documentation shall include:
 - 1.1 Written confirmation by the Registrar of Co-operatives that he is satisfied that there is compliance with all requirements contained Government Notice No. 367.
 - 1.2 A duly completed copy of the Model Statute, for purposes of registration by this Office.
 - 1.3 Full particulars of each applicant village financial service co-operative and an accompanying business plan.
2. Finasol shall execute its role as regulatory body within the framework contemplated by the provisions of Government Notice No. 367 and shall provide this Office, on a yearly basis, commencing on 1 January 2001, with a report, in writing, on the execution of its functions and activities.
3. No changes to the proposed functions of Finasol, as reflected in Annexure 2 to your letter under reference, may be implemented without this Office's prior written approval.

4. This Office reserves the right to request any information and/or documentation that it may deem necessary.

Yours sincerely



Registrar of Banks

IvdBvNetfNov.001

cc The Registrar of Co-operatives
Directorate: Business and Institutional Development
National Department of Agriculture
Private Bag X237
PRETORIA
0001

Appendix 2. FinaSol's Training Evaluation Workshop

Time	1 December 1999 Day 1	2 December 1999 Day 2	3 December 1999 Day 3
08:15	Tea and Coffee on Arrival	Tea and Coffee on Arrival	Tea and Coffee on Arrival
08:30	Welcome and Introduction Presentation of Programme R.B. T.S.	Session 6. Revision of Training materials T.S. Pre-establishment Training (modules 1-13 : (11)) • Modules 1, 2, 4, 5, and 6 • Modules 7, 9, 11, 12 and 13 • Module 3 with new business plan • Module 8 with documents papers for staff recruitment, selection criteria, interview procedures (questions), model contract and work conditions, and an overview of teller training session)	Session 13. What to do next? G.S. • Transfer of application forms to FinaSol, FSC office, telephone, electricity, installation of computer, etc.
08:45	Session 1. Community Networking G.S. • How to set up suitable contacts • Community visits to existing FSCs	• Potential for FSC clustering	
09:00			
09:15	Session 2. Steps T.S. • Inquiry/Response and Requests for Briefing • Initial Briefing • Checklist for Awareness Training • Awareness Training	• Appraisal for Pre-establishment Training	Session 14. Teller/Treasurer Training B.B. • Selection of tellers/Add. Support from Barbara
09:30	• Pre-establishment Training	Session 7. Milestones G.S.	
09:45	• Preparations for Formation Meeting	• Review of the Awareness Training Milestones and time scale (12)	
10:00	• Formation Meeting/Application for registration		
10:15	Mid Morning Tea	Mid Morning Tea	Mid Morning Tea
10:30	Session 3. Forms to be filled out T.S. • Request for Initial Community Meeting (1)	• Review of the Pre-establishment Training Milestones and time scale (13)	• Renovation of FSC office to required standards • Computer Installation • Training venue and cost.
10:45	• Request to be Considered for Awareness Training (2)	• Review bank account type	Session 15. Board Training G.A. • Modules 1, 2, 3, 4, 5 and Annexes 1, 2 & 3
11:00	• Checklist for Consideration for Awareness Training (3)		
11:15	• Expression of Interest Questionnaire (4)		
11:30	• Summary Score Sheet for Appraisal Report (5)		
11:45	• Checklist Report for Entry into FSC Pre-establishment Programme (6)		
12:00	Session 4. Criteria to be used for: G.S. • Selection of communities for Initial Briefing - Community involvement - Telephone and electricity - Minimum number of households • Selection of communities to begin Awareness Training.	Session 8. Use of community trainers G.S. • Vision and role for community trainers	Session 16. Safety & Security Committee R.B. • Safe cash transit
12:15			
12:30			
12:45	Lunch	Lunch	Lunch

FinaSol's Training Evaluation Workshop				
Time	1 December 1999 Day 1	2 December 1999 Day 2	3 December 1999 Day 3	
13:45	<ul style="list-style-type: none"> Dealing with communities that don't fulfil the Criteria and continue to solicit FinaSol's Assistance Appraisal of communities to be able to continue into Pre-establishment Training Criteria for selection of the Founding Committee Members. 	Session 9. Formation Meeting T.S. <ul style="list-style-type: none"> Criteria for Formation Meeting Review of the Agenda (order and content) (14) 	Session 17. Operations Training Strategy J.S. <ul style="list-style-type: none"> Marketing and Education Committee Continued member recruitment 	
14:00		Session 10. Pre-nomination meeting B.G. <ul style="list-style-type: none"> Caucus 		
14:15		Mid afternoon tea	Session 11. Elections at the Formation Meeting GA <ul style="list-style-type: none"> Assistance of neutral chairperson Selection of Chairperson (qualifications) Selection of the Vice-chairperson (qualifications) Selection of Treasurer (qualifications) Selection of the other board members 	Session 18. Operations Training Strategy G.S. <ul style="list-style-type: none"> Arrangements for FSC opening
14:30			Mid afternoon tea	
14:45			Session 5. Revision of Training materials T.S. <ul style="list-style-type: none"> Answers to frequently asked questions (7) Information Sheet (8) 	
15:00	Session 12. Forms T.S. <ul style="list-style-type: none"> Preparation of forms before the meeting Completion of forms (set of forms (15) Verification of forms – Who? Submission of forms Agenda for the 1st Board Meeting (16) 			
15:15	<ul style="list-style-type: none"> Awareness Training Modules 1, 2, 3, 4, 5 & 6 (9) Add in section on key clauses of the FSC statute(10) 	End of Programme	OPEN	
15:30				End of Programme
15:45				
16:00	End of Programme	End of Programme	End of Programme	
16:15				
16:30	End of Programme	End of Programme	End of Programme	

Appendix 3. FinaSol Strategy Workshop

AGENDA

Day 1 : 6 December 1999

08:30 - 08:40	Welcome	Richard Bates
08:40 - 09:00	Icebreaker – introductions	Rose Juby/All
09:00 - 09:15	Workshop Objectives	Rose Juby/All
09:15 - 09:50	Micro Finance Industry Overview - history/global players/lessons/ - legislation/SA players/SASA & other input etc.	Richard Bates
09:50 - 10:10	ACDI/VOCA funding parameters & requirements - background to organization/role/ - expectations/key targets/reporting etc.	Tom Shaw
10:10 - 10:30	Tea	
10:30 - 13:00	Introduction: Vision for FinaSol	Rose Juby
13:00 - 14:00	Lunch	
14:00 - 15:15	Communications Module	Peter Parr
15:15 - 15:30	Tea	
15:30 - 16:55	Communications Module (cont.)	Peter Parr
16:55 - 17:00	Sum up and close	Rose Juby

Day 2 : 7 December 1999

08:30 - 10:30	Understanding FinaSol functions and department Interdependence: - Finance - Information Systems - Operations - Overview: Improvements Required	Mark Taylor Barbara Bruins G. Africa/B. Gumbi George Smith
10:30 - 10:50	Tea	
10:50 - 12:00	Customer Service (incl. Video)	Rose Juby
12:00 - 13:00	Competitive Advantage – FinaSol (uniqueness in Juby/All	Rose
13:00 - 14:00	Lunch	
14:00 - 15:15	Operational Effectiveness - in the field; overall, as an organization	All
15:30 - 17:00	Operational Effectiveness (cont.)	All

Day 3 : 8 December 1999

08:30 - 10:20	Operational Effectiveness (cont.)	All
10:20 - 10:40	Tea	
10:40 - 12:15	Vision for FinaSol - (Purpose, Values, Stretch Target)	Rose Juby
12:15 - 13:15	Lunch	
13:15 - 14:45	Team Building	Anne Heslop
14:45 - 15:00	Tea	
15:00 - 16:00	Team Building (cont.)	Anne Heslop
16:00 - 16:20	Summary of proceedings/ agreements	Rose Juby
16:20 - 16:30	Thanks & Close	Richard Bates

USAID/South Africa Increasing Microenterprise Access to Liquidity (IMALI) Program						(Project No. 674-A-00-98-00056-00)		
TARGET TRACKER - ANNUAL WORK PLAN II (01 October 1999 - 30 September 2000) - UPDATE AS OF DECEMBER 31, 1999								
Annual Workplan Update - Status as of 31 December 1999								
ACDI/VOCA - FinaSol			FSC - Financial Service Coop			USAID - US Agency for International Dev		
AV - Administrator			FSA - Financial Service Assoc			MD - Managing director		
AIPA - Africa Inst Policy Analysis			FinaSol - Financial Solutions			STA - Sr Technical Advisor		
IMALI - USAID project			TIGERAFAD - guarantee org			OM - Operations mgr		
IDRV - German donor			LP-ABD			FPA - FinaSol Program Assistant		
						FM - Finance/MIN mgr		
						TM - Training mgr		
						ACCT - Accountant		
						STTA - Short Term Technical Assistance		
						TBD - To be determined		
TASK	RESPONSIBLE PARTY	IMPLEMENTATION TIMEFRAME		OUTPUT	TA) COMPLETION STATUS			
		Start	End		1999/2000		Actual % this year	Actual % of TOTAL
		Projected	Actual					
<i>USAID Strategic Objective 5- Increase access to financial markets for the historically disadvantaged population</i>								
I. FinaSol Institutional Development								
1. Conduct Annual Strategic Planning Workshop	STA/MD/STTA	Dec	Dec	Develop Annual Strategic Plan	1	1	100%	100%
2. Conduct Annual Training Evaluation Workshop	STA/STTA	Oct	Oct	Revise Training Materials and Training Program	100%	100%	100%	100%
3. Revise FSC Training Manuals	STA/STTA	Qtr1	Qtr1	Awareness, Pre-establishment and Operations Training Manuals Revised and Translation in Zulu improved.	100%	50%	50%	50%
4. Organize New Office arrangements	MD/STA/FPA	Nov	Nov	Move FinaSol to New Office in Kloof	100%	100%	100%	100%
5. Recruit and hire Operations' Manager	STA/MD	Qtr1	Qtr2	Hire Operations' Manager	1	0	0%	0%
6. Recruit and hire Trainers	MD	Qtr1	Qtr1	Hire 3 Trainers	3	3	100%	100%
		Qtr2	Qtr2	Hire 2 Trainers	2	0	0%	0%
7. Conduct 1 O T Workshop for New Trainers	STA/STTA	Qtr1	Qtr1	Train 3 Trainers	100%	0%	0%	0%
		Qtr2	Qtr2	Train 2 Trainers	100%	0%	0%	0%
7. Conduct Orientation Training for Operations' Manager	MD/STA/FPA	Qtr2	Qtr2	Train Operations' Manager	100%	0%	0%	0%
8. Revise FinaSol Information Brochure	STTA/MD/STA	Qtr2	Qtr2	New Information Brochure Completed and Printed	1	0	0%	0%
9. Conduct Monthly Trainer Report Back Meeting	STA/OM	Oct	Sept	Conduct 12 Report Back Meeting	12	3	25%	25%
10. Conduct Monthly Trainer Workshops	STA/OM	Oct	Dec	Conduct 12 one-day Trainer Workshops	12	2	17%	17%
11. Finalize Year 2 Annual Workplan, vetted with USAID	STA	Qtr1	Qtr1	Year 2 Annual Workplan in place and implemented	100%	100%	100%	100%
12. Prepare FinaSol Annual Budget	MD/ACCT	Qtr2	Qtr2	2000-2001 Annual Budget approved by FinaSol Board	100%	0%	0%	0%
13. Maintain relations w/ Registrar of Co-ops/Banks	MD	Qtr1	Qtr4	Quarterly Reports and Meetings with Registrar of Co-op Banks	4	1	25%	25%
14. Dev3 Liquidity/cash management system for ESCs	STTA	Qtr2	Qtr3	Development of liquidity/cash management manual	100%	0%	0%	0%
15. Develop Year II Develop STTA Agenda for FinaSol	MD,STA	Qtr1	Qtr1	Annual STTA plan developed and implemented	100%	100%	100%	100%
16. Develop Year III Workplan	STA/MD/STTA	Sept	Sept	Year 3 Annual Workplan prepared and submitted to USAID	100%	0%	0%	0%
17. Finalization of Operations' Training Manuals	STA/STTA	Oct	Oct	BOB and Committee (4) Manual Completed	100%	25%	25%	25%
		Qtr1	Qtr1	Administrator/Teller Training Manual Completed	100%	100%	100%	100%
		Qtr1	Qtr1	Operations' Training Manuals Translated into Zulu	100%	25%	25%	25%
18. Annual Update of FinaSol's Business Plan	STTA/MD/ACCT	Qtr1	Qtr2	Finalized Year 3 Business Plan	100%	0%	0%	0%
19. Monitoring and Evaluation/Impact Assessment	STTA	Qtr2	Qtr3	One Impact Assessment Report	100%	0%	0%	0%
20. Conduct Market Survey/Baseline Analysis	STTA	Qtr1	Qtr4	5 Market Surveys Completed for Mpumalanga, Eastern Cape	5	1	20%	20%
				Free State, KwaZulu-Natal, and Northern Provinces				
21. Perform FSC Audits	STTA/ACCT	Qtr3	Qtr3	Conduct FSC Audits for 1999/2000 Financial Year	12	0	0%	0%
22. Revise FinaSol/FSC Financial Model	STTA	Qtr2	Qtr2	Revised FSC Financial Model revised and available	100%	0%	0%	0%
23. Conduct FSC Forum Workshops	MD/STA/STTA	Qtr2	Qtr4	Conduct 3 FSC Forum Workshops	3	0	0%	0%
24. Conduct FSC Peer Review	STTA	Qtr3	Qtr3	Conduct 1 FSC Peer Review and set up computer model for periodic review updates	100%	0%	0%	0%
25. Develop FinaSol Regulatory Legislation	STTA	Qtr1	Qtr4	FinaSol is Accredited as a Regulatory Body	100%	100%	100%	100%
26. Document policy and regulatory issues	MD/STTA	Qtr1	Qtr4	Critical reform areas identified and documented	TBD	0	0%	0%
27. Prepare for project evaluation	STTA	Qtr4	Qtr4	Target/deliverables of FinaSol assessed	1	0	0%	0%
28. Readjust according to evaluation findings	MD/STTA	Qtr4	Qtr4	FinaSol addresses issues, provides solutions	1	0	0%	0%
29. FinaSol Management visits international projects	TBD	Qtr2	Qtr4	New management ideas brought into FinaSol during 2 visits	2	0	0%	0%
30. FSC leaders visit other domestic/international projects	TBD	Qtr4	Qtr4	New management ideas brought into FSCs - FSC Board Members	10	0	0%	0%
31. FinaSol Manager go to Hst Training in US	MD	Qtr4	Qtr4	FinaSol Manager part. In Boulder MFI Training program	1	0	0%	0%
32. RMA "best practices" identified	MD/STTA	Qtr1	Qtr4	Best practices recorded in quarterly reports	4	1	25%	25%
33. Prepare FinaSol quarterly report	STA/MD	Qtr1	Qtr4	Quarterly report prepared and submitted to USAID	4	1	25%	25%
34. Prepare FinaSol annual report	MD/STTA	Qtr3	Qtr3	Annual report prepared and submitted to USAID	1	0	0%	0%

TASK	RESPONSIBLE PARTY	IMPLEMENTATION TIMEFRAME		OUTPUT	TAI COMPLETION STATUS			
		Start	End		1999/2000		Actual % this year	Actual % of TOTAL
					Projected	Actual		
II. FinaSol/FSC Operations								
<i>Intermediate Results (-):</i>								
<ul style="list-style-type: none"> Number of microenterprises accessing loans through FinaSol FSCs Number of loans made to microenterprise by FinaSol FSCs Value of loans made to microenterprises from FinaSol FSCs 				Microenterprises accessing loans	1,758	0		
<ul style="list-style-type: none"> Total number of FSCs Total number of FSCs membership Total savings mobilized by FSCs Total capital mobilized by FSCs Total employment generated by FSC loans 				Loans made to microenterprises	4,482	0		
				Value of loans to microenterprises	\$ 911,750	0		
				FinaSol FSCs registered	38	5		
				FSC membership	10,300	530		
				Total FSC savings mobilized in Rands	R 1,888,936.00	R 22,119.80		
				Total FSC paid in capital in Rands	R 347,887.00	R 26,500.00		
				Number of jobs created	TBD	TBD		
35. Prioritize FSC geographic placement	MD/STA/OM	Qrt1	Qrt4	Communities identified for FSC development	30	30	100%	100%
36. Select target for new FSC establishment	MD/STA/OM	Qrt1	Qrt4	New FSC candidates agreed on	30	15	50%	50%
37. Carry out community resource appraisal	STTA	Qrt1	Qrt4	Community resource base identified	30	15	50%	50%
38. Interested communities approach FinaSol		Qrt1	Qrt4	FinaSol list of potential FSCs increased	40	30	75%	75%
39. Assist in start-up of FSCs	MD/STA/OM	Qrt1	Qrt4	FSCs started	30	5	17%	17%
40. Carry out FSC awareness training and promotion	Trainers	Qrt1	Qrt4	Community FSCs clients aware of FinaSol services	35	15	43%	43%
41. Carry out FSC pre-establishment training	Trainers	Qrt1	Qrt4	FSC founding committees trained	30	7	23%	23%
42. Carry out FSC operations training	Trainers	Qrt1	Qrt4	FSC administrator, staff and board rep. trained	38	7	18%	18%
43. FSC management training	Trainers	Qrt1	Qrt4	FSC management staff trained/strengthened	38	7	18%	18%
44. Community provides FSC premises	Communities	Qrt1	Qrt4	FSC office established	36	7	19%	19%
45. FSC applies to FinaSol program	FSC	Qrt1	Qrt4	Community resources deemed adequate	36	7	19%	19%
46. Respond to community requests for application	MD/STA/OM	Qrt1	Qrt4	FSC applications received from communities	36	7	19%	19%
47. Facilitate the registration of FSCs	MD/STA/OM	Qrt1	Qrt4	FSCs registered	38	5	13%	13%
48. Sign franchise agreement w/ FSCs	FSC	Qrt1	Qrt4	FSC/FinaSol franchise agreements signed	38	7	18%	18%
49. Assist FSCs w/ financial service delivery	MD/STA/OM	Qrt1	Qrt4	Customers receive financial services	38	2	5%	5%
50. Provide technical assistance as needed	Trainers	Qrt1	Qrt4	FSC delivery capacity enhanced	38	9	24%	24%
51. Assist FSC with business plan revision	Trainers	Qrt1	Qrt4	Revised business plans completed	38	7	18%	18%
52. Make periodic field visits to FSC	Trainers/MD/STA	Qrt1	Qrt4	FSC capacity verified; TA provided as needed	38	9	24%	24%
53. Carry out annual FSC audits	STTA	Qrt3	Qrt3	FSC mgmt/financial capability assessed	12	0	0%	0%
54. Certify FSCs	MD	Qrt3	Qrt3	FSCs certified after annual audit	12	0	0%	0%
55. Carry out FSC peer review and report on findings	STTA	Qrt3	Qrt3	FSCs ranked according to performance	1	0	0%	0%
56. Design a FSC performance-based incentive plan	STTA	Qrt1	Qrt3	FSC standards/performance incentive plan in place	100%	0	0%	0%
57. Contact, facilitate, negotiate link bank inputs	MD/STA/OM	Qrt1	Qrt4	Link bank arrangements set up for FSCs	38	9	24%	24%
58. Expand FSC products and services menu	STTA/MD/STA/OM	Qrt1	Qrt4	Revised FSC product line initiated	100%	0	0%	0%
59. Assist FSCs with management support systems	Trainers	Qrt1	Qrt4	FSC admin systems in place and functional	38	0	0%	0%
60. Facilitate/negotiate wholesale loan funding	MD	Qrt1	Qrt4	New loan capital available	TBD	0	0%	0%
61. Prepare the FSC credit policy manual	STTA/STA	Qrt2	Qrt2	Credit delivery manual completed	1	0	0%	0%
62. Set up FSC MIS loan tracking/impact monitoring	STTA	Qrt2	Qrt2	FSC loan tracking carried out, impact reported	38	0	0%	0%
63. Microenterprises access loans	OM	Qrt2	Qrt4	Loan disbursement info recorded	1,758	0	0%	0%
64. Cumulative number of loans disbursed	OM	Qrt2	Qrt4	Overall portfolio loan info recorded	4,482	0	0%	0%
65. Value of FSC loans outstanding	OM	Qrt2	Qrt4	Loan value info recorded	\$911,750	0	0%	0%
66. Average loan size	OM	Qrt2	Qrt4	Average loan size info recorded in quarterly report	2	0	0%	0%
67. Average loan duration	OM	Qrt2	Qrt4	Average loan duration info recorded in quart. report	2	0	0%	0%
68. Number of borrowers with gender breakdown	OM	Qrt2	Qrt4	Number of women borrowers recorded in mo. report	6	0	0%	0%
69. Cost of loan	OM	Qrt2	Qrt4	Cost-per-loan info recorded in monthly report	6	0	0%	0%
70. Number of total FSC members	OM	Qrt1	Qrt4	New FSC member numbers recorded	10,300	530	5%	5%
71. Cumulative FSC savings on deposit	OM	Qrt1	Qrt4	Savings info recorded in Rands	R 1,888,936.00	R 22,119.80	1%	1%
72. Number of depositors with gender breakdown	OM	Qrt1	Qrt4	Number of women savers recorded in monthly report	11	0	0%	0%
73. FSC capital accumulation	OM	Qrt1	Qrt4	Capital base info recorded	R 347,887.00	R 26,500.00	8%	8%
74. Total FSCs reaching break-even	OM	Qrt1	Qrt4	FSCs reach break-even target (after 18-24 months)	5	0	0%	0%
75. Insurance program devtd. and provided to FSC	STTA/MD	Qrt1	Qrt4	System operational and FSC risk mgt enhanced	100%	0%	0%	0%
76. Bank-to-bank transfer system developed	ACCT/STTA	Qrt1	Qrt2	System operational and used for FSC transfers	100%	0%	0%	0%
77. Pensions transmission service established	MD/STTA	Qrt1	Qrt3	System operational and FSC client use increased	100%	0%	0%	0%
78. Provide and set up FSC accounting system	ACCT/STTA	Qrt1	Qrt1	FSC accounting system is operational	100%	0%	0%	0%
79. Creation of the FSC forum	MD/STA/STTA	Qrt2	Qrt2	FSC forum functioning	1	0	0%	0%
80. Organize FSC forum semi-annual meetings	MD/OM	Qrt2	Qrt4	FSC forum meeting held and minutes published	2	0	0%	0%