

Just Small Change

Impact Report



2018-2019

Just Small Change

Registered Charity No. 1154462

<https://www.justsmallchange.org.uk>

Front: Elisabeth imports fruit from Uganda. It's cheaper, and sells well because it is sweeter.

BACKGROUND

Since last reporting in April 2018, our Income Generating Microcredit project in Kisumu, Kenya has grown from 142 to 193 clients (as at end March 2019), with a further 34 trained in May 2019. We work in partnership with OLPS, an NGO which offers intervention and support to people living with HIV/AIDS (PLHIV). Through this NGO, Just Small Change employs two microfinance professionals who manage the project.

87% of households in East Kisumu's informal settlements are moderately or severely food insecure.

Kisumu, 3rd largest city in Kenya, is the country's poorest, and one of its fastest growing. But there is great inequality. 62% of its population live in slums. Our project is based in the slums of Kisumu East, where there is a poverty rate of 60% (Kisumu County Government Factsheet 2016).

Kisumu has Kenya's highest rate of HIV at 19.9%, 3.4 times the national average. HIV/AIDS brings the extra expense of medicines, causes added stress and depression, illness, inability to work, loss of income, social stigma and economic exclusion.

Kisumu County is home to 9.5% of the entire HIV-affected population of Kenya.

With little education and few employment opportunities, 70% of East Kisumu's residents support themselves through microenterprise.

Many of our new clients are already trading on a tiny scale, but not earning a viable income. However, with 5 days of business training and a small loan, these enterprises can grow to provide more income, making households less vulnerable, providing better for basic needs and enabling clients to begin to fulfil their aspirations.

In Kisumu East, poverty, pronounced gender inequality and high incidence of HIV/AIDS all impact the poorest women. Therefore, while not excluding men, this project targets very poor women, including PLHIV, widows and caregivers for orphans.

In Kenya, poor urban women with little education suffer the greatest exclusion from formal and informal employment. (World Bank 2016)

The project aim is to develop a sustainable microcredit scheme, offering business training, loans and mentoring to the severely disadvantaged of Kisumu in order to:

- reduce clients' economic and social vulnerability by enabling them to achieve sustainable and significant improvement in their basic income
- empower clients by enabling them to build viable and sustainable businesses which permit them to save and plan for the future.
- build capacity and resilience in local communities through business training and through establishing trust groups and micro businesses to serve local needs

This report is based on the results of surveys and interviews carried out in October 2018 and March 2019, and on data available up to end March 2019.

OUTPUTS IN YEAR TO END MARCH 2019

50 new clients trained

In the year to end March 2019

- Two full time microfinance professionals have been employed (our new co-ordinator joined in January 2019); all their salary and overhead costs have been met

109 new loans issued

- 50 new clients have each received 5 full days of business and financial training covering topics such as business management, financial management, stock taking, record keeping, customer relationships, communication and leadership. Accessible delivery methods used include role play, group work, puzzles and discussion.

193 clients served

- 8 more neighbourhood trust groups have been formed
- To build resilience and sustainability, trust groups have been trained and supported to set up savings clubs, to ensure clients are able to save securely and profitably. The majority of clients now save a small sum every week, helping to make the future more secure.

810 dependents supported

- 193 clients have received ongoing mentoring and support in running their businesses, with regular visits from project staff.

24 additional jobs created

- 24 additional jobs have been created within clients' businesses
- 56% of clients were HIV+.
- 193 clients support 810 dependents between them (average 4.19)
- 109 loans have been issued: 50 to newly trained clients and 59 to clients receiving subsequent loans once the original loan has been repaid
- The average loan size to date has been KSH 13,625 (£104.81)
- The total amount loaned to date has been KSH 4,905,000 (£37,731)
- The current value of loans outstanding is KSH 2,145,243 (£16,502)
- 1.33% of loans to date have been written off due to illness or death
- 4.16% of loans to date have been rescheduled due to illness or

Savings clubs set up

other client difficulties

- Since the project's start, each pound of the loan funds provided by Just Small Change has been re-loaned 1.43 times (as at end March 2019) and will be available to loan yet again, once current loans are repaid. This means that each pound donated to the loan fund has, so far, generated £2.43 in lending to aspiring entrepreneurs, and will revolve again to

generate more lending in the future.

Below are key statistics from the project, in both Kenyan shillings and pounds sterling.

Year ending	Number of woman clients	Total number of clients	Total loaned since start KSH	Number of loans since start	Current average loan KSH	Value of outstanding loans KSH	Default %	Rescheduled %
Start*	39	40	325000	40	8125	8125	0	n/a
Mar-14	39	40	640,000	64	6,620	264813	0	n/a
Mar-15	41	42	1,305,000	106	15,833	665000	0	n/a
Mar-16	41	42	1,305,000	106	9,771	410400	0	n/a
Mar-17	90	91	2,120,000	168	8,131	739950	3.54	9.38
Mar-18	141	142	2,995,000	262	13,313	1890458	2.51	6.55
Mar-19	191	193	4,905,000	360	11,115	2,145,243	1.33	4.16

*May 2013

Year ending	Number of woman clients	Total number of clients	Total loaned since start £	Number of loans since start	Current average loan £	Value of outstanding loans £	Default %	Rescheduled %
Start*	39	40	2,355	40	59	59	0	n/a
Mar-14	39	40	4,638	64	48	1,919	0	n/a
Mar-15	41	42	9,457	106	115	4,819	0	n/a
Mar-16	41	42	9,457	106	71	2,974	0	n/a
Mar-17	90	91	15,362	168	59	5,362	3.54	9.38
Mar-18	141	142	21,703	262	96	13,699	2.51	6.55
Mar-19	191	193	37,731	360	86	16,502	1.33	4.16

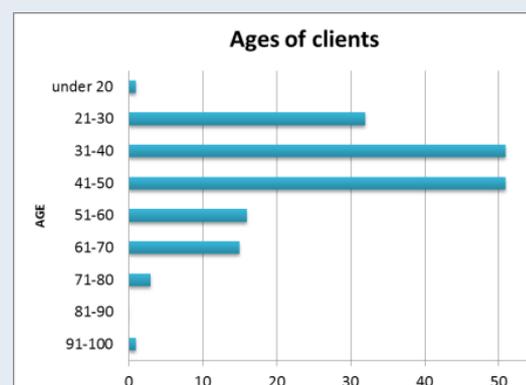
The project's pilot phase ran from the start date in May 2013 to March 2015.

OUTCOMES

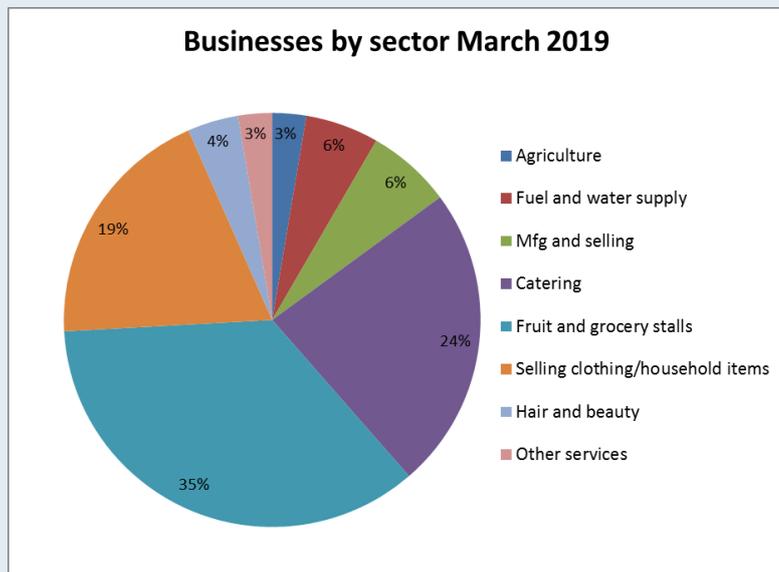
'Now I worry less and I get more respect' (all the other ladies nodded at this). 'Once you earn money you have a voice, and get respect because you can contribute to the community' Grace (57, HIV+, 6 dependent grandchildren)

Clients and types of business:

At end March 2019, the project had 193 clients, almost all female. It is open to male applicants, but to date the most pressing needs arise in households led by women, often HIV+ and often widows. The clients vary widely in age; the youngest is 17 and the oldest 93. All are



supporting dependents who may be siblings, their own children and grandchildren, orphaned children of friends or relatives and, in some cases, elderly parents or grandparents too. The number of dependents in each household can reach as high as 12; the average is currently 4.19.



Clients develop business plans, making use of available resources and meeting local needs. This makes the local economy more resilient. Seven clients have taken on a total of 24 additional employees, creating jobs for local people as gardeners, farmhands, clothes hawkers, nursery nurses, bead-workers and cooks.

Income improvement: Interviews with 36 clients in October 2018 showed an

average increase in daily income of 120.4% (an increase of £2.07 a day) Mostly, this was spent on an improved diet for their families, (more vegetables and some protein), on children’s education (school fees and uniform) and on housing improvements, such as a sheet metal roof in place of thatch. Many clients remarked on the increased respect they had gained in their families and on the voice they now had in the local community. Self-esteem had grown and, for a second year, some reported a decrease in domestic violence as a direct result of their new earning power.

Training: All the clients interviewed had found the 5 day business training very useful, with input on money management, the importance of saving, how to carry out stock takes and record keeping the most valued topics. Training in debtor recording and follow up has greatly improved the cash flow of many clients. Several clients reported feelings of empowerment as a result of the training, saying they felt encouraged and enabled to take charge of their own lives.

The best part of training was learning about how to save and about how to keep records. I have realised that if you have knowledge this is power, the power to save, power to be self- employed, to have a voice in and participate in the local community.

Benter, 41, HIV+, six dependent children, runs a fruit kiosk

The training has taught me that, in spite of everything, I can be in charge of my own life’

Alice, 33, HIV+, widow with 2 children

'My group is supportive. We can get a small loan from the savings club when we need it. We also share ideas about where to buy the best stock and grow our businesses, as well as discussing how to cope with home life.'

Elisabeth, 41, widow with 4 orphan dependents, runs a fruit kiosk

Trust groups: Many clients spoke very positively about the support they received from their neighbourhood trust groups. Following training, all groups now run group savings schemes, so clients can enjoy a basic level of financial inclusion. This encourages regular saving as well as helping with cash flow management. Some also have group activities such as raising poultry, swapping kitchen tools or sharing a kitchen garden. All these initiatives help to strengthen clients' households and community resilience. In addition, the groups are used to share advice on business, health and family matters and to give emotional and practical support.

Mentoring: The ongoing mentoring provided by project staff is essential to clients' success. Examples of support given this year include

- advising an early stage client on next steps in expanding from food kiosk to café, managing the investment and cash flow implications of this,
- assisting a longer term client in making applications to other, larger lenders such as Stima SACCO, a Kenyan savings and credit cooperative
- ensuring savings groups carry out proper banking procedures and helping them to open group bank accounts, thus promoting financial inclusion
- providing counselling to a bereaved client so that she did not give up on her business

Long term impact

The spending patterns of the more longstanding clients sampled (2 years or more) show that many are now able to go beyond providing only basic needs. Some can now afford household items (such as crockery and furniture), school books, and one client has been able to buy a small solar panel for her home. Many are saving for business expansion and future school fees, as well as maintaining an emergency fund. Excluding the most successful client, average savings since entering the project are £43.93. This is equivalent to around 11 days' average earnings, so provides households with much greater economic stability and reduces stress and worry. Clients' businesses are providing valuable local services including a nursery school, mobile money services, lunch canteens for schools and workplaces and flour milling. 24 long term additional jobs have been created for local people by 7 client businesses. Our most successful client, who sells second hand clothes, employs four very poor local women to sell as agents in local villages on her behalf, splitting the profits 50/50, an arrangement of mutual benefit as otherwise the agents would be destitute.

IMPACT STORIES



Lois

Aged 34, Lois is a widow with 6 children aged 15,12,9,6 and twins aged 4. Before she received her loan (Ksh10,000 (£77) in June 18), she supported her family by day labour, digging for other people. It was back breaking, badly paid and unreliable work. With her loan Lois has started her own vegetable garden, renting land for a year (at a cost of Ksh 5000) and buying tools and seeds. She grows green vegetables, which she sells every day at the market. Sales are around Ksh200 per day, six days a week, giving her a profit of Ksh150 a day (about £1.15) after she has paid for renting a stall.

Lois is happy that earnings are more regular and there is less heavy work. She is using her extra income for school fees, better meals and is also saving into her group's savings club. She hopes to use her savings to grow a wider variety of vegetables. In the long run she hopes to rent more land and to pay others to help her

grow larger amounts, to increase her income. One day she would like to own a rotovator.

Mary

Mary is a widow of 74 who is the sole supporter of 5 dependent grandchildren. Mary hawks second hand clothes, walking around the villages, as she says it is the best way to reach people. She has fully repaid her first loan and is now on her second, of Ksh 20,000 (£154). She has used both her loans to add stock. She buys her stock piece by piece in Kisumu's wholesale market, and can now afford to choose better quality items. This has doubled her profit to around Ksh 1000 a day (£7.69). She is proud that she can afford to take a bicycle taxi home in the evening, one day a week, if she gets too tired.

Mary enjoyed the training because everyone was treated as equals and the methods used meant that the content was accessible to her. The best learning, she says, was to keep a notebook of debtors so you don't forget.

Mary spends her extra income on school fees, uniforms and school lunches. She is also saving into her group's savings scheme. She says her life is so much better now, even though her head is very busy!



Pamela



Pamela is 33 and has 5 child dependents including some orphans. Before borrowing, Pamela was taking in washing and earning Ksh 200 a day (£1.53). With her first loan, in August 2017, she bought 5 sacks of charcoal which she sold in small batches. Most of her community can only afford to buy one day's supply at a time. She made good profits, and having paid off this loan she took a larger loan of Ksh 20,000 (£154). This allowed her to negotiate a bigger discount with her suppliers and increased her profits further. She is saving with the aim of being able to buy 50 bags at a time which would bring the

wholesale price down yet again, and plans to rent storage when she reaches this point. . She feels much more positive and hopeful about life. With regular income, she can now afford school fees for all the children,. She also spends on better diet, uniforms and saves, using the group savings club, for emergencies as well as business expansion. She has a real sense of pride in her own achievements and in her work. Others respect her too. On the training course, she says the most important things she learned were to speak up and express her views as well as the importance of regular savings. She finds her group very supportive, and says 'we are all each other's best customers'.

Linet

Linet, a widow with two children, first borrowed in March 17 and is now on her second loan. She started by cooking and selling fried chicken, but saw that regular custom was uncertain, so she decided to build on her teenage experience of working in a mobile money kiosk. She persuaded her former manager to let her set up her own kiosk, providing mobile money transfer services to her local community. She attracts business because customers like and trust her. The kiosk brings in income via commission of around Ksh 12,000 (£92) per month but this will grow as turnover increases.

To diversify and attract custom to her kiosk, Linet invested her second loan in selling and refilling LPG cylinders, and this business is also going well. In 2019, Linet is hoping to open a bank agency in her kiosk as she has noticed that there are as yet no bank agencies locally. She's in a hurry to set up before someone else does. Linet has used some of her increased income to move her family from one rented room to larger accommodation near to a better school. She can now afford to pay the fees for her children to attend there. Linet is very happy and full of plans for the future. 'We are comfortable now, and life is easier.'





Ruth lives in a rural village. She keeps poultry and makes bricks to support her 5 school age children and very sick husband. She says 'I can put food on the table and pay school fees. I feel more hopeful about life'



Clarice (left) is 65. She supports 7 dependents by growing vegetables and breeding from two sheep and two goats. Penina (right) is 62 and supports 7 grandchildren. She sells fish at a market, using the profits for food, uniform, shoes and savings



Alice (known as Mama Tony after her eldest son) runs a snack bar, using her profits for uniform, school fees, food and medicines for her three sons. She is saving and hopes to build her own home one day, and move her family out of their two rented rooms



Susan is 36 and supports 6 children. She makes and sells detergent in used water bottles collected from the street. Her income pays for rent, food, school fees, uniform and shoes. She says 'the training and loan have given me courage and I have better standing in my community'.





Just Small Change

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Can you help?

With your support, we can do more.

Every donation to Just Small Change keeps on giving, over and over again.

A monthly donation of £10 will set one new client every year on the road to a better future, by paying for 5 days of training and her first small loan.

A single donation of £40 will pay for 5 days of training for a new client, including transport, all materials and meals.

Whatever you can spare will make a difference to the lives of the very poor.
It's Just Small Change!

You can write to us at the address above, or give online using



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