

Small Loan, Big Impact!

ZAF-PHA-SLB-P03



White River area, South Africa



Economic Empowerment

Year 3 Budget \$32,400

Project Timeline

FULLY FUNDED

MAY 19

APR 22



Overview

This project targeted 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, plus an ongoing network to ensure success. 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. Loans are repaid with low interest fees and these funds are reused to help the next person or fund a second loan. The total budget for the three years was \$80,600.

Objectives

Impact



2961 loans distributed

Over the three-year project, loans were distributed to 2961 (exceeding target by 673) unemployed and unbanked women micro-entrepreneurs living in rural communities around White River, Kabokweni, Mkhuhlu and Acornhoek, in east Sth Africa.



11020 dependents of clients

11020 have benefitted indirectly through the loan as profits are used to educate children, provide essential healthcare, improve places where people live and generally lift living standards.



Operational cost

The operational cost for setting up a loan for each new client was \$36 in year 3, which covers recruitment, checking and approval, 4-5 days of training, and loan disbursement overheads, including travel costs.



Growth in new clients

COVID lockdowns have caused periodic disruptions and delays and yet our clients have shown resilience and persisted with the program. Loan targets were exceeded, despite the setbacks, and there are hopeful signs of recovery in terms of the pace of new clients joining and increased loan sizes.



Life change

- Financial sustainability
- Children able to attend school and families able to access health care
- Development of self-esteem as families raise themselves out of poverty
- Benefits the community in general through business and trade
- Improved nutrition and health of the women and their families



Glenda's story

Glenda, mother of two, recently started a business with the help of our partner, after her husband lost his job in 2020 and she was unsuccessful in finding work. She plans to build a big fresh produce market as there are very limited fruit and vegetable businesses in her village. Most people have to travel to nearby towns for supplies. Her village is very supportive and she is happy she can make a difference in her community. She says, “my life has improved and I want to encourage other young women to do something for themselves rather than complaining about the lack of jobs. I’ve learnt the importance of saving and I will keep at it”.



Successful microenterprises lift the living standards of the microentrepreneur and her dependents and bring additional money into circulation in the communities

Precious's story

Precious Nyathi is a mother of three boys. She had always dreamed of becoming a teacher, but her hopes were dashed when she lost both parents. Then she lost her husband a few years ago and considered starting a business. But finding enough capital to start was challenging. Precious heard about our partner and enthusiastically formed a savings group, just as the COVID-19 pandemic hit South Africa. She decided it was too risky to start a business during lockdowns and waited until recently when she applied for a loan to buy and sell clothes in her community. Her new business is doing well and she is planning on diversifying into agriculture. Her eldest son has just started his studies at college.

