

# SHARED INTEREST : IN FOCUS



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## Teaching How to Fish

“We gave the project its name because we wanted to do things with our own hands,” recalled Khalid Salie, Vice Chair of the Hands-On Fish Farming Cooperative. “We had to keep the essence of the project – community involvement – while balancing concerns such as the environment and animal welfare...You can have all the upliftment, empowerment and capacity building you want, but you can’t jeopardize quality.”



Elizabeth Abrams and Sylvia Dampies harvesting trout

This highly productive project is setting creative new precedents in economic and environmental justice. Roughly an hour’s drive from Cape Town, in some of South Africa’s most fertile wine country, black farm workers are raising their own commercial trout in the irrigation reservoirs of the white-owned wine and fruit farms that employ them.

“We believe in the project and have lots of hope,” explains Hands-On member Elizabeth Abrams. Thirteen years ago, she and Sylvia Dampies traveled 150 kilometers in search of jobs in Cape Town. They found employment on the Dennegoer Plaas fruit farm. Now she is an owner of the enterprise. “This project must succeed,” she affirms. “I need to put my kids through school. What you put in is what you get out.”

### Farming without land

The project addresses South Africa’s

objective of increasing incomes of low-paid laborers who live and work on white-owned farms. Despite the goal of transferring 30% of the country’s productive land to blacks by 2014, less than 5% now resides in black hands. The country’s land restoration, based on the “willing seller willing buyer” principle, is especially daunting in this lush area, where few farmers are selling.

In 1995, the University of Stellenbosch launched a pilot project to enable black farm-workers to establish their own businesses. Local farmworkers organized and registered the Hands-On Fish Farming Cooperative in 2002.

The coop needed working capital to expand from its initial 11 projects. Project leaders approached the Land Bank, Standard Bank and ABSA, but were rejected as “too high risk.” In 2006, with Shared Interest’s R1,200,000 guarantee and Themban’s technical support, Hands-On secured and repaid a 12-month loan of R1,600,000. In 2008, Shared Interest issued a second guarantee of R2,100,000 for a R2,800,000 loan. To date 300 workers have participated in 35 projects on 23 farms.

Local farmers were interested in a project that enabled them to improve their national diversity (Black Economic Empowerment) ratings – key to marketing to large companies, government agencies and European importers.

### Environmental bonus

They soon saw their ponds become pollutant-free, since trout cannot thrive in contaminated waters. Moreover, trout produce phosphorous and nitrogen, – natural fertilizers – and reduce the farmers’ need to purchase these inputs. The projects use neither chemicals nor hormones on the fish.

*(Continued on Page 2...)*



Price Cobbs receives award from Marva Smalls

## Anniversary to Remember...

On Monday, March 30th, 350 distinguished U.S. and African leaders celebrated Shared Interest’s 15th Anniversary at Tavern on the Green in New York City. Honoree Graça Machel – wife of Nelson Mandela, widow of Mozambican President Samora Machel, and leading force behind the Foundation for Community Development of Mozambique – hailed Shared Interest by video for economically empowering South Africans to “take their destiny in their own hands” and work their way out of poverty. Shared Interest also recognized Price M. Cobbs, M.D., President of San Francisco-based Pacific Management Systems, for his lifelong commitment to racial and economic justice in South Africa and the United States. Johnson & Johnson Co. received the corporate award for significant efforts to build healthy and sustainable communities in South Africa and for supporting for the country’s emerging microentrepreneurs. The dinner was co-chaired by Peggy Dulany, founder and chair of the Synergos Institute; Debra Sandler, Worldwide President of McNeil Nutritionals; and Marva Smalls, Executive Vice President of Global Inclusion Strategy at MTV Networks.





HOFFC fish feeding platform

(Continued from Page 1...)

### Cooperative work

Three times a day, the coop members and their families pull themselves out on pontoons to the platforms in the middle of the reservoirs to feed their fish. They prepare a special mix according to the number, age and biomass of the fish and water temperature. Because trout cannot live in water warmer than 61 degrees Fahrenheit, the project operates from May to November.

With the assistance of the farmers and the university, interested employees who have worked on the farms for at least five years organize the groups (optimally between four and 12 members) that make up the cooperative. They rent the equipment from the university, and pay for it over time.

In 2004, the project began technical training for participating coop members, which now includes HIV/AIDS prevention, adult basic education and training, and financial management. Members are encouraged to set aside 10% of their profits to reinvest in their projects, and another 10% to donate to initiatives in their communities.

### Economics of reconciliation

The project is changing relationships between white farm owners and their black employees. The farmers do not receive dividends, but hold 25% of the

shares in the trout businesses. Other workers on participating farms also have 25%, while coop members maintain 50%.

The farm owners and farm workers often make decisions together, notes Henk Stander, who directs the project at Stellenbosch and trained the initial coop participants. "Before the owners simply used to pressure workers to do their jobs. Now that they are partners with Hands-On members, they are working with them on a different level. They say, 'Come and bring me your contracts and budget. Let's take a look at that business plan.'"

On the Gootegeloof Farm, 60-year-old Hands-On member Andreis Claasen, who has just completed his first grade of formal schooling, and farm owner Albertus vander Merwe, have become not only trout farming business partners but fishing buddies who compete against teams from other farms. For the past two years, their farm has won the university's trophy and R5,000 (\$500) cash prize for the most productive coop. Last season – from a single reservoir – they harvested 8.5 tons of trout.

### Challenges

The cooperative faces a number of ongoing challenges. These include Cape clawless otters, cormorants that dive-bomb the nets, algae blooms, and industrial effluents that can pollute reservoirs and kill fish. The coop must also select suitable sites and secure sufficient juvenile fish to stock the reservoirs.

Hands-On plans to expand operations to freeze and package its own fish. It is also exploring ways to diversify beyond its single purchaser, the country's largest trout smokehouse, Three Streams. The coop's potential has grown with South Africa's rapidly expanding restaurant and hotel market. With the 2010 World Cup taking place in South Africa, Hands-On plans to supply a growing tourist market.

## Bringing South Africa to the U.S.

### "Promised Land"

*San Francisco, New York and Boston*

We are thrilled to have brought the documentary film "Promised Land," by Yoruba Richen, to the Museum of the African Diaspora in San Francisco, the South African Consulate in New York, and the Charles Hotel in Cambridge.

The film explores South Africa's struggle to raise land reform and redistribution to the top of the national agenda. This film reminded us that Shared Interest's work providing skills training and capital to South Africa's black population, many of whom have won land claims, is essential to realizing South Africa's promise of economic transformation and social justice. As the film so eloquently states, "the end of apartheid is just the beginning."

### "Meet the Ambassadors"

*Washington D.C.*

On November 7th, Shared Interest brought together Washington DC area nonprofit leaders, public officials and friends and supporters for a reception and conversation between South African Ambassador Welile Nhlapo and former Ambassador to South Africa James Joseph entitled "South Africa Today – Challenges and Opportunities."

Our event was graciously hosted by Ambassador Nhlapo at his official residence. This timely and thought provoking event came on the heels of the US presidential election, and was filled with hope and optimism about the future of South Africa's own democracy, as it celebrates 15 years.





## INVESTOR SPOTLIGHT MICROPLACE

### Small Loans – Big Change

When Shared Interest launched its guarantee fund, the smallest loan the organization was able to take was \$10,000. Over time, with increased staff and the ability to process smaller donations, it lowered that threshold to \$3,000. The minimum loan has now dropped to \$20!

With its listing on MicroPlace, an online investment marketplace that enables “everyday people” to invest in the world’s working poor, Shared Interest can accept loans of less than



the cost of a dinner out. Investors go on line to visit MicroPlace, a wholly-owned subsidiary of eBay Inc., at [www.microplace.com/sharedinterest](http://www.microplace.com/sharedinterest) and select one of the projects backed by Shared Interest guarantees. MicroPlace delivers investments to Shared Interest via PayPal and channels Shared Interest’s payments to investors.

“We are pleased to list Shared Interest on our site,” noted Ashwini Narayanan, general manager of MicroPlace. “Together we make it possible for a broad base of investors to help impoverished South Africans transform their history of injustice into a future of hope.”

Launched in 2007, MicroPlace seeks to make a serious dent in the poverty that engulfs more than 1.2 billion of the world’s people who live on less than \$1 a day, according to the World Bank. The Microfinance Summit estimates that while 130 million impoverished entrepreneurs have benefited from small-scale loans and related services, nearly 1 billion could use such funds productively if given the opportunity. By introducing thousands of new investors to microfinance, MicroPlace is providing an innovative vehicle to reach many thousands more low-income borrowers.

“By listing Shared Interest on our site, we are doing our part to channel funds

to entrepreneurs on the front lines of the campaign to end poverty in South Africa and the surrounding region,” affirmed Ashwini Narayanan. “Shared Interest’s 15-year track record provides a solid base for this important work.”

### A Gift for the Future

As Shared Interest celebrates its 15th anniversary, we are building our capacity to accompany South Africa in its continuing transformation. Because we know that enduring social and economic change takes time, we must be committed to this work for the long haul. We hope that you will join us in supporting South Africa’s legacy by including Shared Interest in your will, or making a planned gift in honor of our 15th anniversary. Help us lay the foundations South Africans need to make a reality of their hard-won rights for generations to come.

For information, please contact Alicia Kingue at 646-442-0186 or [alicia@sharedinterest.org](mailto:alicia@sharedinterest.org)

#### Yes, I support South Africa’s democratic development!

- Please send me information about how to invest in Shared Interest.
- I am enclosing a tax-deductible contribution of \$\_\_\_\_\_ to support Shared Interest’s work.  
Or, please bill my:  VISA  MASTERCARD  AMERICAN EXPRESS  
for a tax-deductible contribution of \$\_\_\_\_\_

Account Number \_\_\_\_\_ Exp. Date \_\_\_\_\_ Signature \_\_\_\_\_

- Please send me information about including Shared Interest in my will.
- Please add me to your mailing list.
- Please send Newsletter by e-mail only.

Name \_\_\_\_\_

E-mail address \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Please return this form to:  
**Shared Interest**  
121 West 27th Street, Suite 805  
New York, NY 10001

Or fax it to **(212) 337-8548**  
For further information please call: **(212) 337-8547**  
Or e-mail: [info@sharedinterest.org](mailto:info@sharedinterest.org)  
Website: [www.sharedinterest.org](http://www.sharedinterest.org)





## From the Executive Director

Dear Friends,

As we celebrate our first 15 years, and impact on the lives of 1.8 million black South Africans, we confront international markets and public confidence that are shaken to the core. While the U.S. was first to reel from the crisis, foreign companies and countries were not far behind.

South Africa was more insulated than many other nations as a result of financial sanctions during the 1980's and early 1990's, designed to increase pressures to end apartheid. Ironically, some constraints on international interactions – upheld by a government seeking to protect the finances of the fledgling democracy – cushioned South Africa from some of the worst shocks of the current crisis.

Nonetheless, South Africa is feeling the pinch. Overseas cutbacks have reduced prices and demand for the country's commodities and manufactured goods, prompted lay-offs at mines and factories, and cost thousands of jobs. The country has also reduced growth projections from 3.1 percent for 2008 to 1.2 percent for 2009, as Finance Minister Manuel outlined in his February budget speech.

South Africa's small and micro-enterprises are once again playing their traditional role – as safety net and sustainer of the country's majority population. And Shared Interest, through our guarantees and the strong technical

support of our partner, Thembani, are privileged to do our part.

We are keeping a close watch on the downturn's impact on our guarantee partners. As some of these enterprises face new challenges, we are aware that they require additional support. And we have begun to provide it – with enhanced technical assistance they need to restructure businesses and negotiate new arrangements with banks. Our ratings assess our risk to be within the range covered by our reserves, in keeping with our long-standing policy and practice, and we are hopeful that our efforts will minimize the number and size of any defaults so that our reserve fund will be sufficient to cover any claims against our guarantees. If you would like to know more about the current situation and our response, please feel free to contact me.

As we recall where South Africa stood in 1994, we note that this is not the first time the communities we serve have confronted major obstacles. We face the future with confidence in the strength and resiliency South Africa's enterprising women and men, microfinance institutions, cooperatives and emerging enterprises. And more than ever, we appreciate the enduring support of our partners at home to continue this challenging work.

Sincerely,

Donna Katzin



“To work with fish is special for me” notes Abe Anthony, member of the Hands-On Fish Farming Cooperative. “It is something I can take forward.” Abe went to work on the Rustenburg Wine Estate in 1988. He resigned in 1996, due to a heart condition and struggled to support himself, his wife, son and grandson – who also live and work on the farm. He continues to do odd jobs, and has become the farm's coop leader.

Abe reflects, “It took a lot from me as a person. Encouragement, leadership, power. You have to know how many fish to put in a dam. Then you have to check the nets once or twice a week, clean them, take out the dead fish, which can contaminate the live fish and reduce the oxygen for them in the cage.”

The efforts of the Rustenburg team have produced gratifying results: 5,500 tons of fish from the last harvest.

Abe and three other Rustenburg workers organized the project on the estate. “We needed to support our families and pay school fees,” he explains. “The four of us asked how we could do something by ourselves, and decided to get help from outside. I am very proud of all the people at Hands-On. We also learn from each other. You are never too old to learn.”

## Shared Interest's Vision and Mission

Shared Interest envisions a just and vibrant South African economy that eliminates disparities and upholds the basic human rights enshrined in the nation's constitution – a South African society that serves as a model of economic justice. Shared Interest's mission is to mobilize the resources for South Africa's economically disenfranchised communities to sustain themselves and build an equitable nation. To that end, Shared Interest: guarantees South African bank loans to low-income communities and their own financial institutions to create businesses, jobs and affordable homes and services; works through its partner organization, Thembani, to build the human capital and self-sufficiency of these community development financial institutions; collaborates with other organizations to advance models and policies that recognize women as primary drivers of development and that increase the resources and power of South Africa's most marginalized communities; builds partnerships with individuals and institutions in the U.S. that enable them to invest in South Africa's future.





**Shared Interest celebrated its 15th anniversary in style with old and new friends at Tavern on the Green in New York City on March 30, 2009.**



Debra Sandler



Michelle Miller, Prexy Nesbitt



Milton and Nancy Washington and Claudette and Rev. Harold Lewis



Josh Posner and Laretta Bruno



Tuelo Kgobokoe and Morris Goldberg



**Front Row:** Rev. Mangedwa C. Nyathi, H.E. Welile Nhlapo. **Second Row:** Jennifer Davis, Jean Bond, Ron Shiffman, Darchelle Garner, Linnie McLean, Laretta Bruno, Marion Bergman, H.E. Daudi Mwakawago. **Third Row:** Michelle Miller, Price M. Cobbs, Tim Smith, David Wildman, Josh Posner, Prexy Nesbitt, Donna Katzin

Photos: Anna Morris / AnnaShoots.com





## Shared Interest Welcomes New Board Members!



**Jean Bond** is a writer, editor and political activist. Her work includes articles, essays, political and cultural commentaries, two children’s books and poetry. As an editor and writer, she was associated with *Freedomways Magazine*, a leading African American journal of progressive opinion. She has served as associate editor of *The African Review* (Accra, Ghana); arts and entertainment editor of the *New York Amsterdam News*; coordinator of the *Bulletin of the Council on Interracial Books For Children*, and director of publications in the Public Education department of the American Civil Liberties Union.

**Laretta Bruno** is President and Founding Partner of Gramercy Partners LLC, an investment advisory firm focusing on Southern Africa for US and European institutional clients. Gramercy also advises South African and European firms, foundations and universities on US issues. She previously served as JPMorgan’s Africa Area Manager and architect of successfully positioning JP Morgan as a recognized and respected financial partner and intermediary for Southern African issuers and investors.

**Jehiel Oliver** is a finance and economic development professional with experience in the international and domestic investment banking, corporate banking, private equity and private sector development arenas. He currently works with the international development consulting firm AZMJ, LLC, as a finance and research specialist. At AZMJ he is responsible for due diligence analysis of financial institutions for socially responsible investors. Prior to working in international development, Jehiel served as an Associate within the Institutional Capital Group at Key Bank.



## SHARED INTEREST

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