



# Annual Report **2010**





# Message from the Chairperson of SaveAct Trust



It has been rewarding to be associated with the emergence of SaveAct. After democratisation, the civil society sector went through a difficult period. Many NGOs closed. It is heartening to see a new generation of NGOs taking up the issues of the day. The business of reconstruction is not over. There is much work to be done. Unfortunately, too many of our people continue to feel the weight of poverty and exclusion. South Africa continues to be a place of trauma and distress. People need hope, they need inspiring stories. They need to assume control of their lives and claim the rights as promised in the Constitution. I am gratified to be able to say that SaveAct meets that script organisationally and in the testimonies of the people it works with. My congratulations go to all of our dedicated staff. You have built something that is relevant and exciting.

**Milton Ncolosi, Chairperson**

## The SaveAct model

SaveAct implements a hybrid model of community-based savings activities, which incorporates three complementary elements:

- The formation and mentoring of savings and credit groups (SCGs) - financial services controlled and managed by the poor;
- Life Skills Training (LST) including Financial Education - improving people's capacity to plan and act;
- Enterprise or *Isiqalo* training - developing capacity to engage in enterprise activity or follow more sustainable livelihood strategies.

In a relatively short period, SaveAct has been able to show in South Africa that people organised in literacy groups, HIV/AIDS support groups, or farmer learner groups enthusiastically embrace savings as a powerful activity that runs alongside and complements their survival and livelihood endeavours. This integration is largely seamless and has profound implications for how stakeholders with an interest in tackling poverty and vulnerability conceive of their approach. It brings to the fore a new menu of possibilities and potential.

More information on the model is available at [www.saveact.org.za](http://www.saveact.org.za)

“ ... a brilliant concept offering so much by way of community strength and development ... It must be really heartening to be involved in something that is so palpably successful. ”

Andrew Layman, Pietermaritzburg Chamber of Business CEO, 2010.

# Overview by Executive Director Anton Krone: 2009/10



In late 2009, SaveAct celebrated its fourth birthday – another milestone in what has been an exciting and inspiring journey. The organisation’s growth and impact over its relatively short lifetime has been a source of satisfaction and pride for staff members, donors and, most importantly, our programme participants.

Over the years, SaveAct has managed to attract over 4 000 Savings and Credit Group (SCG) members in various parts of the Eastern Cape and KwaZulu-Natal. Most of these participants are women who are among South Africa’s most poor and vulnerable and who face challenges ranging from social and economic marginalisation, to gender-based violence and a higher propensity to contract HIV/Aids and other diseases. Amid these challenges have emerged some inspiring personal testimonies which bear witness to the power of the SCGs to bring hope and support to vulnerable members of society, build a greater sense of individual agency and teach the practical life and financial literacy skills which give people more control over their household and its finances.

In 2009, demand for participation in the groups continued to grow. Overall growth in membership was as high as 100%. Meeting this demand was challenging but performance and quality have been maintained. Annualised returns on savings, ranging from an average of 35% to 50% have had the effect of inspiring and attracting new and prospective members.

With the increase in the number of savings groups has come increased interest in enterprise training or *Isiqalo*, meaning “foot up”. To date, several hundred people have been trained through a five-day course in which participants develop detailed business plans. They are then able to use their SCG savings, or take a loan from their group, in order to bring their entrepreneurial dreams to life.

SaveAct has continued to invest in monitoring and evaluation (M&E), not only so as to be able to assess the impact of its work and report on it, but to ensure the intelligent future growth of the organisation. A new M&E framework has been

developed which will hopefully give us greater qualitative information about different components of SaveAct’s work. SaveAct has also been experimenting, with some encouraging results, with participatory tools such as PhotoVoice, to enable people to share their stories of hopes and change.

Our ability to meet demand has been possible through rewarding partnerships, which form an organising principle for much of SaveAct’s work. We believe that by working with partner organisations, which bring with them a range of complementary activities and skills, we face a far better chance of responding to the complex livelihood challenges of poor and vulnerable groups in South Africa. In late 2009 SaveAct was pleased to welcome two new partners in the form of the Durban-based Family Literacy Project and the Center for Regional Change at the University of California Davis.

Looking ahead, SaveAct accepts the challenge of working with SCG members committed to developing more sustainable livelihoods. In South Africa’s rural landscape, with its peculiar apartheid history and highly unequal economic relations, this can seem like a daunting prospect. However, we are encouraged by the spirit that pervades the groups and the potential that this brings in social capital and a new kind of economic reality. How this can be translated into scaled up production and market access, will receive special attention in the period ahead.

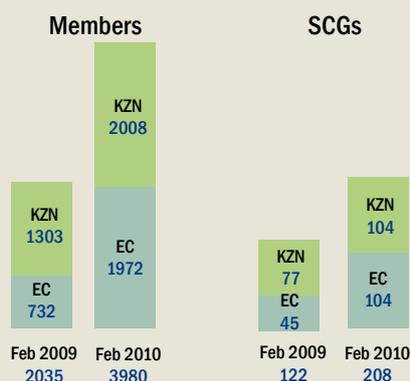
The changes that we see amongst savings group members, their agency and sense of anticipation, and the way in which the programme has assisted people living with HIV/AIDS, instils in

SaveAct a sense of urgency about its work and sharing the model amongst other actors. We are convinced that it is having a significant and sustainable effect on poverty and vulnerability.

We are indebted to the SaveAct Trustees (Milton Ncolosi, Ilan Lax and Nokuthula Gumbi) who have given freely of their time to the organisation’s governance. We are deeply saddened to lose a founding trustee. Phili Mkhize passed away during 2009.

We are grateful to those who have accompanied us on our journey thus far.

In the period ending February 2009 to February 2010 total number of members of SaveAct-led Savings and Credit Groups has doubled, from 2035 to almost 4000.



Annualised returns on savings ranged between 35 and 55%

The cumulative value of savings at the end of the financial year was R885 620 in KZN and R1 024 050 in the Eastern Cape.

# SaveAct Projects

## FAIR, KwaZulu-Natal

Farmer Access to Innovation Resources (FAIR) is an eight-country action learning project in farmer-led research and development aimed at piloting Local Innovation Support Funds (LISF).

In partnership with the Farmer Support Group, based at the University of KwaZulu-Natal, SaveAct has been organising mainly women farmers in the Amazizi area into farmer learner groups and savings groups. The combination of improved farming techniques and savings methods has proved to be a powerful one, opening the door to local innovation. SaveAct-promoted groups, which operate openly and democratically, have introduced strong systems, group ownership and secure management of funds. The training in financial literacy offered by SaveAct, and ready access to larger sums of money at reasonable interest rates, has also brought group members a greater awareness of economic possibilities.

During 2009, evidence of the broader impact of SaveAct's work was seen when 29 farmers in the area, who rely almost exclusively on their own resources, pooled their savings, elected local representatives and successfully negotiated a lower purchase and delivery price for fertiliser. The significance of this is the possibility it holds for replication, not only in relation to the purchase of inputs, but also in relation to the sale and marketing of outputs. In the coming year, SaveAct will be looking at ways it can lend more support to similar initiatives in the future.

There has been good progress in members of savings groups developing their land-based livelihood options using their savings as a platform to enable this. Accounts of how people have been able to develop their farming activities through accessing lump sums of money from their savings group at important moments were documented through the PhotoVoice tool, which the Center for the Study of Regional Change, University of California Davis, trained staff in. Two women share their stories through short participatory videos on YouTube, which can be accessed through SaveAct's website. This synergy within FAIR is further evidence of the importance of partnership, in this instance, with an NGO focused on agriculture.

## LEAP, KwaZulu-Natal

**Local Economic Action Partnership for Socially & Economically Excluded Groups (LEAP) is a unique and complementary range of interventions which collectively enable poor and vulnerable groups to 'climb the ladder out of poverty'. It incorporates participatory local economic plans and the promotion of SCGs with life-skills and enterprise training.**

The diverse areas covered by this project make up some of the pilot sites for SaveAct's early work. The emphasis over the past year has been on scaling up SaveAct's financial services in these areas and refining what has proved to be a robust and effective hybrid model. In addition to expansion of savings group numbers, SaveAct is focusing on the systematic delivery of Life Skills Training, in the form of financial and economic literacy and HIV/AIDS awareness, and *Isiqalo* or enterprise training.

### Partners:

- The Farmer Support Group (FSG)
- Department of Agriculture & Environmental Affairs
- PROLINNOVA

### Location:

Amazizi area of Okhahlamba, KwaZulu-Natal



“ ... A most beneficial union ... SaveAct brings a spirit of hope and future to our HIV support groups. What can be more healing? The scheme is ingenious. Eyes light up when support group members speak about SaveAct.”

Renate Cochrane,  
Lutheran Church Minister,  
supporter of the Masangane  
Treatment Programme, 2009.

### Partner:

Project Preparation Trust

### Location:

Richmond and Mkhambathini

“ Participating in the savings group helped me a lot. I learnt and managed to save money – something I did not know. I am able to buy stuff for my grandchildren and give them some money when they go to school.”

Mrs Minah Moloji, SCG member, Obonjaneni.

## LEAP, Eastern Cape

**Local Economic Action Partnership for Socially & Economically Excluded Groups (LEAP) in Alfred Nzo & Ukhahlamba Municipalities aims to build a sustainable approach to poverty reduction and social exclusion by helping to create sustainable livelihoods and by growing local economies using available local resources and capabilities through a savings-based platform.**

The areas covered by SaveAct's work in the Eastern Cape province are among the most isolated and poorest in South Africa. Formal economic opportunities are extremely limited. Families survive through subsistence farming and rely heavily on government grants accessible by pensioners, the disabled and children. Families' capacity to withstand these hardships has been compromised by the high prevalence in the area of HIV/AIDS and other infectious diseases such as tuberculosis.

In this context, the savings group concept, which builds upon and refines traditional savings practices like Stokvels and burial societies, has been readily embraced by local communities. SaveAct field officers have been challenged to meet the demand for their training and facilitation and initial membership targets have been exceeded.

SaveAct's new Monitoring and Evaluation Framework, which began its pilot in the Eastern Cape in 2009, together with personal feedback from participants, is attesting to the positive impact of the programme within a relatively short space of time. There is evidence that the programme has created greater financial security in households and has also led to personal empowerment and a greater sense of agency among participants.

It is anticipated that in the next phase of the programme, which will include ongoing life skills and enterprise (*Isiqalo*) training, participants will be able to move from survivalist economic activity towards more sustainable livelihoods.



### Partners:

Bathehi Ba Kgotso People's Organisation, Masangane Treatment Programme, Mata-tiele Advice Centre, Environmental & Rural Solutions CC, Mt Fletcher Advice Centre, Siyanakekela Community Development.

### Location:

Towns and villages in Alfred Nzo & Ukhahlamba Municipalities in the Eastern Cape.

## Family Literacy Project, KwaZulu-Natal



SaveAct was asked to work alongside Family Literacy Project (FLP) to develop an economic support programme for its family literacy groups. Over the past year SaveAct has introduced, trained and mentored five groups in savings, credit and social insurance funds. These options have been enthusiastically embraced by literacy group members and has awakened them to new opportunities of working together to strengthen their livelihoods.

### Partner:

Family Literacy Project

### Location:

Centacow and Polela

“ ... One of the SaveAct facilitators praised the FLP group members – especially the older women – for being able to sign their names when they deposit their money into the savings fund. In her experience this is quite unusual in other savings clubs that she trains. We all felt really proud of the adult members and FLP's efforts when she said this.”

Lynn Stefano, Family Literacy Project Director

# Annual Financial Statements

As at 28 February 2010

1 March 2009 to 28 February 2010

ASSETS	
Cash and cash equivalents	R 1 777 455
Property and Equipment	R -
<b>TOTAL ASSETS</b>	<b>R 1 777 455</b>

FUNDS AND LIABILITIES	
<b>LIABILITIES</b>	
Accounts Payable	R 1 774 334
<b>TOTAL LIABILITIES</b>	<b>R 1 774 334</b>

<b>FUNDS</b>	
Trust Capital	R 100
Accumulated Surplus	R 3 021
	R 3 121
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>R 1 777 455</b>

SUPPORT AND REVENUE	
Grant income	R 2 317 397
Donations, interest and dividends	R 111 191
Other income	R 750
<b>TOTAL SUPPORT AND REVENUE</b>	<b>R 2 429 338</b>

EXPENSES	
Consulting and professional fees	R 1 102 694
Employee Costs	R 790 561
Enterprise Training	R 26 028
FAIR Project	R 354 714
Recurrent programme costs	R 492 637
Recurrent costs - local office	R 232 927
Training and development	R 191 709
Travel - local	R 199 724
Non-recurrent capital expenditure	R 89 997
<b>TOTAL EXPENSES</b>	<b>R 3 480 971</b>

<b>Change in net assets</b>	-R 1 051 633
Net assets at beginning of the year	R 1 054 654
<b>NET ASSETS AT YEAR END</b>	<b>R 3 021</b>

“...To see the excitement of the women and the energy and the precision with which they run their groups, my hopes are already being realised for this project.”

Mary Baich, President of Vesper Society

SaveAct is a participant in the following networks:

- Children in Distress (CINDI)
- Community Economic Development and Innovation Community of Practise (CEDICOP)
- PROLINNOVA
- Savings Led Development Group (SLDG)

SaveAct gratefully acknowledges the support of the following donor partners:

