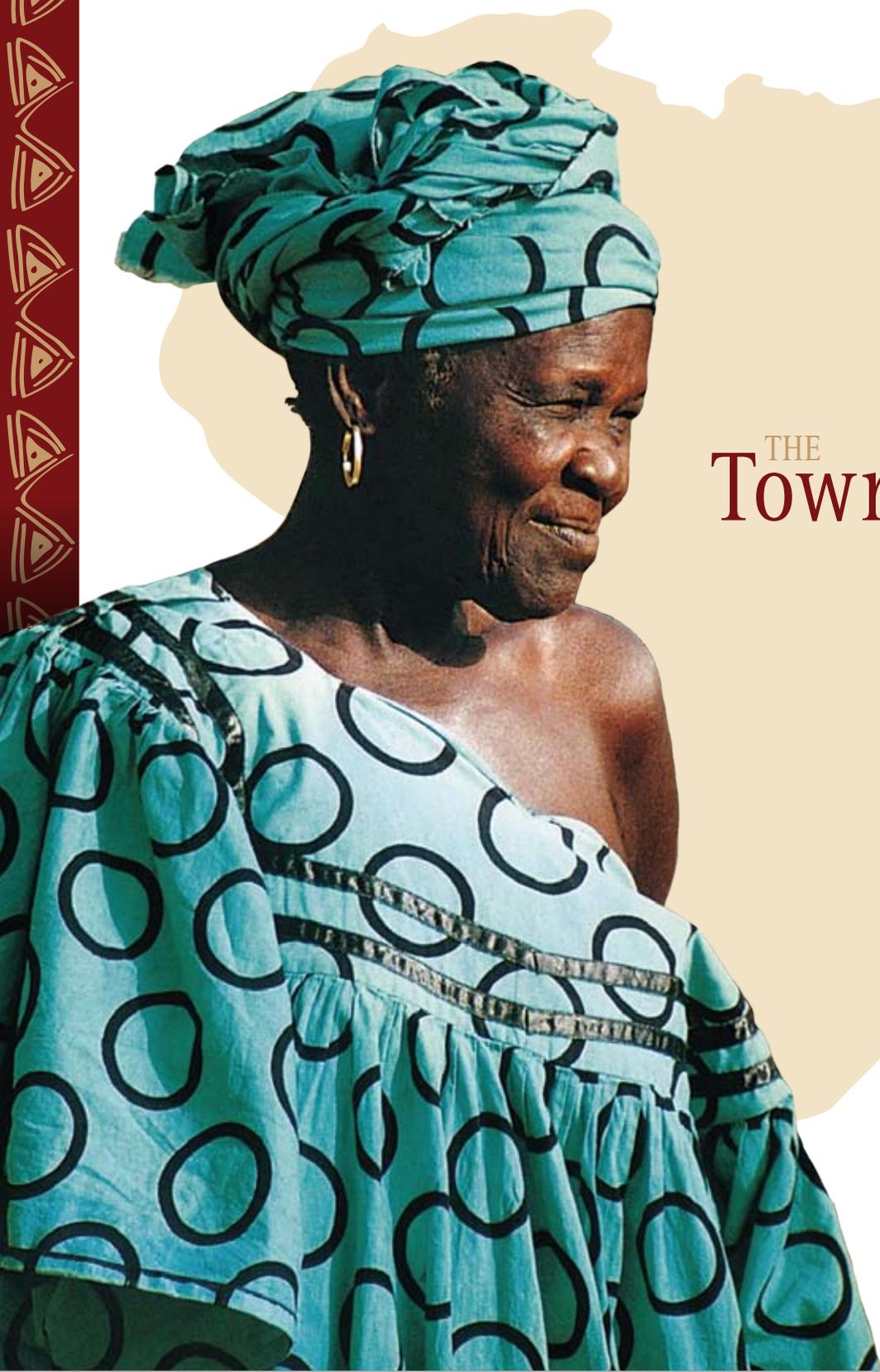


Changing 15,000 lives
and counting ...



THE
Townships
PROJECT

THE Townships PROJECT

MISSION

Poverty can be eradicated. Micro-credit is a proven technology in the global fight against it.

Since May 1999 *The Townships Project* has been supporting South African microfinance institutions (MFIs) in township areas in South Africa. These MFIs make repayable, interest-bearing loans to entrepreneurs, primarily women, to operate a range of small businesses, to become self-sustaining and to break the cycle of poverty. As of November 2008, *The Townships Project* has changed the lives of more than 15,000 people with an investment of about \$50 per person. Our goal is to ensure that every South African who needs such a loan has access to it and to ensure that our South African partners become self-sustaining.

VISION

The Townships Project is tackling a difficult job – raising the infrastructure funds needed to build an early stage MFI. There are many NGOs (e.g. kiva.org), banks and government institutions that provide loan money for micro loans once an MFI is up and functioning, but finding the infrastructure and training support necessary to build the institution to that viable stage is a huge challenge. We use a “made in South Africa” approach to this task, which takes into consideration the challenges posed by the highest HIV/AIDS infection rate in the world and a poor education and skills base. Despite South Africa’s highly-developed infrastructure and first world economy, 20 million struggle to survive on \$2 or less per day. Neighbouring Zimbabwe offers a lurid example of what can happen if these problems are not addressed.

VALUES

The Townships Project is a registered charity in Canada and is authorized to issue charitable donation receipts for income tax purposes. The United Nations Development Programme has recognized micro-lending as the single most effective mechanism in the front-line struggle against poverty in developing countries. In the words of Muhammad Yunus, winner of the 2006 Nobel Peace Prize, “I have come to believe, deeply and firmly, that we can create a poverty free world if we want to. I came to this conclusion not as a product of a pious dream, but as a concrete result of experience gained in the work of the Grameen Bank.” *The Townships Project* shares this belief and has been working to alleviate poverty in the townships of South Africa since early 1999.



SUCCESS STORIES – *Your funds really do make a real difference.*

Bongiwwe Jakuja, Food Merchant

Bongiwwe, 34, started making fat cakes and meat dumplings from her home in 2005 so that she could look after her young family. She now employs two full-time assistants. She is married and lives with her husband, sister Thumeka (25) and five children, Nomone (15), Vuyiswa (10), Athini (8), Lukhanyo (6) and Lonwabo, 7 months. Her husband works as a day labourer and her income is essential to supplement his meagre earnings. Bongiwwe dreams of expanding her takeaway business into a restaurant.

HOW THE TOWNSHIPS PROJECT WORKS

The Townships Project:

1. Is incorporated to alleviate extreme poverty in South Africa by supporting micro-lending and by providing basic business skills training;
2. Has learned to effectively deliver such loans by supporting local microfinance institutions (MFIs);
3. Seeks MFIs with experienced personnel and a track record of successful loans;
4. Has arranged for \$2.50 of loan funding from Tembeka Social Investment Company Ltd. for every \$1.00 of equity invested by *The Townships Project*;
5. Carries out these tasks in a way that is sustainable both to the individual borrowers and to the MFIs which make loans to them.

MFI Application Criteria:

An MFI applying for funds from *The Townships Project* should:

1. Be legally constituted under South African law with legal persona and a fixed address;
2. Have a clearly defined target within the historically disadvantaged community, with a special focus on a community-based approach;
3. Be active in providing credit to small and micro enterprises;
4. Have in place generally accepted accounting practices and financial management systems supported by acceptable software programs or be willing to learn such software programs;
5. Have fair, well maintained and consistently applied internal organizational guidelines, policies and procedures;
6. Demonstrate the capacity, by way of track record, and the ability to carry out current and proposed projects in terms of staffing, administration, reporting and accurate financial management;
7. Be able to illustrate project results through adequate tools in order to document impact;
8. Have clear and realistic short, medium and long term objectives and viable strategies to achieve them.

A Successful MFI Application:

1. Must contain a detailed and realistic budget;
2. Meet *The Townships Project's* policies and risk exposure at the time of approval of each application.

Self
Sustaining



Nozakhe Jacobs, Butcher

Nozakhe is a butcher at an open-air table outside the Site B Train Station in Khayelitsha. Every morning she buys sheep lungs, cow lung pieces, sheep offal and intestines from the wholesaler. She then washes them thoroughly, cuts them all up, grades them and displays them and sells them. Nozakhe supports 7 of her 8 children from her butcher shop. She is on her fourth loan, having repaid three loans already, and has invested close to \$800 in her business. Nozakhe dreams of buying a car so that she can restock her own table more easily and provide transport for others at a profit.

Band playing at "Lend to End Poverty" Event.



FUNDRAISING – OUR EVENTS

LEND TO END [POVERTY] – Toronto, Ontario

This is a fun and fabulous fundraising event for *The Townships Project*. Held annually in Toronto on the second Thursday in May, the event is an "after work" party running from 5:30 – 9:30 p.m. Delicious food, upbeat entertainment and a visually stunning silent auction create an energetic and positive atmosphere that can be felt throughout the crowd. There is also an exceptional educational area, VIP lounge and gift bags. In our first year this event raised \$40,000 and in our second, \$75,000. With significant sponsorship from strategic partners we aim to raise over \$100,000 in 2009.

TIP TO TIP FOR AFRICA – Charlottetown, PEI

This four day fun(d)raising event, launched in 2005, is a bike ride from North Cape Lighthouse to East Point Lighthouse following the 325 km Confederation Trail on Prince Edward Island. All meals and accommodation for the four days and three nights are included as well as great Island entertainment and local food. Join us for the 5th annual Tip to Tip in 2009!

Triumphant finish of the 2008 "Tip to Tip" for Africa.



VANCOUVER AND CALGARY

Many, many fundraisers have been held by the founding committee in Vancouver over the past 10 years, including bake sales, gala parties and concerts featuring Opera diva Simone Osborne, Bard on the Beach founder Christopher Gaze, and violinist Andrew Dawes, amongst others. Calgary has also held several exciting events including a Breakfast for Africa. We are seeking ideas for permanent annual fundraisers in these two cities. Can you help?

FUNDRAISING – RECEIPT AND USE OF FUNDS

At *The Townships Projects*, we continue to expand our fundraising and educational horizons. We had our first audit in 2007, which indicated that 1.5% of funds raised were used for administration according to Revenue Canada standards. We issued tax receipts for income of \$196,186 and spent \$217,416 on our South African activities. Income for which tax receipts were not issued more than covered the costs of fundraising and administration. As we expand our fundraising efforts, we will continue to cover as much of the Canadian administration and fundraising costs as possible through non-receipted income and to ensure that each \$50 you donate changes a life for the better forever.

FOUNDER AND CEO

F. Martha Deacon, B.A. (Hons), LL.B.

Ms. Deacon is the Founder and Chief Executive Officer of *The Townships Project*, an international charitable organization that supports micro-lending in South Africa. Between 1994 and 1998, Ms. Deacon founded and was the Chief Executive Officer of P1 Parking Systems Inc., which was purchased by Imperial Parking Limited in 1998. From 1986 to 1994, Ms. Deacon was Vice-President Corporate Finance and a director of BZW Canada Limited and its predecessor firms. Before becoming an investment banker, Ms. Deacon was a solicitor with the Toronto law firm of Fraser & Beatty (now Fraser Milner Casgrain).

Martha Deacon with Muhammad Yunus, 2006 Nobel Peace Prize winner and Founder of the Grameen Bank.



"Microfinance is much more than simply an income generation tool. By directly empowering poor people, particularly women, it has become one of the key driving mechanisms towards meeting... the overarching target of halving extreme poverty and hunger by 2015."

March Malloch Brown, Administrator, UNDP