

Fund plans to disburse R70m in loans by March

SHADRACK MASHALABA

THE South African Micro Finance Apex Fund (Samaf) plans to disburse R70 million in loans by March next year. Samaf chief executive Sithembele Mase said the fund wants to grow its retail intermediary base from 35 to 78 by end of the financial year in March.

Samaf is a government company established to provide wholesale funding to institutions in the micro finance sector and to assist in fighting poverty.

"Our energies are geared towards delivery. The only constraint to our operations will be imposed by complexities within the environment which we have no control over," said Mase.

As part of the extension of its activities, Mase said Samaf was planning to establish satellite offices in remote areas. Samaf provincial offices and satellites provide services ranging from entrepreneurial linkages, liaising with local economic development forums, facilitating opportunities and networks, assisting in management of intermediary accounts to evaluating reports of partner organisations.

Samaf's product offering includes:

■ On-Lending Fund provides micro enterprise development loans and poverty alleviation loans.

It is also aimed at financial services co-operatives, the co-operative banks and micro-finance intermediaries.

Loans to financial intermediaries range from R480 000 to R10 million and are offered at interest rates of between 5 to 6% a year.

■ The Capacity Building Fund is a grant product aimed at training staff, management and boards of retail intermediaries and partner organisations.

The fund also provides assistance in the acquisition and development of information technology systems, development of savings and credit policies and asset enhancement.

The fund lends from R500 000 to



RURAL FOCUS . . . Samaf chief executive Sithembele Mase says the fund is gearing to reach out to rural South Africa to alleviate poverty and stimulate entrepreneurship

R5 million.

■ The Poverty Alleviation product is aimed at financing partner organisations for on-lending to clients earning less than R1 500 a month, with emphasis on development projects. Its lending is capped at R4 million.

■ The Savings Mobilisation Fund is designed to encourage savings products and policies, training and acquisition of assets that enhance savings mobilisation. The savings fund lends up to R200 000.

In the current financial year Samaf also seeks to generate a loan book of R84 million.

The fund has set itself a target to grow the number of its lenders from the current 4 346 to 15 000. It also plans to grow the number of savers within retail intermediaries from 9 000 to 14 353.

Mase said the fund had a R96 million surplus that would be rolled over from the previous year.