

HEALTH-IADA MICROCREDIT RULES

Article 1 (Definitions)

“**Health-Aid**”, or “**HA**”, is Health-Aid Onlus, an Italian NGO with registered office in _____;

“**Microcredit Project**” is the HA project for microcredit activities in Saboba, as better described in the Microcredit Project Specification;

“**Microcredit Project Manager**” is the person volunteering for Health-Aid responsible for the development of the Health-Aid Microcredit Project (currently Ms Irene Tagliamonte);

“**Health-Aid Director**” is the founder of Health-Aid, Dr Diego Manzoni;

“**Local Coordinator**” is the person volunteering for Health-Aid responsible for coordinating the various activities and projects carried out by HA in Saboba (currently Mr David Biyo);

“**Local Microcredit Project Manager**”, or “**Local Project Manager**”, is the person responsible for developing and carrying out the Microcredit Project in Saboba (currently [...]);

“**Local Staff**” is the people working for the Microcredit Project under the supervision of the Local Project Manager (no local staff is envisaged at the initial stage – start up of the project).

Article 2 (General purposes)

1. The purpose of this Microcredit Rules is to set forth clear general processes and procedures for the start up and management of the Health-Aid Microcredit Project, as better described in the Microcredit Project Specification.
2. All the participants to this Microcredit Project fully endorse and abide with Health-Aid general rules, philosophy and spirit of cooperation.
3. The final aim of the Microcredit Project is to benefit Saboba people and help improve their living conditions, safety and health, in an environment of friendship, solidarity, freedom and self-determination.

Article 3 (General responsibilities of the Local Project Manager)

1. The Local Project Manager shall be responsible to develop and manage the Health Aid Microcredit Project in the area of Saboba, Ghana, under the direction of Health-Aid and the Microcredit Project Manager.
2. If and when Local Staff will be hired, the Local Project Manager shall be responsible for the proper organization, training and supervision of the work of the Staff members, in consultation with the Microcredit Project Manager.

3. The Local Project Manager shall be responsible to oversee the microcredit clients and ensure that the moneys advanced are invested in the specific economic activity or project agreed upon at loan release. The Local Project Manager shall monitor that the clients do not divert the moneys received for other purposes. No loans can be advanced to clients who, or belong to a group where a person, have failed to repay the loans or diverted the moneys received.

Article 4
(Organization of the working day)

1. The Local Project Manager shall organize its own working days and those of the Staff in a way to ensure that activities are carried out in the most efficient and effective way, to the benefit of the Microcredit Project. Flexibility is permitted, insofar as the Local Project Manager and the Staff are able to demonstrate to Health-Aid that they have achieved the goals and carried out any activity previously planned.
2. The main goals and activities to be carried out by the Local Project Manager and the Staff shall be discussed and agreed upon in advance with the Microcredit Project Manager at least on a weekly basis. The Local Project Manager shall be prepared to provide explanations about the reasons why the activities actually carried out during a week diverged from what previously agreed upon with the Microcredit Project Manager.
3. The Local Project Manager and the Staff are prohibited to advance new loans, unless the Microcredit Project Manager has expressly agreed in writing on the loan and relevant terms and conditions. The Microcredit Project Manager shall be informed in advance about the process of the borrowers selection, including the identification of the people to interview, the outcomes of the interviews and the application of the eligibility criteria. The eligibility criteria applied during the interview shall be those indicated in the Microcredit Project Specification.
4. The type of activities that the Local Project Manager and the Staff are usually expected to carry out include interviews with prospective clients, visiting villages, organizing and holding meetings with the centers, monitoring clients, building external relationships, safekeeping moneys, keeping records and reporting, coordinating with other projects and initiatives by Health-Aid. During the initial stage of the project the above activities shall be carried out by the Local Project Manager. If and when, at the second stage of the project, Local Staff will be hired, the above activities will be carried out by the Local Project Manager and Staff.

Article 5
(Weekly meetings with clients)

1. The Local Project Manager shall organize weekly meetings with each centre, which shall be composed of 40 people organized in 8 groups (see the Microcredit Project Specification). During the start up period the total number of groups will be [14] and each centre will be

exceptionally composed of [7] groups, therefore the weekly meetings shall be two (one per each centre). The number of groups and meetings should reasonably increase overtime¹.

2. The Local Project Manager shall ensure that during the weekly meetings the following activities are carried out:
 - educational activities, such as seminars, workshops, lessons and general discussion, on technical subject matters in view of transferring knowledge to the borrowers, and facilitating the success of the financed project, the smooth repayment of the loans and the proper investment of moneys by the borrowers. Education should, from time to time, cover also health and wealth matters or other topics of common interests. To this purpose the Local Project Manager shall coordinate with, and involve the Local Coordinator who can personally give lessons on health care to the Microcredit clients or invite other teachers. The Local Project Manager shall ensure that each centre is free to propose specific topics;
 - advancing of new loans (within the conditions of art. 4.3 above) and collection of savings (if any) and the repayment of instalments according to individual terms and conditions of the loan. Any time savings or repayment of an instalment is received, the Local Project Manager shall provide the relevant clients with a receipt. In the receipt the Local Project Manager should indicate the date, amount of the savings or repaid instalment, outstanding credit or debt, with separate indication of the principal amount and the interests due;
 - open discussions on progress individually and collectively achieved (including on the way earnings are invested) and possible problems that each borrower or client faces or expect to face. The challenges and problems as well as the progress and results achieved shall be shared and discussed among the participants of the centre; the Local Project Manager and Staff shall be prepared to provide advices and suggestions to the borrowers and face existing and forthcoming issues and challenges;
 - social activities with each centre, including for instance morning gym sessions, cultural initiatives and religious prays. **Saboba people should autonomously develop a social agenda for the benefit of their community.**
3. Client participation to the meetings shall be compulsory. The Local Project Manager shall ensure that the names of participants are from time to time recorded and that initiatives are undertaken in order to provide incentives and favour the widest and timely attendance. The weekly meetings should be organised in a way that the microcredit clients are really able to learn by enjoying their time together.
4. Clients shall have the right to file complaints with the Local Coordinator about how the microcredit project is handled. The Local Project Manager and the Local Coordinator shall ensure that each client is well informed about this right and is given indications on how to contact the Local Coordinator to this purpose. The Local Project Manager shall also periodically collect information on the general level of client satisfaction and suggestions on how to practically improve the Microcredit Project.

¹ After the start up period Health – Aid aims at increasing the number of centers and people financed. The Local Manager and any member of the Staff should aim at managing 200-250 clients each.

Article 6
(Safekeeping of the money)

1. The Project Manager and the Local Coordinator shall be responsible for arranging the collection and safekeeping of the money from the Microcredit clients during the weekly meeting.
2. Any moneys shall be collected personally by the Local Coordinator, who shall keep them in safekeeping on behalf of Health-Aid.
3. The Local Coordinator shall accept the money in custody and use them in the ambit of the HA activities, including - during the start-up period - for the building of the new house, according and within the limits of the indications given by the HA Director. In the event that the HA Director has not given any indication on the use of the money, the Local Coordinator must only keep them in custody and avoid any use or disposal whatsoever, as mentioned in par. 4.
4. The Project Manager and the Local Coordinator shall never use the Microcredit money - not even temporary - nor does dispose of them for personal or any other reason whatsoever, except as provided under par. 3 above.
5. Once a bank account for the Microcredit Project will be opened, the Local Coordinator shall deposit the money collected from the clients with that bank account and dispose of them exclusively for and within the purposes and limits of the Microcredit Project, in accordance with the specific rules and procedures on the banking account which will be developed in view to ensuring proper HA monitoring and coordination.

Article 7
(Recordkeeping and Reporting)

1. The Local Project Manager shall be responsible for the proper recordkeeping and reporting activity relating to the Microcredit Project.
2. The Local Project Manager shall promptly record each in and out money flow as soon as it takes place, and in any case by the end of the relevant day and shall ensure proper reconciliations and truthfulness of the accounts. To this purpose, at least by the end of each working day the Local Project Manager shall verify that the amounts recorded in the Microcredit books and records coincide and reflects the amounts actually received, given, spent or otherwise disposed during the same day.
3. The content and format of the Microcredit books and records shall be approved by the Microcredit Project Manager and shall contain at minimum the information mentioned in the following paragraph.
4. Health-aid, in the person of the Microcredit Project Manager, should receive on an on-going basis at least the following ongoing reporting:
 - on a weekly basis:

- minutes of each weekly meeting held at the centre, including evidence of the money flows and copy of receipts delivered to the clients;
 - summary report of the activities carried out during the week, including visits to the villages, details on people interviewed and relevant outcomes;
 - weekly group monitoring forms, organised in order to keep evidence of the name of the borrower, purpose of the loan, date, outstanding amount (principal and interests), repayments (principal and interests), savings and relevant date of deposit (if any), summary of the progress, (if any) existing or expected problems;
- a monthly basis:
 - a report with a general overview of the activities carried out during the month and with details on the progress and outstanding/expected problems, with relevant analysis, suggested way forward and proposal for enhancement.

In urgent cases the Microcredit Project Manager must be informed of problems immediately, in order to jointly discuss and agree upon actions to be taken.

5. The Microcredit Project Manager shall periodically review the recordkeeping and reporting obligations and, if it is the case, decide to amend them where opportune to the benefit of the Microcredit Project. The Microcredit Project Manager may act also upon proposal of the Local Project Manager.

Article 8 (Coordination with other HA activities)

1. The Local Project Manager and the Local Coordinator shall cooperate with each other in a view to ensuring the proper coordination of all HA activities. To this purpose, the Local Project Manager shall contact the Local Coordinator whenever opportune, and at least once a week, in order to provide him with updates on any issue or forthcoming challenge concerning logistics, use of HA assets/goods/offices, coordination, external relationships (including with clients, prospective clients and village people), safekeeping of moneys.
2. The Local Coordinator may visit the HA Guest House while microcredit related activities are carried out, including during the weekly meetings and may ask questions for clarification to clients and to the Local Project Manager and the Staff on issues that may be of interest in connection with the performance of his supervisory and coordination role.
3. The Local Coordinator shall promptly discuss with the Local Project Manager about any issue that may rise. Both parties shall try to face and address any problems with spirit of utmost cooperation. The parties should discuss openly and friendly, in view to finding common constructive solutions, to the benefit of Saboba people.
4. The Local Project Coordinator shall immediately inform the Microcredit Project Manager of any complaints received from the Microcredit clients, as well as on any irregularities or difficulties it may discover, notice or suspect in the performance of his responsibility.
5. The Microcredit Project Manager can take any reasonable initiative to ensure proper cooperation, coordination and organization of the Microcredit Project and people involved.

6. The Microcredit Project Manager shall report periodically, and at least once per month, the Health-Aid Director about developments, possible challenges, current or expected initiatives and outstanding or forthcoming issues relating to the Microcredit Project.