

SHARED INTEREST: IN FOCUS

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The Most Reverend Desmond Tutu, retired, with delegation members (left to right) Donna Katzin, David Wildman, Walidah Bennett, Tim Smith, Michael Bennett, Julaine Eberhard, Desmond Tutu, Iva Carruthers, Imani Countess and Darchelle Garner.

Community Facilities in Mpumalanga

Viable communities are more than houses. They also require infrastructure, services and organizations. The guarantee most recently approved by Shared Interest and the Thembani International Guarantee Fund will enable "emerging" contractors in Mpumalanga Province to build clinics and other community facilities, water and sewage systems and roads. Under apartheid, black contractors were denied these opportunities by law. Today they are barred by lack of access to capital and technical support.

The guarantee to Mpumalanga Economic Empowerment Corporation (MEEC) will strengthen public-private partnerships by unlocking bank credit for new entrepreneurs to use to launch infrastructure projects for which they have received government contracts. MEEC was created by provincial authorities in 1993 to provide technical assistance, bridging

SEE **Mpumalamnga** ON PAGE 5

Delegation to South Africa

Shared Interest's first delegation to South Africa was a resounding success. Between August 19 and September 1, 18 of Shared Interest's friends, investors, board members and staff visited community projects and financial institutions in Gauteng, the Free State, Mpumalanga, Northern Province, the Western Cape and KwaZulu-Natal. They also met with Housing Minister Sankie Mthembu-Mahanyele; Mineral and Energy Affairs Minister Phumzile Mlambo-Ngcuka, who heads the inter-departmental cabinet team coordinating national efforts to combat poverty; The Most Reverend Desmond Tutu, retired; Constitutional Court Justice Richard Goldstone; and Nelson Mandela's close friend and fellow Robben Island prisoner Ahmed Kathrada, who escorted the group to the cell block where the two were imprisoned. The group also attended the opening of Athol Fugard's

SEE **Delegation** ON PAGE 2

In the wake of the attacks on New York and Washington, Shared Interest dedicates this issue to the people who lost their lives and those who loved them, and to the men, women and children around the globe who continue to hope, to love and to work to triumph over hatred and injustice.

Our hearts and prayers go out to those who have been affected by this terrible tragedy, and to the children who will inherit a world forever changed by it. We can only redouble our efforts to forge a future in which justice and reconciliation are the order of the day, and peace is possible.



Delegation visits shade-cloth "houses" at New Forest Vegetable Project in Northern Province.

Delegation FROM PAGE 1

new play, "Sorrows and Rejoicings," and got a taste of some of the country's natural beauty at a game lodge in Mpumalanga and the Cape of Good Hope.

Project Visits

The group was particularly moved by the progress they observed during their visits to some of the projects that had received Shared Interest/Thembani guarantees. At "New Forest Vegetable Project" in Northern Province — the shade cloth farming project that consisted of vacant land and a dream less than a year ago — 16 African women have become commercial farmers. Each of these "owners" now employs four additional women in the natural greenhouse she owns and operates (approximately half the size of a soccer field). Together, their first crops (planted in May) yielded 175 tons of top-grade tomatoes by August, which the women sold to prominent national department stores in Cape Town, Johannesburg and Durban. With four harvests annually, the project can produce more than 700 tons of tomatoes a year — in addition to tons of premium red and yellow peppers.

SEE **Delegation** ON PAGE 5

Up-coming Shared Interest Events

November 8th, 2001

Award Dinner honoring Robert Zevin (Boston)

February 18, 2002

African Century Challenge Awards Dinner honoring Danny Glover, Hugh Masekela and Susan Taylor (NYC)

February 28, 2002

Benefit concert featuring Hugh Masekela (Chicago)

New Shared Interest Resource:

Reclaiming the Links: African-Americans and South Africans
By Gerald Lenoir; Edited by Imani Countess

For more information or a copy of the article, contact the Shared Interest office: **212-337-8547**.

Excerpts From Accord at World Conference Against Racism, Racial Discrimination, Xenophobia and Related Intolerances

Durban, September 9, 2001

...The world conference acknowledges and profoundly regrets the massive human sufferings and the tragic plight of millions of men, women and children caused by slavery, slave trade, trans- Atlantic slave trade, apartheid, colonialism and genocide and calls upon states concerned to honor the memory of the victims of past tragedies and affirms that wherever and whenever these occurred they must be condemned and their reoccurrence prevented...

The world conference recognizes that these historical injustices have undeniably contributed to poverty, underdevelopment, marginalization, social exclusion, economic disparities, instability and insecurity that affect many people in different parts of the world, in particular in developing countries.

The world conference recognizes the need to develop programs for the social and economic development of these societies and the diaspora within the framework of a new partnership based on the spirit of solidarity and mutual respect in the following areas: debt relief, poverty eradication, building or strengthening democratic institutions, promotion of foreign direct investment, market access.

INVESTOR SPOTLIGHT

First Church of Cambridge, Congregational

"We're calling about our loan to Shared Interest—the one that comes due in September," explained the representative from the First Church in Cambridge, Congregational. "We've decided that in the spirit of Jubilee we want to forgive the loan, and invite Shared Interest to come and participate in a special communal ritual."

This was a first for Shared Interest. But then, the First Church in Cambridge has a habit of setting precedents. In 1995, they were the first congregation to invest in Shared Interest, after a careful and conscientious congregation-wide educational process. Five years later, they became the first church to forgive their loan. And so it was, on April 29, that Shared Interest participated in its very first ritual shredding.

The event took place during the Sunday morning service, in the presence of the entire congregation. Rev. David Grishaw-Jones, a veteran of the anti-apartheid movement, began by commending Shared Interest and its work in South Africa. Executive director Donna Katzin then reported to the congregation on the kinds of guarantees that its loan had facilitated and ways in which South African communities had benefited.

Rev. Grishaw-Jones then read and called for a vote on a letter to Shared Interest declaring that the



Rev. Grishaw-Jones focuses congregation on global partnership prior to vote to forgive Shared Interest loan.

congregation would forgive its loan. After the assembly approved the statement, Rev. Grishaw-Jones invited the congregation's youngest members up to the altar and presented them with a giant inflated globe. He raised the globe, and then lowered it, showing the children where to lay their tiny hands on "South Africa." Finally he produced the promissory note from Shared Interest, and gave it to the youngsters, who enthusiastically shredded it.

Just before this newsletter went to print, Rev. Grishaw-Jones noted, "Forgiveness is a way of life. It's a way of spirit. Vengeance and retribution lead only to war, chaos and more violence. We're grateful for all the people of South Africa and the world who remind us daily that forgiveness, truth and reconciliation are the true paths to justice and peace."

Yes, I am interested in providing support for South Africa's democratic development.

- Please send me information about how to invest in Shared Interest.
- I am enclosing a tax-deductible contribution for \$_____ 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
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- Please add me to your mailing list.
- Please send Newsletter E-Mail only.

Name	email
Address	
Zip	

Please return this form to:
Shared Interest
 121 W. 27th Street, Suite 302
 New York, NY 10001

Or fax it to **(212) 337-8548**
 For further information please call: **(212) 337-8547**
 Or email: shardintrest@igc.org

Thank you for your generous support.



FROM THE EXECUTIVE DIRECTOR

The morning of the attack on the World Trade Center and the Pentagon, those of us gathered at the 12th SRI (Socially Responsible Investment) in the Rockies Conference float in and out of reality. We replay the images of horror in our minds as they are repeated on the TV screens. And from far away, surrounded by red rocks and solemn saguaro cacti, perhaps more honestly than usual, we revisit our values, evaluate the relevance of our work, and search collectively for the way forward.

The attacks underscore our transience on earth, and beg the question: How to live our lives according to what was most important? We struggle to make the connections... "It's incredibly important," notes Jean Pogge of Shorebank, "to channel our investments into the communities that need them most at home and around the world. Economic justice means people don't have to resort to terrorism."

The day before, Shared Interest and its colleagues in the Social Investment Forum launched our "1% campaign." The goal is for individual and institutional investors to place 1% of their holdings in funds like Shared Interest that benefit low-income communities

by creating cooperative, small and micro-enterprises, sustainable jobs, affordable housing and community facilities. If socially responsible investors allocate one percent of their assets in this way, they will triple the amount invested in the low-income communities to more than \$15 billion.

For Shared Interest, this work has particular meaning. Now, more than ever, we are poignantly aware of the lessons of peaceful change and reconciliation that South Africa has to teach the world. As we invest in sustainable grassroots communities in South Africa, we are also investing in people who are struggling to reshape a society previously deformed by institutionalized apartheid terror and racism, and grappling with the added challenges of the global economy. South Africans have shown us that it is possible to survive tragedy by working together, peacefully, for a more equitable world. With them, today and tomorrow, we strengthen our resolve to build new relationships and institutions rooted in reconciliation – in the pursuit of justice.



Donna Katzin
Executive Director

Please contact the Social Investment Forum to learn more about Community Investing and how you can get involved in this important effort.

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Shared Interest is a not-for-profit social investment fund guaranteeing South African bank loans to community development financial institutions engaged in South Africa's reconstruction process. Shared Interest and its Swiss associate RAFAD have established the Themban International Guarantee Fund (TIGF) in South Africa. Through the TIGF, Shared Interest strengthens grassroots organizations and enables them to provide increasing amounts of affordable credit for small businesses and social housing in South Africa's lowest income communities.

Many thanks to the more than 100 individuals who have contributed generously this year, and to the following foundations, corporations, religious and other organizations that support our work:

California Community Foundation
Chase Manhattan Bank (matching gift)
Christ Episcopal Church
Christians Equipped for Ministry
Citigroup Foundation
First Church Cambridge (forgiven loan)
Ford Foundation (matching gift)
Friedman Family Foundation
The Funding Exchange
The Glickenhau Foundation
The Heron Foundation (matching gift)
Public Welfare Foundation
Rasco Graphics
St. Paul Companies
Sisters of Charity of the Blessed Virgin Mary
Trillium Asset Management
Tri-State Coalition for Responsible Investing
United Methodist Church Women's Division
Walden Asset Management
Wheaton Franciscan Sisters

Mpumalanga FROM PAGE 1

finance and other services to these small and start-up entrepreneurs. Since its inception, MEEC has facilitated more than 170 community projects, launched more than 50 emerging contractors in their own businesses, created more than 7,000 new jobs (4,320 last year alone) and injected more than R130 million (more than \$16 million) into the province's economy.

While MEEC has been able to provide R5 million (approximately \$625,000) in loans to the new contractors to date, the amount falls far short of demand, which has escalated dramatically during the past year. With the new guarantee, MEEC will obtain additional credit from Standard Bank, which it will use to lend an additional R8 million (approximately \$1 million) to the emerging contractors. Since the government subsidies only flow after the projects begin, such credit is crucial for the new entrepreneurs to get started by drawing up plans, purchasing materials and hiring and training local workers.

MEEC also provides its clients with non-financial

services including: mentorship; financial and project management; the preparation of business plans, cash flow projections and accounting; connecting to reputable and affordable suppliers; and advice about reinvesting in the new businesses.



Asakheni Construction, emerging contractors in Mpumalanga, install a stormwater drainage system. With the help of a guarantee of R96,491 (\$12,061) from MEEC, the contractors obtained a bridge loan to initiate a R964,912 (\$120,614) government project. ("Asakheni" means "let us build" in the Ndebele language.)

Delegation FROM PAGE 2

At the Marconi Beam development in the Western Cape (Shared Interest's first housing guarantee), delegation members noted that the community has continued to develop since it was first constructed for (and by) residents of a local shack settlement that had resisted apartheid's forced removal policies for more than 30 years. Mrs. Madolo — one of the earliest residents to build her own house — subsequently launched a child-care center. She has now expanded the one-room structure, which originally served 50 children, to a three-building facility with a staff of nine women caring for 131 children.

In KwaZulu-Natal, one of the organizations guaranteed by Them bani two years ago has since given birth to another community-lending organization. Launched by the Philisisizwe Association for Development (PAD), the Philisisizwe Enterprise Support (PES) now lends between R500 and R3,000 (\$63 and \$375) to groups of rural borrowers. This project is one of a number of new "micro-credit outlets" that are extending loans on a revolving basis to rural borrowers (primarily women) who otherwise would have no access to credit.

Meeting with TIGF

During the visit, members of Shared Interest's board and staff held our first meeting with Them bani counterparts in Johannesburg. Together we reviewed the

SEE **Delegation** ON PAGE 6



Lesina Ngwane (left) is the mother of seven children between the ages of three and 22. Olpa Madide (in black and white blouse) has given birth to 14, four of whom are living. Though the women earn a small sum by planting sugar cane and selling it to the local sugar mill, they can only deliver one harvest a year. As a result they have had to find other ways to feed their families in between growing seasons. The two women have helped organize a five-member borrower group of craft producers near Deneysville in KwaZulu-Natal. The group gathers and dries reeds, then secures them with an intricate pattern of knots guided by a wooden "donkey." They are working to obtain the funds they need to build a market where they can sell their wares, protected from sun and rain.

Together they borrowed and repaid their first loan of R500 (approximately \$62) from Philisisizwe Enterprise Support in four months, and have since taken out a second loan for R1,500 (\$188). "The loan helps us to grow the children and send them to school," explained Mrs. Ngwane. "It also helps us to save and to live without fear."

Delegation FROM PAGE 1

challenges of working with the shifting small and micro-enterprise sector, as well as the new opportunities for high-impact guarantees in South Africa. We concluded that the time has come for Them bani and Shared Interest to broaden our spectrum of partners and projects. During the coming months, the two organizations will be considering innovative guarantee models that broaden Them bani's work with South Africa's grassroots enterprises and communities.

World Conference Against Racism

Some delegation members attended the NGO Forum preceding the World Conference Against Racism, Racial Discrimination, Xenophobia and Related Intolerances (WCAR) in Durban. They joined more than 6,000 delegates (25 percent from the United States) from 350 other non-governmental organizations around the world. Though this was the third United Nations convocation focusing on racism, it was the first in which apartheid did not occupy center stage. As a result, the focus shifted to numerous other debates raised by peoples including the Roma ("gypsies") of Europe, the Dalits ("Untouchables") of India, aboriginal Australians, Afro-Brazilians, Native Americans and Palestinians.

The conference also examined the racial ramifications of international debt and development issues. As part

of this discussion, Shared Interest conducted a workshop entitled "Reversing Financial Apartheid: International Partnerships in an Age of Globalization." Although Shared Interest did not draft or approve specific conference documents, our participation enabled us to review our work and meet people from around the world who are challenging institutionalized racist practices within the context of the global economy.



Shared Interest delegation members with Ahmed Kathrada on Robben Island: left to right: Rachel Knight, Michael Bennett, Ahmed Kathrada, Donna Katzin, Cassandra Sheffield, Tim Smith, Iva Carruthers, Linnie McLean, Elaine Klemen, Catherine Heron, Imani Countess, Julaine Eberhard



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Address Correction Requested

Please visit our website at:
www.sharedinterest.org
Let us know what you think of it!