Country : Kingdom of Eswatini

Region : Lubombo

Project title : Capacity Building and Empowerment Project for rural iwomen in the Lubombo region

Applicant Sinatsisa Lubombo (PTY) LTD

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Amount requested : US $ 45000

Local contribution : US $ 5,900

**SINATSISA LUBOMBO (PTY) LTD**



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 Date: 14th February 2019

#### CAPACITY BUILDING AND EMPOWERMENT PROJECT OF RURAL WOMEN IN THE LUBOMBO REGION.

1. **Introduction:**

1.1 **Implementing Organization:**

The capacity Building and Empowerment Project of Rural Women in the Lubombo region of Eswatini will be implemented by Sinatsisa is a Non-governmental Organization registered with the Non-Governmental Organization, (CANGO).

* 1. **Project Location & Target Group**

The Capacity Building and Empowerment Project is located in the Lubombo region of eSwatini. The Project covers the eleven constituencies of the Region. The project is to involve 250 women with low socio-economic status.

* 1. **Organization’s Location Address:**

Headquarters are located at Siteki Jacaranda Street at the First national bank building office No. 8 the Postal Address is P.O. Box 282, Siteki. E-mail address is: sinatsisalubombo@gmail.com.

# 1.4 Mission/Vision

Sinatsisa Lubombo’s vision is to build a vibrant, efficient and sustainable Revolving Fund Programme which will promote economic and social development of the economically active low-socio-economic status and elsewhere, by building their capacity through training and non-formal education and improving their opportunities to access and to eradicate the root causes of poverty in local communities so as to enable them attain self-reliance and sustainability by setting up viable / profitable micro business to generate income for their families.

Sinatsisa Lubombo is dedicated to reducing poverty by helping the lowest income rural people, and the economically active poor people in the Lubombo region to establish or expand micro businesses.

1. **Aims and Objectives of the project:**

2.1 **Goal/Aim:**

* To empower and build capacity of 400 women and youth with low socio9-economic status by providing them with training is business and management skills and providing them with the Revolving Fund.

2.2 **Objectives:**

* To extend a Revolving Fund to members of the local communities of the economically active poor women (Bankable poor) in the age of 18 – 60 years old, so as to empower them engage in income generating micro projects and businesses for their families.
* To channel at least 90% of the Revolving Fund to economically active poor women, women groups and youths whose monthly income do not exceed UG 300,000= or US $ 172 per month.
* To mobilise and motivate the rural economic poor people set up self-help income generating projects by training them in entrepreneurial and business skills.
* To liberate rural women from economic bondage or dependency and poverty and from marginalization so as to liberate them economically.

3.0 **Organisation Review and Profile of Snatsisa**

3.1 **General Information**

Snatsisa Lubombo provides basic training education and Functional Adult Literacy and Credit extension so that under employed and marginalized rural women can create or expand Micro Businesses they plan and manage themselves to generate income for their immediate families. The objective is to liberate rural women and youth from marginalisation, socially and economically and to own the means of production.

The Capacity Building and Revolving Fund Programme is based on the assumption that these poor people already have the capability and ingenuity (income generating idea) to create viable micro-enterprises. With the Sinatsisa Lubombo start-up capital and training, they can make this potential more viable. Sinatsisa Lubombo Revolving Fund Programme also emphasizes strengthening business skills so that entrepreneurs are better equipped to sustain and expand their micro businesses. Sinatisa Lubombo funded income generating entities are based on products or services that the members know how to make or do, for which there are local markets.

The Sinatsisa programme is implemented by a team of trained Field and Credit Officers and Trainers who love their work and their clients to help them develop their micro-enterprises. The Trainers and Field officers facilitate the Credit programme including vetting, selecting and training the needy entrepreneurs, approving business plans, monitoring and supervising credit and loan tracking activities and reporting to head office.

3.2  **Strengths:**

 Sinatsisa Lubombo have four (4) competent field and credit Officers who conduct training in group formation, group management and group dynamics, savings and Business Management Skills and Pre-loan disbursement education. The Credit programme is headed by the Director assisted by the Treasurer who is the Credit Manager and Program Coordinator.

 There is a network of close to 250 members and beneficiaries who are part of the outreach with 50 beneficiary groups. 10 More local rural groups established from 100 rural women have been identified from the various applicants and need training and later credit extension in the first quarter of the New Year.

Sinatsisa Lubombo has geographical outreach coverage of the Lubombo region covering a total number of eleven constituencies.

3.3 **Requirements:**

**Current challenges**

Inadequate funding to enable the organisation to train more vulnerable women with low socio-economic status groups in: entrepreneurship and business management skills, record keeping skills, savings culture, making business plans, group management & group dynamics and functional & Adult Literacy skills.

Inadequate funds to acquire enough training materials and equipment: stationery for training, hire of training venues, refreshments for participants and production of manuals for each beneficiary during the training.

Inadequate funds for logistics, including transport and communication.

 The organisational quarterly target is to train 20 groups of clients each quarter of the year. Our target in the year, 2020 is to reach, train empower and serve including extending Revolving Fund to further 80 groups of women and youth i.e. approximately 400 member beneficiaries by the end of the year. This would bring the organisational total commitment for the whole programme to about 600 members.

**Sinatsisa Lubombo Group Lending Methodology:**

 Revolving Fund lending programme is based on group lending methodology where needy solidarity groups of 10 people or more form a borrowing group, but each person has her own business entity to establish. The group members co-guarantee each other’s loans. There is no collateral, as the poor women and youth lack assets to stake for the loans. But the group members use peer pressure to ensure loan repayments are done on time and in full. A built in saving scheme enables the women with low socio-economic status and youth grasp the essence of savings and to experience a process of financial discipline for 1 to 2 months period. Savings are handled and managed within and by group members and their group leaders. The groups are encouraged to open up Bank Accounts with commercial banks of their own choice to keep this savings, before they are transferred to Snatsisa Lubombo for custody. At least 15% of the required loan should be saved before loans application is allowed, processed and disbursed to the groups. Business counselling and training continues throughout the loan term provided by Group Mentors and Field Officers.

Sinatsisa Lubombo facilitates in the women groups how to make minimal savings every week and acquire financial discipline for a period of 4 to 8 weeks in order to accumulate 15% of the required loan. Credit will then be extended to the project beneficiaries. This savings therefore do provide some level of security to the program for the loans and are therefore caveated by the organisation during the loan period. Repayment rates are 96%. Hence keeping in line with the best practices in the Micro finance Industry.

Therefore the following conditions obtain under our Credit Extension program:

**Ownership** :The beneficiaries identify and plan the businesses themselves.

**Local Resources** :They secure savings / local necessary resources of the required loan as their savings and as own equity.

**Time and Energy** :They each work a minimum of 6 hours per day on their micro-businesses.

**Self-sufficiency** :The members anticipate profit from their business entities

**Reinvestment** :They invest at least 20% of the profit in the enterprise.

**Growth** :They anticipate a continuing and expanding level of self-employment.

**Domestic consumption**: They use at least 30% of the net profits into buying

and providing nutritious foods and a balanced diet to their children / families/households.

**Accountability** : They report performance on their businesses and its results.

The loan beneficiaries submit a business plan which is first appraised at group level before being sent to our organisation for appraisal before receiving the initial phase of loan. The meeting the second phase of loans is released after submitting a business report, which demonstrates that they have kept records, have established viable enterprises and met program requirements. The clients continue to save in order to qualify for the next higher loan in the next cycle. Loan periods are between 6 to 12 months. A minimal interest rate of 3.8% per month is charged on the loans to enable the programme meet its operational costs and to address the need for sustainability strategy and expand its capital base to serve more clients.

In the first quarter of the New Year, 20 new organised groups have been identified by the organisation’s Field Officers and require capacity building /training and later credit extension. These are the groups for which the grant is sought.

Therefore our Credit Programme provides low-income women and youth, the opportunity to establish profitable micro-businesses and increase their incomes, helping them to meet their immediate families’ basic needs. In addition they develop organisational, leadership, entrepreneurial, management and business and book keeping skills, the ability to save and re-invest, and increased confidence in themselves and their future.

 **Performance of Group Lending Methodology:**

The organisation has reached the clients identified in the mission of the organisation conveniently and efficiently.

The organisation is reaching a significant number of the poor; although the demand for our services and products far outstrips our available resources. Hence a need to have more capital resources to empower and step up our training component.

**Major requirement for funding:**

The grant component of which funding id sought for is primarily for providing training and logistics and Revolving Fund to rural, marginalized women lending groups.

Capacity building and training will be carried out in the following areas:

In Group Management / Group dynamics

In entrepreneurial skills development

In micro-projects investment/Business management

In Book-keeping skills and

In savings mobilisation to enable them access Revolving Fund to improve on their income and income generation for their families/households.

Hence economically and socially empowering them and building their capacity to provide for their families.

It is highly anticipated that one of the impacts of the grant support will be to increase self-respect and esteem among the local women and hence liberating them economically, physically, and socially.

**Beneficiaries of the anticipated grant project funds:**

The beneficiaries will be 100 women with low-socio-economic status in the Lubombo region.

**Intended benefits to the beneficiaries:**

* Building capacity in skills such as entrepreneurial/business management skills, leadership skills.
* Empowering beneficiaries economically towards self-sufficiency to enable beneficiaries generate enough income for their households.
* Social emancipation of rural women they will learn leadership skills and group organisation and management in order to enable them to fully participates in the social and economic life of this country.
* Acquisition of literacy and functional skills, credit with education will equip functional skills and literacy skills to needy women since this will be incorporated as a training component. They will be able to identify, produce and provide nutritious food for their children to combat malnutrition and marasmus and feed a balanced diet to their households.
* They will mobilise savings, build and internalise a culture of savings and develop financial discipline through systematic and spontaneous savings under the credit programme.
* Young women with no capital or incomes who would otherwise resort to a life of crime e.g. prostitution would now become economically productive and escape temptations of promiscuity and risking HIV/AIDS.

**Resource Requirements:**

* Funds are required to conduct and facilitate training to 100 rural women in 60 groups.
* Funds for logistical support, such as for training venues, accommodation for facilitators, meals, refreshments, transport, fuel, stationery, typesetting, typing and printing, photocopying, and binding workshop materials.
* In addition to grant support, the following sources will also be considered to sustain the programme.
* Internal sources such as retained earnings and surplus from the lending program will need to be ploughed back, to increase the loan portfolio.
* In addition, external sources of funds such as soft loans and commercial loans will also be used to finance the planned development.

**Source of organisational current funds**

The organization has been able to get some funding and or logistical support from the following sources:

* Local savings from members – locally mobilised savings
* Interest from loan repayments
* Board members’ contributions.

**Project costs and capacity**

Program revenue is projected to fully cover all the project’s operational and financial cost by June 2022 as the organisation has started charging cost effective interest rate of 3.5% per month. The project already possesses field and credit officers, office administrator and the Chief Executive Officer who is the program coordinator. In addition there are several women and youth groups throughout the region, which form the backbone of our lending program. This interest rate is readily and happily accepted by our clients. The 3.5% interest rate fully covers cost of capital at the opportunity cost, including inflation, administration, loan losses and a minimum return on equity.

 **Movement towards financial independence**

Organisational personnel are competent in Micro-finance best practices and loan tracking systems. In addition, government policy which favours decentralization of services and the setting up of local banks, rural credit schemes and micro-finance institutions have greatly favoured our operations. The passing of the Micro-Financing Bill into a law will greatly favours Micro-Finance operations in the country.

 **Project self-sustainability**

The organisational micro-credit program is projected to fully reach self-sufficiency by December 2022 in three years’ time. An increased clientele will mean more interest revenue for the program, which will contribute to a growing revolving fund and a reduced cost per unit of loan lent. Measures to be taken to reduce long-term dependence on grants and subsidies will include re-capitalizing our loan portfolio by ploughing back interest earned from the loan-lending programme. At the same time Sinatsisa Lubombo shall also turn to borrowing from banks to increase her loan portfolio base. With growth plan, the organisation fully set to become self-sustainable by the end of the year 2022.

A loan loss reserve fund of 5% of the loan portfolio will be set aside to insure any bad debts. This money will be put on a Fixed Deposit Account at a Commercial Bank to earn us a fixed deposit interest rate of 5% per month. As a measure to safeguard against bad debts. The organisation will take an Insurance Policy and Insurance Programme and the clients’ loans with a local Insurance Company.

Other savings, such as compulsory and voluntary savings of 15% of amount required for loan from client will also be deposited on fixed accounts with commercial banks to earn interest. Careful loan portfolio management and loan tracking will be applied to enhance portfolio quality.

The Revolving Fund programme hopes to build a solid and growing fund base with clear business plans, backed by operational capacities that lead to mobilisation of commercial funds from depositors and the financial system and eventually to full independence from donor support by the end of the year 2024 by generating its own income and enough to sustain the programme.

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 **Future organisational plans**

* To expand Revolving Fund Program to target all the clients we trained and to have continuous follow up. With more financial and logistical support we hope to increase numbers of groups to be trained monthly and to access more rural areas to reach more women.
* To expand capacity building / training program to gain more capacity by recruiting more field staff. Also to acquire more equipment for training, such as video, camera, digital camera, overhead slide project, etc.
* To add the widows and orphan empowerment component on Revolving Fund Program to Widows, orphans and orphan households to be empowered to be self-reliant:
* To introduce new products and services such as health insurance scheme for micro-credit clients in conjunction with relevant service providers.
* To take up insurance scheme for the Revolving Fund Program so as to ensure and maximise all local repayments to 100%.

Service additional 400 Rural Poor women clients in the year 2019 directly with:

* Training in basic business skills and
* Provide and extend to them Revolving Fund to invest in their micro-enterprises.

**Purpose of the grant being applied for:**

The grant is required to enable the NGO achieve the following:

* Train and serve 100 Rural Poor women clients directly with:
* Training in basic business, entrepreneurial skills, micro-business management.
* Provide and extend to them Revolving Fund to invest in their micro-enterprises.
* To build capacity to provide more services to the low income local women, more efficiently. To increase numbers of rural beneficiaries who will have access to our much needed services.
* Expand outreach. To be able to expand geographical coverage to more remote areas in the region where there is greatest need for empowerment of poor rural women where credit and business skills are much needed.
* Promoting the grassroots women in the economic and social development of their lives as in developing and replicating new models for community investment.
* Introduce financial products and services to the targeted communities.
* Acquire enough materials for training and business counselling.

Improve the following:

* Increase loan capital base as in the loan revolving fund.
* Improve service delivery
* Improve operation efficiency
* Enhance monitoring and supervision capabilities.

**Funding will enable the poor rural women beneficiaries achieve the following:**

* Access training from our staff and experienced professional training providers in business skills and business management.
* Access credit for their micro-business, leading to increased incomes for participating households and better nutrition.
* Access high quality financial services and products.
* Get empowered socially and economically.
* Access functional Literacy Education.
* Increased self-respect and esteem among rural poor women clients who will strive to succeed and overcomes poverty.
* Alleviation of poverty from their midst.
* Will acquire financial discipline and learn how to save and invest.
* Through such empowerment, the project will enhance local level participation of the grassroots population women in local policy.

 **Work-plan**

The actual training of the women could start as soon as funds are procured. The training will take a period of 2 weeks to accomplish. In the meantime the women trainees will continue to save regularly every week so as to accumulate 15% of required loan each by the end of the training to be ready to receive the Revolving Fund loans. Loan disbursements to the women could start as soon as the training is over.

 **Monitoring supervision**

Business counselling, business mentoring and loan tracking by Field Officers will continue throughout the loan period. Report making will be a continuous process. And this will be done daily and weekly summaries submitted to the Credit Manager by the Field Officers. The Credit Manager will make both weekly and monthly summaries to the Director.

**Evaluation / Report Making**

Annual reports including household surveys will be done to determine the impact of the program on the rural women and their households. Both performance and operational indicators will be used to measure progress and achievements of the program. A report to the donors will be submitted after 13 calendar months after receipt of the funds.