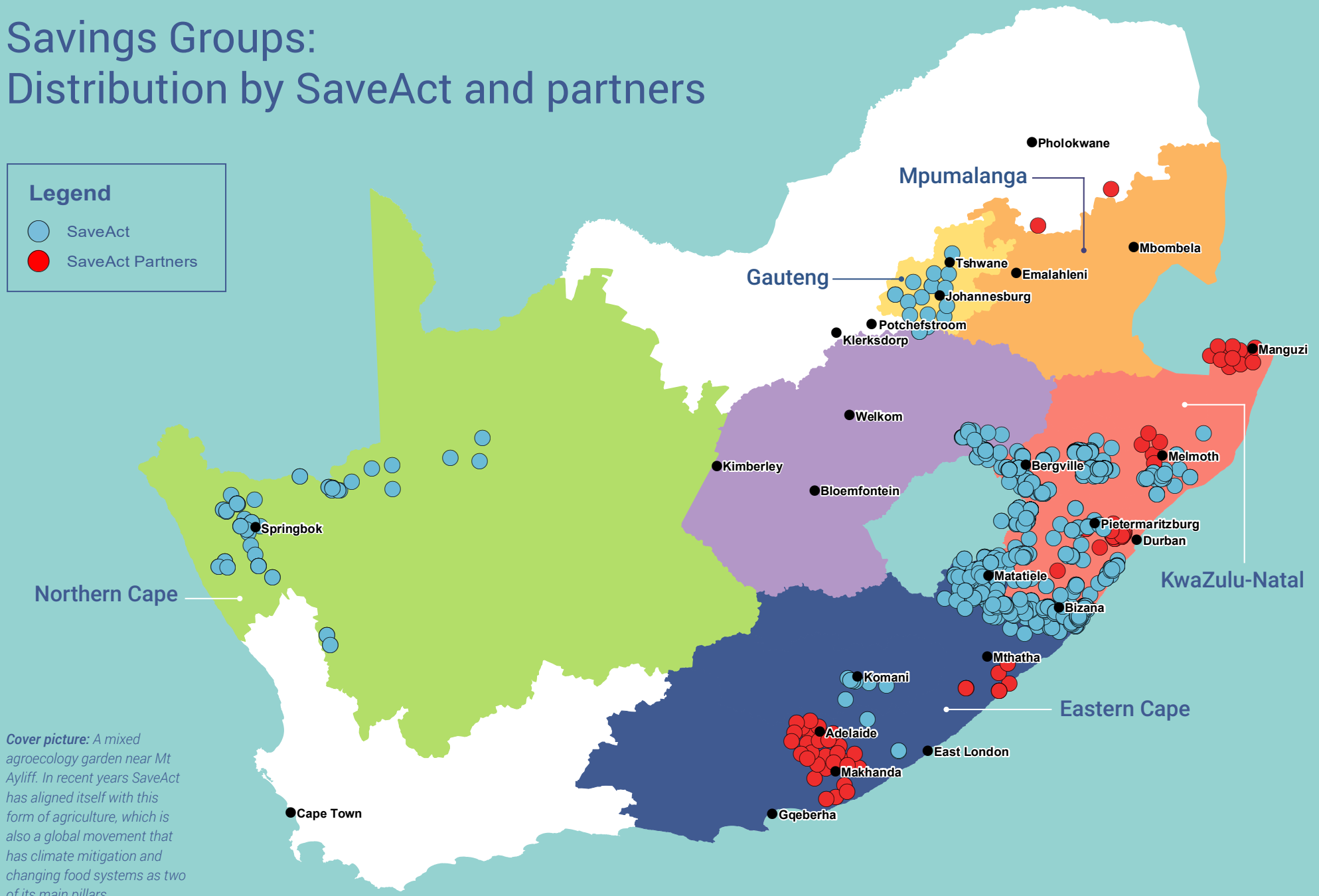


SAVEact

Annual Report 2023-2024

Savings Groups:
Distribution by SaveAct and partners



Cover picture: *A mixed agroecology garden near Mt Ayliff. In recent years SaveAct has aligned itself with this form of agriculture, which is also a global movement that has climate mitigation and changing food systems as two of its main pillars.*

Board Chairperson's Message

Marcel Jakubec



Despite the very real challenges of the past year SaveAct remains a highly relevant actor on the South African non-profit landscape. If anything, the persistence of high rates of joblessness and limited economic growth mean the work of SaveAct becomes more relevant by the day.

As highlighted in the director's report, once introduced to the concept and supported in its implementation, people on the ground very quickly grasp the value of combining enterprise development in agriculture and agroecology with the savings group methodology, and their commitment to the model is producing tangible results.

Poverty in South Africa is endemic and debilitating, but it does not have to be intractable. Our work offers a time-tested pathway towards greater financial stability and freedom for marginalised groups, most especially, women and youth, giving them an opportunity to take control of their lives. This control is ever more relevant in a world marked by growing levels of human insecurity associated with climate change.

Under these circumstances, and convinced of our ongoing relevance, we will continue to seek out ways to scale up our work and open the doors of opportunity and empowerment for the most vulnerable among us.

Right: *Six nurseries were established in different locations, with funding from GIZ. One of the recipients was the Vukuzame co-op from Emgampondo, Eshowe. Formed in 2017, the group has seven hectares of land, with each member tending their own plot for personal and household gain. The produce is sold to the local and surrounding communities.*



Executive Director's Report

Anton Krone



The 2023/24 financial year has been a time of darkness and light for SaveAct. After successfully completing two large projects, with no new work on the horizon we had to retrench several experienced field staff. However, as we pivot into a new way of working, we are realising that knowledge and experience gained in the last few years have prepared SaveAct to focus on new opportunities.

The idea of SaveAct working in a different way, towards scaling our core work, has been growing as we seek to share our impactful core methodology widely and reduce our reliance on donor funded projects.

International wars and domestic financial woes have not helped. The first half of 2023/24 saw us winding up the Women and Youth in Sustainable Enterprise (WAYSE) project, funded by GIZ, and another funded by the national Jobs Fund. Both were resource-intensive from a monitoring and evaluation perspective. We were under pressure to deliver high targets in a short space of time, and we did very well under the circumstances, achieving and often surpassing the set targets.

Learning

On the plus side, we honed our skills in data collection and teaching enterprise development, and under WAYSE we learnt a lot about enterprise development, agriculture and agroecology. There was extraordinary demand for the latter and we trained over 900 people in this activity. What was most exciting was to see the level of interest from people. The penny has dropped, and people have realised that agriculture is a way to feed their families and sell in markets.

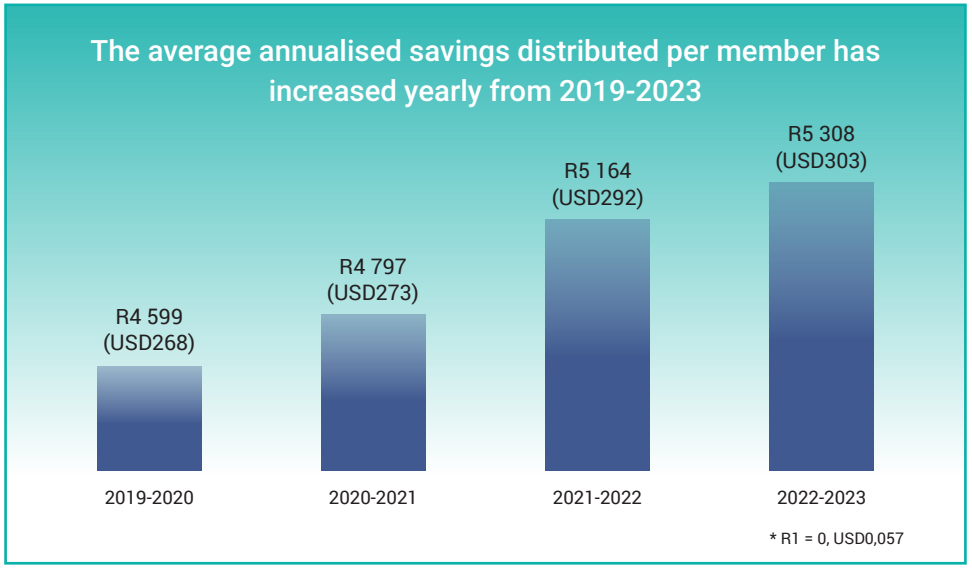
Left: *Themi Mzile, a savings group member from Margate, was the only individual recipient of a nursery, due to her success in farming.*

We tested Asset-based Community Development (ABCD) facilitation across several regions in five provinces. It brings into focus stakeholder driven planning that is asset and capability rather than needs orientated. With savings groups operating year after year vulnerable families can pursue a life pathway, access training in their area of interest and invest in their livelihoods.

Working with Ubunye Foundation we created a livelihood pathways guide aimed mainly at youth. This enabled participants to plot their pathway and identify ways of realising them. Again, being members of savings groups equipped them with the social support and confidence to pursue these. These tools will be used in future work with savings groups. We also were able to contract Siyakhula Sonke and Siyazisiza Trust to extend our work and provide important agricultural skills training to hundreds of savings groups members.

Increasing incomes

Although we were limited in our core work focus of established new savings groups, due to GIZ and the JF's focus on enterprise and agroecology, it was encouraging that savings groups that had share-outs at the end of last year and the beginning of this year significantly increased their level of saving (see graph). This is in line with the trend over the last few years, where the amount shared has been increasing even during the Covid pandemic.





An analysis of a sample of 750 people who had existing businesses found that they increased their income by 2,5 times from baseline to endline. Although the measurement period of each livelihood was not identical, it showed that our methodology can make a significant difference in people's lives and household finances.

It was also heartening that an analysis of a sample of 750 people, who had existing business, found that they increased their income by 2,5 times from baseline to endline. Although the measurement period of each livelihood was not identical, it showed that our methodology can make a significant difference in people's lives and household finances. This increase is due in part to SaveAct having better tools and getting better at agroecology and enterprise development training, as this was a big part of both WAYSE and the Jobs Fund projects. We are now strongly positioned to do that work, and to do it at scale with social partners in South Africa. Also remarkable was that we reached 10 000 savings group members with training and technical support opportunities offered through WAYSE and the Jobs Fund; whilst the average time each participant had been in a savings group was five years, illustrating the sustainability of these groups.

New path

Going forward, we will be working efficiently with less risk and more partners, project-by-project, framed by a larger programme with the same end in sight. Using our savings methodology to tackle poverty remains our core mission, but how we do that will be different. The methodology is a tool that enables vulnerable people in different situations to save and manage money, develop an enterprise and/or use agroecology to grow food for household consumption and/or sale. Trained by SaveAct, the methodology has been successfully used for many years by partner organisations to add value to what they do, to make the impossible, possible.

We are confident about the relevance of the programme and that it brings significant value to what we are facing as a country, both with an economic downturn and climate change. Without that work, we may not have got the current new work with the Allan and Gill Gray Philanthropies. This three-year project is focused on co-creating community-wide ecosystems for enterprise development, which includes agroecology. It includes facilitated ABCD planning, financial education (FE), agroecology and Awakening Enterprise in the grey economy. Strengthening communication using WhatsApp is also a feature. An embedded activator in each group will assist with local and regional communication that may lead to savings groups collaborating across villages to shape their futures and act as a collective force for change.

With youth unemployment in South Africa at 45.5%, this demographic has become a special priority. We are engaging with the government's Social Employment Fund (SEF) and similar entities about how our work can add value to what they do. The SEF investment in work opportunities for 40 000 young people is considerable. For SEF participants the seven-day wage payments per month can be lifechanging yet these are generally short-term opportunities. There is consensus around the need to equip participants with the tools for clarifying and pursuing their personal pathways beyond the SEF employment period. We recently carried out a pilot study with partner Fiinafas, involving SEF participants working for Duzi-uMngeni Conservation Trust (DUCT). The study tested interventions for equipping youth with financial and other knowledge, receiving a strong positive response.



Above: *Supervisor Nondumiso Silangu (left, Duzi-uMngeni Conservation Trust), and Regional Coordinator Nomthandazo Mbonamnbi (SaveAct) were involved in a pilot study with partner Fiinafas and a group of SEF participants. The study tested interventions for equipping youth with financial and other knowledge, such as how to budget and save.*

Another youth study SaveAct is currently part of, involving 540 adolescents on three continents, where adaptations of its financial education tools are being used is underway. The project, called "Alive", is developing and testing interventions for improving mental health in adolescents in low-income countries. The countries where the testing is happening are South Africa, Nepal and Colombia.

Just Transition

The pilot with DUCT, which works in the environmental space, also showed the potential benefits of using the saving methodology in other sectors. We are positioning SaveAct to work with partners on enabling women, youth and vulnerable groups to make a just transition. We can help lay the foundation for reaching millions of people, including those left behind by the formal economy, an estimated 40% of the population. What SaveAct can offer is the social glue to create the conditions that other organisations with more specialised services are lacking. Their work involves, for example, biodiversity, rewilding and other environmental interventions. We can create a way to do that, with the communities involved taking charge of how they do it, making savings a sustainable and integral part of what communities embrace to strengthen their economies. This contrasts with much environmental work that focuses on the technical output and for a finite period only.

We are hoping that this SaveAct approach could be how environmental organisations approach working with communities in future, with environmental action and climate adaptations becoming people driven. This is possible, but it will only be achieved if we collaborate across sectors. It requires that environmental, economic and social challenges are included, that people are put at the centre, and they are enabled to do this in their communities, instead of looking on from afar.



Above: *Savings groups remain the backbone of how our members drive their change. This SG is from Eshowe, KwaZulu-Natal.*

What we still need to work out is how to link natural asset management to household economic activity, because without one you can't do the other. They must connect. We must do that through practice so that how people farm and do other things is integrated and part of their economy. That's where savings groups can provide a catalytic role. Through groups, you can engage with thousands of farmers about issues such as what it means to farm and sustainably manage your assets. It's a big opportunity for all stakeholders to recognise that if we don't look after our natural assets we're going to get into deep trouble, as climate pressure builds, year on year.

We want to do that by acting as a knowledge and replication hub for robust methodologies that have stood the test of time and that a range of organisations can adopt, supplied with quality support by us. Spring Impact, a global impact accelerator, has been working closely with us to make this possible. We will track the impact over the years supported by a community of practice. SaveAct is operating in a critical space that is of interest to national and international stakeholders. What it is doing is unique and can be scaled to new levels of opportunity for the most vulnerable.

We are part of the solution.

Our staff have demonstrated amazing resilience and are stepping up to the next stage of our transition. On behalf of staff, I wish to thank our entire board and express appreciation to Martha Stein Sochas for her extraordinary voluntary commitment to SaveAct and to its goal to reach two million women and youth in Southern Africa over the next ten years. We are also extremely grateful for a wonderful gesture of support from a private donor.

SAVEACT 2024

110K
savings group members

R5 303
USD302
saved pa per member

5600
groups

R585m
USD33m
annualised savings

92%
women

25%
youth

9
provinces

21K
businesses established to date

66K
jobs supported to date

Trustees



Marcel Jakubec is an associate director within financial services strategy at Accenture, as Africa's banking lead. He is passionate about growth strategy and business model development, leaning heavily into product and service innovation. His work spans the financial services, telecommunications, transport and logistics industries across the continent.



Kajal Singh is a chartered accountant who has a management role at uMngeni-uThukela 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 extensive 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

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giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

MISEREOR
IHR HILFSWERK

SAB Foundation

THE JOBS FUND
South Africa Siyasebenza

Extracts from the Annual Financial Statements

Statement of Financial Position as at 29 Feb 2024

	2024 R	2023 R
ASSETS		
Property, plant and equipment	696 191	1 120 178
Cash and cash equivalents	2 649 947	10 835 011
Trade and other receivables	3 957 948	125 982
TOTAL ASSETS	**7 304 086**	**12 081 171**
TRUST FUNDS AND LIABILITIES		
LIABILITIES		
Trade and other payables	1 056 940	6 804 466
TOTAL LIABILITIES	**1 056 940**	**6 804 466**
FUNDS		
Trust capital	100	100
Maintenance reserve	–	232 000
Accumulated Surplus	6 247 046	5 044 606
	6 247 146	5 276 706
TOTAL FUNDS AND LIABILITIES	**7 304 086**	**12 081 172**

Statement of comprehensive income

01 March 2023 to 29 February 2024	2024 R	2023 R
SUPPORT AND REVENUE		
Grant income	14 253 070	15 528 187
Interest and dividends	121 451	64 164
Sales of kits and Zis'ukhanyo	68 934	459 345
Less: Cost of sales	-30 232	-1 206
Sundry Income	1 967 044	396 839
TOTAL SUPPORT AND REVENUE	**16 380 267**	**16 447 329**
EXPENSES		
Programme and operational costs	6 166 484	2 364 842
Programme management and administration	4 472 630	4 815 681
Project staff	4 770 712	7 255 327
TOTAL EXPENSES	**15 409 826**	**14 435 850**
(Deficit)/Surplus for the year	**970 441**	**2 011 479**