

Kick-start Loans



Mpumalanga, South Africa



Economic Empowerment

Year 2 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 July - December 23

662 Microloans have been distributed



to 662 new clients in rural communities across five branches. This is well above the target of 600 for the report period and exceeds 498 loans given in the previous 6 months. Each loan varies between \$100-\$250. Clients are unemployed, and have no access to banking services.

3000 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.

3000



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 \$38 per person; a great investment into transforming people's lives. We have seen lives changed significantly.

- The economic environment in South Africa remains suboptimal for business activities across most sectors. The target clients, impoverished rural women, are hardest hit when the economy declines. The poor economic conditions relate to high inflation, high unemployment, and significant power outages due to generation incapacity. There are often x3 2-hours power outages per day.
- Beneficiaries of this project are unemployed and unbanked microentrepreneurs, living in rural communities around White River, Kabokweni, Mkhuhlu, Acornhoek and Nkomazi.
- The women have regular meetings with loan officers, helping them to stay accountable as well as providing a platform for education around finance, business and healthcare - so vital for success.



Bathabile's Story

Bathabile was struggling with her cosmetics business, lacking working capital for restocking due to family expenses. Introduced to this project, she took a \$160 loan, investing in avocados. This move, along with cosmetics sales, helped her accumulate capital, allowing her to repay the initial loan. As avocados are seasonal, she pivoted to beef bones after gaining market insights from the valuable business training provided. Our local partner has positively impacted Bathabile's life by enabling her to provide for her 3 dependent grandchildren, by instilling savings habits, and by successfully empowering her to manage both her cosmetics and meat businesses despite external challenges. Most women go on to further loan cycles.



Thank you for making a difference