

## Kick-start Loans



Mpumalanga, South Africa



Economic Empowerment

Year 1 Budget \$40,000

Project Timeline

FULLY FUNDED

JUL 22

JUN 23

### Overview

Our partners work in the eastern corridor of 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 re-used 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 22

**650** Loans were distributed to 751 unemployed and unbanked women micro-entrepreneurs



living in the 5 targeted rural branch areas. This exceeded the target of 650 funded by Entrust, with the extra costs being covered by our partner.

**3250 dependents indirectly supported**

Profits from successful micro-enterprises are used to improve living standards through improved nutrition, purchase of clothing, and covering education expenses.

**3250**



**36**



**The operational cost for each new client**

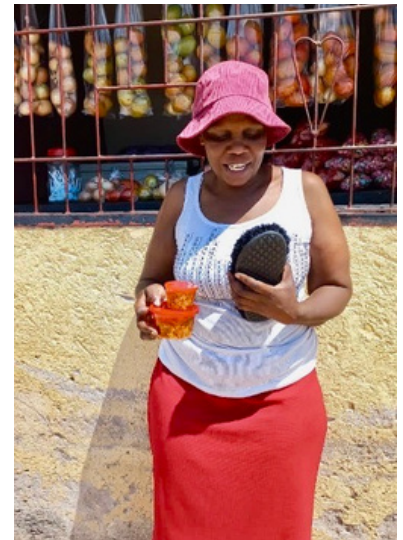
is \$36 (Yr1), \$38 (Yr2) and \$41 (Yr3). Entrust funds the operational cost of loans, thus ensuring the program is well managed and the loan capital can be cycled through successive loans. Women often access 2nd, 3rd and 4th loans as they build their businesses and gain confidence, with the support and guidance of our partner.

### Promotion of micro-enterprises

and their benefits for women occurs through community presentations to spark interest in starting their own business. The whole community is helped as more money circulates.



- The economic environment in South Africa is suboptimal for business activities across most sectors. Our targeted clients, impoverished rural women, are hard hit when the economy is in a slump. Despite this, our clients have shown tenacity in continuing to start and/or grow their micro-enterprises. Our partner encourages clients to research ways to diversify their businesses to meet the current needs of their customers.



### Lydia Phala's Story

Lydia Phala's long-term business collapsed shortly after COVID-19 struck and never recovered. Her situation worsened when her husband died suddenly, leaving her alone to support her three children. With her small business loan, she bought stock (fruit, snacks and vegetables) to sell and was able to get back on her feet with support from her community. Her dream is to open a fresh produce market in the next two years so she can pay for her children's schooling. It has boosted her self-esteem and gone some way to helping her deal with the loss of her husband.



**Thank you for making a difference**