



Developing sustainable small businesses in South Africa

A key part of AngloGold Ashanti's philosophy is that its operations and activities should contribute towards the long-term sustainable development of the communities within which it operates, and, in the case of South Africa, of the remote rural communities from which it still draws a substantial proportion of its workforce.

Masakhisane Investments Limited was established in 1999, with an initial seed capital of R10 million (then worth approximately \$1.6 million), with the objective of raising venture capital to provide funding for the creation of long-term sustainable businesses. The Small and Medium Enterprise Development Initiative (SMEDI), managed from AngloGold Ashanti's Community and Sustainable Development office, continues to identify people with ability and potential, and enters into a partnership with them to provide education, training and funding. Funding is managed either through loans or through taking equity of between 10% and 20%. "We usually find a business takes three years to become self-sustainable," says Community and Social Development Manager Butiki Loliwe. "When that stage is reached, the business repays the loan, or buys back the equity, and becomes independent."

The Sustainable Development Committee meets on a quarterly basis and considers proposals for assistance submitted by community members in the West Wits and Vaal River areas, and compiled with the assistance of the commercial leaders based in each area. In the West Wits area, some 45 businesses – employing 643 people – were supported during 2007, with a total exposure on AngloGold Ashanti's part of R3.3m. In the Vaal Reefs area, the company's exposure was R1.1m, involving support for 67 projects which employed a total of 165 people.

An overview of selected projects is given in the sections that follow: one is a rural project based in one of the company's major labour-sending areas, while the other two originated in the communities surrounding the mine's operations.

