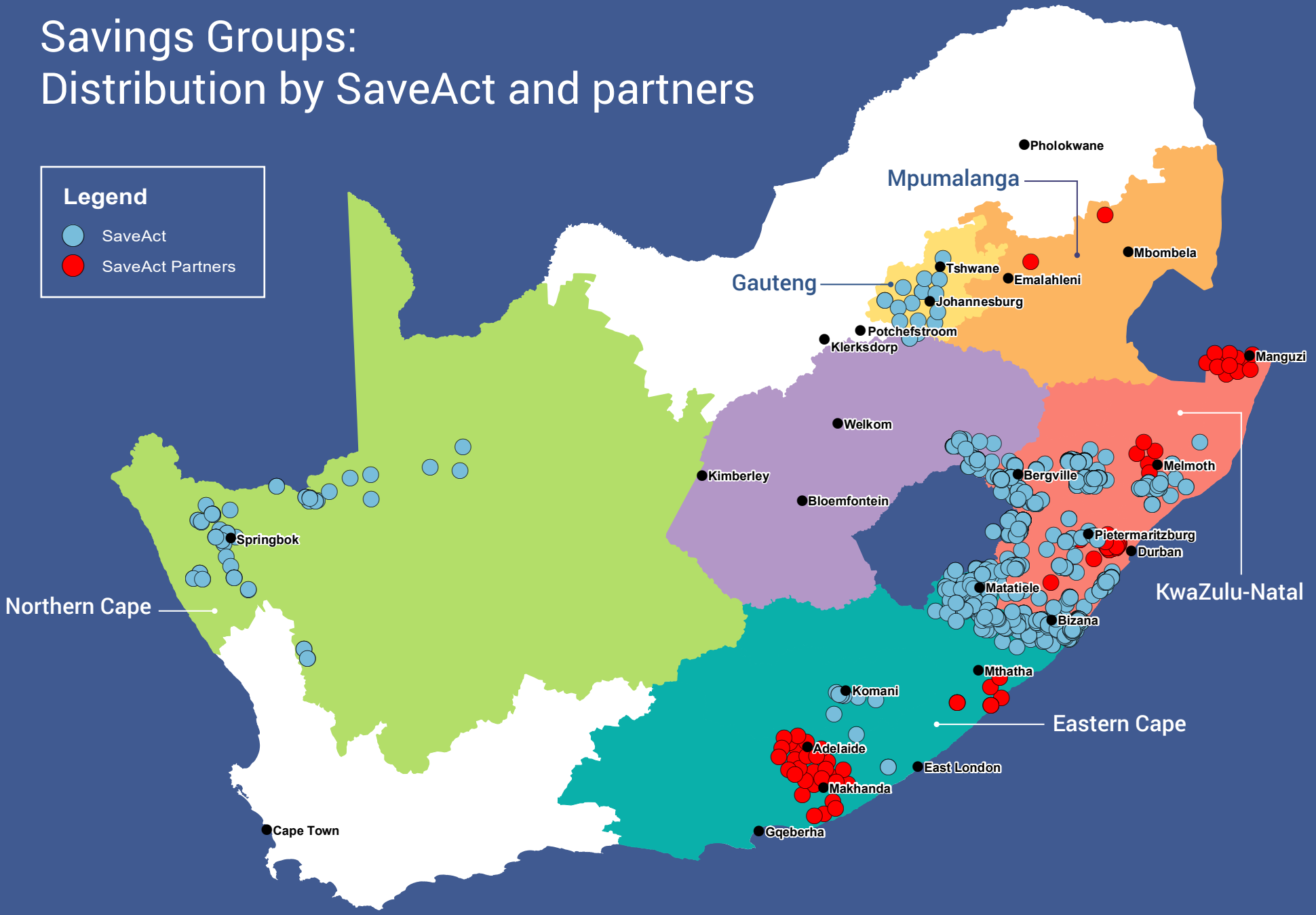


SAVEact

Annual Report 2022-2023

Savings Groups:
Distribution by SaveAct and partners



Board Chairperson's message



Marcel Jakubec

If I'm to pick one word to summarise this year at SaveAct, it is this: resilience.

In spite of many challenges, I'm proud of the work that was done and the collaborative efforts between the SaveAct team, our partners and the broader communities we serve in pursuit of our ongoing purpose: to build sustainable programmes to break the cycle of poverty in rural and urban communities.

2023 has presented many hurdles that we needed to navigate, from tough economic conditions locally (made harder through moments of political instability and the ever-present loadshedding) to a difficult funding environment globally with cuts in donors and donations.

That said, this has presented new opportunities for the team – including boosting community knowledge and education that savings and financial planning is more important than ever.

We end the year with 110 000 members affiliated to SaveAct savings groups – no small feat with limited budgets and resources – who feel more empowered, and more hopeful, for their futures.

I would like to take this opportunity to extend heartfelt thanks to our incredible SaveAct staff and management who continue to do amazing work across the country. The resilience you've shown despite ongoing pressures is an inspiration.

I look forward to what the new year will bring, with our commitment to work towards meaningful financial inclusion and poverty reduction in South Africa.

Yours – in resilience,
Marcel

Right: *Nombongo Mankatuseng Lerara (left) and Kopano Lerara live in Matatiele and belong to a savings group. They have taught their children to save and the whole family works in the vegetable garden.*





Executive Director's Report

Anton Krone



The last 18 months have seen SaveAct showing its mettle. Two large, concurrent projects stretched us to the limit: the Jobs Fund, which supported expanding savings groups, and GIZ funded WAYSE (Women and Youth in Sustainable Enterprise). It was testing but there were also shards of light. SaveAct achieved all its main targets for both projects, which was no small feat. This meant reaching tens of thousands of rural women with methodologies and enterprises of benefit to them for years to come.

In WAYSE, a huge injection of training for staff and savings group members was inspiring and well received. In addition, crucial insights were gained that confirmed the relevance of our work to tackling South Africa's inequalities. This confirmation of impact has strengthened our resolve to define a new path for SaveAct that will lead us towards greater sustainability and scale.

Key lessons

The two-year WAYSE project, which ran until the end of August 2023, focused on building livelihoods, and introduced several tools for testing, including ABCD (Asset-based Community Development), agroecology training, agri-enterprise development, poultry management and enterprise development. These tools have proved their worth and are making a difference in the regions where the training happened. Farmers are reporting improved yields and healthier poultry, which is resulting in better sales. There are reports of valuable farming practices being shared enthusiastically in communities across savings groups and farmers, which will undoubtedly have a strong multiplier effect. These tools will be included in our arsenal, going forward.

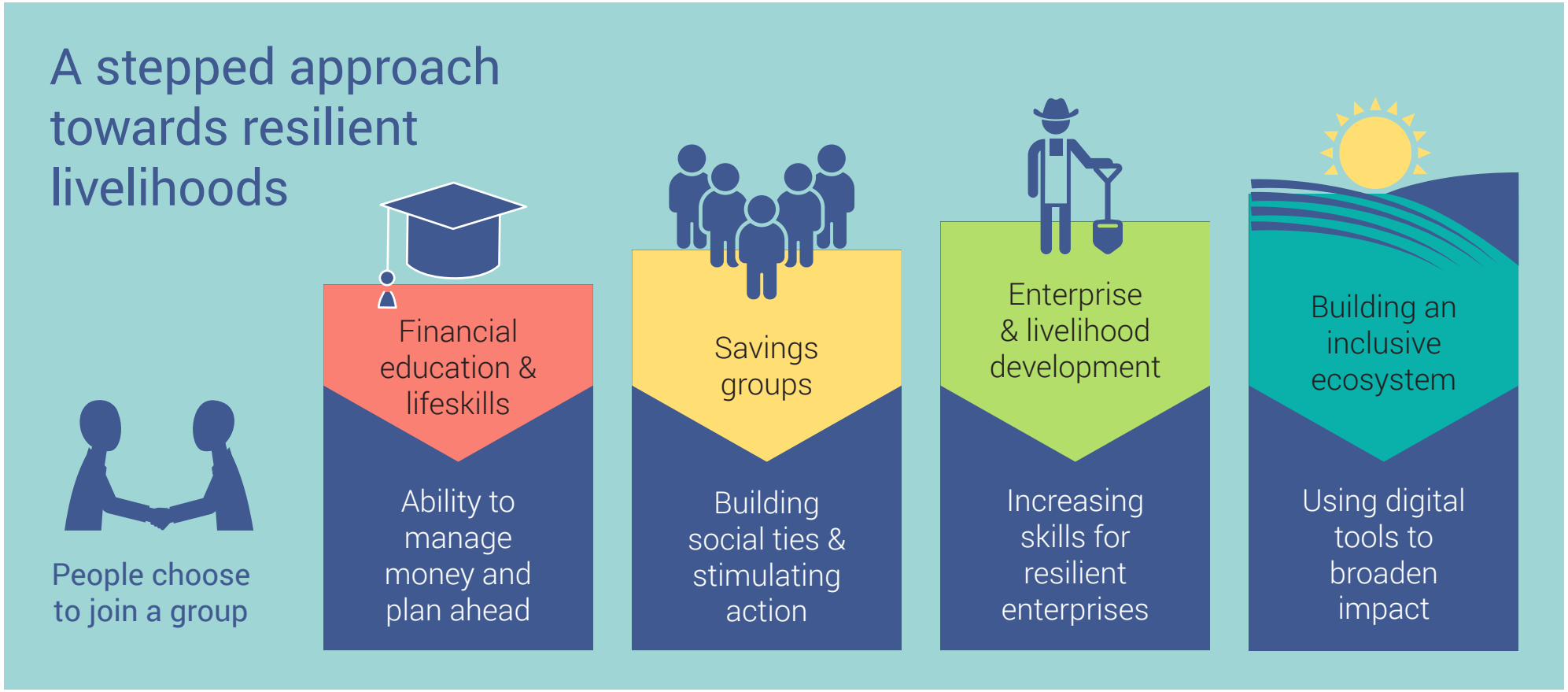
The national crisis of youth joblessness was also tackled by WAYSE, with outputs for employment and engagement in different job-seeking activities.

Left: *Underberg poultry farmer Langa Made attended poultry training under WAYSE.*

Although staff found working with young people challenging, they also learnt some things from the experience that will strength our efforts going forward to attract this age demographic to savings groups. Livelihood Pathways, an activity aimed at people aged 18-25, was found to be especially useful in helping youth to create a life plan and starting conversations about job paths.

Most importantly, we are clearer about teaching enterprise development. This came out of learning exercises (also part of WAYSE), that entailed rigorous interrogation of our method for supporting members' income-generating activities (IGAs). It was found that the combination of the savings method and the intensive entrepreneurship support piloted by the project was effective in supporting group members in financial management, income-generating activities, livelihood development and employment pathways.

The inclusion of enterprise training in our model is important because having an enterprise increases the likelihood of overall success of groups and members moving forward. A report done by Khulisa, a company specialising in monitoring and evaluation and commissioned by GIZ to examine the savings model, found that one of the critical factors in a group's success is the availability of farming and enterprise training. Social grants, properly managed, also enable people to save and settle debts.



Adaptation

The main task of the Khulisa evaluation was to examine the savings model for its ability to foster resilience amongst members. The study concluded that the model of self-managed financial services coupled with training, is effective. With the growing threats of severe weather effects comes greater urgency to ensure that the most vulnerable are adequately prepared. This is yet another reason why our methodology should be shared far and wide. For more about SaveAct and adaptation, see an article published in Adaptation Network in October.

New directions

Our vision is to expand and reach two million women over the next decade. We've also been looking at more sustainable options for funding our work. The award of two years of technical assistance from Spring Impact earlier this year galvanized us to consider this more seriously. We are now focused on looking at different ways to generate income streams for implementation of savings groups.

This path will entail using partners to achieve greater reach, something with which we already have deep experience. We are also looking at how we can work with the private sector by providing saving and financial education training to their workers.

Change is daunting, but 'fortune favors the brave'. With pressure comes innovation. Some years back, SaveAct introduced community-based promoters who have contributed enormously to the programme's reach, training more than 40% of savings groups and providing them with financial education that is now nationally accredited.

We value your support. In particular we value the partnerships with our fellow NGOs and donors on this journey. Last but not least, we want to thank our board for extraordinary insights, support and direction – all of which is offered on a voluntary basis. To donate to SaveAct please go to the following link: http://tinyurl.com/GivengainSaveAct







Top: *Prudence Mgasheni uses SG loans to buy stock for her tuckshop near Margate.*

Middle: *In Mehloloaneng, Matatiele, a savings group started a food garden to feed their community's children.*

Bottom: *Newly-trained SG members with their certificates.*

Jobs Fund Impact

Results of work with the Jobs Fund and co-finance from Misereor, GIZ, SAB Foundation and the IDC:

1 042 Permanent jobs created as an outcome of the entrepreneur and support offered

10 114 Savings Group members graduating and able to manage their own SG

1 377 Members trained in Enterprise Development with Mentorship

15 296 New Savings Group Members enroled in the SaveAct programme

1 649 out of 1 649 participants (i.e. 100%) reported improving their livelihoods*

**according to the Greenlight Movement rating tool*

GIZ Impact

15 475 members of saving groups supported with food security and other training to alleviate pandemic effects

1 130 people reached by the project, including 836 women and 441 youth, with secure employment

3 330 people reached by the project, including 2 969 women and 321 youth, improved their employment situation by having a 10% income increase, better working conditions, or access to upskilling opportunities

4 980 enterprises reached by the project enhanced their business capacity by having a 10% turnover increase, gained access to the value chain, or achieved a sector-specific standard

7 demand-oriented training courses developed and tested by the project

SAVEACT 2023

110K
savings group members

R5 455
saved pa per member





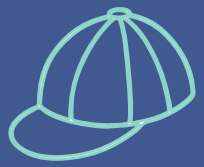
5600
groups

R600m
annualised savings



92%
women





25%
youth



9
provinces

21K



businesses established to date



66K
jobs supported to date

Trustees



Marcel Jakubec is a strategy manager at Accenture with experience in retail banking across sub-Saharan Africa.



Kajal Singh is a chartered accountant who has a management role at Umgeni Water, specialising in treasury management and financial planning.



Mandla Nkomo is Chief Growth Officer for the Excellence in Agronomy programme, CGIAR, with experience in NGO, government and large programme implementation.



Timothy Hobden is an economist and public policy professional with experience in the design, management and evaluation of donor and philanthropic programmes.

Michel Hanouch works for CGAP on Open APIs with over 15 years of experience working on fintech-enabled product and business model innovation.



Thabang Phago is a savings group member with a master's degree in Botany and field experience in climate change adaptation. He works as a climate change specialist at the Department of Environment, Forestry and Fisheries.



Paula Nimpuno is a retired independent consultant with extensice experience working for donors and has worked globally to address issues of poverty, economic and social empowerment and sustainability.



SaveAct gratefully acknowledges the support of the following donor partners:

german cooperation
DEUTSCHE ZUSAMMENARBEIT
Implemented by: giz
IDC
Industrial Development Corporation
MISEREOR
IHR HILFSWERK
SAB Foundation
THE JOBS FUND
South Africa Siyasebenza
CIVIL SOCIETY DEVELOPMENT FUND
Flanders
State of the Art

Extracts from the Annual Financial Statements

Statement of Financial Position as at 28 Feb 2023

	2023 R	2022 R
ASSETS		
Property, plant and equipment	1 120 178	1 210 637
Cash and cash equivalents	10 835 011	12 925 726
Trade and other receivables	125 982	228 995
TOTAL ASSETS	**12 081 171**	**14 365 358**
TRUST FUNDS AND LIABILITIES		
LIABILITIES		
Trade and other payables	6 804 466	11 100 131
TOTAL LIABILITIES	**6 804 466**	**11 100 131**
FUNDS		
Trust capital	100	100
Maintenance reserve	232 000	232 000
Accumulated Surplus	5 044 606	3 033 127
	5 276 706	3 265 227
TOTAL FUNDS AND LIABILITIES	**12 081 172**	**14 365 358**

Statement of comprehensive income

01 March 2022 to 28 February 2023	2023 R	2022 R
SUPPORT AND REVENUE		
Grant income	15 528 187	15 267 254
Interest and dividends	64 164	52 049
Sales of kits and Zis'ukhanyo	459 345	229 674
Less: Cost of sales	–1 206	–173 809
Sundry Income	396 839	215 624
TOTAL SUPPORT AND REVENUE	**16 447 329**	**15 590 792**
EXPENSES		
Programme and operational costs	2 364 842	4 940 409
Programme management and administration	4 815 681	4 328 545
Equipment and supplies	–	–
Project staff	7 255 327	5 233 561
TOTAL EXPENSES	**14 435 850**	**14 502 515**
(Deficit)/Surplus for the year	**2 011 479**	**1 088 277**