

22-08-006

From: C.C.M.C.
To: The President, Grace Charity

Answers to the Questions

- (1) The cash flow is organised in the following:
 - (a) Funding is from GRACE to Women groups through C.D.C then C.C.M.C.
 - (b) Disbursement is by C.C.M.C. to women groups with supervision of C.D.C.
 - (c) Repayments is done by women groups to C.C.M.C. account but currently since C.C.M.C. does not have an account, it will be C.C.M.C. to C.D.C. account.
- (2) Where repayment is failing, there are two alternatives:
 - (a) groups will be responsible to pay for the defaulting member through group savings account.
 - (b) C.C.M.C. will report the matter to C.D.C. so that the defaulter's husband will be deducted from his pay. Before everything group constitution terms will be developed where one of the rule will be. ~~In~~ In case of default a husband will be responsible to be deducted.
3. The legislation is there and all husbands agreed to it.
4. Women will supervise each other through two monthly meetings. The monthly meetings are there ~~for~~ for:
 - (a) Repayment of loans
 - (b) Payment of groups savings. ~~(c) sharing~~
 - (c) Sharing business experiences.

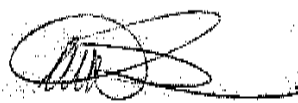
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In case of failure to attend the meetings without proper reasons, a woman is charged to pay K50.00 as stipulated in their constitution.

5. The assurance of K6000.00 being used for the project is there because before disbursement each woman will sign a loan application form and business plan, to be designed by CCMC during their training. Through that business plan CCMC will be able to track the break down of K6000.00 and the type of business. If the plan is unrealistic CCMC will be responsible to reject the individual loan application.
6. It is necessary that the monitoring and supervision of the local partner be budgeted because the monitoring and supervision will help:
 - (a) to provide business advisory services to women, especially during their monthly meetings or where need arises.
 - (b) To ~~provide~~ encourage repayment of loans and savings.
 - (c) To track progress of groups before they default. As such there is need to add K30,000.00 for monitoring and supervision.
7. The estimated follow up funds to be covered by KSHACE after 1st, 2nd and 3rd year will be identified after training of CCMC because during their training CCMC will be able to come up with

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- (a) Eligible individual to the loan.
 - (b) Eligible group.
 - (c) Eligible type of business
 - (d) Period of repayment on every loan circle
 - (e) Loan cycle on every loan circle
 - (f) Group constitution framework
 - (g) Interest rate at every loan circle
 - (h) Default mechanism
 - (i) Loan application forms and business plan form
 - (j) Monthly reporting form. At the end this will be compiled into a booklet for CCMC known as Chipungu credit mechanism booklet. Where other things there will be introduction of CCMC objectives of CCMC.
- 8 The CCMC has not visited any comparable project, but there is one or two within the region, and this visit is expected to be done after CCMC training before disbursement. Mr. Mbalika is ready to arrange the visit. Of course he assured us the CCMC that it is a viable one. For it is where the CCMC will exchange visits they started with K100,000 but now they have reached to K300,000.00.
- 9 Yes all the single projects will be fixed in a written contract for future references commitment.

 W.C. Mwirika
Secretary CCMC
Mbarara N. Chikara
Chairperson