



SAMAF SESSION MOOTS PRO-POOR POLICIES AND BETTER CO-ORDINATION

Deputy Trade and Industry Minister Maria Ntuli has called for a national summit to find ways of developing Small-to-Medium Micro Enterprises (SMMEs), in an address to a networking session of the South African Micro-Finance Apex Fund (**samaf**) in Pretoria.

Speaking at the Southern Sun Hotel in Pretoria on Thursday, Ntuli said: "We are surrounded by a sea of poverty, disease, exploitation and helplessness." She appealed for an overhaul of lending systems which she criticised for failing the poor.

"The banking system has chosen to create a financial apartheid," the minister said, adding: "The basic principle is, the more you have, the more you get." This had led to a sorry state whereby "most of our people are living on grants".

samaf, which is under the ambit of the Department of Trade and Industry (DTI), was established to assist government's poverty reduction programme by setting up a viable micro-finance sector to benefit the enterprising poor, through the Apex fund.

"Africa is associated with all the ills. What is wrong with Africa? Nothing is wrong with Africa but something is wrong with us. We don't want to share what we have, we're selfish. We don't want to share ideas, 'my education is my education'," said Ntuli to stunned but thoughtful silence.

Ntuli's views were echoed by Mojalefa Mahoto, DTI acting chief director, who cited what he called the "segmentation of the market" and called for an integrated strategy whereby **samaf** could form close working partnership with similar organisations such as the Industrial Development Corporation (IDC), which could help streamline operations and cut red tape.

samaf CEO, Sitembile Mase, described **samaf** as a wholesale fund formally launched in April 2006, supporting various financial intermediaries for job creation, unemployment reduction, capacity building and institutional development. The organisation had so far transferred R57-million to 42 institutions in loans and the monies were disbursed as either grants or loans in amounts ranging from R100 to R10 000, said Mase.

He also said although **samaf** had received a negative finding from the Auditor-General in 2006, steps had been taken to improve financial control systems, with the result that non-consolidation risk had fallen from R15-million in 2007/8 to R3-million in 2009.

He also emphasised that **samaf** had a monitoring and support role and did not control the involved institutions.

The Micro-finance sector had demonstrated the ability to improve lives and to increase household incomes and could change lives even when the amounts issued were small, according to another delegate, Ben Nkuna, chairperson of the Association for Pro-Poor Micro Finance Institutions for South Africa (Amfisa). He said more than 1-million people were benefiting from micro-finance and called for collaboration and co-ordination of resources and institutions, citing the success such an approach had achieved in countries like Bangladesh.