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Volunteers for Economic Growth Alliance

VEGA South Africa Annual Program Statement Small Grants Administration (SAAGA)

Quarterly Performance Report: January 1 – March 31, 2008 Quarter One, 2008

**Leader with Associate Agreement (LWA)
EEM-A-00-04-00002-00**

**Associated Cooperative Agreement
674-A-00-05-00067-00**

**Prepared for the United States Agency for International Development
(USAID)**

Implementing Organization:



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1.0 Executive Summary

The Annual Program Statement (APS) supports USAID/South Africa's program to increase market-driven employment. The program is designed to stimulate employment through the growth of historically disadvantaged (HD) agribusinesses and small, medium and micro-enterprises (SMMEs). In support of these objectives, the Volunteers for Economic Growth Alliance (VEGA) South Africa APS Grants Administration Program (SAAGA) has signed sub-agreements with nine South African organizations. Four subgrants were awarded under the FY06 APS and five under FY07 APS. Two awards under FY07 APS are follow-on subgrants. All subgrantees were competitively selected using criteria related to USAID/South Africa's employment creation objectives.

The five subgrantees awarded under the FY07 APS continued to implement program activities during the reporting period. SMMEs have attended additional training programs made possible through a no-cost extension. One subgrantee, Natural Botanicals (NB) completed its program activities at the end of the current reporting quarter. NB was the only subgrantee to receive additional funding for the extension. This funding was used for participation in two regional trade shows and for training in financial management.

VEGA continue to provide support, as needed, on project reporting requirements, both programmatic and financial, with specific focus on final report requirements for Monitoring and Evaluation. VEGA SAAGA was notified by USAID/South Africa (SA) that it has received a no-cost extension for the program through 30 June 2008. In accordance with that extension, all subgrantees requested and received no-cost extensions as follows: Natural Botanicals (NB) 31 March 2008, Milk Producers Organization (MPO) 30 April 2008, Business Skills for South Africa (BSSA), Cape Regional Chamber (CRC), World Education (WE) 31 May 2008.

VEGA conducted site visits to three subgrantees during the reporting period: (1) MPO to meet with senior management regarding extension activities/M&E criteria (2) BSSA to observe Volunteer Expert (VE) John Anderson deliver a 'Training of Trainers' (TOT) program in Export Readiness and (3) WE to observe a tendering workshop for construction companies.

One VE assignment was implemented at BSSA during the reporting quarter. A further two are planned for the upcoming quarter.

Contracts for Dee Morris and Jan Rockliffe-King have been extended to 30 June 2008 to coincide with the modification noted above.

2.0 Summary of VEGA SAAGA First Quarter 2008 Activities

2.1 Key Meetings

2.1.1 USAID/South Africa:

Two onsite meetings with USAID/South Africa were held during the quarter:

(a) Quarterly Review:

Attending - Tina Dooley-Jones, Kim Lucas, Allan Hackner, Cindy Hartingh, MK Cope, and Dee Morris. Discussion included an update on recent activities for the program, as well as extension plans for each subgrantee.

(b) Update:

Attending – Kim Lucas, MK Cope. Discussion included final items regarding the transfer of CTO activities from Kim Lucas to Cindy Hartingh as well as the handover to VEGA of two USAID computers that have been designated for use by subgrantee, Natural Botanicals/Red Cedar.

2.2 Sub-Grantee Site Visits

2.2.1 Milk Producers Organization

Given the complexity of the MPO program's further subgrant to Land O' Lakes (LOL), it has been necessary to insure that both the programmatic and financial implications of the program are captured successfully. Discussions centered on requirements in both areas for an orderly completion of the program for each organization, as well as appropriate documentation for each. Emphasis was given to the final report process. Attending the meeting for MPO were Dr. Jan du Preez Gert Van Niekerk, and Wicus Lorens. Attending for VEGA were MK Cope, Dee Morris and Jan Rockcliffe King.

2.2.2 Business Skills for South Africa

VE John Anderson worked with BSSA on the development of an experiential training module for Export Readiness and Promotion. The final activity of his assignment was the delivery of a Training of Trainers (TOT) on export issues for BSSA staff and consultants. Twelve people took part in the training, along with others who had been involved in the program. Attending for VEGA was MK Cope. The final report for the project was presented to BSSA upon completion, and is available for review. The document is quite lengthy as it contains resource materials, a training manual and participant manuals.

2.2.3 World Education

Extension funding made it possible for WE to include an additional module on contract tendering for a group of emerging construction companies. The two-day training was attended by twenty-five small business owners, who participated in a mock tender as part of the program. Four of the five companies tendering were 'disqualified' on technicalities, making the experience deeply meaningful. Each was

given a chance to ‘explain’ the issues involved in not meeting the deadlines, which further illuminated the learning process. Attending for VEGA was MK Cope.

2.3 VEGA SAAGA Training

2.3.1 Financial Training to Sub-grantees

Dee Morris continued to work with subgrantees on financial reporting, including the early preparation for subgrantee grant close-out requirements scheduled for the next quarter. This support has been primarily in the form of informal telephonic interviews, although several site visits have been made to selected subgrantees.

2.3.2 TraiNet

Dee Morris received formal training from USAID/SA on TraiNet. Monitoring of all subgrantees TraiNet data capturing continued in the reporting quarter. Specific focus is now being given to making certain that subgrantees are providing inputs on the cost share being attracted in their programs, as there is significant support taking place with several grantees.

2.4 Volunteer Activities

One international volunteer assignment was completed during the reporting quarter.

2.4.1 BSSA: John Anderson

BSSA received assistance from US VE John Anderson who provided technical input for the design of an export module to be included in various training packages offered by the organization. The module encompasses both export readiness and export promotion. The activity involved the development of practical information for SMEs in the determination of business preparedness for export, and if so, the steps in the process to making export profitable. The scope of this information included case studies, experiential exercises and accessible resources. The module will meet SETA/SAQA (South African government training standard requirements) criteria, thus adding another key product for BSSA within the SA market. VE Anderson provided a ‘Training of Trainers’ (TOT) session for BSSA staff and contract trainers, thus setting a baseline for implementation of the training program.

2.5 Monitoring and Evaluation

The no-cost extension period has provided an opportunity for a closer look at M&E plans. M&E Consultant Jan Rockcliffe-King has developed a specific program of consideration for each subgrantee. The short period for the program leaves little time to do a full impact assessment so it has been necessary to look at the various kinds of information that can be captured for a meaningful look at program results as per the USAID/SA performance indicators. A plan has been developed for each subgrantee

and will be followed through the next quarter to insure that the final report will provide an appropriate overview for the program.

3.0 Summary of FY 07 APS Sub-grantee - First Quarter 2008 Reports

3.1 World Education Link 2007 (Sub-agreement 10872) Summary Quarterly Report, January 1 – March 31, 2008: LINK 2007

3.1.1 Program Summary:

The LINK 2007 program seeks to improve competitiveness of historically disadvantaged SMMEs, primarily in the construction, transport, and mining services sectors, providing information, skills, and knowledge in target locations in up to four provinces. The program aims to create or support at least 2,000 employment opportunities, improve SMME sales, and facilitate access to finance. LINK 2007:

- Provides SMME training, mentoring, and firm-level upgrading;
- Facilitates availability of quality business support services, through capacity building and technology;
- Supports SMME access to finance;
- Advances best practice in public-private partnerships, inclusive black economic empowerment (BEE), and local economic development; and
- Supports practical implementation of existing policies.

3.1.2 Program Implementation for Period January – March 2008:

In this reporting quarter LINK 2007 received a three month no-cost extension, though not before some downscaling of activities had occurred. The receipt of the no-cost extension at the end of February allowed the team to confirm previously “tentative” service delivery arrangements with partners, as well as to quickly launch and deliver new ones. By the end of March, the World Education team was maintaining good momentum in project activities, despite numerous holiday periods. The following was accomplished in each program component:

- SMME Competitiveness: provision of 6 business service training workshops and mentorship training workshops for Construction and Transport sector SMMEs. LINK leveraged R8000 for each of the 6 workshops from collaborators. 104 hours of support to individual SMMEs was provided in areas such as alerting clients to tender opportunities; assistance with pricing; networking among SMMEs; and finance referrals.
- Business Support Services: The project provided services and capacity building to: 1) The Business Place – workshops for SMME clients; SMME screening & and data base use; and linkages with future service providers. 2) The Construction Industry Development Board – designing, targeting and offering a comprehensive set of Contractor Development Workshops.
- Access to Finance: Continued partnership with GM Financial Services who provide performance guarantees to LINK clients.
- Public Private Partnerships: A joint Franchising Seminar with Ekurhuleni Municipality was cancelled for lack of municipality’s commitment. As these relationships consume much time, often with little result, no further activities are expected in this area during the remaining life of project.

3.1.3 Program Accomplishments:

During the reporting period LINK delivered:

- 14 group training events attended by 268 participants;
- Completion of one intensive Contractor Mentorship Program and launch of a second one;
- Initiation and completion of a focused Transport Mentorship Initiative.
- Individual advice sessions and an externally organized large-scale women's business seminar for a total of 354 beneficiaries.

LINK's beneficiaries for the overall program total 3,034 is well above the planned target.

LINK deals with a wide range of firms, but does detailed tracking of the progress and competitiveness of 30 SMMEs. This quarter tracking information showed that:

- 14 sales contracts were entered into and valued at R18.5 million.
- 188 jobs were supported or created during the quarter. 37 were existing jobs (SMME owners and permanent staff), while 151 were "new" equating to 70 full time equivalent jobs.
- A small number of SMMEs reported obtaining finance totaling R2.3 million.

Overall LINK 2007 exceeded all program targets save one. The number of SMMEs accessing finance stands at 88%.

3.1.4 Planned Activities for Next Quarter:

Demand for LINK's service continues to be strong. During the remaining two months of the project the team will maintain a heavy load of service delivery including:

- Four additional workshops via partnerships with The Business Place and the Construction Industry Development Board;
- Three additional SMME workshops using the services of a VEGA volunteer;
- One large-scale Access to Information Seminar on First Steps in Franchising;
- Management and the business linkage officers will compile additional success stories and case studies to inform future offerings or program design. They will also concentrate on project and financial reporting and close out procedures.

3.1.5 Program Constraints:

The main constraints related to delay in documentation of the program extension that led to uncertainty among staff and stakeholders and inability to plan or commit to additional activities.

**3.2 Natural Botanicals: Red Cedar (Sub-agreement 10871)
Summary Quarterly Report, January 1 – March 31, 2008: Red Cedar**

3.2.1 Program Summary:

The goal of the project is to take Red Cedar Cosmetics CC to a higher technical and entrepreneurial level and to create employment for four additional women by introducing basket weaving for packaging rooibos-based products. The primary objectives of the program are: (A) Produce upmarket labeling and five new products; improve bookkeeping and stock taking; and create more media visibility and advertising; (B) Create business and employment opportunity for a further four to six women by introducing basket weaving; (C) Continue train in good manufacturing principles and quality control.

3.2.2 Program Implementation and Activities:

Red Cedar received additional funding to attend trade shows to increase their profile and visibility regarding marketing and sales. The results of that participation have returned an increase in sales (see Performance Indicators) and have opened new lines of communication regarding the beauty and hospitality industry. Funding was also allocated to financial systems training.

3.2.3 Program Activities:

Red Cedar staff attended the Women's Expo (1-3 February 2008) and the Professional Beauty Expo (10 and 11 February 2008), in Cape Town. Several contacts were made and followed up on and two are interested in becoming Red Cedar distributors. Sales valued at more than \$1000 were made at the shows. In addition, the Red Cedar website was enhanced, updated and launched. Finally, Red Cedar was invited to a trade meeting to meet a Russian delegation interested in rooibos products. This contact may produce more sales.

In product development and marketing, Red Cedar trained to manufacture a new product, Rooibos body cream. Rooibos and Aloe gel was featured in the January edition of *Cosmopolitan*. Basket production for packaging continued and Red Cedar produced and printed product labels in German for their growing German clientele. The Western Cape Department of Agriculture ordered some of Red Cedar's products to give as corporate gifts at a Small Farmer Empowerment workshop. A number of new buyer enquiries were received including: from spas in Kenya and KwaZulu Natal; from potential distributors in Australia, the Netherlands and the USA; and from a gift hamper maker.

Red Cedar staff improved internal management of the business. Two members attended a Pastel training course to improve their business efficiency and competitiveness. Increased revenue has allowed them to begin paying staff a monthly salary with a quarterly bonus calculated on sales. Staff were also given training in budgeting – both for the business and for their private finances.

3.2.4 Program Progress:

3.2.4.1 Status of Program Objectives:

This is the final quarter of the grant -- the third in a series of funding from USAID since 2004 that has brought this enterprise from concept to successful small business. Red Cedar's profile, nationally and internationally, continues to grow and the number & volume of sales continue to increase. Red Cedar provides flexible employment for 10 women. Profitability has reached the point last year where the women were able to pay themselves a modest monthly salary (for less than full-time work) and quarterly bonuses while still growing the business.

3.2.4.2 Volunteer Expert Activities:

No volunteer expert activities took place this term.

3.2.4.3 Planned Activities:

This is the final quarter of the program.

3.2.5 Constraints and Issues

3.2.5.1 Program/Activity Constraints and Issues:

While Red Cedar seems to have become a sound business, it will be important to see how it continues in the absence of outside funding. It is expected that the business will need some guidance on finance and budgeting – particularly when it wants to introduce new products, upgrade equipment, etc. If Red Cedar seeks further funding from other sources it should focus those resources on building capacity for medium term financial and other business planning.

3.2.5.2 Management/Administrative Constraints and Issues:

None.

3.2.6 Opportunities:

In response to client demand, Red Cedar is keen to bring out a facial range. This is a logical expansion of the business and a good opportunity for growth.

3.3 Milk Producers Organization: Dairy Enterprise Development and Employment Initiative (Sub-agreement 10873) **Summary Quarterly Report January 1 – March 31, 2008:**

3.3.1 Program Summary:

The objective of the program is to increase incomes and employment opportunities for more than 2,200 historically disadvantaged dairy farmers and farm workers by providing training in all aspects of dairy farming to increase farm and animal productivity and to introduce a commercial farming approach to emerging dairy farming. Developing models for cooperative dairy farming will also be tested.

3.3.2 Program Activities:

MPO was able to make use of this program extension period to do additional training and to consult with financial institutions with a view to generating interest in providing finance to the emerging dairy industry. Part of the program has given support to emerging farmer member-owned dairy entities. Support has included assistance in business planning, governance, financial management, and guidance in business expansion options. During the quarter:

- Six training workshops for a total of 60 emerging farmers were held.
- Two major banks were consulted on the development of micro-lending products for emerging agribusiness.
- Three member-owned dairy enterprises have continued to receive training and assistance in milk production and business development.
- Three sets of workshops covering co-op models, financial management and development, and other business models were presented to emerging dairy producers.
- K-Rep Advisory Services produced a report detailing research methodology, findings, recommendations and conclusions on its credit research program. The program results were presented to four financial institutions, including two major banks.

3.3.3 Program Progress:

3.3.3.1 Status of Program Objectives:

During the reporting period critical partnerships were solidified. These included partnerships with Business Development Service providers trained under the program; with the Rural and Urban Livelihoods Program, a Non Governmental Organization promoting more prosperity for the poor through productive use of capital assets; the Chris Hani Municipality, the National Development Agency and the University of the Free State.

Research into rural financing under the program produced several noteworthy findings including that there is a significant market for agricultural lending to emerging farmers, and that some perceived risks (e.g. stock theft) are over-estimated. Through the K-Rep consultancy some inroads were made into expanding rural financial services. New lending models for emerging farmers were developed and presented to stakeholders including new small rural banks and two major banks.

3.3.3.2 Planned Activities for Next Quarter:

This was the last operational quarter of the program. During the following quarter MPO and its subgrantee, Land O' Lakes will deal with close-out administration, complete data collection and compose a final report.

3.3.4 Constraints and Issues:

3.3.4.1 Program/Activity Constraints and Issues:

The relatively short period of the VEGA grant has raised expectations. It will be a challenge to continue the program at their current level unless additional funding is found.

3.3.4.2 Management/Administrative Constraints and Issues:

Monitoring and evaluation has been constrained under the program.

3.4 Cape Regional Chamber: Integrated Small Business Development Program (iSBDP) (Sub-agreement 10870) **Summary Quarterly Report, January 1 – March 31, 2008**

3.4.1 Program Objectives and Summary:

The Integrated Small Business Development Programme (iSBDP) aims to assist SMMEs to consolidate their businesses, identify new opportunities and develop business growth plans. Through a structured training and mentoring process, iSBDP helps SMMEs set realistic plans for immediate implementation. The program plans to train and mentor 120 business owners, provide training and oversight to 30 mentors, and strengthen partnerships with other SMME development agencies.

3.4.2 Program Implementation for the Quarter :

3.4.2.1 Detailed Outputs and Program Activities:

The major activities included:

- 1) Mentoring of SMME Owners: Mentors continued with one-on-one sessions with SMME owners and assisted in gathering data from businesses for M&E purposes. A peer-mentoring/group mentoring session was held.
- 2) Stakeholder Consultation and Planning: Continued interaction with key SMME development stakeholders from government, NGOs and corporate sectors to promote program. CRC received an in-principle go-ahead for two programmes (40 participants) from Small Enterprise Development Agency (SEDA) and Western Cape Provincial Government Enterprise Development Office in a joint funding initiative.
- 3) Training of SMME owners: All training was completed in this quarter with excellent feed-back from participants.
- 4) Monitoring and Evaluation: The program continued gathering M&E data. The contracted M&E specialist contacted VEGA/SAAGA staff and a USAID M&E consultant in this regard. Baseline data from SMMEs was captured.
- 5) Participant Feedback: A number of one-on-one interviews with participants were conducted as part of the M&E process. In general, participants felt they had benefited greatly from the program.

3.4.3 Program Progress

3.4.3.1 Status of Program Objectives:

All group training elements of program were completed. One-on-one mentoring activities are still continuing as well as M&E data collection on impact. Preliminary data analysis shows that objectives of program are being met.

3.4.3.2 Planned Activities for Next Quarter:

These include assessing mentor progress and conducting an end-of-process evaluation meeting with all mentors; continuing mentoring SMME owners; collecting, reviewing and analyzing data from SMME owners and compiling M&E reports; assessing program impact on owners. CRC will also research and write-up program success stories for dissemination to various stakeholders and will complete the filming, editing and packaging of a short video on success stories and the impact of the iSBDP program. The DVD will be used to promote the program to current and potential donors. Finally, an operations manual capturing iSBDP methodology, training materials, best practices and lessons learned will be developed.

3.4.3.3 Planned Activities for Next Quarter:

These include: 1) mentoring training and reviews; 2) mentoring of SMME owners and trials of peer and group mentoring system; 3) reviewing M&E data, developing report; assessing impact of program on SMME owners; and 4) researching and writing success stories, and developing a DVD of successes and program impact.

3.4.5 Constraints and Issues:

3.4.5.1 Program/Activity Constraints and Issues:

Gathering reliable information from SMME owners has been a challenge. The summer holiday season and the time involved in each interview have hindered the progress. However, data collection on program impact was a main focus this quarter and sufficient data to do a proper impact analysis is available.

3.4.5.2 Management/Administrative Constraints and Issues:

The Chamber reassigned staff to gather outstanding impact data. The no-cost extension period gave the required time to complete all aspects of the program.

3.4.5.3 Opportunities:

The program has firm support of key stakeholders and SMME owners. There is talk about making it an annual feature in SMME development in Cape Town. CRC has received "in principle" approval of monetary support from SEDA for two programs. CRC is optimistic that the presentation of impact data and the promotional video will encourage other funders.

3.5 Business Skills for South Africa Foundation: BSSA (Sub-agreement 10869) **Summary Quarterly Report, January 1 – March 31, 2008:**

3.5.1 Program Summary:

BSSA's program provides training and mentoring to strengthening the competencies of business development service (BDS) providers in three provinces (Eastern Cape, Free State/Northern Cape and Mpumalanga). The project aims to build practical application capacity and puts a strong emphasis on fieldwork. The course is aligned to the outcomes specified by South African Qualifications Agency (SAQA) for the unit standards of the Business Adviser Qualification (National Qualifications Framework level 5).

3.5.2 Program Implementation for Period:

Learners in all three provinces had requested refresher training, including especially the Build a Better Business (BBB) course. This was offered in December and learners were requested to administer the BBB toolkit to their personal clients during the Christmas break. During January, one day sessions for each group were held during which they presented the findings of their fieldwork for one day. This was followed by a second day during which weaknesses manifested during the reporting, were addressed.

On the third day a certification ceremony was held. According to the South African Qualification Authority (SAQA), learners may not be given certificates of competence unless they have been formally assessed by qualified assessors, followed by formal moderation. It was thus decided to give all learners who had completed the PROCESS training program a certificate of attendance. The occasion would also be used as a networking occasion, with special attention to opportunities in the market for learners who received certificates.

Local stakeholders were invited to the certification ceremonies. Stakeholders who attended included representatives of local **seda** branches, Khula, Umsobomvu Youth Fund, Business Place, Chambers of Commerce, local banks, development corporations, SAB Miller and other SMME support institutions. All these representatives indicated to the "graduates" that they could sell their services to clients of the organization.

BDS providers who wish to be assessed against one or more of the unit standards of the National Certificate in Business Advising need to submit a portfolio of evidence (POE) of competence. All BSSA participants were given the opportunity to attend group counseling and individual advice sessions to discuss the SAQA requirements and how to put together a POE.

Eleven learners completed their POEs and the remaining learners are being assisted to prepare POEs for assessment.

3.5.3 Program Progress:

3.5.3.1 Status of Program Objectives:

The performance indicators for this program are: 1) the number of firms receiving USG assistance to improve their management practices (i.e. number of BDS providers assisted); and 2) the type and duration of training skills interventions implemented which include BDS providers trained as well as the estimated numbers of SMMEs they, in turn work with. The number of BDS providers attending training during the previous quarter was 70.

BSSA was pleased to note that 51 BDS learners participated in the voluntary review of BBB in December, and that 42 learners attended counseling sessions to prepare for the SAQA assessment.

An estimated 840 SMMEs were coached by the learners during the reporting period.

3.5.3.2 Volunteer Expert Activities:

During February and March, VEGA Volunteer, John Anderson, worked with a BSSA counterpart to develop materials on export. A workshop was held for BSSA trainers and other stakeholders. The final packaging of the material according to BSSA's experiential learning methodology is still being completed.

3.5.3.3 Planned Activities for the Next Quarter:

BSSA will focus on assisting learners who wish to be assessed to submit POEs.

3.6 Constraints and Issues:

3.6.1 Program/Activity Constraints and Issues:

Lack of full commitment continues to be a constraint and an issue. Lack of commitment was again evidenced in learners' tardiness in completing their POEs. BSSA will send out final reminder letters.

3.6.2 Management / Administrative Constraints and Issues:

None.

3.6.3 Opportunities:

The graduation ceremonies proved to be highly successful in unlocking opportunities in the market for the BDS providers. Stakeholders such as **seda**, The Business Place and the Umsobomvu Youth Fund made presentations indicating that they would use the services of successful graduates, since they were impressed with the breadth and depth of the program.

4.0 VEGA SAAGA Sub-grantee Performance Data – Market Driven Employment Strategic Objective

M & E information for activities completed in the first quarter of 2008 has been included in the Performance Indicator (PI) Table. The PI Table reflects a reduced number of activities in keeping with the end of the original program design and commencement of extension activities.

(See Performance Indicator Table – Attachment A).

5.0 VEGA SAAGA Second Quarter 08 Planned Activities

5.1 VEGA SAAGA Management

Specific activities for the second quarter of fiscal year 2008 include:

5.1.1 Complete the close-out of the FY06 APS program. Three of the four subgrantees (WE, NB, ECI/A) have been closed. Outstanding issues regarding the Mineworkers Development Agency have been resolved so close-out will be finalized during this period.

5.1.2 Provide appropriate information to subgrantees of the FY07 APS for an orderly programmatic and financial close-out process.

5.1.3 Conduct site visits to close-out subgrantees as appropriate, during the coming quarter.

5.2 Sub-grantee Program Implementation

Specific activities to be conducted in the coming quarter include:

5.2.1 Provide ongoing assistance in the preparation of subgrantee final reports to insure that, despite the short timeframe under the program for project implementation, meaningful results/impact information is included as a key element of each final report.

5.2.2 Identify and disseminate key success stories for each sub-grantee.

5.2.3 Assess progress toward implementation/impact of subgrantee program objectives and monitor activities to be conducted during subgrantee extension periods.

5.2.4 Request a full schedule of completed subgrantee training activities be included in final reports.

5.2.5. Subgrantees shall continue to implement project activities focusing on completing all planned activities for their projects as per sub-agreement modifications.

5.3 Volunteer Activities

Two international volunteer activities will be completed during the second quarter 08.

5.3.1 BJ Shannon - BSSA

Development of an Ethics Training Module which is SAQA accredited, including TOT to BSSA staff and contract trainers.

5.3.2 Edie Shannon – World Education

Development of a Conflict Resolution Program for staff and key participants in WE training programs.

5.4 Monitoring and Evaluation

Preparations have begun for the VEGA SAAGA Final Report which will encompass both rounds of subgrantees, as well as the overall issues of interest and importance regarding best practices and lessons learned in the implementation of the program. M & E Advisor, Jan Rockliffe-King, will continue to work with FY07 subgrantees to ensure that information is verifiable and reflects the overall objectives of the APS. .

5.5 USAID Interaction

VEGA SAAGA welcomes the continued support and interest of USAID/South Africa in the implementation of the Cooperative Agreement. Ongoing communication will continue with accent on informing representatives of USAID of special events or other opportunities to visit current and/or new sub-grantee program sites during the course of the quarter.

6.0 Success Stories

A success story from the Cape Town Regional Chamber of Commerce and Industry. is attached (Attachment B).

ATTACHMENT A

VEGA/SAAGA SUBAWARDEE PERFORMANCE INDICATOR TABLE – FY 2008							
Indicator	Subawardee	LOP Target	1 st Quarter 08 Actual	2 nd Quarter 08 Actual	3 rd Quarter 08 Actual	FY 07 Actual	Total to Date
Net change in private sector employment of assisted enterprises (Custom Indicator) [same as previous SO9 employment indicator. Includes self-employment/income sources] ¹	Natural Botanicals	6	8 female	5.5 female		7.5 female	6.75 female
	World Education	200		70 32m/38f		1383 ² 1017m/363f	1453 1048m/401f
	Milk Producers Org.						
Number of sales contracts supported (Custom Indicator)	Natural Botanicals	150	91	70		389	550
	World Education	50		15 9m/6f		111 ³ 57m/54f	126 66m/60f
Rand Value of sales contracts supported (Custom Indicator)	Natural Botanicals	R92,000	R50,178	R23,562		R109,206	R182,946
	World Education	R30,000,000		R18,532,541 R8,632,541m R23,900,000f		R197,167,734 ⁴ R91,618,111m R100,042,156f	R229,700,275 R100,250,652m R123,942,156f
Number of firms receiving USG supported assistance to improve management practices (previously collected as Number of SMMEs assisted)	Natural Botanicals	1	1	1	1	1	1
	World Education	2500		579 311m/268f		2455 ⁵ 1192m/1254f	3034 1503m/1522f
	Milk Producers Org.						
	BSSA	75		42		70	70
	Cape Chamber	120				90	90

¹ Among the VEGA/SAAGA subawardees, only Natural Botanicals meets the stringent definition of “net change in employment” provided in the SO9 PMP.

² Total as of December 31, 2007

³ Total as of December 31, 2007

⁴ Total as of December 31, 2007

⁵ Total as of December 31, 2007

ATTACHMENT A

Indicator	Subawardee	LOP Target	1st Quarter 08 Actual	2nd Quarter 08 Actual	3rd Quarter 08 Actual	FY 07 Actual	Total to Date
Number of SMMEs receiving assistance to access bank loans or private equity [whether successful or not]	Natural Botanicals	1				1	1
	World Education	500		39		543 ⁶	582
Rand Value of finance accessed (Custom Indicator) [this is broad and includes supplier credit, etc. as under SO9 PMP]	Natural Botanicals	0		0		R33,200	R33,200
	World Education	R10,000,000		R2,300,000 R2,000,000m R300,000f		R35,089,972 R28,042,055m \$6,966,917f ⁷	R37,308,972 R30,042,055m R7,266,917
	Milk Producers Org.						
Number of people trained (disaggregated by gender)	Natural Botanicals	10f			10f	10f	10f
	World Education	1800			255 142m/113f	1783 1006m/777f	2083 1148m/890f
	Milk Producers Org.						
	BSSA	75		42		70	70
	Cape Chamber	150 120 SMME 50 mentors				148 90 SMME 58 mentors	148 90 SMME 58 mentors

⁶ Total as of December 31, 2007

⁷ Total as of December 31, 2007

ATTACHMENT B

CAPE TOWN REGIONAL CHAMBER OF COMMERCE SUCCESS STORY: Adrian Gill - Mr Quick Exhaust and Tyre fitment Centre

Adrian ran a Mr Exhaust/Mr Tyre – an undercarriage fitment centre (fitting tyres, ball joints, exhaust, automotive components) in Goodwood with a partner for about 3 years – his sales increased but so did his overheads. With overheads of R180 000 and the business only turning over R 60 000 they were heading for disaster – in addition to this his partner was taking out more and more out of the business. He then bought his partner out and was saddled with a much bigger debt.

A few of the major challenges he faced in his business before he attended the iSBDP program were: Huge debt, shrinking market at his business location, not being able to control and manage the business, shrinkage, lack of self confidence and many sleepless nights.

The program gave him a total different outlook on life and business. It helped him to implement management accounts and to interpret and understand it. He learnt how to handle and control his staff better. He also learnt that to get more out of them he had to involve them in the business and keep them informed of targets.

As a direct result from attending the program Adrian scaled down operations to a smaller workshop in a different part of town with two employees. Sales have picked up and grown steadily over the past few months and he also started calling on corporate clients to sell his services as a package option.

Adrian ascribes the fact that he has matured, is not rushed, is able to handle himself better when interacting with clients in pressured situations and being more customer friendly as direct benefits gained from the program. He as a matter of course, now, sets targets for himself and staff and evaluates these on a weekly basis. He is very happy that he gets much more out of his staff as a result of his new approach to business. In addition Adrian has added a few new services – reconditioned ball joints, light mechanical work, CV Joints, etc.

Adrian's advice to his business associates is they must first attend the iSBDP as it will give them the right guidance and allow them to evaluate their business effectively. He says that he had all the technical knowledge about his business industry but knew little on how to manage and control his business. The iSBDP gave him the confidence and tools to restructure and slowly but surely chip away at his debts. He also has a number of new plans up his sleeve. He also says that the program gives business owners the right tools to improve the running and management of their business and will pull them out of whatever slump they may find themselves in.

Adrian is currently opening up a second workshop where he will only focus on the undercarriage of vehicles. This outlet will concentrate on the mechanical side. He further wants to franchise the business and make it available to new entrants in the field of owning businesses. He is also thinking of starting an academy where he will teach youngsters the skill required to perform all duties within the fitment centre industry.



WORLD EDUCATION

NTINGA LINK

QUARTERLY PERFORMANCE REPORT

for

LINK 2007

Period: January - March 2008

2nd Quarter Fiscal Year 2008

Submitted by World Education

under

VEGA/SAAGA Sub agreement No. 10872

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1. EXECUTIVE SUMMARY

This reporting quarter saw the LINK 2007 project receive a three month no-cost extension, though not before the team had gone somewhat towards downscaling activities and stakeholder expectations. The receipt of the no-cost extension at the end of February allowed the team to confirm previously “tentative” service delivery arrangements with partners, as well as to quickly launch and deliver new ones.

By the end of March, the World Education team was maintaining good momentum in project activities, despite that fact that, similar to the previous reporting quarter, the January – March 2008 period was also shortened by holiday periods.

The project team delivered and realised the following :

- 14 group training events – attended by 268 participants;
- Completion of one intensive Contractor Mentorship Programme and launch of a second one
- Initiation and completion of a focused Transport Mentorship Initiative.

With the addition of individual advice sessions, plus participation in an externally organised, large-scale women’s business seminar, overall achievement of the “improving management practices” was 354 – taking the LOP total to 2,809 beneficiaries, or 112% of the programme target.

Detailed tracking of approximately 30 SMMEs during the quarter provided information that:

- **14 sales contracts** were entered into,
- Valued at **R 18.5 million**

In terms of jobs supported or created for this quarter,

- **188 jobs were recorded** of which
- **37** were existing jobs (i.e. SMME owners and permanent staff)
- **151** were ‘new’ jobs, resulting in
- **83 NET FTE** jobs

Access to finance during this quarter was limited, due to the time constraints, as well as the pending wind-down of the project. However, our relationship with two non-bank financiers – Gerard Marais & Daimler-Chrysler Finance -- continued to be strong, with their willingness to consider and counsel referred SMMEs. Only a handful of SMMEs reported obtaining finance to the tune of R 2.3 million.

The six external training workshops this quarter were **delivered on a cost share basis**, where World Education leveraged contributions or sponsorships that amounted to **R 82,000 - or an average of R 13,700 per event**.

The reporting quarter has enabled the LINK 2007 project to exceed all targets – save one: Number of SMMEs accessing finance, which stands at 88%.

World Education believes this record of achievement, as well as the regular feedback received about SMMEs' progress and the continued demand from stakeholders for continued training and TA, speak for themselves. The team has been offering relevant and quality services that are recognised as such – amid a wide array of other competing, contrasting, and confusing “SMME development” activities offered by government, donors, and others.

During the remaining two months of the project, the team will continue to maintain a heavy load of service delivery that includes:

- Four additional workshops via partnerships with The Business Place and The Construction Industry Development Board
- Three additional SMME workshops during April, using the services of the IESC-VEGA volunteer
- One large-scale Access to Information Seminar on First Steps in Franchising

In addition, management and the BLOs will focus on:

- Compilation of additional success and case stories that will help inform future offerings or programme design.
- Project and financial reporting and close-out procedures.

2. PROGRAMME ACTIVITIES

The LINK 2007 project seeks to improve the competitive edge of participating SMMEs, within construction, transport, and mining services sectors, and to benefit up to 2,500 SMMEs with information, skills, and knowledge. In addition, the programme will create or support at least 2,000 jobs, support SMME sales of R 30 million, and facilitate access to finance of R 10 million.

The table below lists the five main types of LINK 2007 activities, with examples as to how each was addressed during the quarter.

Table 1: LINK Programme Components - Observations

1. SMME Competitiveness	This element was addressed through the provision of workshops, as well as the Mentorship Initiatives for Construction & Transport sector SMMEs.
2. Business Support Services	<p>During this quarter, the project focused on providing service delivery and capacity to:</p> <ul style="list-style-type: none"> ▪ The Business Place, through direct delivery of workshops to their SMME clients; support for SMME screening & data-base use; and fostering future service provider linkages. ▪ The Construction Industry Development Board, through designing, targeting, and offering a comprehensive set of Contractor Development workshops.
3. Supporting Access to Finance	<p>Finance activities were limited this quarter. Businesses were slow to start up in January, when all South Africans tighten their belts after the 'festive season.' The most fruitful partnership remains that with GM Financial Services, who provides performance guarantees to LINK clients relatively speedily. Success with the banks has been minimal to non-existent.</p>
4. Public Private Partnerships	A planned Franchising Seminar in conjunction with the Ekurhuleni Municipality was cancelled by Ntinga LINK for lack of commitment & serious attention from the municipality. For this quarter, no further efforts were made with government entities – due to the fact that such relationships are extremely time and resource-intensive -- with no guarantee of reciprocity or return within the remaining project lifespan.
5. Policy operationalisation	

2.1 Workshops and Seminars

During the reporting quarter, the World Education LINK 2007 team facilitated:

- Six training workshops with and for partner business support agencies; and
- Eight training workshops under the umbrella of our Construction and Transport Mentorship

Table 2, Workshop Participants, Jan – Mar 2008

These activities reached approximately 200 existing and aspiring SMMES.¹

A second cycle of construction workshops was completed with The Business Place, with a third cycle being launched.

An additional set of Construction Workshops was negotiated and launched with the Construction Industry Development Board (CIDB).

Workshop topic (Jan - March 2008)	Location	Total Participants	Male	Female
Construction Mentorship #1 Final Meeting	Johannesburg	7	2	5
Transport Mentorship Orientation Meeting	Johannesburg	18	15	3
Transport Mentorship Business Audit Meeting	Johannesburg	18	15	3
Tendering for Success	Alexandra	51	28	23
Advanced Costing & Pricing	Johannesburg	15	9	6
Construction Mentorship #2 Session 1	Johannesburg	11	7	4
Transport Mentorship Pricing Meeting	Johannesburg	13	10	3
Transport Mentorship - Finance Meeting	Johannesburg	13	10	3
Construction Management	Johannesburg	19	10	9
Transport Mentorship Scheduling Meeting	Johannesburg	11	8	3
Joint Venture Management	Kliptown	31	13	18
Construction Mentorship #2 Session 2	Johannesburg	8	4	4
Tendering for Success	CIDB Pretoria	32	14	18
Tendering for Success	Kliptown	21	7	14
Training totals for this quarter Jan - Mar		268	152	116

¹ . This estimate is lowered from actual number of workshop participants, to avoid double-counting repeat attendance by the same participants at the smaller mentorship workshops.

2.1.1 Cost-share

The following table provides an estimate of the cost-contributions made by partners towards all the events during this quarter, thus boosting project savings that can then be applied to further outreach and support.

Table 3: LINK 2007 Cost/In-Kind Contributions

Workshop topic (Jan - March 2008)	Partner	Val of venue, incl PA sys	Val of catering pp/pd
Tendering for Success	The Business Place	R 8,000	R 12,750
Advanced Costing & Pricing	The Business Place	R 8,000	R 3,750
Construction Management	The Business Place	R 8,000	R 4,750
Joint Venture Management	The Business Place	R 4,000	R 3,875
Tendering for Success	CIDB Pretoria	R 8,000	R 8,000
Tendering for Success	The Business Place	R 8,000	R 5,250
		R 44,000	R 38,375
TOTAL in-kind contribution			R 82,375

The estimated amounts do not take into account the contribution of time or labour expended by partner agency staff, nor their own communication or other operating costs.

2.2 Individual SMME Support

Individual SMME support and advice was provided by all three Business Linkages Officers during the quarter, with a focus on advice, support, and referrals for finance. Considerable individual support was also given to the participants in the Construction and Transport Mentorship Initiatives to ensure that they were able to use and apply the new information and skills being learned.

During the 2 ½ months of activity, BLOs recorded 104 person hours in the provision of individual assistance to emerging business people – two-thirds of that to men, and the rest to women. This high amount of individual advice reflects the fact that two mentorship programmes were underway side-by-side -- and mentees received extensive information, referrals, and almost daily support.

A significant portion of the individual assistance consists of:

- Identifying and alerting SMME clients to potential tender and contract opportunities
- Assisting them with pricing, through the use of an industry software package, called Merkels
- Networking and linkages among Ntinga clients themselves, for smaller subcontract opportunities
- Referrals for finance

Over the quarter, some 40 SMMEs received general assistance to access finance or improve their financial status and avoid penalties (i.e. through linking to bank advisors). Eleven of these SMMEs – those involved in the mentorship programmes, received detailed or specific assistance. And four SMMEs - two men-owned and two women-owned -- were successful in accessing finance to the value of R 2.3 million.

2.3 Partnerships

Due to the imminent project end date of February 2008, the LINK team held off on new work with existing partners, or on establishing new partnerships during January and most of February. However, with strong verbal indications of an extension, the team took a calculated risk and entered into discussion and planning with various stakeholders as follows:

2.3.1 Ekurhuleni Metropolitan Municipality: Following up on a request from the previous November, the LINK the team coordinated and facilitated a “planning meeting” with stakeholders in the Franchising Sector and representatives of the Municipality, including the Councillor for Economic Affairs.

This meeting, held in late January, was for a scheduled Seminar in early March. World Education undertook identification and contact of relevant presenters, preparation of an agenda, and compiled a long “to do” list for the group. Within three weeks it became clear that the Municipality had neither the will nor the ability to play their stated part – namely, coming up with a reasonable budget, that potential funders could consider; and agreeing to specifics relating to venue, catering, as well as printing of materials. At that stage, World Education withdrew from the proceedings.²

2.3.2 The recently established partnership with The Business Place continued to grow and expand, with the LINK project completing a second cycle of SMME training services, plus additional capacity building as follows: .

- Delivering four training workshops for TBP SMMEs in three locations – downtown Johannesburg, Soweto (Kliptown), and Alexandra township.

² . However, based on the relationships built up to date with the franchising sector players, the team decided to host and hold a seminar in Johannesburg in early April.

- Supporting the TBP staff in the recruitment and screening of SMME clients for opportunities; and
- Organising and co-hosting a service provider session, to promote future service delivery and networking: I

A third set of workshops was also designed and planned, for delivery during May.

THE BUSINESS PLACE WORKSHOPS	Males	Female	Total no.
Tendering for Success	27	25	52
Advanced Costing and Pricing	9	7	16
Construction Management	10	9	19
Joint Venture Management	13	18	31
TOTAL	59	59	118

All workshops were very positively received by participants, and by TBP. On average, more than 80% of participants indicated a “very” good approval rating for the trainers.

Despite efforts to hand-pick participants for the two advanced courses (Costing & Pricing, and Construction Management), World Education found that the requisite level of understanding and experience was not in evidence.

This is of two-fold concern:

- First and foremost, because entrepreneurs with very limited technical or business knowledge and skills are involved in what is a technically demanding industry; and



House full at the Tendering for Success Workshop at TBP, Alex

- Secondly, the participants’ ability to understand and absorb training content is hampered by this lack of experience.

“All that I wanted to learn and understand has been addressed to my hearts content.”

The whole session was interesting as it equipped us with knowledge of pricing and estimating

2.3.3 Construction Industry Development Board:

This entity is responsible for national “development” of the industry, with a special focus on the emerging or hitherto “disadvantaged” players. The LINK project has, since its inception interacted with and included the CIDB in various events, especially the Access to Information Seminars.

After nearly four years of the same, it now appears that the CIDB is ready to re-engage with World Education on contractor development and training. In response to their eagerness and desire, the LINK project agreed to deliver one set of workshops for CIDB registered clients.

Two of these workshops - - Tendering for Success and Advanced Costing and Pricing – were delivered during March.

CIDB Workshops	Males	Female	Total no.
Tendering for Success	14	18	32
Advanced Costing and Pricing	17	9	26
TOTAL	31	27	58

“This was a life time opportunity I will not repeat the same mistakes that I have been doing.”
-- Sibusiso Jali.

“By teaching processes of costing we will be able to tender more professionally.”
-- Johan Van Zyl



World Education Trainer Mphaka Manala (I), with participants at the CIDB workshop

2.4 SMME Mentorships

2.4.1 The first Contractor Mentorship Initiative ended with a session in January.

Civil Engineer Vincent Oloo of Maziconsult had been the primary mentor, and oversaw the technical assistance and site support to the 10 selected contractors over a period of approximately four months.

The CMI met with unqualified approval and response from all the mentees.



Lorraine Mabeba, Mabkol Projects Construction Mentee

“The greatest impact to my business was through the knowledge I gained ... I have applied the principles and improved my skills especially in terms of site management.

Another major impact was on networking: ... If in the future I need to sub-contract I know people who can do the job.

The most tangible impact is that because of the knowledge I have gained, I [now] have a competitive edge. I have increased the number of tenders I have been submitting and that is as a direct result of the confidence I have gained as a result of my increased knowledge.”

Responses

How has Ntinga LINK HELPED you to achieve your aims and objectives?
The [mentorship] programme was very informative and contributed to my understanding of construction management and pricing of tenders.
The mentorship programme was straight to the point. All what we did was relevant and project-based rather than information-based.
It is easy to incorporate everything into my company
Ntinga Link helped me to improve my understanding in management and tender pricing
In your opinion, what makes Ntinga LINK UNIQUE from other business support programmes?
Its approach to mentoring and the constant contact it maintains with its clients.
Ntinga's approach is more practical and is applicable in the real business world.
Communication is easy with Ntinga staff. We have a support group from Ntinga and their services are free.
Often SMMES are financially constrained and this programme enabled the disadvantaged to participate which is pretty good.
Well informed and well organized

2.4.2 **The Transport Mentorship Initiative** was finally launched in late January, after considerably re-design and changes, in order to fit within the original LOP.

A tight schedule was adhered to, and the 12 mentees (as well as, on occasion, their partners or relatives) participated in the following activities:

	Topic	Date
	Orientation & Introduction	Dec 5, 2007
Forum 1	Vehicle Audit Procedures	Jan 26 , 2008
Forum 2	Business Audit Procedures	Feb 5
Forum 3	Pricing & Rates Revision (with Hellberg)	Feb 12
Forum 4	Financiers & Financing	Feb 19
Forum 5	Scheduling	Feb 26
	Reporting, advice, inputs	

The mentees were universally complimentary about the mentorship, in particular about the detailed explanations and advice provided by the main mentor, Dave Scott, in relation to pricing, cost controls, and contract negotiations.



Dave Scott (I) and mentees at the get their hands dirty at the vehicle audit

“Ntinga LINK has helped me to learn more about the business and has also taught me how small things matter... I have learned how to manage finance.”

Ms. S. Ranaka
Transport mentee

On the ‘uniqueness’ of Ntinga LINK: “They talk about reality and train you on what is [really happening].”

Mr. R. Mahlangu
Transport mentee

3. PROGRAMME PROGRESS

The project made progress towards programme targets, exceeding all except one.

Data gathering for targets was difficult, as the start of the year saw entrepreneurs rushing around, and not always willing to make their time or information available as requested. Nevertheless, the team did undertake about half a dozen site visits to verify activities.

The table on the following page provides quantitative data on key indicators.

Table 4: LINK 2007 TARGETS – Quarterly and Project to date achieved

INDICATORS	LOP TARGETS (Mar 07 - Feb 08)	TOTAL as of Dec. 31 2007	January 2008	February 2008	March 2008	Total for Jan-Mar rep qtr	TOTAL to date (Mar 31 2008)	% of LOP achieved as of Mar 31, 2008	NOTES
No. of SME participants ASSISTED - to improve management practices	2,500	2,455	127	285	167	579	3,034	121%	This figure includes numbers involved in structured training & mentorship programme, as well as those receiving individual advice and assistance.
Men		1,192	64	893	76	1,033	2,225		
Women		1,254	63	695	91	849	2,103		
No. of SMEs GENERALLY ASSISTED to access finance	500	543	7	24	8	39	582	116%	This figure incl. all SMEs (aspiring & existing) exposed to financial institutions & their lending criteria during project events; referrals, etc.
No. of SMEs individually ASSISTED to access finance	50	70	5	4	1	10	80	161%	This figure incl. all SMEs individually assisted and/or referred to specific sources of finance (incl. but not limited to banks)
No. of SMEs SUCCESSFULLY ACCESSING finance	25	18	1	3	0	4	22	88%	This figure incl. all SMEs who receive some form of financial support from providers, incl. loans, overdraft facilities, performance guarantees, supplier credit
Men-owned		12	1	1		2	14		
Women-owned		6		2		2	8		

INDICATORS	LOP TARGETS (Mar 07 - Feb 08)	TOTAL as of Dec. 31 2007	January 2008	February 2008	March 2008	Total for Jan-Mar rep qtr	TOTAL to date (Mar 31 2008)	% of LOP achieved as of Mar 31, 2008	NOTES
No. of FINANCE AGREEMENTS entered into by firms	25	7		0	0	0	7		Copies of actual finance agreements are proving difficult to obtain in a timely fashion, hence figures may not match.
VALUE of finance agreements entered into by SMEs.	R 10,000,000	R 35,008,972	1,000,000	1,300,000	0	2,300,000	37,308,972	373%	The value of finance target was exceeded due to large contracts obtained in the previous quarter.
Men-owned		R 28,042,055	1,000,000	1,000,000		2,000,000	30,042,055		
Women-owned		R 6,966,917		300,000		300,000	7,266,917		
No. of sales made by assisted SMEs.	50	111	6	6	3	15	126	252%	
Men		57	4	4	1	9	66		
Women		54	2	2	2	6	60		
Value of sales by assisted SMEs.	R 30,000,000	R 197,167,734	8,914,472	1,918,068	7,700,000	18,532,541	229,700,275	766%	
Men		R 91,618,111	7,514,472	818,068	300,000	8,632,541	100,250,652		
Women		R 100,042,156	15,400,000	1,100,000	7,400,000	23,900,000	123,942,156		

INDICATORS	LOP TARGETS (Mar 07 - Feb 08)	TOTAL as of Dec. 31 2007	January 2008	February 2008	March 2008	Total for Jan-Mar rep qtr	TOTAL to date (Mar 31 2008)	% of LOP achieved as of Mar 31, 2008	NOTES
Net change in private sector employment of assisted SMEs. (FTE men & women)	200	1,383	36	24	23	83	1,467	733%	<p>LOP target (initially set quite low due to complexities of job timing, seasonality, etc.) were exceeded. Proof of such jobs is very difficult to obtain -- and the jobs reported are those taken at "a point in time" -- during either a site visit, or at the start of a contract, or on a specific day when the reporting check in takes place. Each job reported by the SMME is cacluated at FTE, using the lenght of the contract (no. of days).</p> <p>Interestingly, the vast majority of jobs appear to go to men -- and our SMMEs (including women owners) have verbally indicated a preference for the same.</p> <p>Jobs created received a huge boost due to labour-intensive methods, and tight delivery timeframes. For instance, in December, one SMME contracted 464 workers for 90 days on a project that got off to a late start.</p>
Men		1,017	1	18	13	32	1,048		
Women		363	21	7	11	38	401		
						0	0		
All JOBS SUPPORTED/CREATED (not FTE)	2,000	2,141				0	2,141		
ALL EXISTING JOBS		461	17	13	7	37	498		
Existing - MEN		324	13	9	1	23	347		
Existing - WOMEN		137	4	4	6	14	151		
ALL NEW JOBS		1,680	43	72	36	151	1,831		
New - Men		1,396	38	54	27	119	1,515		
New - WOMEN		284	5	18	9	32	316		

INDICATORS	LOP TARGETS (Mar 07 - Feb 08)	TOTAL as of Dec. 31 2007	January 2008	February 2008	March 2008	Total for Jan-Mar rep qtr	TOTAL to date (Mar 31 2008)	% of LOP achieved as of Mar 31, 2008	NOTES
Type/duration of training/ skills building to SMEs (person hours)	7,200	15,753	159	1,668	596	2,423	18,176	252%	
Group sessions (person hours)		15,177	100	1,635	584	2,319	17,496		
Men		8,197	68	959	216	1,243	9,440		
Women		6,980	32	676	368	1,076	8,056		
Individual (person hours)		576	59	33	12	104	680		
Men		350	31	26	8	64	414		
Women		226	28	5	4	37	264		
NUMBER of PARTICIPANTS TRAINED in LINK 2007 workshops	1,800	1,783	94	69	92	255	2,038	113%	
Men		1,006	60	44	38	142	1,148		
Women		777	34	25	54	113	890		

3.2 Plans for the future

The project is scheduled for completion on May 31st, and the following activities are scheduled for the April-May period:

- Delivery of a large-scale Access to Information Seminar on Franchising Opportunities, on April 3rd. The team expended considerable effort in the planning and coordination of this activity during March.
- Completion of the second Construction Mentorship Initiative
- Delivery and completion of a full set of workshops for the Construction Industry Development Board (per their request)
- Delivery and completion of a set of three additional workshops for The Business Place.

4. CONSTRAINTS AND OPPORTUNITIES

The main constraints during the reporting quarter related to:

- Delayed documentation of the contract extension period, which in turn led to
- Uncertainty among staff and stakeholders, and
- Inability to plan or commit to additional activities

Nevertheless, the team managed to maintain sufficient momentum during January and February so that, after the extension was officially granted in late February, we were able to gear up and deliver services during March and schedule them for the months of April and May.





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Volunteers for Economic Growth Alliance



QUARTERLY PERFORMANCE REPORT

Period: January and February 2008
2nd Quarter Fiscal year 2008

Submitted by Subgrantee: Natural Botanicals
Subgrantee agreement number: 10871

FINAL REPORT

Project manager:
Marianna Smith (PhD)

ATTACHMENT D

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ATTACHMENT D

1. Introduction: *[Brief description of subgrant goals and objectives. A few sentences on accomplishments to date.]*

The goal of this project is to take Red Cedar Cosmetics CC in Wupperthal to a higher level and to create employment for a minimum of at least four other women through the introduction of weaving baskets as packaging for Red Cedar's soap and cosmetics.

Objective 1: Take Red Cedar Cosmetics CC to a higher level through

Implementing new and upmarket labeling

Improving business management through the introduction of Pastel as a bookkeeping and stock taking system

Implementing at least five new products in the product range

To create more media visibility for Red Cedar

Objective 2: Create business and employment opportunity for a further four to six women from Wupperthal.

Basket weavers will weave baskets, trays and other general usage articles and sell in the Red Cedar factory shop

Baskets will be designed to as containers to hold Red Cedar products and gift packs

Objective 3: Constantly check and train on good manufacturing principles

Accomplishments during the 2nd term, 2008:

Red Cedar received additional funding from IESC and VEGA to attend trade shows and receive training. They attended the Women's Expo (1-3 February 2008) and the Professional Beauty Expo (10 and 11 February 2008), both at the Cape Town International Convention Centre. Two of the Red Cedar participants attended a course in Pastel, a bookkeeping program, at the JCT computer training centre in the time between the two trade shows.

Sales to the value of more than US\$1000 were made at both trade shows.

Several contacts were made at the trade shows were followed up. Two individuals expressed interest in becoming distributors of Red Cedar products in other areas of South Africa.

Red Cedar received training on manufacture of a new product, Rooibos body butter cream.

Red Cedar had their labels printed in German for their German clients and prepared an export order for Germany.

A new, updated Red Cedar website was implemented.

Red Cedar baskets continued manufacturing baskets for the Red Cedar products as packaging.

Red Cedar Rooibos and Aloe gel was featured in the January 2008 edition of Cosmopolitan magazine.

The South African Department of Trade and Industry sponsored a Russian delegation who were specifically interested in rooibos products to visit South Africa. Red Cedar was invited to a trade meeting to show their products. This was in February and the companies needed two months to discuss with partners back home.

2. Program Activities: *[Brief description of all major activities undertaken during reporting quarter. Concentrate on those that most directly impact on program goals and objectives. Where possible, explain briefly how program activities/outcomes impact on achieving goals and objectives.]*

Red Cedar attended two trade shows and improved their visibility with the general public. This resulted in more sales and a bigger income for Red Cedar Cosmetics and Red Cedar baskets. The livelihood of the people changed dramatically; they have more disposable income to spend

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on household luxuries to make their lives easier in a community where women do not enjoy a high standing in the community and is the envy of many others.

Two of the Red Cedar members attended a Pastel training course to improve their competitive in the workforce and to add to their competitiveness as a small business.

The Western Cape Department of Agriculture ordered some of Red Cedar's products to give as corporate gifts at a Small Farmer Empowerment workshop.

A number of new initiatives were started or enquiries were received from a number of enterprises:

- A SPA in the KwaZulu Natal midlands purchased some product samples to introduce to their new SPA
- A SPA in Kenya enquired about the products for use in their SPA and wanted to discuss terms and supplies.
- African Extracts, a producer of Rooibos based products asked Red Cedar for a quote to produce custom made and packaged soaps for them.
- Springbok Foods, Perth, Australia bought some product samples to stock in their shop in Perth.
- Received enquiries from individuals about distribution in the Netherlands
- Received enquiries from an individual who wants to distribute the products in Minnesota, USA.
- Jabulani, a gift hamper concept, contacted Red Cedar to include their products in the gift hampers.
- Red Cedar met with a delegation from Russia who is specifically interested in Rooibos products. They need two months to discuss and decide with their partners back home.

Overall accomplishments for the duration of the program:

Red Cedar supplies full time employment to six and part time employment for three people – Red Cedar Cosmetics and Red Cedar baskets. Red Cedar cosmetics operates on a full time basis, while the basket weavers are more mature individuals who have established families and do not want to leave them and work full time. They weave baskets on a part time basis from home. They are not based in Wupperthal, but in two of the substations outside Wupperthal. The Red Cedar brand and logo was developed, with an upmarket looking brochure and website to accompany the branding. It was done by one designer who had a good knowledge of the background of the program and all the products developed by her ties in very well together.

Red Cedar Cosmetics CC registered as an exporter with the South African Revenue Services. The Moravian Herrnhuter Missionshilfe in Germany will distribute Red Cedar products in Germany. They liked the new labels, branding Red Cedar products, so much and asked to have the labels translated into German for using on their orders.

Red Cedar has one distributor in Cape Town and two companies from Gauteng expressed interest in becoming distributors. They supply 12 hotels, guest houses and gift shops on a regular basis. SA Box is a company specializing in typically South African products as corporate gifts. They were approached by the South African embassy in South Korea to supply products and gifts for a South African week to make the country more visible in South Korea. They ordered 400 gift boxes and 100 of those contained the Red Cedar travel pack (50 ml size products). The products are branded under Red Cedar and this poses a possible future market. Red Cedar boasts a product line of ten different rooibos based products.

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Red Cedar improved the internal management of their business. Prior to May 2007 members were paid a monthly amounts which was calculated as a percentage of their sales. They now pay members a monthly salary of R750 and an additional bonus every three month calculated on sales during the three month period. This helps members to budget on a monthly basis for expenses during the month. Red Cedar members were very interested in this and received numerous informal training sessions on budgeting of private finances. They mostly keep the bonus they receive to buy white appliances for their households. The advantage of the bonus is they can pay cash for the white appliances and do not have to take it on hire purchase, which is so much more expensive.

The lives of each of the Red Cedar participants have changed remarkably and added to their self-confidence and stature in the community. The business success Red Cedar reached enabled Linda Bantom to buy a microwave, music stereo and an automatic washing machine. Linda always had to do laundry by hand. Jessica Mouton bought a music stereo, microwave and mini kitchen (small stove with plates and grill). Anna Skippers is very fond of watching television, especially since there is very few social activities in Wupperthal. She bought herself a new television and a satellite dish to improve the signal for television reception in Wupperthal. This also means that she is able to watch more programs than before. Gwen Snygans lives with and looks after her elderly parents. She likes spoiling her mother with clothes and things they never could afford. Gwen also bought a fridge for the family. She has to buy food on a daily basis from the local shop, at a very high price. Now she can buy food in bulk, at a lower price in nearby Clanwilliam and saves money that way. Christoline Engelbrecht, the youngest of the team wanted to have a wonderful 21st birthday party, as that is very important in their community. She saved her money and had a great party. Her dream is also to have a baby by her boyfriend, Colin, of four years. She is pregnant (due in July) and has saved enough money to buy all the accessories a mother needs for the baby – cot, pram, pushchair, baby bath and then of course lovely clothes, without going into debt to do this. Claudia Goes walks 11 kilometers to work every day, along a daunting pass and it takes her about one and a half hours to do so. Unfortunately Claudia has not saved enough to buy a car, but she is working at it. The Wupperthalians have to pay an annual membership fee to the church. If this is not paid up, no christenings, burials or weddings can take place for that particular family. Claudia became grandmother to a lovely baby girl, Eunice. In order to christen Eunice, Claudia had to pay all the outstanding church membership fees for her family. She organized and paid for a lovely christening lunch for family and friends and says Red Cedar enabled her to do that. Claudia is now saving for an automatic washing machine. It is not just the lives of Red Cedar Cosmetics that changed, but the basket weavers also saw an improvement in their lives. Ansie Mouton, saved money to help her son, Riaan, finishes his last year at college to get a degree in tourism. Koba Mouton bought some chairs for her house and the entire family can now sit down on chairs to lunch and supper. Stienie Jentzel put her money away for her daughter who wants to study when she finishes school at the end of the year. Sadly, Maria Bazier had to leave us during the course of the project. She had to undergo a mastectomy and receives chemotherapy after it was discovered she has cancer. She says the money she earned through baskets helped a lot to pay towards her travel to the doctors.

Red Cedar attended three trade shows and two Christmas markets during the program period and increased their visibility and sales. They featured in the January 2008 edition of Cosmopolitan, in an October issue of a German newspaper, were once on Christian Community Radio and a television company took footage for screening on MWeb (SATV pay channel) in a tourist program.

Red Cedar members received training in Pastel to increase their competency and sustainability in business and financial management. During the course of the program they received

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continuous training in good manufacturing practices and manufacturing of different Red Cedar products.

Red Cedar added to community involvement and participation by awarding a bursary to the best academic student in Grade 9, the final grade in the Wupperthal School. This is the second year they are awarding this bursary.

3. Program Progress

3.1. Status of Program Objectives: *[Describe overall progress in achieving broad program goals and objectives. Report on progress in meeting USAID performance indicators. Refer to USAID indicator table in this section and/or insert it here. Add other program indicators you are tracking.]*

The baseline for the reporting was 2004, the year the first grant to Natural Botanicals for implementing Red Cedar was received. The total amount received over the period is approximately \$170,000, depending on which exchange rate was used.

One enterprise was supported by the USAID grant. No loans were received, except in one instance, where a large order from Germany was received and a 50% deposit (as part of Red Cedar's terms) was received. The amount of full time equivalents varied for each term, because the basket weaver members work on a part time basis. Three of the cosmetics members are rooibos tea farmers and they often take leave to see to their tea plantations. During times when it is quiet, they also work shifts, which decreases hours worked. Red Cedar members are entitled to leave – 17 days for each day worked – the same as South African legislation. The leave days are not counted as days worked in the reporting document. The number of sales is reported as one invoice created per day for sales from the factory, as these sales can sometimes be very small. Large sales orders warrants an individual invoice. Sales from the trade shows were counted as one. Value of sales are of the most importance in this program. This shows the success of sales and profitability of the program.

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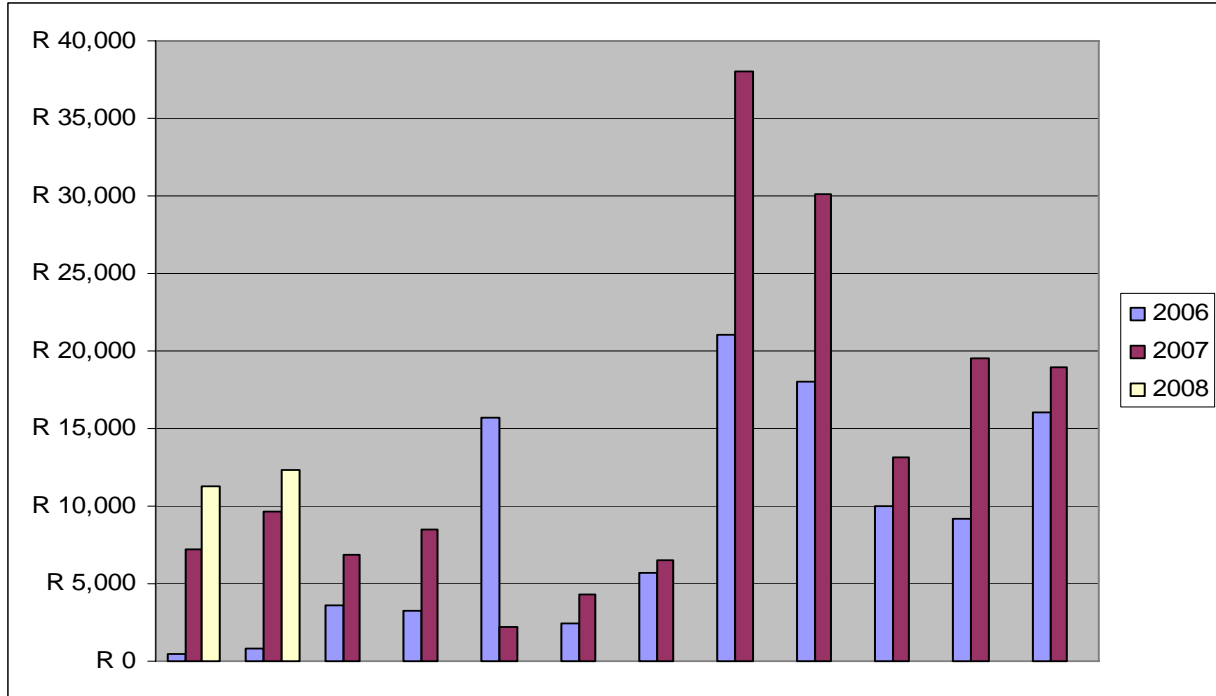


Figure 1. Graph depicting the value of the sales per year on a monthly basis from 2006 to present. Sales start from January each year through to December.

The graph shows clearly that sales do increase every year. That is as the products become better known with buyers. The biggest sales are in August and September when many tourists are visiting Wupperthal due to the wild flower season. In May 2006 more sales were documented than in the same time in 2007. That is due to a big export order to Germany.

Although this was not a requirement of indicators set by USAID, the project manager decided to track the income or salaries of the women involved in the project, over the time funding was received. It is only of human interest, but gives a clear indication of how it touched people's lives who were unemployed, with no income, and how the USAID and VEGA funds have changed this around and how the project contributed to the financial well being of the women.

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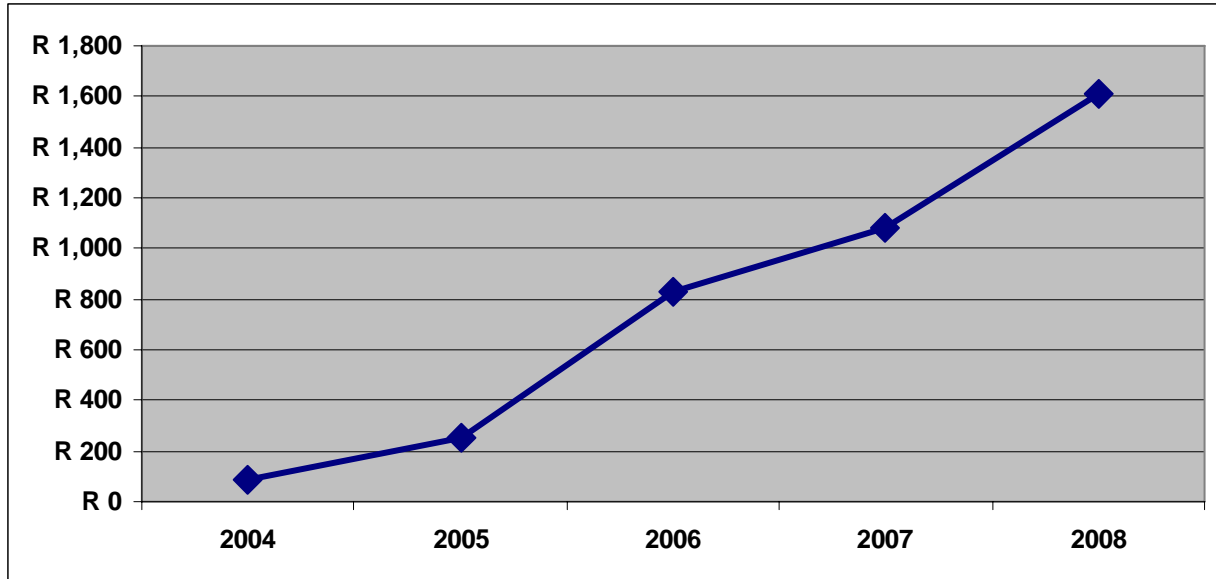


Figure 2. Graph of annual salary payout received by members of Red Cedar during the entire period of funding.

Payouts or salaries are directly related to sales. Sales and therefore salaries were extremely low during 2004. The business was in its infancy and Red Cedar only made soap. In 2005 it was also very low, but in 2006 Red Cedar started diversifying and manufacturing of additional products started. Salaries in 2007 looked very good at an average of R1080 per month. The average for 2008 was only determined on two months salary, of which one month was a bonus month, on sales actually made in 2007. Bonuses are calculated quarterly.

3.2. Volunteer Expert Activities: *[Describe Volunteer Expert Activities that have taken place during the reporting quarter and describe training and/or technical assistance value they have added. Attach photographs here or in addendum to report.]*

None during the second term of 2008.

During the time of project activities Red Cedar had two very successful Volunteer Expert activities by Karin Aupaiais and Colette Bennet. Karin implemented and set up the use of Pastel, a business accounting program for Red Cedar. She told them the basics. To enable them to use the program to its full extend, they needed some additional training.

Colette did some training on merchandizing. She told the group on how to treat customers, how to display products and set up trade shows. This was a tremendous help and the face of the display area in Wupperthal changed remarkably after Colette's visit.

4. Constraints and Issues

4.1. Program/Activity Constraints and Issues: *[Discuss any challenges that may be hindering overall program progress or specific activities. Discuss any steps that have been, or will be, put in place to overcome them.]*

None

4.2. Management/Administrative Constraints and Issues: *[Discuss any management/administrative issues and challenges that may impact on the running of the program. Discuss steps that have been, or will be taken to overcome them.]*

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None

Red Cedar and Natural Botanicals wants to use the opportunity to thank IESC and VEGA for the additional amount of US\$10,000 which was made available for attending trade shows. In fact, we are grateful for the entire grant as that had such an impact on the lives of several people. Many thanks, we think USAID and VEGA can be proud of what their funding have achieved.

5. Opportunities: *[Discuss any opportunities that have been identified to enhance the program's progress or impact. Discuss steps planned or taken to harness these opportunities.]*

Close out report

Red Cedar members are very keen and have been asked by numerous customers to bring out a Red Cedar facial range. This is a logical expansion of the business and is a good opportunity for Red Cedar. They will continue to source funding from a variety of sources to make this possible.

6. Success Stories: *[Describe any significant people level successes achieved as a result of the program. Use a suitable "success story" format if possible and attach photographs. If possible try to identify at least one or two success stories for each quarter.]*

Anna and Anchen

It was a typical summer's evening in Wupperthal, still heavy with the heat of the day. Slowly though, as the sky grew dark and filled with stars, an occasional burst of wind blustered through the village and brought some relief. I sat in the dark, thinking about the next day and wondering what Anna's story was going to be.

I was jolted awake by the braying of donkeys – they don't wait until sunrise like roosters do! I sat outside for a while, savouring the cool quiet of the pre-dawn morning. Anna and I had arranged to meet at her house at 6:30 and it was time to set off through the village.

Anna Skippers lives in Langbome on the outskirts of Wupperthal. On the way to her house I noticed several people taking advantage of the cool of the early morning – digging, weeding, directing water, harvesting the allocated plots of land where Wupperthallers grow vegetables to help feed their families.

When I arrived at Anna's house she was persuading her five-year-old daughter, Anchen, to comb and tie up her hair. Once that intricate process was complete, Anchen snuggled onto on Anna's lap and we sat outside for a while, talking over a cup of coffee. The children in that area normally pile onto the back of a van for the short trip to school, but that morning Anna and I were going to walk Anchen to the crèche.

We set off, Anchen swinging along beside us, and sometimes asking to be picked up – she is very attached to her mother.

Anna's mother, Christina, was born in Wupperthal. Her father, Kerneels, is originally from Citrusdal. They met while picking and packing oranges in Citrusdal. They then moved to Wupperthal, where Kerneels stays busy with all sorts of odd jobs and the family keeps pigs and sheep. Anna is 26, and she and her sisters, Michelle and Chriselda, live with their parents. Anna has a nickname – some people call her Esme. Her young nephew, Tomlin cannot say Esme so he calls her May-S.

As we walked through the village we heard laughter and cheering. A stream of wiry, barefoot children ran past us up the hill – their legs pumping, their little faces looking very determined.

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And then we saw the rest of the school on the open field in the middle of the village, practicing for their athletics' day.

'I used to love athletics,' Anna said. She told me how she had won several prizes for her sporting ability. Until Standard 7, Anna attended school in Wupperthal. She then went to Clanwilliam to complete her schooling. It was there, in her final year at Clanwilliam High, that she won the prize for best athlete.

After leaving school Anna worked for a grape farmer in Klawer. There she met Arno, who was later to father her child. For a couple of years Anna moved between Klawer and Radyn, working on farms, but she settled back with her family in Langbome when she became pregnant.

After Anchen was born, Anna spent a year working for Water Affairs where she was trained in the removal of alien vegetation. It was gruelling work, exacerbated by the extreme heat that descends on Wupperthal in the summer months. But Anna had heard that there was a soap factory starting up in the village ...

At the last moment she filled in the application papers. Not only did being accepted onto the Red Cedar team bring Anna in from toiling in the hot sun, it has also opened up so much more in her life. Anna is good with her hands and she soon discovered how much she enjoyed the production side of the Red Cedar business.

At this point in the story we reached the crèche, where a sizeable group of children are nurtured by three teachers. It's a comfortable, welcoming space and the children are actively and happily engaged by the activities on offer. Anna is on the crèche committee and they are looking at how they can improve the premises and include more children from the outlying substations.

After Anna had hugged Anchen goodbye we found a couple chairs and sat in the shadow of the building to finish our chat.

Anna does not see or hear from Arno, but seems perfectly at peace with this. Life is good with her extended family. She bought a television with her Red Cedar bonus money and likes nothing more than to enjoy her new purchase in the evenings and on weekends. She has a 'biltong and chocolates' man in her life – an admirer who sends treats her way but makes no demands. It sounds perfect!

As a Moravian, Anna was entitled to apply to the church for a piece of land where she could grow rooibos. This was granted to her and her first harvest is due at the end of February. She pointed to a dirt road which scales the heights of the mountain and said that there was a cluster of homes up there. When she is farming she stays there but has to travel quite some distance from there to her piece of land. Farming is always a team effort. She repays some of the people who help her by helping them when their turn comes. Others she pays out of her Red Cedar earnings.

Through the training she has received and the exposure which has come her way since she joined Red Cedar, Anna feels that her personality has come out of hiding. She used to be very shy but is now quite comfortable talking to customers and selling the Red Cedar products. Working for Red Cedar has enabled her to grow into a happily fulfilled, confident young woman.

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Hiking with Jessica

The Red Cedar business has been receiving funding from USAID since March 2004. This will have run its course by the end of February and Red Cedar will face the challenge of having to stand firmly on its own two feet.

Marianna Smith and I planned our final trip to Wupperthal – the team needed to be trained to make body butter cream and they were coming back to Cape Town with us to promote and sell their range of products at The Women's Expo and The Professional Beauty Expo. Also, more stories needed to be told and Jessica Mouton was awaiting our arrival.

Marianna hired a minibus for the trip, and it was soon fully loaded with packaging, a microwave and mini-oven for Jessica and a washing machine for Linda.

Everything was going well - we were travelling in comfort, feeling cool and relaxed in spite of the 42°C heat outside. The dirt road between Clanwilliam and Wupperthal takes on a rough ripple at this time of year. Once on this road we felt a little less comfortable but were still cool – air conditioning be praised! That's when it happened – the sudden realization that the car was handling differently, and then the noise ... yes, we had a flat and the tyre was destroyed.

What now? I thought – it was baking hot outside and we had no cell phone reception. Much to my delight and amazement Marianna made quick work of the tyre change – certainly deserving of a Survivor badge!

Jessica is a committed churchgoer and I had made arrangements to go to the 6:30pm service with her. We had expected that we would arrive in Wupperthal for the ringing of the bells at 6pm but the Cedarberg clearly had other plans for us, delaying us with the burst tyre. As it turned out the church service was cancelled anyway.

The first thing we did when we arrived in Wupperthal was to deliver Linda's washing machine, which she had purchased with her Red Cedar bonus money. Next we delivered Jessica's microwave and mini-oven, also purchased with her bonus. Red Cedar has received a couple of big orders from the Moravians in Germany and this export opportunity has resulted in good bonuses for the team. Finally, it was time to meet up with Jessica and make a plan to spend some time with her.

Jessica rents a house in Walsekraal, which is below the road heading out to the substation, Nuweplaas. She is 26 and lives on her own, although she previously shared the house with her cousin, Michelle, and friend, Noleen.

Some time ago, Michelle and Noleen started a hiking club. The club has about 12 members from Wupperthal and 12 from Cape Town. They meet roughly four times a year for a planned hike on one of the Cedarberg trails. They quite often arrange a 2-day hike in the area and sleep in an overnight hut. Sometimes they meet in Cape Town. Their love of nature and the outdoors creates a bond between them, which brings much joy.

I understood that hiking is very important to Jessica – it's what motivates her and makes her shine. And so we arranged to go on a short hike together to Krokkedam, a great way to get some exercise and have a good chat at the same time! We met at 6:30 in the quiet stillness of the morning. The bold shapes and colours of the Cedarberg rocks, the almost-dreamy Eucalyptus trees along our path and the freshness of the early morning after the previous day's blistering heat felt good.

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Jessica's parents live at the Eselbank substation. Her father, Jerry, grew up there and her mother, Ansie, grew up in Wupperthal. Ansie used to visit her sister in Eselbank and that was how she met Jerry. Soon they were married and they had two daughters and two sons. Jessica is the second of the four siblings. Jerry is a rooibos tea farmer – some years have been good and some years not so good. Like most farmers he has had to cope with the ups and downs of supply and demand.

Jessica attended school in Eselbank until Standard 4 and then moved to the school in Wupperthal where she stayed in the hostel for Standards 5 to 7. She completed her schooling in Clanwilliam and thoroughly enjoyed hostel life.

After school Jessica stayed with friends of the family in Elsiesriver and worked at a toilet-paper factory in Brackenfell. She enjoyed making friends in the city but from time to time felt very homesick and this was what took her back to Eselbank. She returned to Paarl for three months to do a computer course and some community work but then returned home for good, with a clear idea of what she would like to do.

Jessica set about becoming a tea farmer. She had watched her father over the years and now felt ready to become a farmer herself. As a Moravian she was in a position to apply to the church for land. Her application was successful – she chose a piece of land and set about chopping the bush, clearing and ploughing the land. She then bought 1000 seedlings from a farmer/nurseryman in the village. She planted her first crop in June 2004, and her first harvest was in January 2006. She pays a yearly rental to the church for her piece of land. The rental is very low, but is set to increase substantially.

Jessica applied to join the Red Cedar team in 2004 and was delighted that her application was successful. The extra money she earns there has helped her to get going with her tea-farming enterprise.

By this time, we had reached the point where we overlooked Krokkedam, a waterhole which beckons one down a steep descent to a magical place where the rest of the world seems not to exist.

And then, it was time to head back to Red Cedar, knowing that several products still needed to be made and packed for the expo's in Cape Town. Jessica loves the production part of the business and is grateful for the skills she has acquired in learning how to make them. She mentioned that she was previously quite shy but, like many of the women on the team, her involvement in Red Cedar has helped her to express herself with greater confidence.

Christoline's New Arrival

At 22 years of age, Christoline Engelbrecht is the youngest Red Cedar in the group but she is growing fast and branching out. She is attentive and curious, which makes her well suited to handling the finances for the Red Cedar business. Christoline has received training in Pastel, which has given her the necessary skills to do a good job.

The Red Cedar team received training in merchandising from a Canadian volunteer expert, Collette Bennet. The training included shop layout and presentation of product and Christoline was quick to absorb this information and is able to use it in a creative way.

In July 2007 the Indigenous Plant Use Forum (IPUF) was held at RAU. Christoline and Claudia were chosen to go – it was their first time on an aeroplane. They set up an eye-catching Red

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Cedar stand in the exhibition hall, where they sold products during the tea breaks in between attending lectures.

Christoline is originally from Langkloof, the furthest outlying substation of Wupperthal. Her father, John, came from Lambertsbaai to do building work in the Cedarberg area – this was how he met Christoline's mother, Margaret. They settled in Langkloof where there was no school, so Christoline was sent to boarding school in Eselbank. As is the custom, she later attended school in Wupperthal and then went on to complete her schooling in Clanwilliam.

Christoline's mother heard about the soap-making project at church and applied on behalf of her daughter, while she was still at school. Christoline's application was accepted and she felt very lucky to have a job lined up for her so soon after she matriculated.

When Christoline first arrived in Wupperthal to work at Red Cedar she boarded with a school teacher. A couple of months later she met Colin and it was not long before she moved in with Colin's family in Langbome.

By arrangement I met with Christoline and Colin at their home at 6 o'clock one morning to take photographs of the happy couple. I was concerned that it might be a little early but it seems that Colin gets up at sunrise so that he can start his work in the cool of the day. They say that 'Every pot finds its lid' and it seems that Colin and Christoline fit that description. After some years together they were eager to have a baby. Christoline is now 3 months pregnant but we still do not know – is it a boy or is it a girl? Colin's parents are very supportive and treat Christoline like a daughter. They seem thrilled at the idea of having an extra pair of little feet pattering about the house.

At the moment Colin is doing some building work at the crèche – they are expanding in the hope of including more children from the outlying substations. When he has finished with this job he will start work at the tea court, which is a hive of activity from January to April.

The local tea farmers deliver their bundles of harvested rooibos to the tea court by arrangement. The bundles are weighed and then the rooibos is fed through a machine, which reduces it to 'tea cut' size. The tea is placed in piles on the tea court where it is bruised and fermented. The fermented tea is then spread out and left to dry in the sun. Rooibos is a well known health drink and its benefits have been confirmed by research. The plant is rich in anti-oxidants, which also makes it an excellent choice as an ingredient for use on the skin and this is why Red Cedar is proud to use it in their cosmetic range.

In August of 2007 Christoline received access to a piece of land near her parents' home, where she will farm rooibos. The tea court assisted with the preparation of the land by sending a tractor and tractor driver for which Christoline paid an hourly rate. With the help of Colin and her father and brother, she will plant her first harvest in June this year.

The Red Cedar team travelled to Cape Town for The Women's Expo and The Professional Beauty Expo. Between the two expo's Christoline and Gwen received more training in Pastel. One evening Marianna Smith organized a casual get-together, which was a decoy for a baby shower. Christoline was dressed in a nappy, had a potty placed on her head and was adorned with dummies and rattles. She played along without any resistance and giggled throughout the opening of her presents – she was rather good at guessing what was inside! A good time was enjoyed by all and her baby must surely be feeling very welcomed by the world, although it is probably quite comfortable where it is for the moment. The birth of the baby requires some

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planning because he or she is due in July, and this is the month when the river floods. Langbome can be cut off from the world for a few days when the river rises. The details still need to be worked out, but we can't have her stuck on the wrong side of the river when the baby is ready to take on life in Wupperthal!

Christoline will get 4 months maternity leave but wants to return to work after that. She is fortunate that there is an eager grandmother waiting in the wings, willing to look after the little one. I am sure the baby will make regular visits to the soap factory over the years and, like the children of the other team members, will be joyfully welcomed as part of the greater Red Cedar team.

7. Attachments

7.1 Performance Indicator Table: *[Complete and insert your performance indicator table.]*

	Baseline	Jan/Mar 2007	Apr/June 2007	July/Sept 2007	FY Target	Fiscal Yr Total	Oct/Dec 2007	Jan/Mar 2008	FY Target	Fiscal Yr Total
1. No. of firms receiving USG assistance to improve their management practices.	2004	1	1	1	1	1	1	1	1	1
2. No. of SMEs receiving USG assistance to access bank loans, private equity, supplier credit, public sector & para-statal debt, in-kind government grants and bridging finance.		N/A	1	N/A	N/A	1	N/A	N/A	N/A	N/A
3. No. of SMEs successfully accessed bank loans, private equity, supplier		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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credit, public sector & parastatal debt, in-kind government grants and bridging finance as a result of USG assistance.										
4. No. of finance agreements entered into by USG assisted firms. (Custom)		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5. Value of finance agreements entered into by USG assisted SMEs. (Custom)		N/A	R33,200	N/A	N/A	R33,200	N/A	N/A	N/A	N/A
6. No. of sales made by USG assisted SMEs. (Custom)	2004	215	67	107	750	389	91	70	150	161
7. Value of sales by USG assisted SMEs. (Custom)	2004	R17,702	R15,026	R76,478	R80,000	R109,206	R50,178	R23,562	R12,000	R73,740
8. Net change in private sector employment of USG assisted SMEs. (Custom)	2004	4.9 FTE's	7 FTE's	7.5 FTE's	7 FTE's	7.5 FTE's	8 FTE's	5.5 FTE's	6 FTE's	6.75 FTE's
9. Type/duration of training/skills building provided to USG assisted SMEs.	2004	324 hours	645 hours	316	1200 hours	1285 hours	84 hours	80	200 hours	164 hours

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(Custom)										
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Award No. EEM-A-00-04-00002-00

**MPO Dairy Enterprise Development and Employment
Generation Initiative
Quarterly Performance Report
Fifth Quarter 2008**



Contents

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- 2 Program activities**
- 3 Program progress**
- 4 Constraints and issues**
- 5 Project results vs. plan**
- 6 Conclusion and lessons learnt**
- 7 Attachments**

ATTACHMENT E

1. Introduction:

Back ground to fifth quarter:

The fifth quarter had its origin in the excessively high demand for training in the target market mixed with the time consuming efforts to have financial institutions involved as stake holders in the developing of the emerging farmers market. Banking institutions being aware of the concepts to reach the emerging markets still needed to be persuaded that emerging markets can develop in a lucrative profitable business.

The extension of the agreement allowed the MPO as sub-grantee to complete some of the deliverables as planned in the original program. It allowed six additional training workshops for emerging farmers and farm workers in six locations. 3 trainers had the opportunity to train 60 more people on site, in their indigenous languages, covering eight subjects.

This was a bonus considering that the broad program goals and objectives have been met and exceeded in the training of emerging farmers and farm workers over the past year. Figures indicated in the fourth quarterly report.

The additional time allowed follow up activities with two major banks on the development of micro lending products for the emerging agricultural market. Specific work was done with banks who indicated interest in the enlargement of their business activities within the market. Invaluable technical assistance could be offered to assist banks to motivate the program. A financing model as a training program was presented to financiers and the emerging market and ideas to customize loan products for the South African market could be conveyed. As sub-grantee the MPO needed to ground a more formal M@E program by improving on data collection in five geographic locations. Although difficult in most areas baseline information will be upgraded to include generated production value and access to finance where possible. The MPO preplanned continued research monitoring and evaluation plan of the market through own staff, partners in the industry, trainers, commercial farmers and their farm managers constituted a constant flow of need identification amongst farmers which resulted in an overwhelming demand for training in animal husbandry, productivity regarding livestock and animal care. To put together a profile on the progress on small scale farming it was needed to geographically identify groups for an intensified M@E program.

Planned Activities:

- I. The Financing model developed under the program was expected to be presented to financiers and to borrowers in a training process.

Rick Dillon, First National Bank Emerging Agriculture contact person confirmed this period that K-Rep research findings would play a role in the development of their new emerging farmer Loan Product. K-Rep's primary contribution to the model will be the use of invoice discounting (factoring) and risk management.

Uvimba Bank has proposed a contracting agreement with K-Rep consulting services in the Eastern Cape Province to develop three village banks in the former homeland region. Uvimba has leveraged European Union Funding to support the initiative. The three village

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Banks stand to support a minimum of 1000 direct beneficiaries in the Eastern Cape through the means of micro loans in livestock production, using the lending methodology developed by K-Rep this reporting period.

Standard Bank Leveraged Finance Division representative, Jacques Taylor has noted from K-Rep's research that there is a demand in rural areas for banking services- profit driven activities that can be marketed through credit to farmers.

- II. Ongoing training at Wittekleibosche, Koffiefontein, Dordrecht Dairy, CPAD, Kings Projects and Echoing Hills were expected.

Koffiefontein, Dordrecht Dairy and CPAD training has been concluded. Wittekleibosche Level 1 is complete. Echoing Hills was not accepted as a prospective client due to an unsuccessful application through the assessment tool. The Kings project business planning is in progress and will be carried out under the USAID funded cooperative development program post project close-out.

- III. A workshop was planned for the beginning of the quarter to support the MPO strategy to consolidate the production side of the industry in a way that is inclusive of emerging farmers. Two international speakers were expected, while a local speaker was expected to provide training on formation and initial management of member owned dairy producer businesses.

A series of three workshops were held and in Kroonstad, Delareyville and at the first South African hosted "All Africa Dairy Expo" in Parys. The workshop was recorded for post-project outreach, sharing and dissemination of lessons learnt for the benefit of MPO members and counterpart development institutions and government ministries.

2. Program Activities:

Consulting activities

Client and Business Development Service (BDS) Provider activities

Wittekleibosche

Level 1 training is complete and Level 2 will be provided under the USAID funded CDE budget. A challenge at Wittekleibosche has been to synchronize the schedules of stakeholders. As a result, Level 2 training will be conducted beyond the close of the MPO program, over a three month period.

Delindlala and Koffiefontein

Koffiefontein production has doubled since the start of LOL support to 290 liters per day from 38 animals in milk. The business has received a grant from the Chris Hani Municipality to the value of R250 000.00, which was allocated on the strength of their business plan. Concerns exist in terms of the level of preparedness of Koffiefontein to manage their business. The

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National Development Agency (NDA) has agreed to continue the support of a manager hired by LOL under the CDE program for at least another year in order to ensure that the business establishes itself firmly.

Dordrecht Dairy

As a result of Levels 1 and 2 support to Dordrecht, the value of product sold improved by 42% since commencement of Level 1. Profitability improved by 10%. After Level 1 was completed, records reflected gross mismanagement by the former CEO. The board of directors, despite improved sales and profitability were advised by LOL's BDS provider, Ronnie Du Plessis to close the plant as a result of a heavy long term debt burden on the balance sheet, caused by mismanagement of the business prior to LOL's involvement. Farmers are now in a position to consolidate new markets and intend to sell the production facilities to a third party who is expected to continue operations. An important confirmation of knowledge here is that, despite improved management, and an otherwise profitable operation, a weak balance sheet can threaten the viability of an apex organization. Dordrecht is a good case for future emerging/commercial partnerships to learn from. Zelda Venter, the manager of Dordrecht cheese has been hired by Research Solutions, the BDS provider which supported Dordrecht. Zelda will support other businesses through the knowledge that she acquired through participation in the MPO program.

Workshop-Cooperatives from the bottom up

LOL's mandate under the MPO program has not been one of co-op promotion, but rather, one of member owned entity support to reduce the risk to the industry of emerging farmer member owned entities from failing. Where such entities have found themselves at start-up, needing business planning, financial management training or guidance about business expansion options, LOL has supported and trained such business owners while refining a series of financial management training and governance training materials for sharing and dissemination.

In keeping with the program focus and a mandate of sharing and dissemination of lessons learnt, LOL conducted a training workshop in three locations. The groups who attended the workshops were identified by MPO. An impressive team of consultants successfully competed for the opportunity to address the three groups of producers. EG Nadeau of Cooperative Development Services (CDS), a co-op development specialist group from the United States who has international experience in understanding what makes co-ops work. Hylton Long of Puhlis Consulting presented a South African perspective of fiduciary, governance and registration requirements of different business models, including sole proprietorships, partnerships, closed corporations and cooperatives. Todd Thompson, from LOL in Zambia who's experience lies in Dairy, Agribusiness, co-op and company support in Africa presented the challenges and successes of other member run dairy businesses in Africa.

The workshops were in keeping with MPO's drive to provide education to its members about feasible ways to consolidate the production segment of the dairy value chain in South Africa. An important theme was to ensure that MPO member businesses survive while creating strategically real opportunities for emerging farmers in the dairy value chain.

Outreach at project close:

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The workshops were video recorded for sharing and dissemination purposes. The video content presents valuable input into the following areas;

- Profit driven as opposed to politically driven member-run dairy businesses;
- Guidance with business and feasibility planning for member run dairy businesses;
- Selection of an appropriate business model;
- Steps in forming a co-op (if this is the appropriate institution per case);
- Financial management in member run organizations;
- Sound corporate governance in member run dairy organizations;
- Lessons learnt from co-ops in East Africa and the United States;
- BEE in the dairy production industry.

MPO and the Free State University were presented with recorded copies of the workshop and will shortly be provided with the presented training materials. The Free State University has tacitly committed to introducing some of the materials in a non-academic management course presented by the Free State Business School. The material is also currently under consideration for the Agricultural Economics curriculum at the Free State University. Free State University was selected for their central location as well as their participation in writing a dairy member-run business manual on behalf of MPO.

In order to ensure a broad project reach, the video and supporting materials will, as a post project close-out activity be presented to the following organizations:

- The Registrar of co-operatives;
- The National Department of Agriculture
- The Sector Economic Development Association (SEDA)

Access to Credit

A full report detailing research methodology, findings, recommendations and conclusions by K-Rep Advisory Services is attached. K-Rep and LOL's credit research and development program results were presented to the following institutions;

Financial institutions

- First National Bank (FNB);
- Standard Bank;
- Ithala Bank;
- Uvimba Bank;

These institutions were selected on the grounds that they possess the capacity to administer loans to emerging farmers, that they possess the mandate to develop new and improved lending models to the market segment under study and that they were prepared to participate in a supply side survey.

Credit guarantors and business planning consultants

- SBS Consulting;

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- Khula Enterprise Finance;

SBS is a business development service provider who assists emerging enterprises with business planning and access to credit. SBS intends to expand their support to emerging farmers. Khula Enterprise Finance is a credit guarantor, operating nationally. Khula are now entering direct banking and intend to money directly to emerging farmers. An encouraging fact is that Khula has made an effort to contact their Limpopo representatives in order to identify credit supply opportunities to MPO members in that province. Khula's interest in supporting MPO's emerging farmer members has been a direct result from their exposure to the research and development project.

Groups representing borrowers

- MPO
- ORThafa Farmers' association.

MPO, according to The Dairy Mail Journal, registered a membership growth rate of 10% recently, predominantly incorporating emerging dairy farmers. ORThafa has received on going business planning support by LOL under the USAID funded Farmer to Farmer Program, and were instrumental in identifying member respondents in the demand side survey.

The K-Rep assignment, facilitated by LOL was successful in the following key areas:

1. Input into the development of a new lending model for emerging farmers in South Africa.

Early in 2008, FNB signed a DCA credit guarantee agreement with USAID South Africa. During that process, a representative from USAID South Africa encouraged FNB to invite K-Rep Advisory services to participate in the development of lending models to emerging farmers. The VEGA/SAAGA grant, supporting the sub-grantee was a timely co-incidence and an endorsement of LOL's decision to propose the involvement of K-Rep who had previously been established with the help of IESC under USAID funding in the past. According to Rick Dillon of FNB, the bank has used the findings discussed from the research to develop a new lending model for emerging livestock and dairy farmers in South Africa. FNB intends to test the model during 2008. **Loans that are to be provided to emerging livestock and dairy producers will exceed the MPO program target of R350 000.00.**

2. Input into the development of three new small bank branches.

Uvimba Bank is a development bank in the Eastern Cape. Uvimba administers a portfolio size of 953 emerging farmers with a loan book value of R40 million. Twelve percent of Agricultural loans are made to dairy and livestock producers. Uvimba are in the process of contracting K-Rep Advisory services, who will use the results of the survey administered under the current grant, to develop three village banks funded through a European Union development initiative. Raising client savings and providing intense client borrower training are recommendations that have been noted by Uvimba Bank, who, as a result will include a 6 month client training for prospective village bank clients in the Eastern Cape.

3. Input into the expansion of rural financial services.

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According to the research findings, Standard Bank is the market leader in this market segment. Survey findings have assisted Jacques Taylor of Standard Bank leveraged funds division to table the expansion of Standard Bank rural financial services in South Africa. The R&D report indicates clear cyclical habits by consumers to save money, as well as a consumer response to good and accessible banking services. According to Taylor, rural banking services are a lucrative business that the bank intends to use to underwrite loans to farmers.

Significant research findings:

The following are key, noteworthy findings shared with financial institutions:

- Livestock losses in rural areas are predominantly attributable to disease and not theft. Banking institutions had commented on the fact that they are often reluctant to lend to emerging livestock producers due to the risk of theft.
- Emerging livestock farmers indicated that they save cash, and intend to explore savings products. This contradicts opinions that raising savings among emerging farmers was a barrier to underwriting default risk.
- Borrowers often acquire personal loans as non-agricultural loans, yet they use the money to purchase livestock or livestock inputs. This is a clear indication of a market opportunity in terms of earmarked agricultural products to be managed as such as opposed to personal loans that may not be structured conductively to agricultural loan pay-backs.
- Most respondents expressed that they had experience paying loans back to lenders.
- Commercial banks dominate the market segment, and not development banks with relaxed lending terms such as subsidized interest rates.

Significant Partnerships

The following partnerships were nurtured throughout the life of the program in an attempt to leveraged sustained support to project clients beyond program close-out:

Business Development Service (BDS) Providers

Farm Vision, Research Solutions, Luyanda Ngoma, Zandisile Jack provided 6 representatives, most of whom received training on curriculum Levels 1 and 2 before being awarded the opportunity to present these well thought out materials to project clients. These service providers have played a key role in the training of member owned dairy businesses under the MPO program. The rationale behind their inclusion in the project has been to develop their capacity to provide outcomes focused member owned agribusiness training in their businesses moving forward. It is anticipated that they are well equipped to add value to the clients that they serve moving forward.

Promotion of Rural and Urban Livelihoods Program (RULIV)

RULIV is an NGO financed by the office of the Eastern Cape Premier, and initiated by the German Development Agency (GTZ). Their development mandate is to promote a more

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prosperous life for the poor through productive use of capital assets. LOL has played a supportive role to RULIV, by providing Financial management training to mutual clients at Koffiefontein, Delindlala and Dordrecht Dairy. RULIV continues to facilitate stakeholder support to these three clients and expect to sustain their support through the next two years.

Chris Hani Municipality

Notwithstanding the fact that land and capital grants on their own are seldom successful means to support emerging co-ops in South Africa, the district Municipality of Koffiefontein has provided a grant to the value of R250 000.00 to Koffiefontein farmers' co-op on the grounds of the training received, their strong business plan and the appointment of a resident manager by LOL under the CDE program. Management of these funds for is underway.

National Development Agency(NDA)

NDA has undertaken to take over the payroll for the manager at Delindlala and Koffiefontein for the period of one year till such time as the two entities are able to pay the manager's salary from operations. NDA has provided a grant of R450 000.00 for the implementation of Delindlala's work plan to profitability. LOL is in the process of revising M&E indicators on behalf of NDA for the monitoring of their continued support of Delindlala.

Southern African International Business linkages program (SAIBL)

SAIBL supported the identification of respondents to the supply and demand finance sector analysis conducted under the program. Client groups have duly been made aware of SAIBL II and their potential benefit to the marketing of their products.

Free State University

In order to ensure that a reputable training institutions was afforded the opportunity to train stakeholders in the dairy industry on member run livestock and dairy businesses, MPO Managing Director requested that LOL visit the university of the Free State to assess a manual that will be provided to MPO for its members seeking to form or receive training on governance and management. LOL evaluated the option of taking this further by sharing additional relevant materials with the business school and Agricultural Economics Faculties. Materials presented in the closing workshop of the program were shared with the University and are expected to be included in their course materials.

3. Program Progress

Clients and BDS Providers

The following is a table of clients under the program with their respective training status and BDS Providers.

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Clients, BDS Providers and Client Status:

Client Name	Location	Training Status	BDS Provider
Dordrecht Cheese	Dordrecht Eastern Cape	Level 2 in complete	Research Solutions
Seven Stars/NUCO	Keiskama Hoek/Alexandria Eastern Cape	Level 2 complete	Farm Vision
Coromandel	Nelspruit Mpumalanga	Recommendations made, no MPO program training	Did not participate
Lambasi	Lusikisiki Northern Pondoland	Recommendations made, no MPO program training	Did not participate
Wittekleibosche	Tsitsikama	Level 1 complete	Zandisile Jack/ Lieb Venter
Koffiefontein	Dordrecht	Level 1 complete	Luyanda Ngoma
Delindlala	Dordrecht	Level 1 complete	Luyanda Ngoma
Maluti Project	Qua Qua	Attended final Work-Shop	Did not participate in financial management training
Kopanang Study group	Kroonstad	Assessment tool applied Attended final Work-Shop	MPO Mentor MPO Mentor
Syferlaagte- and the Siyaya	North West Province	Assessment tool applied Attended final Work-Shop	MPO Mentor
Jan Scheepers	Delareyville	Assessment tool to applied Attended final	Hezekiel Matlamela

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		Work-Shop	
Kings Projects	Polokwane	Assessment tool complete, business plans in progress	Lieb Venter
Echoing Hills	East London	Assessment tool complete; will not participate.	
CPAD Farm Holdings	Humansdorp	Level Two in progress	Lieb Venter

King's Project and CPAD Farms will not be completed under the scope of this program. However, the MPO together with LOL undertakes to conclude assistance to these groups beyond the time frame of the current project.

4. Constraints and Issues

4.1. Program/Activity Constraints and Issues:

USAid intervention and commitment brought a renewed optimism amongst the rural bound emerging farmers. To discontinue programs after the years intervention, can do more harm than good. Manpower is needed to be constantly visible in areas of involvement. It will be tough to manage any withdrawal regardless of who the MPO and or LOL as organizations might be. The emerging market will see all efforts as failing them as a community.

Lack of funding, current water problems in the region, high food prices, the inability of government to live up to their promises and unstable neighboring countries are only a few of the challenges that move the focus of the people. Visibility become a motivational factor that people and organizations do care and that they are serious in uplifting the poor and the eradication of poverty

Scheduling of time with trainees and trainers has been a challenge, bearing in mind that BDS Provider and dairy clients alike run tight scheduled businesses. Some activities have not been concluded under the program due to unforeseen challenges. The MPO will revert to a manageable level of involvement in supporting of identified projects and LOL will conclude outstanding activities under the USAID funded CDE program.

4.2. Management/Administrative Constraints and Issues:

Monitoring and evaluation has been a constraint under the program in terms of resources required to support both MPO and LOL in assessing results versus plan on a monthly basis. Program staff have carried out this activity in the absence of supporting resources.

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5. Results vs. achievements through the life of the project:

In cooperation with LOL and consultation with VEGA/SAAGA, dairy producers as program target clientele were expanded to incorporate livestock and dairy for the purpose of access to finance. The expanded definition was for the finance research and development activity only, although a limited number of non dairy livestock producers were included in training. The broadened client definition was tabled with the inclusion of the SAIBL 1 project as a teaming partner in research and development into finance models.

LOL management carried out client evaluations by applying the project management plan (PMP) definitions of key indicators along with a client assessment tool. LOL Scope of Work specified two deliverable categories, namely Dairy Cooperative Development and Financial Services.

Milks sharing paying dividends

The milk sharing scheme really is becoming one of the success models within the industry. Not only do e-farmers into commercial farmers but are the progression such that farmers apply to be listed on the Milk Business information System.Inc (MBISI) The body emphasizing quality control and a higher participation of herds in the industry providing information on somatic cell counts-used to monitor the udder health per animal and also to determine and monitor the status of the herd, accordingly give an indication of milk machine function. Addressing problems earlier results in better quality milk being delivered to buyers reducing processing costs and increase in milk prices for producers. In 2003 only 1 e-farmer have been registered today 30 farmers are registered representing 747 herds and 140 800 cows.

A summary of key results achieved:

Dairy Co-op Development

LOL trained 11 co-ops and SME's as against a plan of 10.

125 Individuals were trained in the fields of financial management and corporate governance as against a plan of 100.

The value of raw milk, pasteurized milk, maas, cheese, and juices of fruit increased by 42% as against a plan of 15%, largely owing to the contributions of Koffiefontein and Dordrecht Dairy's improved management this period.

Financial Services

LOL facilitate the development of a financing model for emerging dairy and livestock producers.

As a result of improved record keeping, technical training and support, MPO supported the signing of at least one finance agreement estimated at 1.2 million Rands as against a plan of R350 000.00.

Two finance agreements were targeted, which, post close-out are expected to be exceeded. Due to FNB's commitment to using research findings to develop a new lending model that will incorporate dairy and livestock.

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Net change in private sector employment is conservatively stated as 45 jobs secured as against a plan of 20.

The volume of commodities sold increased by 10% against a 15% target.

Enquiries from the Kopanang, farmers study group, 19 strong, in Kroonstad representing more than 120 farmers in the district are currently busy to register a coop. The training workshop on coop forming was presented to them. The Dept of Agriculture provides the necessary assistance under leadership of Mr Piet Van Wyk.

Dairy Enterprise Development

MPO have conducted 80 five day courses against a planned 35.

One day courses presented were 32 and the total individuals being trained were 2268 of whom 795 were women.

234 Agric Firms (Land and cattle owners) benefited directly from the training against a planned 108 of whom 69 were women. That is 29.4%

1347 individuals received significant skills and knowledge

M@E results have shown that milk production on average per cow have increased between 15 and 70% due to better animal care. Farmers like Cletta Moloji, Daniel Motsoneng en Ephraim Mbele in Qwa Qwa produces more than 9/liters/day

Uvimba Bank has committed to the development of three village banks, using the program research findings, and K-Rep Consulting Services time to develop the business plan and training program.

All seven finance institutions presented with findings have made a tacit commitment to using the research and development findings to hone and improve their lending practices to the market segment under study.

All negotiations does have in some way influenced financial institutions as in the share milking schemes in the Eastern Cape the Grassland Development Trust with 49 beneficiaries bought a farm with funds that it partly received from the Land Redistribution for Agricultural Development (LRAD) programme. LRAD contributed 35% of the cost of the farm through grants and 65% was covered by a loan from Standard Bank. Trevor Elliot mentor and commercial farmer helped to establish the trust

Dairy Enterprise Development

More than 2268 jobs have been sustained in the industry clearly better qualified and sought after by the commercial farmer and even more by the established emerging farmer .

359 new jobs have been created but cash flow problems and lack of farming capital resulted in job losses again. A lesson learned is that farmers do not even attempt to employ if they cannot pay. It was estimated that 400 new jobs would be created

Petrus Ngunduza Nort West Province is a farm owner, farms only 5 cows, produces 30litres /day but employed 2 people. Use 8litres /day to feed calfs and earning R3000 month from milk production Average milk price R3.50. Employed 2 full time workers.

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enables them to sell 90% of the production and earning between R6000 and R8900 / month on their milk sales. They sell daily to Nestle one of the major milk buyers in South Africa. Farmers who sell milk in the community charge as much as R5/litre. E-farmers doing business in the commercial market also have current accounts at local banks whereas sellers to the locals still prefer their houses as safety banks for their.

In the North West province 8 farmers have been evaluated, all doing well. Milk production between 20 litres and 350 litres /day. All have own banking accounts. On At

Syferlaagte farm 10 new jobs have been created and two managers Martin Kgele and K Mothling employed. Milk 24 cows producing 350 liters a day.

Silimbola farms 20 cows producing only 40 litres /day and selling at R3.50. He farms on the old traditional system

Farmers visited in the Northern Limpopo Province is not that fortunate with their milk production and or sales. With an estimated 400 villages in area and 40 cattle per village there is almost 16000 cattle. Cows give between .5 litres to 2litres /day . Not good quality and prices of R4.50/l. Focus on animal husbandry and care. Selling animals to local commercial farmers from time to time in dry seasons

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6. Conclusion and lessons learnt

BDS Provision by independent contractors

In the interest of client sustainability and outreach beyond the life of the project, the use of self-employed business service providers has shown the benefit of service level capability building. BDS providers will now possess the skills and capacity to continue to train dairy and livestock clients to manage their member-run businesses for profit. Having worked for a reputable organization such as LOL has certainly increased the marketability of these BDS providers and their businesses.

The disadvantage of contracting service providers is that it adds complexity to project scheduling. BDS providers are for-profit consultants and trainers, who, as opposed to hired project staff, conduct other business, servicing a large clientele. Competent BDS providers tend to be busier than others, so therefore, in order to contract the best people, planning in advance is required.

Number of clients trained, client selection and counterpart organizations

In order to earn buy-in and support of dairy and livestock clients in a short period of time, points of entry into communities have been important. LOL has adopted a teaming approach to SME development. Time taken to nurture relationships with clients has often had a negative bearing on the time available to convey the benefits of training and to conduct the training. This issue posed a threat to the number of potential clients to be trained. In order to overcome this issue, a lead stakeholder was appointed at the service level. The lesson learnt is that emerging farmers were often reluctant to reveal other sources of economic assistance. The reason for this appears to have been a fear of mutual exclusion and therefore, the withdrawal of a stakeholder who may suppose that they are duplicating support. LOL has encountered potential teaming partners through service level research, and seldom through client SME and Co-op recommendations. LOL's strategy has been to identify counterpart supporting institutions. Once identifying other organizations working with mutual clients, resource sharing, capacity building and sustained leveraged support beyond the life of the program were preferred when selecting clients.

Financial services

A lesson learnt has been that the competitive space of financial institutions is risk management. LOL was challenged to include more than one commercial institution in the finance lending model research. This enabled the findings and data to be the national property of financial institutions seeking to assist emerging SME's and co-ops, in the interest of these SME's and co-ops. LOL mandate was not to reinforce any specific financial institution's competitive advantage. Competition in the emerging farmer market space appears to be key in the continued debate around key characteristics of successful lending models.

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Indirect project achievements beyond scope

In addition to results tracked on the attached monitoring and evaluation table, the following project benefits are noteworthy:

- Administration by VEGA/SAAGA and the now mature relationship between LOL and MPO has turned the attention of training in the Agricultural SME sector to a more quantitative outcomes approach.
- The concluding workshop available on video will add value to the academic support and service support levels to member run businesses in emerging South African Agriculture.
- The benefits to borrowers from the three new village banks in the Eastern Cape will strongly support USAID's broader economic growth objectives in South Africa.
- Land reform is key to the success of Southern African Agriculture. Better performing member run Agribusinesses will ensure a more stable and less politically volatile rural landscape, in keeping with USAID's economic growth policy.

Decline in commercial milk producers Bee farmers more

Commercial farmers in the industry declined from 4400 four years ago to 2900 in 2007, but the numbers of emerging farmers increased and BEE farmers joining MPO as members have risen to 150 in the last four years.

Interns for all projects

Skilled trainers are rare and not easy to find. The MPO have lost two of the stalwarts in the program. Frans Dibete project manager to Rampiergierfontein Goat project, where he managed 19 committed workers left to accept another position where income is stable. Lucas Chauke one of the highly educated trainers of the MPO sadly died after a short illness. The lesson learned is that mentors ,trainers managers need to train interns for the future to continue the work started as this seem like a task for the next two generations.

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QUARTERLY PERFORMANCE REPORT

Period: January – March 2008

2nd Quarterly Fiscal Year 2008

Submitted by Subgrantee: Cape Regional Chamber

Subgrantee Agreement Number: 10870

Project Manager: Brian E. Adams

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1. EXECUTIVE SUMMARY (Brief overview / highlights of where the program is)

- 1.1 Program name
 - 1.1.1 Integrated Small Business Development Programme (iSBDP)
- 1.2 Brief overview of basic goals
 - 1.2.1 To assist SMME owners to consolidate their business, identify new opportunities and develop business growth plans and through a structured mentoring process, to set up implementable plans for immediate action
- 1.3 Overview of basic activities of the program
 - 1.3.1 Training and Mentoring of 120 Business Owners
 - 1.3.2 Training and Oversight of 30 Mentors
 - 1.3.3 Strengthening Partnerships with other SMME Development Agencies
- 1.4 Key successes and results of note
 - 1.4.1 Since start of program we have employed key staff and set up all the administration aspects of the programme, developed and implemented an advertising and promotion strategy.
 - 1.4.2 Recruited and selected suitable SMME owners for all six of the scheduled programs.
 - 1.4.3 Recruited and appointed suitable mentors to mentor the SMME owners
 - 1.4.4 Completed all training activities with all six scheduled groups.
 - 1.4.5 All SMME owners are in the final phase of receiving mentoring assistance from appointed mentors.
 - 1.4.6 Hosted 2 Volunteer Experts (VE). Tom Tschetter (36636) conducted workshops on Finance and Accounting for SMMEs, whilst BJ Shannon (36635) conducted workshops on Sales and Marketing for SMMEs.
 - 1.4.7 Hosted an inspiring Networking and Certification Ceremony for all iSBDP participants and stakeholders
 - 1.4.8 Started with visits to participants to collect monitoring and evaluation data that will show impact of program
 - 1.4.9 Started a process to capture on video what participants are saying about program – will be completed in next quarter.
 - 1.4.10 Held meetings to explore sustainable options for iSBDP with potential funders, e.g. Small Enterprise Development Agency (SEDA) and Western Cape Provincial Government Enterprise Development Office.

2. PROGRAM ACTIVITIES (Detail what activities have taken place over the past quarter Jan-Mar)

Detail outputs and program activities which have taken place during this quarter.

Stakeholder consultation and planning

- Continued with interaction with key SMME development stakeholders from government, NGOs and corporate sectors in order to promote program. We have an in-principle go-ahead for two programmes (40 participants) from Small Enterprise Development Agency (SEDA) and Western Cape Provincial Government Enterprise Development Office in a joint funding initiative.

Monitoring and Evaluation (M&E) Planning

- Continued with gathering M&E data by contracted M&E specialist and other staff members. The contracted M&E specialist has had contact with VegaSaaga staff and USAID M&E consultant in this regard.
- Implemented the capture of baseline data from SMME owners submissions
- Started with analysis of data showing impact of program

Mentoring of SMME owners

- Mentors continued with their one-on-one mentoring sessions with SMME owners
- Mentors assisted in gathering certain data from SMME businesses for Monitoring & Evaluation processes
- We piloted a peer-mentoring / group mentoring session in addition to one-on-one mentoring.

Training of SMME Owners

- All group training activities were completed in previous quarter

Feedback from participants

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Gauging from one-on-one M&E interviews with SMME owners it is very clear that they have benefited immensely from the program (the following are just some snippets – also see success point 6):

- The iSBDP made me aware that no one business is unique in the struggles they face. It taught me to look at the challenges from a different angle. I needed to capture the Goals and Mission statements in black and white, have it structured and not run around with it in my head.
- I realised that if I wanted to sell the business in a few years time, I had to build it as an asset. I needed to implement structures and systems that will allow the business to operate as a separate unit.
- Adrian Gill's wife after first day of iSBDP Training: "He kept me up all night talking about the programme. He did not want to go sleep. I am amazed as he left that morning with no zest and being utterly depressed but came back completely changed. He experienced a 180 degree turnaround change in his outlook on business and life".

3. PROGRAM PROGRESS

3.1 Status of Program Objectives

We completed all group training elements of program. One-on-one mentoring activities are still continuing as well as M&E data collection on impact. Preliminary data analysis shows that objectives of program are being met.

3.2 Planned Activities for Next Quarter

3.2.1 Mentor training and reviews

- Assess mentor progress as per monthly reports and SMME owner feedback
- Conduct end of process evaluation meeting with all mentors

3.2.2 Mentoring

- Continue with mentoring of SMME owners

3.2.3 Monitoring and Evaluation (M&E)

- Collect, review and analyse data from interventions with SMME owners and compile detailed M&E reports
- Assess impact of programme on SMME owners from M&E data collected

3.2.4 Success Stories

- Research, assess and write-up success stories from programme for publication and dissemination to various stakeholders
- Complete shooting, editing and packaging of a short video film (DVD format) of success stories and impact of iSBDP programme to promote the project to current and alternative potential donors

3.2.5 Develop 'iSBDP Operations Manual' capturing methodology, training materials, best practices and lessons learned which will allow easy follow-on, as well as replicability of the iSBDP program

4. CONSTRAINTS AND ISSUES

Program / Activity Constraints and Issues (Discuss any constraints / challenges which may be hindering the overall program progress or specific activities. Discuss any steps which have been put in place to overcome them).

A challenge we have been facing in the last quarter has been the ongoing challenge of gathering reliable information from SMME business owners. The South African summer holiday season as well as the time involved in working through all the M&E questions with each SMME owner has been major factors hindering the process.

We were able to make the data collection on impact of programme one of our main focus areas during the last quarter and have sufficient data to do a proper analysis on impact of programme

Management / Administrative Constraints and Issues (Discuss any management / administrative issues and challenges which may be impacting on the running of the program. Discuss any steps which have been put in place to overcome them).

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As mentioned above we reassigned staff resources to help us gather the outstanding impact data. The no-cost extension period that was approved is also giving us the required time to complete all outstanding aspects of the program.

5. **OPPORTUNITIES** (Discuss any opportunities which have been identified which may enhance the programs progress. Discuss steps taken to harness them):

We are fortunate that the program has the support of key stakeholders and the SMME owners who participated are raving about its impact as can be gauged from anecdotal stories received so far. There is talk about making the programme an annual feature in SMME development in Cape Town and with this in mind we have in-principle approval of monetary support for two programs from SEDA (The Department of Trade and Industry's national SMME Development Agency). With the collection of impact data and making of promotional video (in the next quarter) we hope to approach a number of other funders for monetary and other support to continue the iSBDP programme so that many more SMME owners can have access to development opportunities.

6. **SUCCESS STORIES** (Discuss any significant people-level successes which have been achieved as a result of the program):

6.1 Adrian Gill - Mr Quick Exhaust and Tyre fitment Centre

Adrian ran a Mr Exhaust/Mr Tyre – an undercarriage fitment centre (fitting tyres, ball joints, exhaust, automotive components) in Goodwood with a partner for about 3 years – his sales increased but so did his overheads. With overheads of R180 000 and the business only turning over R 60 000 they were heading for disaster – in addition to this his partner was taking out more and more out of the business. He then bought his partner out and was saddled with a much bigger debt.

A few of the major challenges he faced in his business before he attended the iSBDP program were: Huge debt, shrinking market at his business location, not being able to control and manage the business, shrinkage, lack of self confidence and many sleepless nights.

The program gave him a total different outlook on life and business. It helped him to implement management accounts and to interpret and understand it. He learnt how to handle and control his staff better. He also learnt that to get more out of them he had to involve them in the business and keep them informed of targets.

As a direct result from attending the program Adrian scaled down operations to a smaller workshop in a different part of town with two employees. Sales have picked up and grown steadily over the past few months and he also started calling on corporate clients to sell his services as a package option.

Adrian ascribes the fact that he has matured, is not rushed, is able to handle himself better when interacting with clients in pressured situations and being more customer friendly as direct benefits gained from the program. He as a matter of course, now, sets targets for himself and staff and evaluates these on a weekly basis. He is very happy that he gets much more out of his staff as a result of his new approach to business. In addition Adrian has added a few new services – reconditioned ball joints, light mechanical work, CV Joints, etc.

Adrian's advice to his business associates is they must first attend the iSBDP as it will give them the right guidance and allow them to evaluate their business effectively. He says that he had all the technical knowledge about his business industry but knew little on how to manage and control his business. The iSBDP gave him the confidence and tools to restructure and slowly but surely chip away at his debts. He also has a number of new plans up his sleeve. He also says that the program gives business owners the right tools to improve the running and management of their business and will pull them out of whatever slump they may find themselves in.

Adrian is currently opening up a second workshop where he will only focus on the undercarriage of vehicles. This outlet will concentrate on the mechanical side. He further wants to franchise the business and make it available to new entrants in the field of owning businesses. He is also thinking of starting an academy where he will teach youngsters the skill required to perform all duties within the fitment centre industry.

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7. PERFORMANCE INDICATOR TABLE (Insert your performance indicator table and provide a narrative on how the activities of the program have assisted in meeting the USAID performance indicators:

Indicator	Target LOP	Achieved as at 31/12/07	% at end of project	Note
Number of people trained	Total = 150 ▪ 6 courses x 20 participants = 120 ▪ 2 VE Courses (2X15 = 30)	Total = 148 ▪ 90 ▪ 58	Total = 99%	
		Female = 77 (55+22) Male = 71 (35+36)	52% 48%	

Explanatory notes to data below

Participants were asked to report on their monthly sales for each month since starting to participate in the iSBDP program. These monthly sales figures were converted into monthly averages and then compared to the average monthly sales reported before the program. Numerous attempts were made to get sales data from all participants at iSBDP events, via phone calls and through some business site visits. In the end 31 participants provided detailed post-iSBDP sales information. As is the case with many small business support agencies, it is often difficult to get potentially sensitive financial information from participants

While it is good to see increases in sales during and after the iSBDP programme, the team think that positive sales changes due to the intervention would usually be more noticeable over a longer timeframe; perhaps 18-36 months after changes were implemented in participating businesses. The iSBDP programme is not claiming that it is the main cause of these sales increases (programme attribution). This descriptive data is reported in accordance with the agreement with USAID.

Value of local sales pre and post iSBDP

Number of businesses for which we have available financial data = 31

Average actual monthly sales of sample (36%) pre iSBDP	R 109,557	
Average actual monthly sales of sample (36%) post iSBDP	R 164,133	50% increase
Total actual aggregate monthly sales of sample (36%) pre iSBDP	R 3,396,260	
Total actual aggregate monthly sales of sample (36%) post iSBDP	R 5,088,112	50% increase
Total est.* aggregate annual sales of sample (36%) pre iSBDP	R 40,755,124	
Total est.* aggregate annual sales of sample (36%) post iSBDP	R 61,057,343	

	Total No.	%	No. F	% F	No. M	% M	No. HDI	% HDI
Population demographics	88	100%	53	60%	35	40%	65	74%
Sample demographics for this question	31	36%	18	56%	13	41%	22	69%

(HDI = Historically Disadvantaged Individuals)

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Value of sales increase or decrease in average monthly sales

		% of sample		% of category		% of category		% of category
Changes in average monthly sales	Total No.	%	No. F	% F	No. M	% M	No. HDI	% HDI
Sample demographics	32	100%	19	59%	13	41%	22	69%
Increase in value of average monthly sales	20	63%	13	68%	7	54%	12	55%
Decrease in value of average monthly sales	12	38%	6	32%	6	46%	10	45%

Number of local sales - increase or decrease in average monthly sales

		% of sample		% of category		% of category		% of category
Changes in average monthly sales	Total No.	%	No. F	% F	No. M	% M	No. HDI	% HDI
Sample demographics	9	100%	5	56%	4	44%	5	56%
Increase in no. of average monthly sales	7	78%	4	80%	3	75%	4	80%
Decrease in no. of average monthly sales	2	22%	1	20%	1	25%	1	20%

Explanatory notes to FTE employment changes (see table below)

The participants were asked to report on number and category of employees for each month since starting to participate in the iSBDP course. Employee data captures number of full time employees; number of part time, temporary or casual staff; and number of unpaid family members (in-kind payment). The information for the latter two categories includes the average number of days worked per month for people in these categories. Then Full Time Equivalent (FTE) employment is obtained by adding full time employees to a calculated FTE sum for employees in the various other categories. The total pre and post FTE employees from the sample were then divided by 47 to get average monthly FTE employment.

The results show that overall employment decreased marginally. A decrease in employment is not necessarily a bad thing. Mentors often recommend cost cutting and efficiency measures which may include staff reductions or utilising staff in different ways. Much like the comment made under sales, the iSBDP team think that positive employment changes due to the intervention would usually be more noticeable over a longer timeframe, perhaps 18-36 months after changes were implemented in participating businesses. The iSBDP programme is not claiming that it is the main cause of these employment changes (programme attribution). This descriptive data is reported in accordance with the agreement with USAID.

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FTE employment changes

		% of sample		% of category		% of category		% of category
Changes in FTE employees	Total No.	%	No. F	% F	No. M	% M	No. HDI	% HDI
Sample demographics	47	100%	26	55%	21	45%	35	74%
Increased FTE employees	21	45%	15	58%	0	0%	16	46%
Decreased FTE employees	23	49%	10	38%	13	62%	17	49%
No change in FTE employees	3	6%	1	4%	3	14%	2	6%

Specific business improvements

		% of sample		% of category		% of category		% of category
Specific business improvements	Total No.	%	No. F	% F	No. M	% M	No. HDI	% HDI
Sample demographics	51	100%	31	61%	20	39%	38	75%
a. Improved cash flow or cash flow management practices	38	75%	23	74%	15	75%	30	79%
b. Reductions in costs to increase profitability	29	57%	17	55%	12	60%	22	58%
c. Reduced long term liabilities or loans repaid	16	31%	11	35%	5	25%	13	34%
d. Improved record keeping	37	73%	22	71%	15	75%	27	71%
e. Improved planning	42	82%	26	84%	16	80%	31	82%
f. Innovations in the business (in products, services or business processes)	32	63%	20	65%	12	60%	26	68%
g. Business is more formalised overall	35	69%	21	68%	14	70%	27	71%

Specific business improvements

These types of business improvements represent some of the most important kinds of changes the iSBDP programme wants to initiate. They are also areas where short term changes are easier to see than in sales and employment. So these reported improvements are very significant indicators for the Cape Chamber that the programme is having its intended positive effects.

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Subgrantee: Cape Regional Chamber
2007/8 Implementation Plan for iSBDP

	1 st Quarter			2 nd Quarter			3 rd Quarter			4 th Quarter			Jan
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
1. Programme appointment and pre-planning													
▪ Review and assess SMME development needs													
▪ Analysis of previous evaluations to produce lessons learned which will form the basis of the design of the current programme													
▪ Confirm programme work plan, establish timelines and begin implementation of programme													
▪ Confirm allocation of human resource requirements within specified programme													
▪ Redesign previous programme application forms for prospective SMME owners and mentors participating in programme													
2. Marketing and promotion of programme													
▪ Development of database of stakeholders from government, NGOs and corporate sectors													
▪ From database assess marketing target groups and messages to be transmitted													
▪ Establish a clear marketing strategy for the programme													
▪ Design marketing and communication material on the basis of the above assessment													
▪ In-house design and development of appropriate advertisements for various media, e.g. Cape Times, Big News for Small Business and regional community newspapers													
▪ Distribute printed brochures in line with marketing strategy													
▪ Dissemination of programme information via email campaign to target groups, e.g. PetroSA, SEDA, Red Door, local municipalities, etc.													
3. Stakeholder consultation and planning													
▪ Establish email and telephonic contact and set up meetings with stakeholders to present programme, i.e.: - promotion of programme through stakeholders' own networks and database - identify and secure suitable training venues to present programmes - identify suitable mentors for programme													
▪ From stakeholder database collate and identify potential SMME owners / participants													
▪ Conduct one on one meetings with stakeholders where mechanisms are agreed upon whereby stakeholders will promote programme to prospective SMME owners													

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Planning
Implementation
Reporting

	1 st Quarter			2 nd Quarter			3 rd Quarter			4 th Quarter			Jan to May
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
7. Mentoring of 120 SMME owners													
▪ During and after training, mentors will assist the business owners to implement learnings													
▪ Mentors will visit SMME business owners over an 8 month period													
▪ Mentors to submit quarterly reports on each business owners' progress to the programme manager													
▪ Programme manager will conduct quarterly review meetings with all mentors to assess progress													
8. Monitoring, evaluation and reporting on programme													
▪ Regular consultation with programme team to assess and evaluate implementation processes													
▪ Review of report forms submitted by trainers, mentors and administration staff													
▪ Evaluate reports mentioned above against set targets, such as attendance, mentor visits to SMME owners and evaluation forms completed by SMME owners													
▪ Make recommendations to improve processes and overall programme													

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USAID VEGA SAAGA

QUARTERLY PERFORMANCE REPORT
PERIOD: 1 JANUARY – 31 MARCH 2008

SUBMITTED BY SUBGRANTEE: BSSA
SUBGRANTEE AGREEMENT NUMBER: 10869

PROJECT MANAGER: ELIZE BEZUIDENHOUT

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QUARTERLY PERFORMANCE REPORT 1 JANUARY TO 31 MARCH 2008 THE BUSINESS SKILLS FOR SOUTH AFRICA FOUNDATION (BSSA) SUBAGREEMENT 10869

1. INTRODUCTION

BSSA is running a one year programme which aims to build the knowledge and skills of business development service (BDS) providers in three provinces i.e. Eastern Cape, Free State and Mpumalanga. The programme targets 25 BDS providers per province and the overall aim is to capacitate them so that they could provide quality and relevant support to their clients – small, emerging entrepreneurs.

2. PROGRAMME ACTIVITIES

In the previous report it was mentioned that learners in all three provinces had requested refresher training, including especially the Build a Better Business (BBB) course. This was offered in December and learners were requested to administer the BBB toolkit to their personal clients during the Xmas break.

Classroom training

During January all three groups presented the findings of their fieldwork for one day. This was followed by a second day during which weaknesses which were manifested during the reporting, were addressed. On the third day a certification ceremony was held (i.e. on 18 January in the Free State, 24 January in Mpumalanga and 30 January in the Eastern Cape).

Certification

According to the South African Qualification Authority (SAQA), learners may not be given certificates of competence unless they have been formally assessed by qualified assessors, followed by formal moderation. It was thus decided to give all learners who had completed the PROCESS training programme a certificate of attendance. The occasion would also be utilised as a networking occasion, with special attention to opportunities in the market for learners who received certificates.

Local stakeholders were invited to the certification ceremonies. Stakeholders who attended included representatives of local **seda** branches, Khula, Umsobomvu Youth Fund, Business Place, Chambers of Commerce, local banks, development corporations, SAB Miller and other SMME support institutions. All these representatives indicated to the “graduates” that they could sell their services to clients of the organisation in question.

Group counselling

BDS providers who wish to be assessed against one or more of the unit standards of the National Certificate in Business Advising (No 48886) need to submit a portfolio of evidence (POE) of the required learning outcomes (competencies). Since none of them had attempted such a POE before, they were all given the opportunity to attend a group counselling session in which SAQA requirements for a POE were discussed, and BSSA provided each learner with a proforma POE. Since per diems had not been budgeted for these sessions, they were offered nearer to learners' businesses i.e. in Mangaung, Botshabelo and Thabanchu (Free State); Nelspruit and

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Middelburg (Mpumalanga) and Port Elizabeth and Queenstown (Eastern Cape). At each venue the details of putting together a POE were dealt with in a group, followed by individual sessions with each learner. Learners indicated which unit standards of the qualification they wished to target and they were advised about competency evidence still lacking, or inadequate (test results and fieldwork assignments could be submitted). Each learner drew up a list of evidence still missing for the unit standards they had selected.

Results

Most of the learners were being assisted to prepare a POE for assessment, which had not been completed during the period under review. 11 learners did, however, complete their POEs and handed them in for assessment.

3. PROGRAMME PROGRESS

Status of programme objectives

As discussed in the previous report, two private sector productivity indicators have been selected as relevant i.e.

- I. the number of firms receiving USG assistance to improve their management practices (i.e. **number of BDS providers assisted through this programme**).
- II. type and duration of training skills interventions implemented (under this heading we have included **people trained and estimated numbers of SMMEs they are, in turn, working with**)

Indicator 1

The comments in the previous report are also applicable to the period under review. In the table below the numbers present at the beginning of the programme are given (June 2007), followed by numbers present during the last formal training session of PROCESS (November 2007). The two additional indications are, as emphasized before, first those learners present during the additional intervention (10 – 14 December) which was an additional voluntary activity, followed by the last group who wish to prepare portfolio's of evidence (POEs) for formal assessment and attended the sessions in February and March 2008.

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	Location		
	Free State	Eastern Cape	Mpumalanga
Original target numbers	25	25	25
Numbers at the beginning of the programme (i.e. at the beginning of BBB June 2007)	35	40	30
Numbers present during the last training (i.e. Enterprise rehabilitation 19 – 23 November 2007)	27	22	21
Numbers present during the additional intervention (10 – 14 December 2007)	25	11	15
Numbers present during the counselling sessions (February and March)	17	13	12

Indicator 2

Each BDS provider attended the feedback on the additional Build a Better Business programme (BBB) followed by the certification ceremony. Thereafter a group of providers were assisted in a group counselling session followed by an individual advisory intervention on POE.

	Free State	Eastern Cape	Mpumalanga
BBB feedback and reinforcement of learning points (January 2008)	21	11	6
POE group counselling and individual advisory sessions (February – March 2008)	17	13	12

As regards the number of SMMES benefiting, the comments in the previous report still apply. Apart from the average of 1050 SMMES benefiting by September 2007, a further 840 benefited from the 42 learners remaining in the programme by 31 March (42 BDS providers saw five (5) clients per month for four (4) months).

Volunteer expert activities

As the previous volunteer expert had not delivered the support which had been expected, Vegasaaga made another expert available from 25 February to 15 March, i.e. John Anderson. The latter worked again with a BSSA

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counterpart and they developed the Export materials as originally envisaged. On 14 March the BSSA trainers (as well as a few other stakeholders) were put through a one day workshop. The packaging of the material according to BSSA's experiential learning methodology is still being completed.

Planned activities

All that remains to be done in the programme is for learners who wish to be assessed, to submit POEs. Each learner will receive a letter during the next month to confirm that a Portfolio of Evidence (POE) has been received, or to remind them of evidence still to be collected.

4. CONSTRAINTS AND ISSUES

Programme activity constraints and issues

Commitment

Previous comments in this regard are still relevant. Lack of commitment was again evidenced in learners' tardiness in completing their POEs. BSSA will send out final letters as pointed out above.

Management/administrative constraints and issues

None were experienced.

5. OPPORTUNITIES

The graduation ceremonies proved to be highly successful i.r.o unlocking opportunities in the market for the BDS providers. Stakeholders such as *seda*, Business Place and the Umsobomvu Youth Fund made presentations indicating that they would utilise the services of successful graduates, since they were impressed with the breadth and depth of the programme.

6. SUCCESS STORIES

- I. In October 2007 learners were asked to give feedback on their experience of the course to date and to specify what they had implemented in their own businesses. Hlengiwe Christabel Dlodlu of Nelspruit (Mpumalanga) indicated that she had developed a monitoring tool, a financial plan. She also reported that she was working on a Build a Better Business (BBB) health check for the Khulamnotfo Cooperative. In February 2008 she reported that she had also utilised problem tree analysis in the Cooperative, and that they had been very impressed. "Thank you Mazo and BSSA this will have a very positive impact on my company". Recently she reported that she had assisted a client to get a R1 million loan from a financial institution.
- II. One of the stakeholders at the certification ceremony in Nelspruit was SABMiller. They informed the learners that they had a Taverners Support Programme and that they were looking for more BDS providers in the programme. Nelson Marule and Justice Mtshali submitted profiles of their businesses and were subsequently elected to offer training to taverners in the programme.

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7. ATTACHMENTS

Annexure A: Performance Indicator

Annexure B: Photographs of certification Ceremony