

# **Final Report on Love to Give Small Business Development**

## **Project Education Sweden**

**August 2021**

### **Introduction**

Being predominantly an alcohol producing hub as well as relying heavily on tourism, Stellenbosch has been particularly badly hit by the lockdowns necessitated by the Covid pandemic. With the extended alcohol bans and international travel being limited many people have lost their jobs and continue to lose jobs as restaurants and hotels either close or downsize due to financial losses. Businesses who supply these industries have seen a similar downturn in turnover and have subsequently had to downsize in order to survive. We are seeing very strong evidence of this in Kayamandi with the number of job seekers this year having increased by approximately 217% compared to the equivalent period in 2019 (based on the number of people coming to the centre to compose, update and copy CVs). Additionally we are having many more people wanting to join our six month intervention programme due to extreme poverty and food insecurity. Through the @home learning programme, a Western Cape Education Dept initiative, that Love to Give are managing in Kayamandi, the interns who are working in the community are also coming across large numbers of children who are going without meals due to family poverty. We anticipate that whilst the pandemic remains as part of our daily lives and until tourism returns to the region, we are going to continue to see job losses and those who remain employed, bear more and more of a burden supporting their extended family. With the third wave showing a worrying trend of plateauing at a high level of infections in the Western Cape, as well as the increased transmissibility of the Delta variant, we don't see the situation improving markedly in the short term.

### **Feedback on the Small Business and the Self Help Groups**

The current economic climate, job losses and reduced household disposable incomes has made this a tough year to be starting a small business. That being said however, the six young women who were sponsored by Project Education Sweden are all still in business. Some of the businesses are doing better than others.

All six of the women have taken a loan from their group in order to grow their business and Nomthandazo has already repaid her loan and taken out a second loan. Please see below for cash statements for both groups with the loans to the six women highlighted. The Change Maker group took a decision to start repayments of loans at the end of August.

### Change Makers Bank Statement

Date	Reason for the transaction or Description of where money was received or spent	Money Received	Money Paid Out	Balance
21-May	Transfer Seed Funding	R5,000.00		R5,000.00
31-May	Interest	R3.32		R5,003.32
01-Jun	Contribution to bank charges		R5.00	R4,998.32
05-Jun	Payment to Prisca Sibanda		R1,000.00	R3,998.32
05-Jun	Transfer fee		R1.00	R3,997.32
08-Jun	Payment to Amanda Bongoza		R1,000.00	R2,997.32
08-Jun	Transfer fee		R1.00	R2,996.32
14-Jun	Payment to Siviwe Babane		R1,000.00	R1,996.32
14-Jun	Transfer fee		R1.00	R1,995.32
21-Jun	Payment to Aqhamma and Rheta		R1,000.00	R995.32
21-Jun	Transfer fee		R1.00	R994.32
30-Jun	Interest	R2.50		R996.82
02-Jul	Siviwe (monthly contrib x 4 members)	R200.00		R1,196.82
31-Jul	Interest	R2.27		R1,199.09
04-Aug	Siviwe Babane	R1,300.00		R2,499.09

### Star Search Bank Statement

Date	Reason for the transaction or Description of where money was received or spent	Money Received	Money Paid Out	Balance
21-May	Transfer Seed Funding	R5,000.00		R5,000.00
31-May	Interest	R3.10		R5,003.10
01-Jun	Contribution to bank charges		R5.00	R4,998.10
07-Jun	Nomthandazo Zisiwe loan		R1,000.00	R3,998.10
07-Jun	Transfer fee		R1.00	R3,997.10
07-Jun	Ester Nkumbi loan		R500.00	R3,497.10
07-Jun	Transfer fee		R1.00	R3,496.10
08-Jun	Lunga Gomba loan		R1,000.00	R2,496.10
08-Jun	Transfer fee		R1.00	R2,495.10
08-Jun	Thulani Memela		R350.00	R2,145.10
08-Jun	Transfer fee		R1.00	R2,144.10
23-Jun	Babalwa Ngxito		R500.00	R1,644.10
23-Jun	Transfer fee		R1.00	R1,643.10
30-Jun	Interest	R3.08		R1,646.18
04-Jul	Nomthandazo Zisiwe	R1,150.00		R2,796.18

04-Jul	Cash Deposit fee		R40.25	R2,755.93
05-Jul	Babalwa Ngxito	R10.00		R2,765.93
05-Jul	Cash Deposit fee		R0.35	R2,765.58
13-Jul	Nomthandazo Zisiwe		R1,000.00	R1,765.58
13-Jul	Transfer fee		R1.00	R1,764.58
31-Jul	Interest	R2.30		R1,766.88
04-Aug	Nomthandazo Zisiwe	R380.00		R2,146.88
04-Aug	Cash Deposit fee		R13.95	R2,132.93
07-Aug	Babalwa Ngxito	R310.00		R2,442.93
07-Aug	Cash Deposit fee		R4.03	R2,438.90

**Nomthandazo Zisiwe** is still sewing clothes and has found the last two months difficult with the extended lockdown and a ban on social gatherings at level 4. She anticipates business picking up again from October onwards as people usually start ordering clothes for ceremonies that take place at the end of the year and also for Christmas functions and events. She has put more money into stocking accessories as these have proved to be a good seller and most of her dressmaking clients are buying accessories to go with their outfits. She has taken out a loan to stock more accessories, has already repaid the loan in full and has taken out a second loan in order to carry traditional fabric that she knows will be in demand in the run up to the festive season. Nomthandazo is also part of a group of four seamstresses that are looking to set up a small factory together in Kayamandi. They are working with some Australian students we were able to put them in touch with and have already produced some samples that the students have taken back to Australia with them. Further meetings are due to take place towards the end of September

**Ester Nkumbi** took out a loan to repair her stove that had broken. She was having to use a friend's stove which was not ideal for her baking business. We were also able to pass on a donation to her of second hand biscuit baking equipment and an electric beater. She has started baking and selling biscuits in the area and has continued to supply some of the church groups with muffins. She has not yet been able to start saving for her laundromat business but is hoping to do so as soon as she is back from the Eastern Cape where she has been assisting her sister whose husband died.

**Babalwa Ngxito** continues to sell the shoes, handbag and jewelry sets made out of traditional fabrics. She is also selling fabric that can be made into a traditional outfit. Her business is going well and she has been able to start paying back the small loan she took out to increase her stock levels. She is currently evaluating some other ideas to grow her business and hopes to get more stock before the festive season.

**Prisca Sibanda** borrowed money to buy new products to sell. She is still selling herbal remedies and duvet cover sets and is now also stocking handbags and some women's and children's clothes. Her sales have not been as good as she hoped for due to people in the community not having money, but she has been able to bring in enough to keep herself and her children going. Her husband died last year and she is the sole breadwinner for her family. She is doing a lot of WhatsApp marketing and has found this to be a good method of attracting more customers.

**Amanda Bongoza** used her loan to stock a particular type of hair extension fiber that is currently in demand in the community, she was also able to paint the container that she works from and make it

more visible to passing trade. She has also continued to sell snacks and sweets from her hair salon as most of her clients are children and they always buy something when they come to have their hair done. This has proved to be a good addition to her business. She is very happy with how her business is going as she has been able to attract more customers and is making more money than before.

**Aqhamra Faku** has been having difficulties, as acting and modelling work was impacted by the pandemic and lockdowns. She relied on this money to live on and was able to source hip and funky second hand and vintage clothes from shops in Cape Town which she was then reselling in Stellenbosch. Lack of any other income has made it difficult to get to her suppliers. Recently however she has got a few small jobs and has been able to restock with the assistance of a loan from the self-help groups. We were also able to provide her with a clothes rail on wheels that was part of a donation to the centre and this will make a difference in how they display their clothes. We are a little concerned with this business and hope that she will be able to sustain it.

Of the previous beneficiaries, **Nothandekile Ngalo** has stopped trading due to the schools being closed for extended periods over the lockdown and the principals of the schools no longer allowing traders onto the school properties due to the risk of spreading the virus. She has found part time work doing sewing for a craft project in Stellenbosch. **Phatiswa Tetyana, Noluthando Krish, Nomhlokuqala Dino, and Margaret Jobela** are still trading from their homes but are finding it very difficult and have seen a big drop in their income. **Bulelwa Tito's** sewing business is picking up again and they have received orders again from their regular clients as well as having picked up some new clients. The orders however are not yet back up to pre-Covid levels but she is feeling more hopeful about the business. **Nompumelelo Madinda** is currently working part time at one of the schools in the community but is still selling paraffin from home to supplement her income.

## Conclusion

We are gratified with how the small businesses are progressing and how the graduates from the Business for Life course are doing and believe that this model is sustainable, and builds capacity and resilience in small start-ups and existing small businesses in the community. With more small businesses in existence, economic activity in the Kayamandi community will grow and subsequently more opportunities for employment will exist.

Unfortunately, with regard to Love to Give's involvement in small business development in Kayamandi, the underlying economic conditions, dramatically aggravated by the COVID crisis, have severely impacted the funding support to the organization in general, and in particular the funding for the Small Business Programme. Love to Give has, as a result, been forced to take a decision to withdraw from this field and to concentrate its more limited resources on its original core focus of feeding and uplifting children and their families, as opposed to the wider adult community, although we will continue to do as much as we can in this area, given the financial situation. This decision has been forced upon Love to Give by the prevailing circumstances and was made with great regret. It is Love to Give's belief, and hope, that the time that it was able to be involved in small business development has made a significant difference to a large number of people, who will hopefully continue to benefit from the training and assistance that they received from us.

Once again we are grateful for the support from Project Education Sweden that has enabled us to develop six more small businesses in Kayamandi, and we are deeply saddened that we will no longer be able to continue this work with small businesses in this community. Our work in enterprise development has without doubt had an impact on the community and enabled numerous small businesses to survive through this last very challenging eighteen months and we hope that the self-help groups and the revolving credit model that has been set up will provide support to these businesses for long after the end of October.

With gratitude.

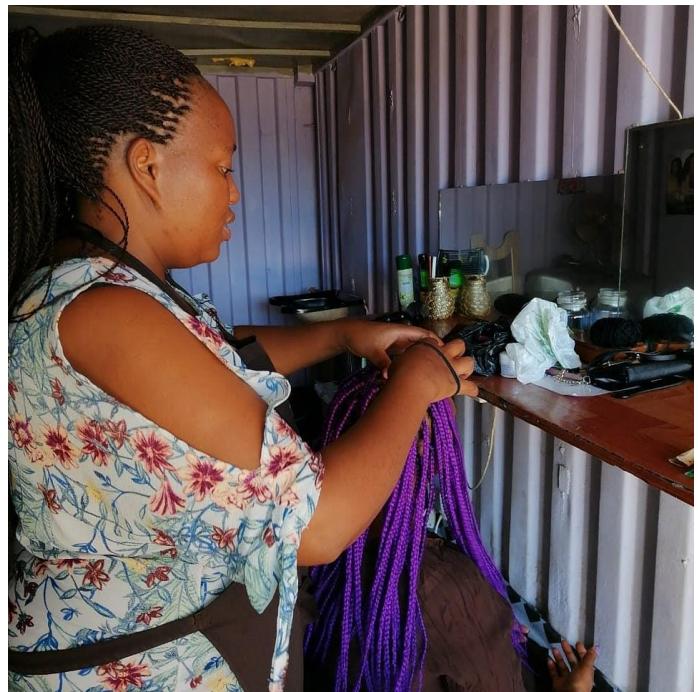
Karen, Paul, Annabel and the Love to Give team.



*Prisca and her children modelling some of her new stock*



*Two of Nomthandazo's happy clients modeling their new outfits*



***Amanda's with one of her clients and her newly painted container***