



HAND IN HAND
Southern Africa



Annual Report 2011 2012

SUPPORTING ENTERPRISE
DEVELOPMENT FOR SUSTAINABLE LIVELIHOODS





HAND IN HAND
Southern Africa

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2011/12

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WHO WE ARE

Vision

Hand In Hand Southern Africa's vision is poverty alleviation through job creation.

Mission

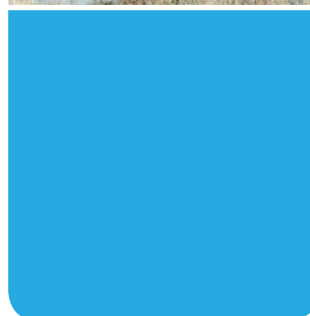
Our mission is to reduce poverty amongst the underprivileged. This is achieved through economic and social empowerment of the poorest and most marginalised people (mainly women), the young and those living with disabilities in rural and peri-urban areas by creating enterprises and jobs.

Our Goal

Our goal is to create half a million jobs by 2020.

Where are we in the world?

1. Hand In Hand International
2. Hand In Hand Sweden
3. Hand In Hand India
4. Hand In Hand Eastern Africa
5. Hand In Hand Afghanistan
6. Hand In Hand Southern Africa





Dr Percy Barnevik in the Swaziland Project area

A WORD FROM OUR CHAIRMAN

It is now five years since I got involved with the fight against poverty in Southern Africa. I had seen in many parts of the world how job creation, through self-help, can reduce poverty and how such programmes can be scaled up to have a dramatic impact at low cost. Under the leadership of Sazini Mojapelo, we established Hand In Hand Southern Africa (HIH SA) and launched our initial programmes in South Africa and Swaziland. HIH SA is now seeing a major expansion of both funding and operations, which reflects increasing support from donors and growing effectiveness and confidence of the organisation itself.

Over the past year, our programmes in South Africa have progressed well, with continuing support from NORAD and new funding from Hand in Hand Sweden. In Swaziland, our work received a welcome boost through a donation from the Sparbanken Öresund Executives in Sweden. We launched a new programme in Zimbabwe in partnership with the Swedish Cooperative Centre with funding from the Swedish

Postcode Lottery. And we are making preparations to start a programme in Lesotho and to raise significantly more funding locally in South Africa in 2012.

I congratulate and thank Sazini, her staff and Board for the excellent work they are doing and for the rapid growth of the programme now under way. I also wish to thank all donors for the confidence they show in our work and for their continued support. Our vision is coming true and together we will help reduce and ultimately eliminate poverty in Southern Africa.



Dr Percy Barnevik



Mrs Sazini Mojapelo in Rustenberg with the Kopano SHG enterprise

A WORD FROM OUR CEO

“Now we save our profits and have since decided to open a poultry farm that will sell chickens and eggs...we are also doing sewing and catering on the side when we are not in the fields working... our aim is to utilise every skill we have and expand our business.” Bonakele Philile from Masakhane SHG Co-op in KwaZulu-Natal, South Africa

These words are from a woman whose life has been touched through our work. This characterises the focus for the year 2011. This year has seen the impact of HIIH SA grow within the communities. In South Africa alone we managed to mobilise and train over 500 groups in the SHG model and enterprise development modules. From these experiences our systems and processes were further modified in line with the learnings from our work in the field, and also to accommodate the growth the organisation is experiencing. Our focus has shifted to the development of micro to small enterprises as we have realised that this is a gap in most communities. From this experience we have developed our own accredited Enterprise Development Programme that focuses on upskilling micro to small enterprises.

Beyond South Africa we have ventured into Zimbabwe with funding facilitated by HIIH Sweden from the Swedish Postcode Lottery. Through this funding, we have partnered with another organisation in Zimbabwe to deliver on 75 000 jobs in rural and peri-urban areas.

In Swaziland our footprint grew from one region to three regions through a donation facilitated by HIIH International in London from Sparbanken Oresund Executives network. Their donation for three years aims to develop 4 500 female entrepreneurs in the poor rural villages of Swaziland.

Our plans for the next three years are to focus on growing in the current project areas and expand into Lesotho in 2012. This is made possible through our international and local partners who, through their financial support, we have been able to create jobs and change livelihoods.

I would like to express my gratitude on behalf of the women to the donors who support HIIH internationally, it is through your kind donations that we are able to support. To our colleagues in India, Sweden and London, thank you for the continued support. Special mention goes to Sven Sandstrom, HIIH International CEO, who contributes to the strategic direction of HIIH SA and Dr Percy Barnevik for his unwavering support in poverty alleviation in Southern Africa.



Sazini Mojapelo

HIGHLIGHTS OF THE YEAR

Hand In Hand in Action

- Launch of Zimbabwe project with funding received from the Swedish Postcode Lottery. The target is to create 75,000 jobs
- Over 7000 women start micro enterprises and start jobs in South Africa and Swaziland
- HIH SA registered as a Public Benefit Organisation and receives BBBEE socio economic development status
- Enterprise Development Programme accredited with the Services Seta, HIH can now issue certificates of competence NQF level 1



MAKING A DIFFERENCE IN KWAZULU-NATAL

KwaZulu-Natal (KZN) is a province located in the south-eastern part of South Africa. Pietermaritzburg, which is also known as UMgungundlovu, is the capital and the second largest city in the province. This is where the HIH SA offices are located.

The project was started in February 2010 through funding received from the Norwegian Agency for Development (NORAD) and is being implemented in three local municipalities, namely, Impendle, Mkhambathini and Msunduzi. To date, the office has a staff complement of 10 people. The objective of the project is to create over 300 enterprises, of which 306 have already been formed.

One such enterprise is the Sukuma Co-operative, which means “get up”, and is based in the Impendle municipality in a village called Upper Makhuzeni. The members started the enterprise as they realised a lack of proper housing structures in their village. Members of the community are not able to afford basic materials required to build good houses, as most of the materials are sold in the city, which would mean an additional transport cost is required to access these materials. Mrs Nombuso Ngubo, one of the enterprise members, saw this as a great business opportunity to supply bricks in her rural community, however, did not know how to go about starting a business and, more so, how she would inform her husband and get his support and buy in with this new business venture.

Mrs Nombuso Ngubo, however, received the motivation that she required through a social mobilisation campaign held by HIH SA. Through this campaign, she was also equipped with training on how to run a business well. The enterprise now has five members, of which Nombuso's husband is also one. Since the inception of the enterprise, the members have been saving R50 on a monthly basis. From these savings, they purchased the raw materials needed for brick-making and, when they had saved enough money, they were able to purchase a brick-making machine. To date, the enterprise is making 450 bricks a day, and each brick is sold at R6 to members in the community. The Sukuma Co-operative is the only supplier of bricks in this area.

The enterprise has received a larger piece of land from the local municipality so as to build a structure for the storage of their bricks, as currently they store them in their back yard. Once the structure is built they would like HIH SA to assist with marketing and branding by putting up a sign to show that they are the leading providers of bricks in their community.



“HIH SA has helped in a great way. We are now saving and even buying more equipment for our enterprise”



A house built by the group

ENVIRONMENTAL AWARENESS IN LIMPOPO



Ms Praise Mabunda

“When we started this enterprise, we did not know what business to venture into. All we wanted to do was to make money so that our families can be taken care of. However, HIH SA encouraged us to get into recycling, as a form of income generation”



The Limpopo province is located in the northern most part of South Africa, with the capital being Polokwane. The province is one of the poorest provinces in South Africa, especially in the rural areas.

In 2010, HIH SA launched a project in the Mopani district in the Greater Tzaneen and Maruleng local municipalities. This was through funding received from the Norwegian Agency for Development (NORAD). The office has a team of 10 members, and the target is to create over 300 enterprises. The project has already exceeded the target by forming 313 enterprises by the end of March 2012, contributing to job creation in the province and changing the lives of the people for the better.

Environmental awareness has been a drive in the Limpopo province. HIH SA has taken the initiative to turn this into an income generation programme where people can start SHG enterprises to collect glass, paper and plastics for sale. This presents a huge job opportunity for the poor illiterate members of the community to generate income by selling to glass and plastic recycling companies.

Praise Mabunda, a 24-year-old woman, is one of the members of the Mabpraise glass and recycling Self Help Group (SHG) which is based in the Mariveni village in the Tzaneen municipality. She says: “The Mabpraise enterprise collects empty glass bottles in and around their community, from taverns and dustbins. These bottles are then taken to their Buy-Back Centre which is located at a nearby school where they have been allocated land by the local municipality. Once the bottles are at the centre, they are washed and then crushed until they are roughly the size of a coin, and then packed into bags awaiting collection from various companies such as Consol Glass and Nampak. Each bag that the enterprise fills up is sold at R650, however, R200 of this money is allocated towards transport. The enterprise ensures that they fill up at least 12 bags for collection each week.”

HIH SA has also facilitated for the SHG to receive protective clothing such as gloves and goggles. The SHG has also undergone training in glass recycling so that they not only collect glass, but can also have the technical skills in recycling the glass so that they make glass products which they in turn can sell and make a profit.



THE TAKEAWAY IN RUSTENBURG, NORTH WEST

The North West province is predominantly rural and marred by high levels of poverty and unemployment. It is located in the north-western part of South Africa, and is home to about 8.2% of the South African population. In 2009 HIIH SA started a project in the Rustenburg municipality which is in the Bojanala Platinum district. The target is to create 150 enterprises of which a total of 98 enterprises have been formed so far. The project is extending into the Moses Kotane municipality with the aim of training and capacitating an additional 100 enterprises.

The Thato Ya Ona enterprise is a takeaway business that was started in 2010 by Mr Aron and Mrs Ipokeng Masaone to help them to provide food for their family, and pay for their children's school fees.

Mr Aron Masaone says: "Patience pays; HIIH SA has walked hand in hand with us and taught us how to manage our finances and plan better. We are now planning to expand our business by offering a wider range of products on our menu."

The Thato Ya Ona enterprise is currently making R20 000 per month. From this money, Mr Aron Masaone and Mrs Ipokeng Masaone pay themselves a salary of R5 000 each monthly and they have also employed an assistant to help them with the business. They pay her R1 000 per month. They are looking forward to continually growing their business and purchasing much needed equipment.

“Our business is becoming better and better we have been taught about Bookkeeping, costing and pricing”



Mr Aron Masaone



A WOMAN AT A TIME IN SWAZILAND

The economy in Swaziland is characterised by high levels of poverty and inequality. A large percentage of the poor are in the rural areas, and are unable to meet basic food requirements. Women are particularly vulnerable to poverty. Traditional social systems discriminate severely against them and they are often barred from owning and controlling land. The women struggle to feed their families, and to meet household needs and requirements.

In 2009, HIH SA started a project in the Shiselweni 1 region, with a target of creating 450 enterprises until 2015; 254 enterprises have been formed, and as the project expands into the Shiselweni 2 region, this number will increase.

Ms Thandazile Dlamini, a 34-year-old woman from the Shiselweni 2 region in the Sibovu Mahlalini Chiefdom in a village called Nhlengano, lives on her own with her four young children in a rural community in Swaziland. For many years she ran a small farm, but found that this did not give her the regular income she needed to support her young children and members of her extended family.

In 2011, Thandazile decided to join a local self-help group. Here she learnt basic financial discipline, each week saving a little money with the other group members. At the same time, HIH SA gave her the training she needed to set up her own small business.

Armed with her new-found business knowledge, Thandazile decided to take a loan from the group's savings and use her experience as a farmer to expand and begin selling pigs to local supermarkets and restaurants.

Today her business has an annual turnover of E30 000 and demand is outstripping supply. As a result, HIH SA is now helping Thandazile investigate the possibility of securing a micro-loan so that she can expand further.

“The HIH SA training has made all the difference. Now I know how to budget and keep records which helps me work out how much money I need for the family each week, how much I need for the farm and then how much I can save for future expenses”



VENTURING INTO ZIMBABWE

The last decade in Zimbabwe saw a decline in economic growth with high levels of poverty worsening steadily. Political instability has led to both economic and social decline. This has worsened the living conditions for ordinary Zimbabweans as a greater percentage of the population remains unemployed. However, the country is in a transition period of recovery, with an increase in interventions to create sustainable employment for the poor and vulnerable people in the country.

HIH SA has partnered with the Swedish Cooperative Centre (SCC) and employed a team to implement a project funded by the Postkod Lottery.



HIH SA SPECIAL PROJECT – CELEBRATING INTERNATIONAL NELSON MANDELA DAY

“Extending a helping Hand”

Background

Why Special Projects?

“Very often in the work that we do, we come across orphans, vulnerable children and disabled people who need a helping hand to improve their lives and conditions of living. As they are not necessarily able to participate in our projects, HIH SA has extended a helping hand by developing a vehicle called Special Projects, so as to assist the disadvantaged in the communities where projects are already being implemented. Every year, a generous donation is made. This is done on the 18th of July which is International Nelson Mandela Day”. **Sazini Mojapelo**

International Nelson Mandela Day

“International Nelson Mandela Day” is an annual international day in honour of Nelson Mandela, celebrated each year on the 18th of July (on Mandela’s birthday). The day was officially declared by the United Nations in November 2009, with the first UN Mandela Day held on 18 July. Mandela Day is not meant as a public holiday, but as a day to honor the legacy of Nelson Mandela, South Africa’s former President, and his values, through volunteering and community service. Mandela Day is a global call to action that celebrates the idea that each individual has the power to transform the world, and the ability to make an impact.

The Mandela Day campaign message is:

“Nelson Mandela has fought for social justice for 67 years. We’re asking you to start with 67 minutes”

To mark Nelson Mandela International Day in 2009, HIH SA staff visited a primary school in central Johannesburg where they spent the day with the learners. They made a generous contribution of educational books, toys as well as tables and chairs. This was greatly valued by the children (who come from disadvantaged communities).

In 2011, HIH Sweden and HIH SA was able to assist a Self Help Group (Titirhelni SHG) by building a three-roomed brick structure that is providing a proper kitchen for the cooking and presentation of food. The new kitchen was also well-stocked with all the equipment that the group can use for cooking and serving up. This was in addition to some groceries that were donated for feeding the children.



A WORD FROM OUR PARTNER

Hand In Hand Sweden is proud of the positive contribution towards sustainable development that our partner organisation Hand In Hand Southern Africa has been achieving during the last year. Our project in Zimbabwe, funded by the Swedish Postcode Lottery, is a joint co-operation with the Swedish Co-operative Centre (SCC), with the aim to create 75 000 new jobs and improve the lives of 375 000 people. It is also rewarding to be a part of the results of the Rustenburg project that was initiated in 2011 and that has, so far, resulted in the creation of 167 new enterprises and 436 new jobs. Real progress is also made by Hand In Hand Southern Africa in its effort to provide underprivileged children and orphans with food and a place to play after school in the Nelson Mandela Day Project. In light of the positive development made by Hand In Hand Southern Africa during the last year, we are truly proud to be part of the Hand In Hand family and we are committed to reinforce our co-operation with Hand In Hand Southern Africa in the years to come.

Charlotte Bohman

Secretary-General, Hand In Hand Sweden



Left to right, back row: Åke Borgudd, Håkan Jarlenius, Richard Nordström, Bo Beijer
Front row: Sara Löfberg, Charlotte Bohman, Elisabeth Bylund

SUMMARISED FINANCIAL STATEMENTS

Statement of Comprehensive Income

for the year ended 29 February 2012

Figures in Rand	12 months ended 29 February 2012	12 months ended 29 February 2011
Funds received	7,423,522	9,818,760
Direct costs	(5,905,915)	(5,631,846)
Gross surplus	1,517,607	4,186,914
Interest received	23,326	73,819
Operating expenses	(3,194,419)	(3,007,185)
Operating surplus/(deficit)	1,653,486	1,253,548
Finance costs	–	(1,598)
Surplus/(deficit) for the year	(1,653,486)	1,251,950
Other comprehensive income	–	–
Total comprehensive (loss) income	(1,653,486)	1,251,950

Total comprehensive (loss) income attributable

Non-profit company retained surplus	(1,653,486)	1,251,950
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Statement of Financial Position

as at 29 February 2012

Figures in Rand	As at 29 February 2012	As at 29 February 2011
Assets		
Non-Current Assets		
Fixed Assets	424,835	376,085
Current Assets:		
Trade and other receivables	146,739	38,183
Cash and cash equivalents	472,703	2,353,862
	619,442	2,392,045
Total Assets	1,044,277	2,768,130
Equity and Liabilities		
Equity		
Retainable surplus	680,442	2,333,928
Liabilities		
Current Liabilities:		
Trade and other payables	363,835	434,202
Total Equity and Liabilities	1,044,277	2,768,130

Statement of Cash Flows

for the year ended 29 February 2012

Figures in Rand	12 months ended 29 February 2012	12 months ended 28 February 2011
Cash flows from operating activities		
Cash used in operations	(1,660,739)	1,576,309
Finance costs	—	(1 598)
Net Cash from operating activities	(1,660,739)	1,574,711
Cash from investing activities		
Purchase of fixed assets	(220,420)	(393,020)
Total Cash movement for the year	(1,881,159)	1,181,691
Cash at the beginning of the year	2,353,862	1,172,168-
Total cash at the end of the year	472,703	2,353,859



FINANCIAL OVERVIEW

Note from our Board of Directors

The reports and statements set out comprise the summarised financial statements presented to the board of directors, independent Auditors' report, Statement of Financial Position, Statement of Comprehensive Income and Statement of Cash Flow.

A report of the directors has not been prepared as the company is a wholly-owned subsidiary incorporated in South Africa.

The summarised financial statements, which have been prepared on the going concern basis, were approved by the Board on 7 August 2012 and were signed on its behalf by:

Sazini Mojapelo

Note from our Auditors

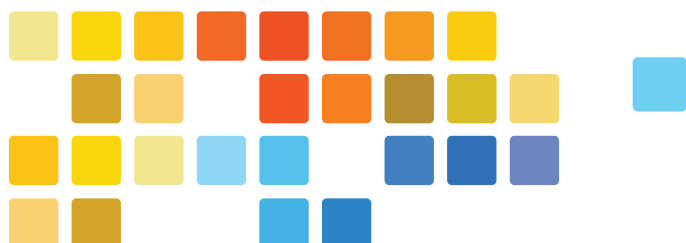
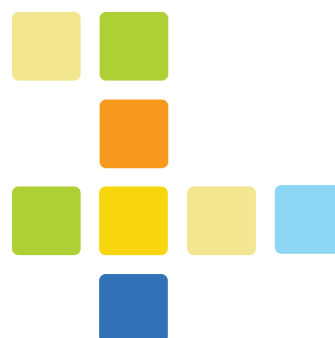
We have audited the financial statements of Hand In Hand Development (Association incorporated under section 21), which comprise the Statement of Financial Position as at 29 February 2012, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the 12 months that ended, and a summary of significant accounting policies and other explanatory notes from which the summarised statements were derived in accordance with international standards on auditing.

In our report dated 7 August 2012 we expressed an unqualified opinion on the financial statements from which the summarised financial statements were derived.

For a better understanding of the company's financial position and the results of its operations for the period and of the scope of our audit, the summarised financial statements should be read in conjunction with the financial statements from which they were derived and our audit report thereon.

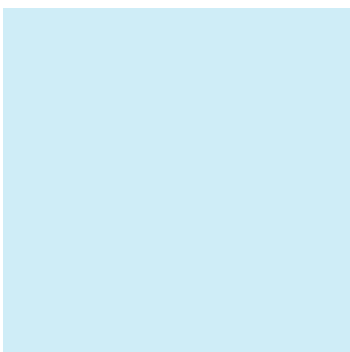
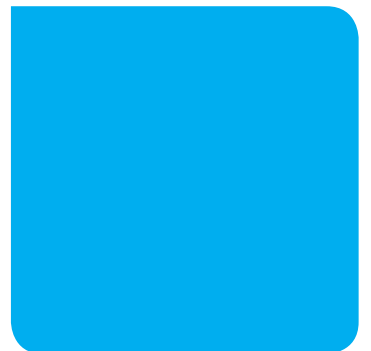
WKH Landgrebe & Co

Chartered Accountants
Registered Auditors



SPECIAL THANKS TO OUR PARTNERS

Hand In Hand Southern Africa would like to thank our donors who have made it possible for us to impact the lives of women living in poverty. Through your support, we are able to reach many women and empower them to be agents of change.



BENEFITS OF PARTNERING WITH HAND IN HAND SOUTHERN AFRICA

“Give a man a fish and you feed him for a day.
Teach him how to fish and you feed him for a lifetime”

Lao Tzu Quote

- Hand In Hand Southern Africa has a Public Benefit Organisation (PBO) status in South Africa, meaning that any donation or funds received from CSI/trust are tax exempt.
- As we work with mainly poor black women in the rural and peri urban areas, our projects can contribute to your BBBEE points under Enterprise Development and Social Economic Development.
- Our training programme is accredited with the Services Seta and is thus of significant benefit towards the skills development levy.
- Getting into a partnership with Hand In Hand Southern Africa helps realise quick and significant gains within the target community. As Hand In Hand Southern Africa, we have a clear measurable results tracking system to measure the impact of our programmes in the community.
- Our scalable model of poverty alleviation is well placed to support private and public sector companies to achieve desired community development outcomes.
- Our dedicated promotion of family and group based enterprises goes a long way in empowering the impoverished communities while at the same time supporting local economic development.





South Africa

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HAND IN HAND
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Call us today on **(+27) 11 463 4500** or email us on info@handinhandsa.org and create sustainable and replicable poverty reduction models for a better Southern Africa
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