

MEDA Small Business Development Program

USAID Zimbabwe Bridging Grant

Award No # 690-0000-G-00-6099-00

By :

**Dan Norell
Regional Manager,
MEDA Southern African Office
P.O. Box #1183
Harare, Zimbabwe**

**Phone - 263-4-791552
Fax - 263-4-791551
E-mail : meda@mango.zw**

1 General Background

The MEDA Southern Africa Regional Office was established in January 1994. One of the reasons for the establishment of the office was to assist in the reconstruction of the Southern African economies after the damage of apartheid in South Africa and the conflicts found in the frontline states in Southern Africa.

MEDA has chosen to work in Zimbabwe and Mozambique in three different ways:

- 1 MEDA has funded a small rural suboffice of Zambuko Trust, an existing organization.
- 2 MEDA has assisted the Bulawayo community in starting Phakama (arise) Economic Development Company, a separate and autonomous organization.
- 3 MEDA plans to operate the Mozambican program directly, with the goal of turning it over to a local board of directors in the future.

MEDA applied successfully for a grant under the Innovation Grant Project of the USAID Microenterprise Office in Washington, DC. Due to delays in finalizing the funding of that four-year funding, MEDA applied to the USAID Mission in Zimbabwe for a \$50,000 bridging grant. This application was successful. The grant covered the period of October 1, 1995 to June 30, 1996. The award number was 690-0000-G-00-6099-00. This evaluation serves as the final report for that bridging grant.

1.1 Program Goals and Rationale of MEDA Regional Office

The MEDA Southern Africa Regional Office Program Goal for fiscal year '96 (July 1, 1995 - June 30, 1996) was:

To contribute to the transformation of the economy of the SADC states by supporting the development of rural and urban micro-enterprises owned and operated by the poorest of the economically active; to be accomplished through the establishment of viable credit institutions to deliver credit and training services directly and through other organizations.

The key elements of the goal statement include reaching the poorest micro-entrepreneurs with financially viable services.

2 Program Evaluation

2.2 Program Rationale and Goals of Partner Organisation

The vision statement of the Phakama Economic Development Company is:

Our vision is that Phakama will transform deserving micro-entrepreneurs into successful and self-reliant people by giving them the necessary training, financial assistance and continuous professional guidance.

The mission statement of Phakama is:

To assist in meeting the financial and developmental needs of the informal sector micro-entrepreneurs with business potential.

Phakama was initially formed in March 1995 with its first general meeting. It is an autonomous organization owned by Christian business and professional persons in Bulawayo. Phakama initially registered with the government of Zimbabwe as a savings and loan cooperative. After a year of applying as a cooperative with the Government of Zimbabwe, during which more than 12 versions of the bylaws were submitted, Phakama decided at a General Meeting on May 28, 1996, to register as a private company. The application was submitted to the Government of Zimbabwe and Phakama Economic Development Company (Private) Limited was officially incorporated under the Zimbabwe Companies Act (Chapter 190) on July 31, 1996.

The rationale for a credit program in Matabeleland remains as sound as when Phakama started. As a manufacturing town, Bulawayo industries have been hard hit by the opening up of the economy under the World Bank sponsored Economic Structural Adjustment Program (ESAP). Many workers have been retrenched from their jobs. Many of these industrial workers have continued in their sewing, welding, and other trades as self-employed micro-entrepreneurs. Credit from Phakama has provided them with working capital to expand their businesses.

Traders in vegetables and used clothing are also benefitting from the loans. One difficulty that Phakama is facing is finding the people who have taken out the loans and are in arrears. The Phakama board of directors and the finance committee have considered limiting the number of persons in the solidarity groups who rent a room. A number of those who were renters have not paid back their loans and have moved from one abode to another. This move may tighten up collections and reduce arrears.

The tradeoff of limiting the number of renters is that renters are poorer than people who own or rent their own home. If you lend to those who own or rent a house, you are not reaching the "poorest of the economically active."

2.3 Impact

(a) Performance Indicators

1 Active Clients

Goal - 640

Actual - 1040

Variance - 400+

Phakama has experienced explosive growth in lending in its first nine months of lending. The demand for credit has been astounding. New clients come in daily to seek loans.

2	Number of loans		
	Goal - 1920	Actual - 1877	Variance - (-43)

The number of loans given was for only nine months rather than an entire year. The original projection assumed USAID Washington funding for the entire year.

3	Individuals receiving loans		
	Goal - 1920	Actual - 1,877	Variance - (-43)

Phakama staff have worked hard at disbursing loans. They are committed to helping "the poorest of the poor." The high number of individuals receiving loans represents the high commitment that Phakama staff have to serve the poor.

4	Loan volume		
	Goal - US\$326,400	Actual - US\$185,357	Variance - (US\$141,043)

Lending only nine months, having a shortage of funds with which to lend, and the small sizes of solidarity group lending compared to the projections of larger solidarity group loans and starting individual lending, are the reasons to explain why the loan volume was below the projected loan volume.

5	Jobs created		
	Goal - 120	Actual - 185	Variance - +65

It has been very difficult to accurately measure the jobs created because Phakama's credit promoters have been too busy to make the 16 week follow-up visits. In the solidarity group methodology the credit promoters visit client businesses near the end of the 16 week period to assess the equity and income increases, new jobs that have been created, and assess the business for a second loan if the microentrepreneur has applied for a second loan.

Thus the 185 jobs created is a best estimate based upon an analysis of the actual number of jobs created for loans over the fiscal year based on the average rate of jobs created per US\$1,000 loaned. Since US \$185,357 was lent, we can estimate that 185 jobs were created.

6	Families assisted		
	Goal - 480	Actual - 936	Variance - +456

It has been very difficult to determine the families assisted. Many of the members of the solidarity groups are members of the same family. This is the total number of families who have received loans from Phakama. Phakama has 1040 active clients and each client is over 18 years and at least 90% of Phakama clients have families. Although some of them are members of the same family, they do have their own families or dependants. Note that this figure is an estimate. It is very difficult to trace manually the total number of families helped.

7	Community of activity		
	Goal - 1	Actual - 1	Variance - 0

Phakama does not plan to open a second office until the third year of operation. Phakama is presently beginning its second year of operation. Since Bulawayo has a population of approximately 800,000, Phakama is challenged to meet at least a part of the demand for credit by microentrepreneurs in Bulawayo.

8	Average client equity increase		
	Goal - US\$50	Actual - US\$77	Variance - +US\$27

This statistic was very difficult to approximate. Since Phakama's credit promoters have been overwhelmed with their clients' caseload, they have not done follow-up assessments after each loan cycle. The method that was used to determine the average client equity increase was to take a sample of those follow-up assessments that were done.

Twenty-five loans of US\$400 were taken as a sample. (See Appendix A) The beginning total equity of all 25 groups (US\$16,510) was subtracted from the total equity after the first loan (US\$24,934.70). The difference (US\$8,424.71) was divided by (22.5 x 5) 110 persons to get the average loan equity per client (US\$77). The twenty-five groups were from groups that were lent to early in the year. As the year progressed and the credit promoters became overwhelmed with work, they were unable to complete the follow-up client assessment.

9	Net Profit		
	Goal - (US\$32,090)	Actual - (US\$28,943)	Variance - (\$3147)

Even though Phakama's net loss was less than the projected net loss, there were no vehicles purchased and vehicle expense recorded in the fiscal year, whereas in the original projections, these expenses were projected. The most distressing line item was the bad debt provision of \$18,050. This represents an arrears rate of 34%.

The arrears problem started in April when the repayment rate fell to 74%. Prior to that month the repayment rate had been above 85%. As of the end of June the repayment rate was 66%.

The arrears rate is caused by a number of factors. Arrears occur in the second and third cycle of loans, according to Phakama staff. It can be argued that second and third loans become too large. The first group loan is \$400, the second loans are often \$750, and the third loans are \$1000. If the equity and the monthly profit are not increasing proportionately, then the repayment capacity of the business cannot keep up with the debt burden.

The client load per credit promoter has become too large. In the microenterprise field a maximum of 400 clients per credit promoter is often considered an industry standard. In Phakama the two credit promoters served on June 30 a total of 1040 clients or 520 clients per credit promoter. Without vehicles the credit promoters simply cannot keep up with visits. A new Credit & Training Supervisor has been hired. She is following up on clients who are in arrears.

(b) Vignettes

Vignette #1

Manjonjo Chamunorwa is a tailor in Bulawayo. He has received a US\$200 loan from Phakama as part of a solidarity group. The group received a loan of US\$1000. Mr Chamunorwa is a member of a sect in Zimbabwe called the John Marange Apostolic Church. Apostolic sects rely heavily on the Old Testament and the personal biblical interpretation of the prophet of each group. The sect believes that members should not go to the hospital when they are sick. Rather, they should go to be healed by the sect leaders. In earlier days they also did not send their children to school. Today, they will send their children to school.

He is 36 years old and has two wives. Their ages are 26 and 17. A third wife who was 31 passed away last year. Mr Chamunorwa also lost two children last year.

He is an ex-combatant with ZIPRA: the rebel group from Matabeleland led by the now Vice-President Joshua Nkomo. Mr Chamunorwa was trained in Zambia. He receives US\$480 per year in demobilization pay as an ex-combatant.

He has never had any other job before. He heard about Phakama from another member of his sect.

Since he has received a loan, the amount and quality of food has improved at home. With his loan he purchased a new zigzag sewing machine. He also has plans to go into the soap-making business. He said, "Phakama has encouraged us to create our own employment rather than rely on other people."

He also said, "After the lessons (Phakama training), we were able to set aside some money as a salary. Previously, we were not taking stock (of our supplies), but we were depending on trust."

One difficulty is that he ordered a bale of used clothes. Unfortunately, the used clothes were of very poor quality so he did not make any money on the venture.

The benefits of the Phakama loan means better food for his children. Since he lost two children last year, better and more food has a very important impact on the well-being of his family.

A second benefit is that he can now better afford to send his kids to school, especially secondary school. He said that he believes it is a sin to die without settling all your debts. He said that there is not access to credit in Bulawayo for the small informal sector microentrepreneur. He is grateful for access to the loan from Phakama.

Vignette #2

On a cold and windy July 24, 1996 Phakama and MEDA staff visited the Shooting Star solidarity group at the Sekusile Flea Market in Nkulumane High Density suburb in Bulawayo. Matiya Ngambo 29, Girlie Phiri 40, Xotshiwe Ngwenya, Alice Mpofu 29, and Alice Musara 27 were selling used clothing and embroidered table cloths. They make sales of US \$190 per week and have expenses of US \$ 75, therefore clear a gross profit of US \$115. In their balance sheet, they have clients owing them US \$100, have cash of US \$20, and stock of US \$50. Their total equity is US\$170. They made sales of approximately US\$50 in the last two days.

They are requesting a loan of US \$400 for the group of five persons. Phakama will need to assess if they can repay the loan. The solidarity lending group loan would need to be paid back in 16 weeks with a US\$28 weekly repayment for principal and interest.

These women are selling their clothes sitting on the ground and exposed to the wind and sun. They are working very hard to support their families. I thought to myself, if I sat on the Phakama Credit Committee that decides on extending loans, would I vote to give them a loan?

Vignette #3

Mr Mindurwa Taruvinga is a tailor who has received a US \$750 solidarity group loan with four other persons. He started his business in 1988 with one machine. He now has four sewing machines and employs four persons including himself. The business makes men's shirts, school uniforms, and security firm uniforms. The MEDA Regional Manager ordered a suit to be made by him.

Mr Taruvinga's group has not kept up on their repayments. On July 24 the Phakama Credit & Training Manager and two credit promoters visited the business. He said that they had sent someone to pay each week, but she had pocketed the money. Phakama still expects repayment from the group.

Vignette #4

The B & C Co-op consists of Sibusine Mlilo, Nyovane Visani Ngwenya, Zanee Mlalizi, Juliet Dube, and Black Sitambil. Ms Black Sitambil is a new member of the group; the previous member lost her husband recently and does not want a loan. It is surprising how many Phakama clients have lost a child or a spouse recently.

The group sells clothes, dishes, and candy in front of the Rose Police Camp in Bulawayo. They sell in the sun and sit on the hard pavement. One member has a broken chair on which to sit. Some of the clothes they sell are purchased in the city centre and sold for a profit on the street. They have been operating their businesses since 1992, but have been selling for seven months at the present location.

They have US \$ 210 in equity consisting of \$40 in cash, \$20 in accounts receivable, and \$150 in stock. Their monthly profit is \$450 consisting of income of \$750 and expenses of \$300.

2.4 Financial Reports (Appendix B)

2.5 Statistical Reports (Appendix C)

2.6 Institutionalization

Phakama was originally going to be registered as a savings and credit cooperative. After 12 submissions, with 6 copies of the by-laws in each application, the members of Phakama have decided to file as a company under the Companies Act. Phakama Economic Development Company (Private) Limited was incorporated under the Zimbabwe Companies Act (Chapter 190) on July 31, 1996. Prior to registration as a company, Phakama is operating as a pre-cooperative.

Phakama is registered as a money-lender with the Ministry of Finance. Phakama is required to submit its audit report as the basis for the renewal of the annual license. Phakama's license expires on December 31, 1996. Phakama will need to submit its audit letter and the application for renewal in November. Phakama charges 32% interest on the straight-line method and approximately 2% administrative fees.

2.7 Management, Strategy, and Operations

The Phakama Director of Operations, Mr Isaac Mpfu, reports to the board of directors. The members elect the members of the board of directors at each Annual General Meeting. Phakama hired a Credit and Training Supervisor, Mrs Sitambile Phile, who started July 1. She has the unenviable task of following up on clients who are in arrears. She is tasked with reducing the arrears rate of 34% on June 30.

MEDA and Phakama are currently negotiating an Implementation Agreement. This two year agreement will set the minimum targets that need to be reached if more loan capital is to be accessed. Prior to MEDA signing this document, a review team will visit Phakama to determine to strength of its Accounting and Management Information Systems. The review team will also review the minimum targets.

If this Implementation Agreement is signed, the plan is to move Phakama to profitability in the fourth year of operations. The funding for the Agreement would come from the USAID Microenterprise Office Innovation Grant Project.

3 Conclusions

The Zimbabwe Mission of USAID has provided a valuable role to Phakama Economic Development Company in its infancy. By providing a \$50,000 bridging grant, the Mission assisted Phakama with loan funds and operational expenses and MEDA with the funding to provide technical assistance to Phakama. With the signing of the four-year funding from Washington office of the USAID Microenterprise office on 7 June 1996, Phakama and MEDA can work toward making Phakama a viable and sustainable microfinance institution for the poor in Matabeleland.

APPENDICES LIST

- APPENDIX A CLIENT EQUITY INCREASE
- APPENDIX B FINANCIAL STATEMENTS
- APPENDIX C STATISTICAL REPORTS

CLIENT EQUITY INCREASE

	GROUP	EQUITY BEFORE	EQUITY AFTER	EQUITY INCREASE	PERCENTAGE EQUITY
1	ZAMAZAMA	\$1 455.00	\$2 100.00	\$645.00	44%
2	WOZANI SIZAME	\$400.00	\$750.00	\$350.00	88%
3	THUTHUKA 1	\$4 131.00	\$3 538.00	(\$593.00)	-14%
4	THUTHUKA2	\$2 056.00	\$4 588.00	\$2 532.00	123%
5	SIYABALANDELA	\$3 995.00	\$4 393.00	\$398.00	10%
6	SIPHAKAMISENI	\$1 307.00	\$2 118.00	\$811.00	62%
7	RANGANAI	\$2 170.00	\$3 200.00	\$1 030.00	47%
8	ADVANCE	\$9 788.00	\$1 534.00	(\$8 254.00)	-84%
9	BATANAI	\$2 600.00	\$5 000.00	\$2 400.00	92%
10	BRITISH FURNISHERS	\$67 943.00	\$102 000.00	\$34 057.00	50%
11	DINGULWAZI	\$3 550.00	\$4 850.00	\$1 300.00	37%
12	FIVE SWALLOWS	\$1 740.00	\$4 220.00	\$2 480.00	143%
13	FIVE SWALOWS2	\$648.00	\$1 160.00	\$512.00	79%
14	GCINA UKUTHULA	\$1 505.00	\$3 085.00	\$1 580.00	105%
15	GCINA UKUTHULA2	\$2 080.80	\$735.00	(\$1 345.80)	-65%
16	HLAKANIPHA	\$8 758.00	\$18 900.00	\$10 142.00	116%
17	INZWANANO	\$11 335.00	\$32 830.00	\$21 495.00	190%
18	KESMIL	\$16 191.00	\$20 050.00	\$3 859.00	24%
19	KHUTHALANI	\$8 431.00	\$10 100.00	\$1 669.00	20%
20	LEO STONE	\$3 684.00	\$4 325.00	\$641.00	17%
21	MALINGA CLUB	\$1 450.00	\$2 906.00	\$1 456.00	100%
22	MANDLA HAIR SALOON	\$2 480.15	\$2 995.00	\$514.85	21%
23	MASIQQANE	\$1 300.00	\$4 350.00	\$3 050.00	235%
24	MOVING CLUB	\$2 612.00	\$1 890.00	(\$722.00)	-28%
25	NKOSISIPHATHISE	\$3 490.00	\$7 730.00	\$4 240.00	121%
	TOTALS	\$165 099.95	\$249 347.00	\$84 247.05	51%
	\$US TOTALS	\$16 510.00	\$24 934.70	\$8 424.71	51%

MENNONITE ECONOMIC DEVELOPMENT ASSOCIATES

MEDA (SOUTHERN AFRICA)

FUND ACCOUNTABILITY STATEMENT

(BASED ON COST REIMBURSEMENT)

OCTOBER 1, 1995 TO JUNE 30, 1996

OCTOBER 2, 1996

DETAILS		BUDGET		RATE	ACTUAL	
NOTES	REVENUE	US \$	ZIM \$		US\$	ZIM\$
				9.885		
	Labor	16,239.00	160,522.52		16,163.64	159,777.57
	Equipment	8,761.00	86,602.49		7,090.90	70,093.55
	Revolving Loan Fund	25,000.00	247,125.00		25,000.00	247,125.00
	TOTAL REVENUE	50,000.00	494,250.00		48,254.54	476,996.12
	COST INCURRED					
	LABOR					
1	Operational Expenses	992.00	9,805.92		893.23	8,829.54
2	Technical Assistance	13,662.00	135,048.87		15,407.46	152,302.74
1	Personnel	1,585.00	15,667.73		1,608.41	15,899.16
	EQUIPMENT					
2	Computers	4,500.00	44,482.50		4,412.95	43,622.04
2	Office Equipment	2,761.00	27,292.49		2,677.95	26,471.51
3	Telephones	1,500.00	14,827.50		0.00	0.00
4	Revolving Loan Fund	25,000.00	247,125.00		25,000.00	247,125.00
	TOTAL COST INCURRED	50,000.00	494,250.00		50,000.00	494,249.99
		0.00	0.00		0.00	0.00
5	FUND BALANCE	50,000.00	494,250.00		50,000.00	494,250.00

NOTE:

- 1 SUBMITTED CLAIMS BUT NOT YET RECEIVED THE CHEQUE
- 2 SUBMITTED CLAIMS AND WE HAVE RECEIVED THE CHEQUE
- 3 NOT SUBMITTED ANY CLAIM
- 4 SUBMITTED CLAIM BUT STILL AWAITING FOR THE SIGNING OF LOAN AGREEMENT BY PHAKAMA
- 5 FUND BALANCE

	US\$
OPERATING EXPENSES U/CLAIM	98.77
PERSONNEL O/CLAIM	(23.41)
COMPUTERS U/CLAIM	87.05
TECHNICAL ASSISTANCE O/CLAIM	(1,745.46)
OFFICE FURNITURE U/CLAIM	83.05
TELEPHONES NO CLAIM	1,500.00
FUND BALANCE	<u>(0.00)</u>

PHAKAMA SAVINGS AND CREDIT SOCIETY

EXCHANGE

RATE :

SELLING : 9.9775

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31-06-96

<u>INCOME</u>	<u>J U N E</u>		<u>Y E A R T O D A T E</u>	
	<u>ZIM\$</u>	<u>US\$</u>	<u>ZIM\$</u>	<u>US\$</u>
BANK INTEREST	\$9.16	\$0.92	\$251.59	\$25.22
JOINING FEE	\$0.00	\$0.00	\$4 100.00	\$410.92
REG. FEE	\$9 632.00	\$965.37	\$91 888.00	\$9 209.52
INTEREST FROM LOANS	\$20 656.42	\$2 070.30	\$122 164.40	\$12 243.99
PENALTIES	\$4 607.00	\$461.74	\$16 367.50	\$1 640.44
MISC. INCOME	\$236.61	\$23.71	\$237.63	\$23.82
UNUSUAL ITEM	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL INCOME	\$35 141.19	\$3 522.04	\$235 009.12	\$23 553.91
EXPENSES				
SALARIES	\$17 845.40	\$1 788.56	\$186 726.26	\$18 714.73
FUEL	\$0.00	\$0.00	\$359.00	\$35.98
TRANSPORT	\$40.00	\$4.01	\$623.60	\$62.50
STAFF TEA	\$377.61	\$37.85	\$2 588.39	\$259.42
BUS. LUNCHEON	\$30.21	\$3.03	\$1 243.21	\$124.60
ADVERTISING	\$0.00	\$0.00	\$903.62	\$90.57
BANK CHARGES	\$768.89	\$77.06	\$4 659.74	\$467.02
OTHER	\$2 442.05	\$244.76	\$8 906.45	\$892.65
CLEANING MATERIALS	\$159.87	\$16.02	\$1 446.75	\$145.00
PHOTOCOPYING	\$1 015.42	\$101.77	\$4 192.05	\$420.15
STATIONERY	\$1 067.90	\$107.03	\$22 263.37	\$2 231.36
PRINTING	\$0.00	\$0.00	\$3 180.60	\$318.78
POSTAGE/MAILING	\$152.49	\$15.28	\$491.97	\$49.31
TELEPHONE	\$2 467.58	\$247.31	\$6 508.89	\$652.36
WATER AND ELECTRICITY	\$0.00	\$0.00	\$766.49	\$76.82
RENT	\$3 500.00	\$350.79	\$31 195.00	\$3 126.53
MEALS AND LODGINGS	\$0.00	\$0.00	\$855.00	\$85.69
MEMBERSHIP & PUBLICATION	(\$40.00)	(\$4.01)	\$3 575.00	\$358.31
DEPRECIATION PROVISION F&F	\$1 010.09	\$101.24	\$6 676.10	\$669.12
MAINTENANCE	\$1 019.33	\$102.16	\$6 028.05	\$604.16
GAINS & LOSS	\$1 733.75	\$173.77	\$37 917.25	\$3 800.28
DEPRECIATION PROVISION - OFFICE EQUIP	\$91.82	\$9.20	\$1 101.89	\$110.44
BAD DEBT PROVISION	\$89 869.24	\$9 007.19	\$180 088.92	\$18 049.50
DEBT COLLECTION EXPENSE	\$1 061.75	\$106.41	\$8 241.75	\$826.03
DEPR. PROVISION - COMP & PRINTER	\$493.42	\$49.45	\$986.84	\$98.91
DEPR. PROVISION - P.A.B.X	\$188.31	\$18.87	\$2 259.72	\$226.48
INTEREST PAYABLE	\$13 177.28	\$1 320.70	\$13 177.28	\$1 320.70
TOTAL EXPENSES	\$138 472.41	\$13 878.47	\$536 963.19	\$52 496.71
RETAINED EARNINGS	\$103 331.22	\$10 356.42	\$301 954.07	\$28 942.80

PHAKAMA SAVINGS AND CREDIT SOCIETY

BALANCE SHEET AS AT 30-06-96

EXCHANGE

RATE :

SEL.

9.9775

NOTES

ASSETS

	ZIM \$		US \$	
CASH AT BANK AND ON HAND	(31 641.33)		(3 171.27)	
CASH IN TRANSIT FROM MEDA	113 815.72		11 407.24	
TOTAL		82174.39		8 235.97
RECEIVABLES				
DEPOSITS	8 000.00		801.80	
ADVANCES	400.00		40.09	
PREPAID SALARY	300.00		30.07	
STAFF LOAN	745.00		74.67	
		9 445.00		946.63
LOANS OUTSTANDING	752 924.45		75 462.24	
LESS LOAN LOSS RESERVE	(180 088.92)	572 835.53	(18 049.50)	
				57 412.73
EDF LOAN (USAID) RECEIVABLE - MEDA		249 437.50		25 000.00
TOTAL RECEIVABLES		831 718.03		83 359.36
FIXED ASSETS				
ACCUMULATED DEPRECIATION	54 655.30		5 477.86	
NET BOOK VALUE	11 024.55		1 104.94	
		43 630.75		4 372.91
		957 523.17		95 968.25
LIABILITIES				
INTEREST PAYABLE (EDF LOAN)	13 177.28			
SECURITY DEPOSITS	258 000.00		25 858.18	
ACCRUED EXPENSES	6 576.78		659.16	
		277 754.06		27 838.04
LONG TERM LIABILITIES				
ECONOMIC DEVELOPMENT FUND LOAN	723 368.75		72 500.00	
		723 368.75		72 500.00
EQUITY				
AUTHORISED SHARE CAPITAL				
20 000 SHARES AT \$10 EACH		200 000.00		20 045.10
ISSUED SHARE CAPITAL	50 850.00		5 096.47	
MEDA OPERATING SUBSIDY	198 622.85		19 907.08	
CAPITAL GRANT	8 881.58		890.16	
RETAINED PROFIT/(LOSS)	(301 954.07)	(43 599.64)	(30 263.50)	(4 369.80)
		957 523.17		95 968.25

STATISTICAL REPORT FOR JUNE 1996

PHAKAMA SAVINGS & CREDIT SOCIETY

BGX711 BULAWAYO

Category	JUNE	YTD TOTAL	BUDGET	VARIANCE	% OF BUDGET
exchange rate (Z\$ - \$US) - Selling					
	9.9775	9.9775	8.3		
CLIENTS					
Number of Groups Registered	30	484	640	-156	76%
Number of Groups Trained	23	345	640	-295	54%
Number of Individuals trained	115	1725	3200	-1475	54%
Number of Groups Awaiting Training	59	59	0	59	
Number of Active Clients	1040	1040	640	400	163%
Women	785	785	1856	-1151	38%
Men	345	345	1344	-999	26%
Percentage women client	68%	68%	58%	6.1	117%
LOANS					
Total Number of Loan Applications	23	378	384	-6	98%
Loan Applications entered Credit Committee	23	372	384	-12	97%
Loan Applications Approved	23	365	384	-19	95%
Number of Loans Disbursed	46	1877	1920	-43	98%
New Loans	35	201	NOT AVAILABLE		
Repeat Loans	11	96	NOT AVAILABLE		
Number of loan recipients	222	1877	480	1397	391%
Amount of Loans Disbursed (\$Z)	\$297 998.00	\$1 849 400.00	\$2 789 120.00	(\$859 720.00)	68%
New Loans	\$265 400.00	\$1 263 895.00	NOT AVAILABLE		
Repeat Loans	\$32 500.00	\$585 505.00	NOT AVAILABLE		
Amount of Loans disbursed (US\$)	\$29 857.18	\$185 357.05	\$326 400.00	(\$141 042.95)	57%
Sector Retail	20	258	NOT AVAILABLE		
Service	5	27	NOT AVAILABLE		
Manufacturing	1	71	NOT AVAILABLE		
Agricultural Production	0	33	NOT AVAILABLE		
Average Loan Size (Weighted)	\$4 875.00	\$975.00	\$1 661.75	-686.75	39%
PORTFOLIO (all amounts in Z\$)					
Amount to be collected (Principal + Interest) (this period)	\$226 825.31	\$1 403 754.58			
Amount of Loans Collected (Principal + Interest) (this period)	\$150 837.57	\$1 208 808.69			
Amount in Arrears (12 -13)	\$75 987.74	\$239 798.89			
Number of Loans in Arrears (Groups)	99	99			
Principal behind for this period	\$61 244.66	\$229 093.68			
Total Principal Outstanding	\$523 895.66	\$523 895.00			
Amount of Client Savings/Insurance	\$31 400.00	\$442 700.00			
Repayment Rate	66%	66%			
EFFICIENCY					
Total loans closed (this period)	32	99	NOT AVAILABLE		
Average client equity increase (\$US)	0	\$77.00	\$50.00	\$27.00	
Total client equity increase (\$US)	0	\$144 529.00	\$2 500.00		
Jobs sustained	220	497	480	17	104%
Jobs Created	5	185	120	65	65%
Families Assisted	50	936	480	456	195%
PERFORMANCE					
Gross income (\$Z)	\$35 141.19	\$235 809.12	\$133 340.00	\$101 669.12	176%
Operating Expenses (\$Z)	\$138 472.41	\$536 963.19	\$434 455.00	\$102 508.19	124%
Net Income (\$Z)	(\$103 331.22)	(\$301 093.91)	(\$301 115.00)	\$21.05	100%
Total Assets (\$Z)	\$636 208.20	\$4 414 598.62	\$256 441.00	\$4 158 157.62	1721%
Gross Income (US\$)	\$3 522.84	\$23 553.91	\$16 865.06	\$7 488.85	147%
Operating Expenses (US\$)	\$13 878.47	\$53 817.41	\$52 343.98	\$1 473.43	103%
Net Income (US\$)	(\$10 356.42)	(\$30 177.29)	(\$36 278.92)	\$6 101.63	83%
Total Assets (US\$)	\$63 772.32	\$442 455.39	\$30 896.51	\$411 558.88	1432%
Return on Assets %	16%	7%	117%	-111%	6%
Efficiency: Expenses/Assets (%)	20%	84%	169%	-85%	50%

PHAKAMA SAVINGS & CREDIT SOCIETY

STATISTICAL REPORT FOR THE 95/96 FINANCIAL YEAR

BOX 711 BULAWAYO

Exchange rate (ZS - \$US) - Selling	79		80		81		82		83		84		85		86		87		88		89		90		91		92		93		94		95		96		%	
Category	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE	YTD TOTAL	BUDGET	VARIANCE	BUDGET	% OF																					
CLIENTS																																						
Number of Groups Registered	0	0	23	37	88	36	24	66	83	36	54	38	484	640	-156	76%																						
Number of Groups Trained	0	0	17	23	49	51	27	27	46	40	42	23	345	640	-295	54%																						
Number of individuals trained	0	0	86	116	245	265	136	136	230	200	210	116	1725	3200	-1475	54%																						
Number of Groups Awaiting Training	0	0	6	21	47	36	12	53	93	93	74	59	69	0	69																							
Number of Active Clients	0	0	60	100	315	445	465	670	905	980	980	1848	1040	640	400	163%																						
Women	0	0	40	136	239	336	366	495	687	655	686	705	706	1856	-1151	38%																						
Men	0	0	20	45	76	107	109	175	218	325	326	345	345	1344	-999	26%																						
Percentage women client	0%	0%	67%	76%	76%	76%	77%	74%	76%	67%	70%	68%	68%	58%	0.1	117%																						
LOANS																																						
Total Number of Loan Applications	0	0	17	26	57	51	52	27	43	40	42	23	378	364	-6	96%																						
Loan Applications entered Credit Committee	0	0	17	26	64	43	48	27	42	44	49	23	372	364	-12	97%																						
Loan Applications Approved	0	0	16	24	63	43	48	27	42	42	47	23	365	364	-19	95%																						
Number of Loans Disbursed	0	0	12	24	49	29	10	37	89	34	47	46	1877	1920	-43	96%																						
New Loans	0	0	12	24	49	26	5	11	64	22	33	36	281	NOT AVAILABLE																								
Repeat Loans	0	0	0	0	0	3	5	26	25	12	14	11	96	NOT AVAILABLE																								
Number of loan receipts	0	0	60	120	245	145	50	185	445	178	236	222	1877	480	1397	391%																						
Amount of Loans Disbursed (\$Z)	\$0.00	\$0.00	\$48 000.00	\$108 000.00	\$104 000.00	\$127 000.00	\$185 500.00	\$111 800.00	\$473 000.00	\$140 500.00	\$262 500.00	\$297 900.00	\$1 849 400.00	\$2 709 120.00	(\$859 720.00)	68%																						
New Loans	\$0.00	\$0.00	\$48 000.00	\$108 000.00	\$104 000.00	\$108 495.00	\$111 080.00	\$61 800.00	\$252 008.00	\$88 000.00	\$136 000.00	\$265 400.00	\$1 263 895.00	NOT AVAILABLE																								
Repeat Loans	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$18 505.00	\$74 500.00	\$50 000.00	\$221 000.00	\$52 500.00	\$126 500.00	\$32 500.00	\$585 505.00	NOT AVAILABLE																								
Amount of Loans disbursed (\$US)	\$0.00	\$0.00	\$4 980.00	\$10 562.12	\$11 113.25	\$13 510.44	\$19 425.10	\$11 611.49	\$48 378.37	\$14 369.73	\$26 405.79	\$29 867.98	\$186 357.06	\$326 400.00	(\$141 042.95)	57%																						
Sector Retail	0	0	11	21	48	22	10	37	37	25	29	20	268	NOT AVAILABLE																								
Service	0	0	0	3	6	6	0	1	2	4	2	6	27	NOT AVAILABLE																								
Manufacturing	0	0	6	15	7	2	3	10	16	8	1	71	NOT AVAILABLE																									
Agricultural Production	0	0	0	0	0	0	0	33	0	0	0	0	33	NOT AVAILABLE																								
Average Loan Size (Weighted)	\$0.00	\$0.00	\$4 080.00	\$4 080.00	\$4 080.00	\$0.00	\$0.00	\$4 000.00	\$5 185.00	\$5 000.00	\$5 425.00	\$4 875.00	\$375.00	\$1 661.75	\$86.75	53%																						
PROFITABILITY PERFORMANCE (all amounts in Z)																																						
Amount to be collected (Principal + interest) (this period)	\$0.00	\$0.00	\$3 330.00	\$3 607.50	\$0.00	\$96 168.50	\$283 925.18	\$128 069.00	\$196 312.03	\$204 048.16	\$257 467.10	\$226 826.31	\$1 403 754.58																									
Amount of Loans Collected (Principal + interest) (this period)	\$0.00	\$0.00	\$3 330.00	\$3 607.50	\$44 853.00	\$84 840.50	\$279 425.18	\$110 186.43	\$171 269.76	\$150 935.75	\$199 522.00	\$150 837.57	\$1 208 886.69																									
Amount in Arrears (12 -13)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3 328.00	\$4 500.00	\$17 883.37	\$27 042.27	\$53 112.41	\$57 945.10	\$75 987.74	\$239 798.89																									
Number of Loans in Arrears (Groups)	0	0	0	0	2	12	18	13	41	43	61	99	99																									
Principal behind for this period	\$0.00	\$0.00	\$0.00	\$0.00	\$1 080.00	NA	\$10 088.50	\$12 729.25	\$38 627.44	\$51 151.75	\$64 162.00	\$61 244.66	\$229 093.60																									
Total Principal Outstanding	NOT AVAILABLE	\$699 023.45	\$498 901.07	\$569 232.44	\$523 895.86	\$623 895.00																																
Amount of Client Savings Insurance	\$0.00	\$0.00	\$9 880.00	\$6 600.00	\$20 000.00	\$23 900.00	\$11 000.00	\$22 700.00	\$70 300.00	\$20 800.00	\$226 600.00	\$31 400.00	\$442 780.00																									
Repayment Rate	0%	0%	100%	100%	0%	97%	96%	86%	86%	74%	77%	66%	66%																									
IMPACT																																						
Total loans closed (this period)	0	0	0	0	0	0	0	0	13	17	33	32	99	NOT AVAILABLE																								
Average client equity increase (\$US)	0	0	0	0	0	0	0	0	0	0	0	0	\$77.00	\$50.00	\$27.00																							
Total client equity increase (\$US)	0	0	0	0	0	0	0	0	0	0	0	0	\$144 529.00	\$2 500.00																								
Jobs sustained	0	0	12	24	30	26	16	30	90	40	0	220	497																									
Jobs Created	0	0	20	65	15	40	40	0	0	0	0	5	185	120	65	65%																						
Families Assisted	0	0	60	50	50	86	26	30	396	100	90	50	936	480	456	195%																						
PROFITABILITY EFFICIENCY																																						
Gross Income (\$Z)	\$2 079.00	\$1 229.00	\$4 419.17	\$55 138.60	\$14 468.87	\$16 091.17	\$18 796.90	\$28 237.28	\$37 101.68	\$30 356.61	\$35 141.19	\$36 141.99	\$236 089.12	\$133 340.00	\$101 689.12	176%																						
Operating Expenses (\$Z)	\$9 249.00	\$11 274.00	\$20 786.78	\$68 151.76	\$27 779.34	\$22 065.16	\$33 270.63	\$40 890.40	\$44 674.70	\$94 404.17	\$67 255.02	\$138 472.41	\$536 983.19	\$434 455.00	\$102 508.19	124%																						
Net Income (\$Z)	(\$7 170.00)	(\$11 145.00)	(\$16 287.61)	(\$13 013.16)	(\$13 310.47)	(\$6 973.99)	(\$14 473.73)	(\$12 653.12)	(\$7 573.02)	(\$64 048.56)	(\$32 113.83)	(\$103 331.22)	(\$301 093.91)	(\$301 115.00)	\$21.09	100%																						
Total Assets (\$Z)	\$56 496.00	\$49 153.00	\$67 830.21	\$166 300.86	\$249 886.94	\$270 850.29	\$365 089.47	\$602 054.20	\$577 536.18	\$836 281.37	\$846 929.82	\$836 288.28	\$4 114 696.82	\$256 441.00	\$4 158 157.82	1721%																						
Gross Income (\$US)	\$207.90	\$122.90	\$441.82	\$5 578.94	\$1 546.10	\$1 711.83	\$1 980.36	\$2 953.84	\$3 794.60	\$3 104.64	\$3 534.98	\$3 622.04	\$23 653.91	\$16 065.06	\$7 488.95	147%																						
Operating Expenses (\$US)	\$924.90	\$1 127.40	\$2 070.68	\$7 286.42	\$2 988.45	\$2 347.36	\$3 484.02	\$4 277.46	\$4 589.13	\$9 655.25	\$6 786.42	\$13 878.47	\$63 817.41	\$62 343.98	\$1 473.43	103%																						
Net Income (\$US)	(\$717.00)	(\$1 144.50)	(\$1 628.76)	(\$1 387.48)	(\$1 422.35)	(\$636.53)	(\$1 515.65)	(\$1 323.62)	(\$774.54)	(\$6 550.61)	(\$3 251.44)	(\$10 356.42)	(\$301 177.25)	(\$36 278.92)	\$6 101.83	83%																						
Total Assets (\$US)	\$5 649.80	\$4 915.30	\$6 783.02	\$17 731.19	\$26 702.45	\$28 813.86	\$37 476.71	\$62 979.67	\$86 296.44	\$85 874.03	\$85 076.94	\$83 772.32	\$442 456.39	\$30 896.51	\$411 558.88	1432%																						
Return on Assets %	13%	23%	24%	8%	5%	2%	4%	2%	1%	4%	6%	16%	7%	117%	-111%	6%																						
Efficiency: Expenses/Assets (%)	16%	23%	31%	41%	11%	8%	9%	7%	16%	27%	11%	20%	84%	168%	-86%	60%																						