

Kick-start Loans



Mpumalanga, South Africa



Economic Empowerment

Year 1 Budget \$40,000

Project Timeline

FULLY FUNDED

JUL 22

JUN 25

Overview

Our partners work in South Africa in poor communities along the Mozambique/Eswatini (Swaziland) and Zimbabwean borders. They create micro-enterprise and self-employment opportunities for poor women through basic business training combined with micro-loans for start-up and working capital, plus an ongoing support network to ensure success. Loans are repaid with low interest fees and these funds are rotated to help the next person or fund a second loan. The project plans to disburse loans to 2,904 new clients in five branches over a 3-year period at \$40,000 pa.

Impact for January - July 23

498 Microloans have been distributed



to 498 new clients in rural communities across five branches. This was well above the target of 375 for the report period. Each loan varies between \$100-\$250. Clients are unemployed, and have no access to banking services.

2490 dependents of clients benefit indirectly

from the loans as small businesses grow, leading to increased household income, improved living standards, better nutrition, and affordability of clothing and education.



Operational costs of each loan are funded

by Entrust - vital to ensuring the program is well managed and the loan capital can be cycled through successive loans. The cost per client is managed at \$36 per person; a great investment into transforming people's lives.

Regular meetings with loan officers

helps connect clients and provide a platform for educational topics on healthcare, financial/business advice etc and helps keep clients accountable to their groups. Project Manager Jenny Cramer attended a meeting in April and saw the positive impact of these meetings and the project overall. It was impressive as she witnessed transformed family lives.



- South Africa's economy is lagging in most sectors due to high inflation, high unemployment and significant power outages. Impoverished rural women are hit hard when the economy slumps. This has added to some slowdown in new clients joining the program and the growth in loan sizes for existing clients.



Lindiwe Nxumalo's Story

I am a mother of three and also a grandmother. My husband is unemployed and I was retrenched last year after 23 years working for a recycling company. High unemployment and the need to support my family was causing me great stress, until I joined the microbusiness training and recruited others to my group. We received training and my first loan went to chickens and feed. I also started buying and selling new and second-hand clothing. I am now able to put food on the table and pay my grandchildren's school fees. I have learned how important it is to save and reinvest in my business.



Thank you for making a difference