

Longitudinal Case Study
TradeAID Integrated



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Introduction

Shared Interest annually publishes a selection of longitudinal case studies. Using research carried out over a number of months, the studies follow the customer journey over several years. The objective behind this process is to understand the level of impact Shared Interest finance has on a recipient business and its wider community.

The subject of this case study is, TradeAID Integrated (TradeAID) a handcraft producer based in northern Ghana. TradeAID first received finance from Shared Interest in 2014, and have since received a second Term Loan (TL) and a Commercial Export Credit Facility (COEC).

The key objectives are:

1. To explore the impact of each financial product individually, to understand how Shared Interest finance has affected TradeAID business operations and describe the change process that has taken place within the organisation.
2. To examine any impact our loan finance has had on producers, employees, and the local community.
3. To determine the critical success factors involved in the growth and sustainability of TradeAID.

Method

In gathering data for the study, we used both quantitative and qualitative methods including mini-surveys, semi-structured interviews and group discussions. The target population for the mini-surveys included 30 basket weavers and 5 employees of TradeAID. The semi-structured interviews included two basket weavers, one Community Volunteer and two employees including the Executive Director, Nicholas Apokerah. In addition, we reviewed all available documentation on TradeAID from 2011 to 2021. This included proposals, annual reviews, field visits reports and financial reports.

Background

The Upper East Region of Ghana is well known for its handcrafts. Due to the hot and dry climate, the land is difficult to farm and so the majority of the population relies on handcrafts to make a living.

Woven straw baskets are seen as a celebration of Northern Ghana's cultural heritage, produced from natural materials indigenous to the region they are woven in. Bolgatanga in particular has become renowned for its woven grass products, which are often referred to as 'Bolga baskets'. The practice of weaving baskets is a traditional skill as old as the community after which it is named and has been passed down through generations. The straw is usually obtained from 'vetiver' or 'elephant grass'.

The basket industry is identified as having potential for sustainable job creation, poverty reduction and decrease in rural urban migration, and more than 200,000 people are said to earn their living from basket production. There are an abundance of indirect jobs created along the value chain, including straw cultivation, as well as transport, distribution and sales.

However, unfortunately the impact of climate change has caused the locally grown straw to be low quality and at times difficult to source. Coupled with this, bush fires have also led to grasslands being destroyed. As this is the predominant raw material of the basket industry, it can cause major problems.

The Ghana Export Promotion Authority (GEPA) has called for public and private investment in the cultivation of straw so that basket weavers are able to increase production. In an interview with the Ghana News Agency in Bolgatanga, the GEPA Upper East and Upper West Regional Zonal Officer Martin Akogti indicated that investing in the straw sector would not only make it accessible and affordable but would also enable weavers to increase production to meet both local and international demands.

GEPA CEO Dr. Afua Asabea Asare identified that: "In 2017 alone, Ghana exported roughly 800,000 US Dollars of Bolgatanga basket to key markets such as the UK, US, Australia, and New Zealand.

"Ghana's non-traditional export sector, which basket weaving falls under, contributes about 20% to the country's export trade."

However, the sector has reported difficulties in accessing loans from mainstream financial institutions, making it difficult for them to increase the quantities of baskets they export.

TradeAID Integrated

Established at the turn of the millennium, TradeAID Integrated is a not for profit organisation working with 65 basket weaver groups in the Bolgatanga area of the Upper East Region of Ghana. Due to the hot and dry climate, the land is difficult to farm, so the majority of the population relies on handcrafts to make a living. Furthermore, the impact of climate change has caused straw to be low quality and at times difficult to source. As this is the predominant raw material of the basket industry, it can cause major problems.



Nicholas Apokerah founded the organisation after researching the role of basket weavers in Ghana whilst at university and discovering that they were earning 20% less than the final retail price of their baskets. They began working with 255 weavers, formalising them into 17 groups and providing training to become internationally competitive.

TradeAID currently provides support to 65 weaver's groups, including 1,625 producers and significantly, 90% are women). As a result, many of their interventions have a female focus. Nicholas said: "[We are] making it possible for women to have improved income, they are also able to better take care of their children".

The organisation works closely with international NGOs to implement social impact projects to support the producers, their families and the wider community. Shared Interest Foundation is currently working in partnership with TradeAID to deliver a two-year project supporting 120 basket weavers to diversify into organic vegetable production using a soilless farming technique.

Business growth and sustainability

In 2014, Shared Interest provided TradeAID with a Term Loan (TL) as part of our project with Comic Relief. The funds were used to buy a truck and Nicholas explained why this was a vital addition to their business.

He said: "We had the challenge of always transporting baskets from Bolga to Tema Harbour in Accra for shipment. Sometimes we would have production but transport would delay leading to late deliveries. We wanted to address this challenge by purchasing our own truck."

In addition to improving the efficiency of transporting the baskets, the truck also provided TradeAID with a new source of income as they rented it out during off-season.

Nicholas continued: "We were more able to respond to supply needs of our customers more quickly, transport products quickly and that led to growth in the business."

The following year, the region was affected by erratic rainfall, which led to reduced availability of straw for basket making. TradeAID established a straw farm (known as the 'Straw Bank') to mitigate this situation.

Nicholas explained: “It made straw readily available to weavers and much of it is still in operation at the weavers’ level.” The Straw Bank enabled production and sales to be more consistent. However, in 2017 their sales volume and number of buyers significantly reduced (represented in Figure 1 and Figure 4) from 16k in 2016 to 6,698.

This was due to issues with production. Nicholas said: “*Co-ordination of orders and production of baskets was a challenge, leading to delays and cancellation of some orders.*” Subsequently, a second Term Loan of 40k US Dollars was used to purchase new production tools and equipment, which made a huge difference to productivity.

TradeAID has also helped the weavers form co-operatives, which has led to developing partnerships with international companies such as SERV International (also a Shared Interest customer) who order up to 5,000 baskets each year.

As TradeAID pay their weavers the full production cost of their baskets on delivery, buyers only pay them up to 50% in advance. To help them make up this shortfall, we provided a Commercial Export Credit Facility (COEC) of 30k US Dollars. With this support, sales volume increased significantly from 6,546 pieces in 2017 to 22,603 in 2019.

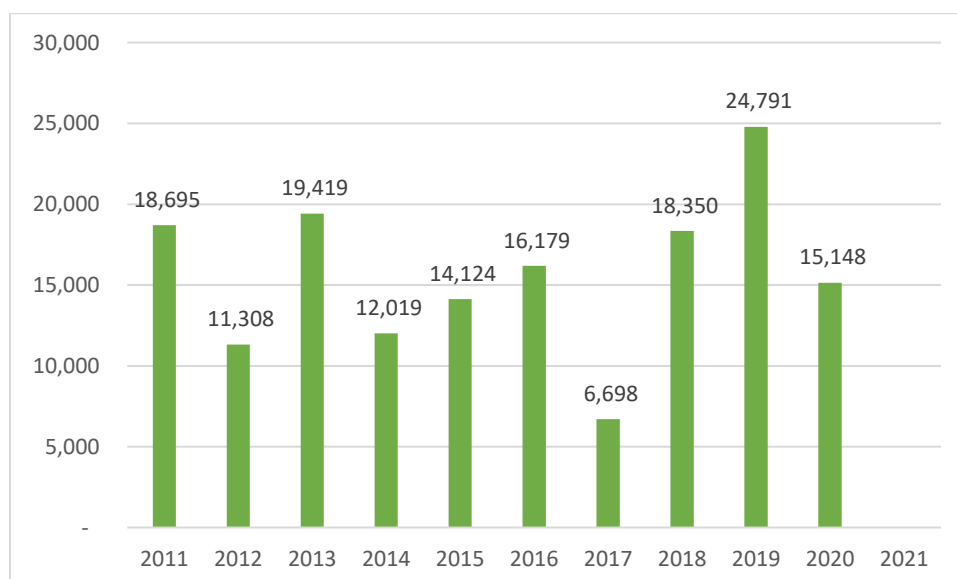
Nicholas explained: “[The Export Credit Facility] helped us to meet production for clients who are not always on a position to pay advance payments. When that happens, we are able to depend on Shared Interest for support to pre-finance the production.”

The impact of Covid-19 has meant that sales reduced by approximately 30% between 2019 and 2020, caused by a reduction in orders from some of their larger buyers. This can be seen in the difference in sales volume (Figure 1) and sales value (Figure 2). Nevertheless, TradeAID launched a community initiative to supply sanitiser and facemasks.

Nicholas said: “When Covid-19 came we tried to support our producers with face masks and sanitisers. We recently had a weaver who couldn’t pay for school fees so TradeAID supported with that, and paying for medical bills.”

They recently extended their support to 199 new producers within the basket weaving community, helping them increase production volumes and engage in soilless farming so that they are not solely reliant on basket production.

Figure One: Sales volume (number of baskets sold)

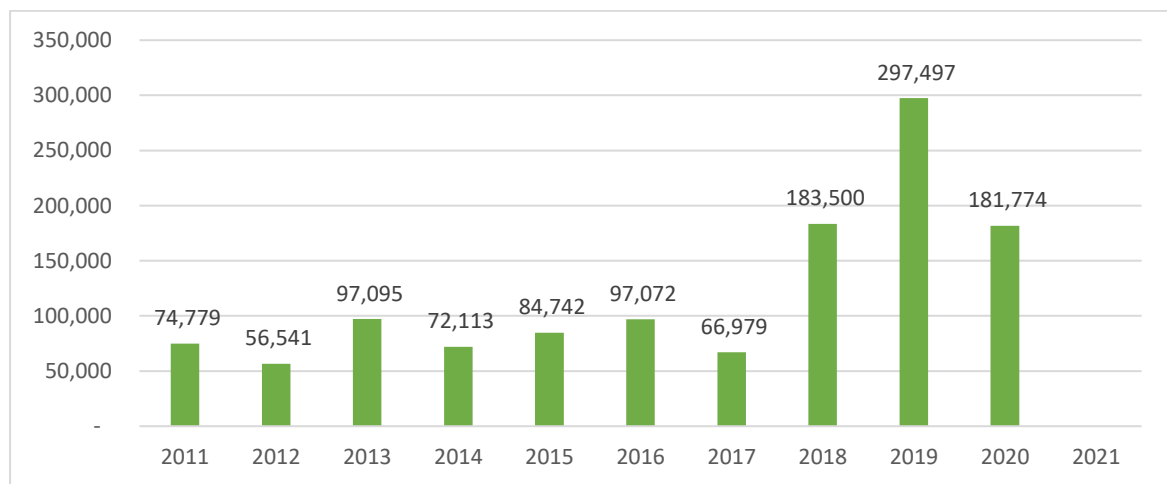


There is also a disparity in the high sales volume and low sales value between 2011 – 2013, Nicholas explained that this is because sales largely consisted of small baskets with lower than average prices. Finding that many of the groups were making just one type of basket, TradeAID offered product diversification training, as well as business and marketing support.

In 2014 and 2015, after TradeAID purchased the truck with finance from Shared Interest, both sales volume and sales value increased, in local currency only unfortunately due to the depreciation of the Ghana Cedi (GHS) against the US Dollar.

Following the provision of the COEC from Shared Interest in 2017, sales increased in 2018 and 2019 after TradeAID secured a total of five new buyers (represented in Figure 4) and an increase in fair trade orders. Nicholas said: “Much of the production for our buyer in 2019 and 2020 was financed by this Export Credit. It made it possible for us to accept orders even if customers were not in an immediate position to make payment.”

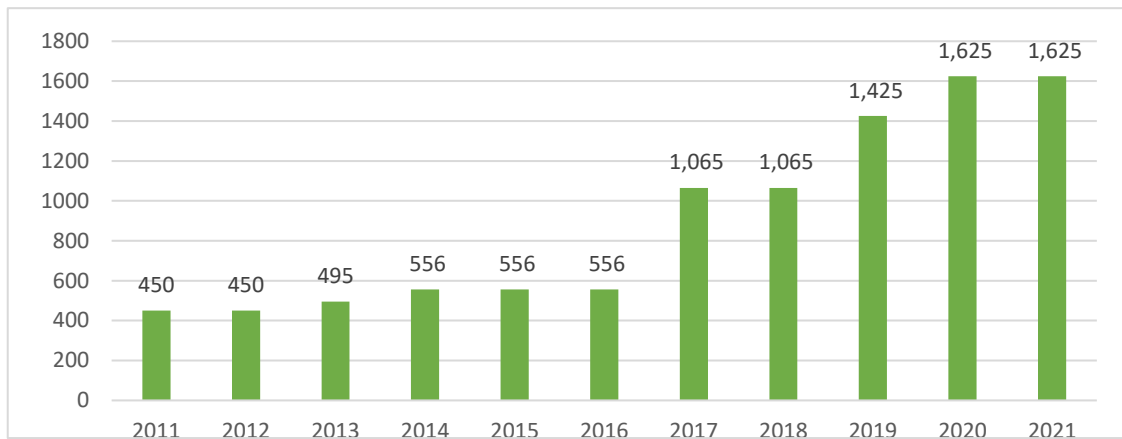
Figure Two: Sales value (USD)



Between 2011 and 2016, the number of producers remained stable, however the figure increased significantly from 556 in 2016 to 1,065 in 2017 (Figure 3). On this, Nicholas said: “There was increased interest in TradeAid Integrated from a number of community weaver groups. Beyond the basket weaving, we also carry out a lot of interventions in farming and related activities so even though these weavers may not necessarily be getting orders from us all year round, they benefit from some of our other interventions”.

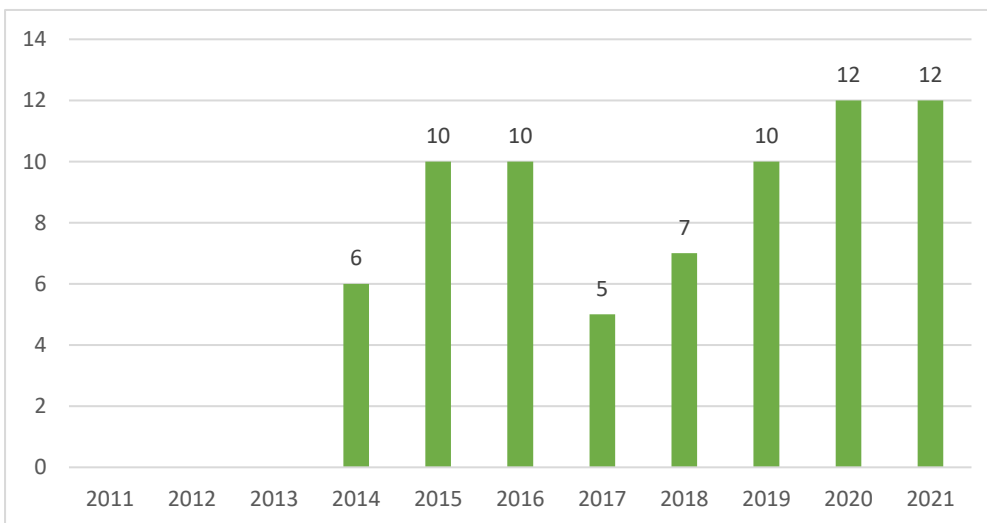
TradeAID started out by supporting 17 groups of basket weavers. Now they work with 65 groups and they have been able to maintain their business despite challenges faced. Nicholas commented: “Our peers have closed but we are going strong. We are operating as fair trade and for a very long time the basket weavers were telling us that the prices we were paying them was higher than they were getting from the open market and even from other exporters.”

Figure Three: Number of producers



Between 2014 and 2015, TradeAID increased their buyers from six to ten. They took part in a CBI-Netherlands Market Entry programme, which involved a number of German trade shows, leading to an increase in buyers placing orders for samples. When they gained new buyers again in 2018, after their decrease in productivity the year prior, many of them came from the same Market Entry programme, placing orders after receiving samples of their work.

Figure Four: Number of buyers



TradeAID also invested in the local community by building the Sumbrungu Craft Centre in 2015, which brought groups of basket weavers to work together. Previously sitting under trees to weave their baskets, the women involved were happy to have somewhere to meet together more formally. When the Centre was established, basket weaver Rhoda Apana said: “After construction of the community building I experienced an unprecedented change in my weaving and I’m able to share my skills with others. We can continue to weave even when the weather is rainy or harsh and keep equipment in the centre and as well store our finished baskets.”

Akumbosco Modesta lives in the same community as TradeAID headquarters and has been a basket weaver for the past ten years. She describes herself as ‘the bridge between TradeAID and the communities they work in.’

She said: “TradeAID has had a very positive impact on the communities. Before, the basket weavers would pass on their baskets to be sold at the local market but sometimes people

would steal the money or not return it to you. Now TradeAID come into the community to buy the baskets directly from the weavers at a good price and the weavers have their money straight away.”

This latest project sees them working once again with our charitable arm Shared Interest Foundation. Our in-country partners will support 120 basket weavers to establish a vegetable farm without the use of soil, using readily available local resources including sawdust and rice husks. These materials have the ability to retain water from a sustainable source and release nutrients for the plants’ growth.

Now supporting 1,625 producer artisans (90% women), Nicholas talked about the part Shared Interest plays in TraidAID’s work: “Shared Interest is key to the survival of producers, and UK investors should see their investment as a vital contribution to people’s livelihoods.”

Social Impact

TradeAID Integrated does have access to Fairtrade Premium, as they are a handcraft organisation certified through WFTO. However, they deliver social impact projects with the support of international NGOs.

The following projects were implemented between 2013 and 2021:

- Established a Farmers’ Credit Fund to provide basket weavers with access to funds to engage in farming activities
- Launched The Income Project to improve the income of producers through training in product diversification, business skills, and fair trade
- Delivered activities focused on increasing resilience to climate change
- Established a Straw Bank to purchase straw in bulk at a lower price to provide to the weavers to make into baskets for export.
- Supported farmers to increase their production of quality-milled rice both for consumption and to sell on the local market for increase income.
- Provided producers with 500 trees to plant as part of the ‘Green Ghana’ scheme
- Supported producers with medical needs and provided equipment to increase protection against Covid-19
- Launched the Integrated Community Empowerment Project to increase the skills of weavers to produce nutritious meals using local ingredients
- Working in partnership with Shared Interest Foundation to diversify income through production of vegetables using a soilless farming technique



Case study ~ Mary Ateyire

Thirty-five year old Mary Ateyire has been a basket weaver for ten years. She lives with her husband, their five children and her parents in the village of Sumbrungu Zorbgo, northern Ghana. Her husband and mother are both weavers and they have a small farm where they grow groundnuts, rice and maize for household consumption.

Mary has been selling her baskets to TradeAID for five years. Prior to this, she would weave up to three baskets per month to sell on the local market for between 30–35 GHS (£3.60 - £4.20) each. On average, she earned £11.70 per month and struggled to pay school fees or access healthcare for her children. Acquiring raw materials was a challenge: “You might want to weave but not have access to materials to buy.” At this time, she had no other way to earn an income and so her family was extremely vulnerable to shocks and unexpected needs.

In 2016, Mary began selling her baskets to TradeAID and their advance payments in full on delivery of her baskets enabled Mary to significantly increase her productivity. That same year, Mary began training delivered in partnership with TradeAid as part of their Integrated Community Empowerment project, learning about nutrition and the preparation and sale of food products.

In 2019, Mary received product diversification mentoring from TradeAID. This training impacted her business positively as she diversified her product range and increased the value of her baskets. By implementing this training, she began to produce baskets with an individual style and design, and increased their quality to reach a higher market value. She sold these baskets to TradeAID for 50 – 60 GHS (£6- £7.20) each and her monthly income significantly increased to an average of £65.

Case study ~ Apinini Tahiru

Forty-four year old Apinini Tahiru lives in the village of Ve a in northern Ghana. He started weaving baskets when he was 12 years old, to pay for his school fees and supplies. His mother weaves hats and the remainder of the family are basket weavers.

He and his wife share their house with his mother, two brothers and the couple’s five children. They have a small farm where they grow food for household consumption.

Prior to working with TradeAID, Apinini sold approximately six baskets per month on the local market. This involved selling via intermediaries who would take some of the profit. At this point, he earned 25 - 30 GHS (£3 - £3.60) for each basket, which provided him with around £19 per month. This meant that he struggled to pay his children’s school fees.

When Apinini began to sell to TradeAID in 2009, he was able to increase his production and sell up to nine baskets per month for 50 – 55 GHS (£6 - £6.60) each. Despite this change, Apinini said he still faced challenges due to the high price of materials, saying: “Sometimes you would spend 40 GHS (£4.80) purchasing materials and then only sell the basket for 50 GHS (£6).”

With the support of TradeAID’s Straw Bank, Apinini now has access to raw materials at a good rate, which enabled him to increase production and slowly grow his business.

To provide an insight into how producers' income level and quality of life has changed since they became a member of TradeAID, we asked 30 weavers to complete a survey. The results showed that 23 weavers stated that their income level had increased (8: marginally; 5: moderately; 10: significantly), and all respondents stated that their quality of life had improved (3: slightly; 16: moderately; 11: significantly).

Case study ~ Akumbosco Modesta

Thirty-one year-old Akumbosco Modesta lives in the community of Sumbrungu Aguusi, close to the headquarters of TradeAID. She and her husband have four children between the ages of four months and 14 years. Akumbosco has been a basket weaver for ten years and Community Volunteer for two years. She describes herself as *“the bridge between TradeAID and the communities they work in.”*

We asked Akumbosco about the impact of TradeAID on the communities she visits and she told us: *“TradeAID have had a very positive impact on the communities. Before the basket weavers would pass on their baskets to be sold at the local market but sometimes people would steal the money or not return it to you. Now TradeAID come into the community to buy the baskets directly from the weavers at a good price and the weavers have their money straight away.”*

Akumbosco also told us about the Straw Bank, and the difference it has made having local access to raw materials, saying: *“This has helped to boost the business of the weavers.”*

Akumbosco has also seen the impact of the health initiatives implemented by TradeAID. She told us how during the Covid-19 pandemic TradeAID workers visited the communities to donate supplies including hand sanitisers and masks to community members and to the local health centre.

She also told us: *“TradeAID has helped people to have money in their pocket to cater for their children including purchase school books and uniforms”*

Case Study ~ Issac Anoaah

Issac Anoaah is married with three children and lives in the Bolgatanga district of northern Ghana. His oldest child is studying at the University of Ghana in Accra.

After joining TradeAID in 2018 as a volunteer, Isaac became employed by them as a Basket Coordinator in 2019.

Before this, Issac relied on small jobs like data collection to earn an income and struggled to afford transport to take him to work. Issac told us how securing employment with TradeAID enabled him to make changes in his life:

“Since being employed I was able to secure a loan when my child was going to school through the bank. If you are not employed you won't get loan. They have given me also a motorbike that I use to go and visit groups and that motor I don't park at the office, I take it home. If I want to go and visit my farm I can use that motor.”

“TradeAID has helped me a lot. Through TradeAID, I am able to take care of my children. I am able to put up my own house. Through TradeAID, I have learnt perseverance and hard work.”

In his role as Basket Coordinator he is responsible for managing 65 groups to oversee their orders. This involves visiting the weavers and ensuring orders are on track, as well as providing a more pastoral role, where he emphasises the importance of savings and children’s education.

During his time at TradeAID, Issac has participated in a number of training sessions. In 2019, his local bank offered training on personal financial management. He said: *“I was not used to working with a monthly salary, every day I used to have something in my pocket. But when the manager came to give the training I was able to adapt to the monthly system.”*

He has also attended training delivered by the Executive Director of TradeAID Nicholas Apokerah, where he learnt how to write project proposals, letters and how to apply for funding.

Issac commented on how the support of Shared Interest has helped him in his role: *“Through your loan we are able to deliver our goods on time. Had it not been for Shared Interest we would lose our customer.”*

Education

TradeAID has created opportunities for their employees and producers to attend training in a variety of subject areas including access to finance, personal finance skills and market access.

In 2017, they received a grant from an international NGO to finance product diversification skills training, record keeping, marketing and pricing.

Nicholas commented on the importance of this training: *“If they do not cost well they will not earn the income they require, and they don’t only sell to TradeAID, they sell to other exporters.”*

A group of 120 weavers are participating in a two-year project financed by Shared Interest Foundation, launched in 2020. This project is providing training in soilless farming techniques, to enable the weavers to produce organic vegetables for home consumption, to improve household nutrition and to increase their income. Participants also receive training on creating the soil substitute planting material by using locally available materials such as rice husks. Other training includes rural entrepreneurship, nutritional education and agri-business skills.



Environment

In partnership with an international NGO, TradeAID implemented “The Change Project” from 2013 to 2014. This project focused on equipping smallholder farmers with skills and resources to increase their resilience to the impact of climate change and improve food security in the region. Through this project, 5,000 farmers in seven communities received training in Climate Smart Agriculture.

As part of the Green Ghana scheme, TradeAID were provided with 500 trees by the Forestry Commission, which they distributed to their members for planting. In a further move to support local reforestation, they are supporting the construction of energy saving stoves which has reduced the use of firewood by 50%. TradeAID has also provided training to producers in bush fire prevention strategies with over 7,000 farmers undergoing training in climate change resilience between 2013 - 2020. In addition to this the organisation has established a community tree nursery and planted more than 10,000 trees. Up to seven other communities have also been supported to set up their own tree nurseries.



Climate resilience training

Nicholas explained that there is ongoing support for farmers to harvest rain water during the rainy season for vegetable irrigation during the dry season reducing the amount of fuel needed during the basket dyeing process. Nicholas said: *“In basket weaving, they depend on energy to do the dye and we realise that we can reduce the quantity of wood used with improved stoves.”*



Vegetable irrigation



Harvesting rainwater

TradeAID also implementing a project to train their producers on safe disposal of dye waste. They are also exploring constructing craft centres, to provide shade for the weavers and protect them from the extreme heat.

Conclusion

When Nicholas Apokerah established TradeAID Integrated, it was to ensure that weavers were paid fairly for their work. The challenge they went on to face was maintaining production levels and having the capital available to pay producers on delivery of their

baskets. Two consecutive Term Loans from Shared Interest in 2014 and 2017 were used to purchase a truck to transport higher volumes and acquire production tools and equipment, which made a huge difference to productivity.

An Export Credit facility was also approved in 2017 and sales increased for the two following years after TradeAID secured a total of five new buyers an increase in fair trade orders. Nicholas said: *“Much of the production for our buyer in 2019 and 2020 was financed by this Export Credit. It made it possible for us to accept orders even if customers were not in an immediate position to make payment.”*

Their sales reduced by 30% due to the impact of Covid-19. However, recent research and information from the Ghana Export Promotion Authority (GEPA) indicates that there remains huge potential in the straw basket market and they have called for support to boost straw cultivation, which is currently sporadic.

Over the last two decades, TradeAID has worked with a variety of international NGOs to implement a huge range of business and community development initiatives. This has included training on product diversification and establishing a much-needed Straw Bank to help with the provision of raw materials. More recently, they have begun a project with our charity Shared Interest Foundation to grow vegetables without the use of soil.

Shared Interest finance has served to complement these developments and contributed to TradeAID’s economic success and survival during the pandemic. As Nicholas said, *“our finance has improved our ability to produce more baskets. We are able to support more of our constituents and therefore impact more lives.”*