



Small Loan, Big Impact

Budget: Year 1 (of 3) \$26,000. Fully funded.
Year 2 from 1 May 2020: \$26,000 - \$20,800 needed.

The Project:

This project targets entrepreneurial poor women in eastern South Africa, creating self-help trust groups with about five women per group. These women have the desire to help themselves break the cycle of poverty but lack the start-up capital to run their own small business. This is made possible through an initial, small loan and basic business training. It enables the women to work, earn a constant income, provide for the needs of their household, establish savings and brings hope for entire families. This report is from the second half of the first year.



Progress against objectives and impact:

The creation of local micro-enterprise initiatives is a business tool that promotes fair trade, income provision and economic empowerment. Group rather than individual loans develops a support network for beginning businesses and improves the rate of return. Successful microenterprises lift the living standards of the client and her dependents and bring additional money into circulation that benefits the community at large.

As of 30 April, our partners recruited and trained 438 new clients, exceeding the target by 100 loans across the four Entrust-supported branches. With each woman representing a household with an average five dependents, the 367 loans (Entrust funded) have helped 1,835 lives. Small loans between \$70 - \$210 were given out once training, business plans and budget planning took place. These first-time loans are supporting businesses such as baking, catering, selling clothes, cosmetics, fruit and vegetables and raising chickens.

Our partner said, "Once loans are repaid they are made available to a new lender over the course of the project or are given out as a second loan. We are on track to support 2013 loans over this 3-year project."



Thoko is 68-years-old and lives alone. Prior to joining our partners Thoko was selling Tupperware on a small scale, but barely made ends meet. With our partners she received a small loan of \$70, x4 days of training on all aspects of business and then had the confidence to start a spaza shop (small convenience shop). Her business is going well and she hopes to start raising chickens in a few years to sell in her shop. When she joined our partners, she did not have a bed and had been sleeping on the floor. She has saved her business profits and has purchased a bed, and she is so thankful! (A spaza shop, pictured left.)

Good training, strong selection procedures and implementing methodology combined with a micro-loan enables sustainable business opportunities, builds dignity and hope and breaks dependence on aid and handouts.

At \$30 per woman on average – what an investment!