




smartstart
GIVING EVERY CHILD THE POWER TO SUCCEED.

Annual Report

2023

The Road to 2030





Contents

About SmartStart	04	Our work in 2023 towards closing the opportunity gap	48
Letter from the CEO	05	Financials	60
Letter from the Board Chairperson	06		
Introduction	08		
A rear-view mirror: understanding SmartStart's journey	10		
SmartStart today	16		
Our key activities in 2023	22		
Leveraging existing community assets to expand access to quality early learning	24		
Mobilising communities to advocate for the necessary change	28		
Enabling economic empowerment using untapped human capital	40		
Maintaining quality in the move towards exponential growth	44		



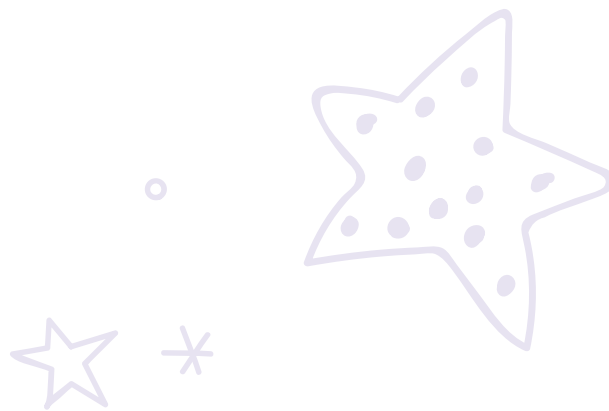


About SmartStart

SmartStart is South Africa's first national early learning social franchise that aims to expand access to quality early childhood development. Through a three-tiered delivery platform, SmartStart works with regional branches and NPO partners, or Franchisors, to recruit, license and support early learning practitioners to implement high-quality, standardised early learning programmes for three- to five-year olds. Driven by principles of partnership, community, and collaboration, SmartStart aims to address the lack of affordable, quality early learning programmes, the shortage of pre-schools and the dire need for trained and licensed practitioners, while creating new employment opportunities.

Supported by a national network of coaches and clubs, SmartStart plays the role of platform orchestrator, designing and enabling the operational components of an end-to-end, non-state delivery system.

SmartStart has a bold and audacious vision: **by 2030, every child has access to quality early learning.** Achieving this will create a ripple effect of education, employment, and brighter futures for all.





Letter from the Chief Executive Officer, Grace Matlhape



SmartStart is one year away from celebrating its 10th anniversary. In the nine years since our inception, we have established our base and now need to grow at ten times our current rates to really close the early learning access gap and reach an additional one-million children every year.

Reflecting on our achievements thus far, it is evident that we have made significant strides in advancing early childhood learning. However, as we stand on the brink of our a decade in existence, we recognise that there is still much ground to cover. Our commitment to providing quality early learning experiences remains unwavering, but now we aim even higher – to grow exponentially and bridge the gap in early learning access.

In the years to come, our goal is ambitious yet attainable: to expand our reach exponentially with the aim of ensuring that an additional one million children, annually, have access to quality early learning programmes. This expansion is not merely about numbers; it is about touching the lives of countless children and empowering them with the essential foundation they need to thrive in life. For the women who ensures childcare, it about developing micro-enterprises that ensure their own economic independence. For the parents of young children, it means going out to work (or seeking work), knowing that their children

are in a learning through play environment.

To achieve this ambitious goal, we must embrace innovation, collaboration, and strategic partnerships. We will leverage technology to scale our impact, explore new avenues for reaching underserved communities, and work closely with stakeholders who share our vision for a brighter future for all children.

We invite you to join us in our mission, as we embark on this next phase of growth,. Whether you are a partner, donor, or advocate, your contribution is invaluable in helping us realise our vision of ensuring that every child has access to quality early learning opportunities.

Together, we can make a profound difference in the lives of millions of children, shaping a better future for generations to come. Let us rally around our shared purpose and work tirelessly towards building a world where every child can learn, grow, and thrive.

Thank you for your unwavering support, and here’s to the next decade of impact and innovation at SmartStart.





Letter from the Board Chairperson, Carley Furness-Symmms



I am delighted to share with you the remarkable progress SmartStart has made in the past year, particularly in efforts carried out to foster strategic partnerships instrumental in transforming the early learning space in South Africa.

One of our most significant achievements has been the establishment and development of an extraordinary partnership with the Department of Basic Education (DBE). Together, we have embarked on a journey to develop a systemic approach aimed at catalysing positive change within the sector. This partnership not only underscores our commitment to collaboration, but also reflects our shared vision –to ensure quality early learning for all children.

I am also proud to share with you that as a network, we have diligently worked to forge similar partnerships with multiple provincial departments of education. These collaborations have yielded promising results and, in the process, laid the groundwork for impactful initiatives will potentially reach and benefit a significant number of children across various communities and municipalities. These partnerships are not merely transactions. They are genuine collaborations founded on mutual trust, shared values, and a common goal: To improve early learning outcomes. Through these alliances, we are pooling together our collective expertise, resources, and networks to drive meaningful change and create lasting impact in the lives of children and families.

As we move forward, we remain committed to nurturing and strengthening these partnerships, and recognise their indispensable role in advancing a common mission and cause. Together with our partners, we will continue to innovate, advocate, and implement solutions that address the challenges that the early learning sector must contend with, ensuring that every child has access to the quality early learning that they deserve.

I would like to extend my deepest gratitude to all our partners for their unwavering support, dedication, and commitment to this shared vision. It is through our collaborative efforts that we can truly make a difference and pave the way for a brighter future for all children.

Thank you for your continued partnership. I look forward to the continued success and impact we will achieve together.







Introduction

Children who start school with a solid foundation, are more likely to stay in school, and go on to lead healthy and productive lives

This is the motivation behind investment in early childhood development (ECD) in South Africa – a critical driver of economic and social progress that has the power to ultimately disrupt perpetuating cycles of poverty and inequality.

Backed by a small group of funders with a long-standing commitment to early childhood development and the aspiration to fundamentally change the early childhood experience for millions of South Africans, SmartStart was launched in 2015 with a clear objective: to enable universal access to quality early learning, for as many children as possible, as quickly as possible.

The task was to build a national delivery platform for an evidence-based early learning programme that could achieve the scale required for universal access. In South Africa, universal access means making provision for the more than 1.3 million children who are not currently in any form of early learning. SmartStart and its partners, understood that to do this, a fundamental change in the status quo was needed. This required a new way of thinking for building effective solutions that could address the compound challenges facing the ECD environment.

SmartStart has sought to understand the complexities of the ECD sector, how to navigate them and solve them through a coordinated and

integrated approach. In seven years, it has become the largest early learning provider in South Africa and has built a strong, trusted and co-owned brand. The journey has been a profound learning experience and has helped to shape our roadmap to 2030.

SmartStart has scaled from 1 000 early learning practitioners in 2016, to over 9 000 in 2023, currently supporting 67 000 children annually. Closing the early learning access gap in South Africa is a significant challenge. There are over one million children aged three-to-five years old who do not have access to any form of ECD programme or who are in inappropriate provision. What we do know, is that the gap is widest in rural and economically underdeveloped communities.

To meet this target by 2030, SmartStart must exponentially scale its current capacity and, simultaneously, support the state to address structural barriers and build system capacity for this necessary growth.

Who is SmartStart?

SmartStart is South Africa's first national early learning delivery platform. Through a three-tiered social franchise model, SmartStart works with regional branches and NPO partners, or Franchisors, to recruit, license and support early learning practitioners to deliver the same evidence-based programme for three- to five-year old's, supported by a national network of coaches and clubs. SmartStart itself performs the role of platform orchestrator, designing and enabling the operational components of an end-to-end, non-state delivery system.



SmartStart has a bold and audacious vision: by 2030, every child has access to quality early learning. Achieving this will create a ripple effect of education, employment, and brighter futures for all.

The challenges that influence access to quality ECD are complex, underpinned by deep-rooted societal inequalities that widen the gap in access to quality early learning.



SmartStart Annual Report 2023



Annually, 1.3 million children aged 3 – 5 years, do not have access to any form of early learning programmes^[1].

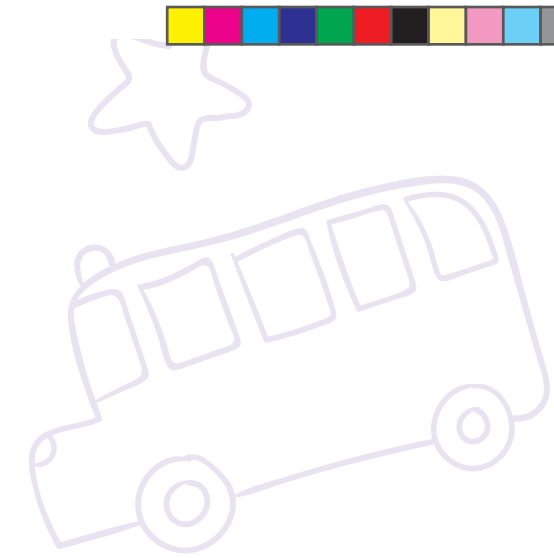
Furthermore, 45% of the 2.8 million children who are in some form of early learning programme, are not developmentally on track^[2].



Because of limited funding across the ECD sector, most early learning programmes in South Africa are set up in areas where caregivers can afford to pay fees. This means that the most devastating and unequal gap is in underserved communities – where more than 66% of all children in South Africa grow up – and where SmartStart’s efforts are now targeted.

^[1] 2022 StatsSACensus

^[2] 2021 Thrive by Five



A rear-view mirror: understanding SmartStart’s journey

Reflecting on the road travelled since 2015 offers important insights for our next steps.

SmartStart’s learnings and insights tell a compelling story about what it takes to influence population-level change within such a complex environment. Every decision and strategic shift in direction has been informed by experiences on the ground. SmartStart’s journey has been backed by contextually relevant data and supported by an integral network of funding and thinking partners.

SmartStart’s evolution has been guided by three pivotal insights:

1. The first was the realisation that childcare was critically undervalued as a building block for economic growth, and its absence is the primary challenge facing parents, especially women.
2. The second was realising that the provision

of childcare offered a significant opportunity for SmartStart to level up the demand for quality early learning, while solving a critical socio-economic need.

3. The third major strategic pivot came with the knowledge that to enable universal access, SmartStart needed to focus its energy on understanding the deep systemic flaws in ECD structures and processes, how they hinder progress in informal and underdeveloped economies, and then build government partnerships that could solve for them.

These learnings underpin SmartStart’s strategy for tenfold growth on the next phase of its road to 2030.

The playgroup model

SmartStart’s early approach utilised a playgroup model where practitioners provided a quality intervention to two groups of children a week. It was a ‘minimum dosage’ approach, and while it wasn’t comprehensive, playgroups enabled access to a greater number of children in a quicker and affordable manner without compromising on the quality of intervention each child received.

SmartStart supported individuals (both unemployed and partially employed) to set up playgroups that could operate as viable micro-enterprises, capable of immediately providing not only a precious and important community service but also creating a sustainable livelihood for themselves.





There is a wealth of social capital that already exists within underserved communities – with the thousands of individuals who have a strong caring instinct and the aptitude to be effective early learning practitioners. SmartStart sought to unlock this potential and developed an early learning curriculum, training programme and coaching model to support and sustain a community of ECD practitioners.

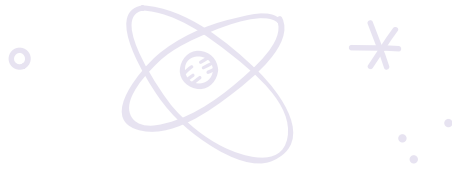
While conceptually sound and relevant in many circumstances, the playgroup approach had a fundamental flaw – the offering did not address the critical need for fulltime, safe and affordable childcare for working parents and parents actively seeking employment, particularly in low-income urban communities.

Childcare – a fundamental enabler of economic development

With this insight came SmartStart’s first major strategic shift. The gap in childcare provision presented a significant opportunity. SmartStart was well-versed in addressing the gaps in the sector’s supply chain – with tried and proven recruitment processes, evidence-based training programmes and a coaching model that helped to sustain these inputs. We began to work with networks of childcare providers, supporting them in either developing an early learning component, or strengthening an existing one.

Childcare solutions that offer quality early learning not only enable labour-market entry for parents, by providing a safe space for their children while they work, but also give children the fundamentals to succeed in life.





We quickly learnt that it wasn't the early learning component that initiated large-scale demand across communities – it was the provision of childcare. Compounding the two services into one platform meant we could meet this critical socio-economic demand, while addressing both access to and quality of early learning programmes.

This extension in our delivery strategy led to the first major roadblock on our trajectory to reach one million children: the approach did not offer the same exponential growth opportunities as the playgroup model and was significantly more costly to implement per child. It was, however, an investment worth making, because it provided the opportunity to offer a holistic and comprehensive intervention and leverage the demand of a critical community need. Through a dual offering, we could create awareness and build a demand for quality early learning, alongside the demand for accessible childcare.

As a viable part-time solution, the playgroup model remains SmartStart's dominant model in areas where we work with government employment schemes like the Community Works Programme. However, across the broader network, the majority of SmartStart programmes are now full-time home and community-based programmes.

This expansion to develop full-time ECD programmes worked, and we measured tangible and positive outcomes. The challenge was that SmartStart was growing – and thriving – in an already-active formal ECD market. We were having less impact in addressing the biggest threat – the widening access gap in the country's most marginalised communities.

These are quintiles one and two communities, where the economy is predominantly informal and underdeveloped, where parents can't afford to pay childcare fees and practitioners are under trained and under-resourced.

Reassessing the road to universal access


We knew that making a meaningful impact on closing the access gap required investment in areas where the ECD access gap is the widest – predominantly rural and township communities.

This led to another significant strategic pivot for SmartStart. It was not just about investing our efforts in different localities. Our operations needed to be balanced by a deep understanding of the multi-dimensional challenges experienced in these communities, and the complex structural flaws augmented in the ECD environments. This knowledge would not only inform our delivery strategy but enable us to advocate for systemic change, while we continued to build momentum and scale in the delivery of early learning solutions that are relevant, achievable, and effective.

The quintile system

South African schools are classified into five quintiles, based on the socio-economic status of the surrounding community. Quintiles are determined by the National Quintile Ranking System that considers income levels and living conditions of the communities served by the school and are used by the government for resource allocation. SmartStart operates primarily in communities with quintile one and two schools.





SmartStart set out to properly understand how legislation, policy, regulation, and other structural elements reinforce unequal access. We realised that these constraints went beyond systems and included the mindsets and perceptions of those that enforced these different structural pillars.

There are critical systemic flaws in the ECD system that must be addressed if we want to close the gap in access to early learning sustainably. In 2021, SmartStart established a partnership with the Department of Basic Education (DBE) to co-create solutions that could systematically address the factors that drive and perpetuate exclusion.

We cannot achieve universal access, unless we solve these fundamental structural challenges in the ECD system.

Some of the **primary structural challenges** in the sector include:

1.

Access to ECD services is often **obstructed by exclusionary administrative procedures.**

In under-resourced communities, early learning programmes struggle to comply with ECD regulations and compliance requirements because they are either too complex and cumbersome to understand, or practitioners cannot afford the associated fees or penalties.

2.

Furthermore, there is an **inadequate supply of appropriate venues.** The requirement for title deeds for land use has an adverse effect particularly on communities that have suffered historic land injustices.

3.

Inadequate subsidies are not able to support the basic provisions for running a professional and quality service. Limited training and support for practitioners

4.

Poor legislation enforced by the Children's Act that is ill-equipped to deal with the historic inequalities of a system in which the ECD sector receives, per child, only 2% of the costs per child from Grade 1 onwards.

5.

The registration process is onerous and expensive making it almost impossible for ECD practitioners in the lowest economic quintiles to operate. These practitioners, operating outside of the registration framework do not receive government subsidies, but more than that, they are treated as criminals by the system

These processes and structural frameworks unintentionally create barriers to the expansion of early learning in those communities that need them most, and children from low-income homes are disproportionately affected.

SmartStart has designed and enabled the operational components of an end-to-end, non-state delivery system, that works directly with the state's regulatory framework. We have honed a value chain that addresses the growth and consolidation needs of programmes at each stage of their journey. These components include:

- A practitioner recruitment system with accessible entry points
- A supportive set-up process (in particular, health and safety and initial resourcing) for new programmes in existing venues, including private homes
- A quality assured system of support and development for all practitioners – including communities of practice and network participation
- The support and tools for regulatory compliance
- Business management and growth (towards participation in the formal economy)
- A locally appropriate curriculum that is based on sound pedagogy and can realistically be implemented in resource-constrained settings.
- Robust and standardised quality assurance systems



SmartStart today

Our strength is rooted in our multi-faceted identity and collaborative approach to development.

SmartStart is built around multiple, complementary elements with partnership at the heart of everything we do. In 2020 we redirected our energy to invest in unpacking the factors that were both hindering access and perpetuating exclusion in marginalised communities and working with the state and our network of partners and communities to build effective and enduring solutions.

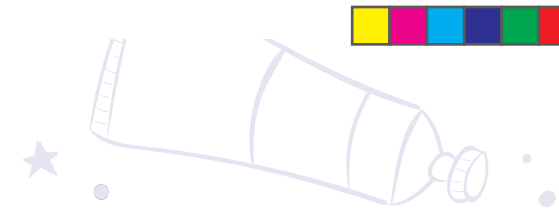
Partnerships that drive population-level change

Investors

SmartStart investors have walked hand in hand with us on a journey that has been dynamic, often messy, but always progressive. They are SmartStart's biggest enablers, primarily because they are not merely funding us as an NPO, they are investing in outcomes that ultimately seek to reimagine the futures of children in South Africa.

Our funding partnerships facilitate innovation. For SmartStart, this has meant having the space to make mistakes and iterate on our strategies, and the opportunity to pivot when necessary. This environment has enabled us to be courageous and innovative in the way we approach our work.





Implementing partners

SmartStart expands its reach through a network of NPO partners (our Franchisors), that afford us local knowledge, connections for network-building and problem-solving, as well as collective credibility. Our delivery platform is consistently evolving and improving with the capabilities and skills of these organisations.



Government

SmartStart sees itself as an innovator, capacity-builder, model-tester, and enabling organisation that can support government in driving the population-level change required for universal access. Our formal partnership with the DBE, initiated in 2021, has unlocked opportunities that have catalysed SmartStart's advocacy efforts towards necessary perception shifts and structural redress.

SmartStart is well-positioned to directly support Government's vision: universal access to quality ECD prioritising the most vulnerable children.



The national ECD strategy

Since taking on the ECD portfolio, the Department of Basic Education (DBE) has developed a Service Delivery Model that has been adopted across the board. Resulting from this, the 2030 strategy and implementation plan considers:

- Achieving universal access with limited budget
- Strategically leveraging existing assets
- Enabling a strong social contract, that draws on public-private partnerships, to extend governments reach.

There are **five priority outcomes** that frame the DBE's 2030 ECD strategy:

Access

every child has access to a flexible package of age appropriate ECD programmes

Coordination

enabling government systems, leadership and coordination are in place

Resources

adequate funding and resourcing are targeted effectively

Workforce

a capable ECD workforce is well-supported and equipped

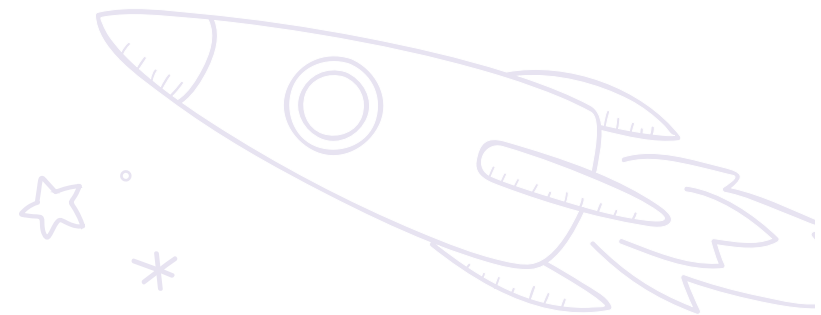
Quality

quality programme delivery is supported and monitored

SmartStart is committed to working with government to create a coordinated ecosystem that is **well-resourced, partnership-driven, with an empowered workforce that delivers universally accessible quality early learning programmes.**



The biggest opportunity in education is in the early years – this message requires investment on the part of SmartStart and its partners.



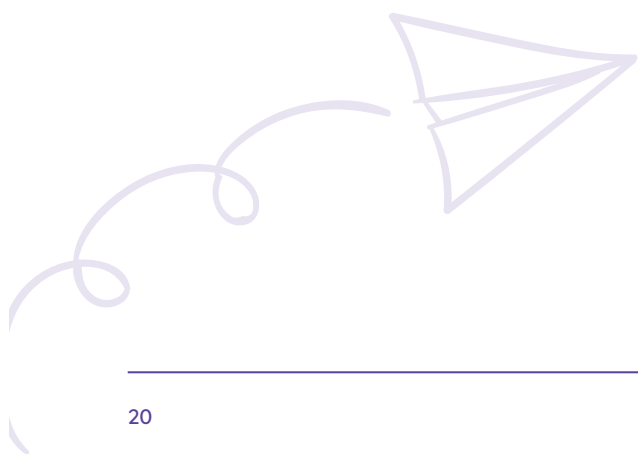
Key insights that shape SmartStart's thinking

- **ECD has the potential to level the playing field** for children entering the formal schooling system and we believe the biggest opportunity for improving education outcomes lies in this sector.
- Beyond the inadequacies in human resources, appropriate ECD venues and support for quality programme delivery, **there are deep structural flaws in the systems meant to build and promote ECD**. Almost all of these systems are built for the formal economy and are deeply misaligned to the practicalities of operating within the informal market.
- **Effective data analysis is key to unlocking private and public resources** and supporting greater advocacy and awareness. Data assets must be easy to interpret and utilise and they must connect to each other to paint a holistic and relevant picture.
- **Coordination and alignment are critical** for a national network to be effective. This relates not only to values and a shared purpose, but to implementation objectives, data interpretation, and advocacy activities.
- Parents have a fundamental role to play as partners in their child's early learning, advocating for quality services, and ensuring that ECD is valued in their community and treated as a priority on local government agendas. **Our work must be implemented in partnership with parents** and aligned to their interests and needs.
- While there is a universal understanding of the value of education as a driver of economic growth and inclusion, significant **investment is required to promote the value in early learning**.





SmartStart's legacy is not confined to the number of children reached or programmes initiated; it resonates in the quality of early learning experiences we provide.



The social franchise model

Today, SmartStart delivers a standardised, high quality, evidence-based programme, supported by a national network of coaches and clubs. The SmartStart hub, at the core of the model, operates as the orchestrator of this three-tiered platform. The franchisors are our NPO partners who licence and support the entrepreneurs or practitioners who operate the early learning programmes.

To maintain quality as we focus on scaling the delivery of these programmes, SmartStart has integrated two pillars – our coaches and clubs – that support cohesion within the growing network.

The role of coaches

SmartStart has a network of over 70 coaches that play an integral role in setting up quality programmes and nurturing the latent capability that exists. Coaches work with SmartStart practitioners to set up their businesses, checking on the facility's basic health and safety standards. They then work closely with the

practitioners, helping them to deliver a quality programme. Once the programme is established and quality assessed, the coaches continue to assess, support, and improve the quality of early learning provided across the network.

Coaches are a critical part of our legacy – as it is only through ensuring quality assurance practices that we can meaningfully scale our impact.

Connecting through clubs

ECD practitioners are at the coalface of driving a national movement to close the access gap in early learning. Leveraging this influence requires collaboration and clubs serve as a strategic and effective way to contribute towards building cohesion within the ecosystem.

Leveraging the power of peer to peer support, clubs aim to connect SmartStart practitioners to each other and to a common goal. They build inclusivity and a shared purpose. SmartStart coaches work closely with club leaders and the success of a club is always attributed to its leadership. To this end, SmartStart has designed





a club leader journey that promotes sustainable behavioural change and builds a strong and enduring club system. This club leader journey provides the spaces for practitioners to learn from one another, solicit feedback and build self-confidence. The more practitioners that step up into leadership positions, the more others are inspired to do the same, and add their voices, learnings, and support to the network.

By tapping into and harnessing the potential of club leaders, we are reinforcing strong foundations to support a growing supply of ECD services.

These two pillars have been important enablers for SmartStart’s rapid growth – and are essential in supporting the organisation’s anticipated scale over the next six years.



“Enabling those who want to start ECD centres not only provides additional opportunities for practitioners, but for caregivers in the community as well. For caregivers — particularly women — who want to work, we are creating a space where they can leave children, knowing that they are safe and cared for, and being well-equipped in their early years.” – Daily Maverick



2023: key activities

SmartStart is on a continuous learning journey, always conscious that our learnings must inform both our operational strategy and our broader vision for reaching universal access in ECD.

SmartStart is therefore intentional about seeking out the dynamic local influences to inform our thinking and planning. Our partner network affords us unique insights into different communities - allowing us to consistently and continuously re-evaluate and enhance our programmes and trainings.

A significant priority in 2023 was building collaborative, well-coordinated ECD ecosystems where parents, practitioners, civil society partners and local government are all involved in building an enabling and accessible ECD environment.

In this section we share some of the key activities and highlights from 2023 that align with national priorities of ensuring every child has access to quality early learning; coordination and alignment within the ECD ecosystem, adequate funding and effective usage of resources, a capable and supported ECD workforce, and quality programme delivery.





Leveraging existing community assets to expand access to quality early learning

A key goal of SmartStart is to provide and leverage resources to both bolster existing early learning programmes and support practitioner development. Expanding access in contexts with limited resources, requires that we make the most of what assets already exist. It also requires mobilising the collective voice of practitioners, enabling them to organise themselves to generate notable and sustained action .

SmartStart's approach to community entry and stakeholder engagement is community-based and context-specific. We have established relevant local partnerships that have resulted in meaningful support of our operations.



Leveraging Assets

Mobilising Community

Enabling Empowerment

Maintaining Growth

Investing in community relationships to promote access

In the past, our community entry approach and stakeholder engagement processes have been narrowly focused on key officials within the DBE and the Department of Social Development (DSD).

We have learnt that when we extend our engagement beyond those stakeholders with a direct influence on ECD access, we gain a deeper understanding of the other, less obvious, factors that play a role. In 2023 we widened our stakeholder network, beyond the DBE and DSD, to include those that indirectly influence the sector – such as other NGO’s and government departments working in the health sector or job creation within local communities. We also engaged with community leaders who appreciate education as a key enabler to drive local growth and understand the need to advocate for early learning. We focused our energy on building relationships with these stakeholders, who we previously identified as non-core, but whose active participation in community development means that they can influence and activate community engagement – essential for driving increased support for access.

Alongside diversifying our stakeholder network, we also intensified engagement with our existing stakeholders in particular areas and increased our resource allocation. Over a brief period, this adapted approach has resulted in tangible progress:

Mpumalanga (Penreach)

100% increase

in community members interested in actively supporting practitioners in building workforces.



North West

80% increase

in attendees trained after a period of over a year with little or no growth.



We have also developed an integrated community engagement model that allows for coordinated engagement across all municipalities in a district, as opposed to engaging with single municipalities at a time.





Leveraging Assets

Mobilising Community

Enabling Empowerment

Maintaining Growth

Case Study: KwaZulu-Natal

SmartStart’s KwaZulu-Natal branch, located in the King Cetshwayo District municipality (inclusive of five local municipalities) has made noteworthy inroads into expanding access to early learning.

SmartStart enjoys a mutually productive working relationship with King Cetshwayo District municipality and the district Department of Education. We are often invited to participate in regular ECD advocacy sessions. Furthermore, social workers from the DBE, who work closely with ECD centres, willingly assist SmartStart with registration processes and the municipality has offered SmartStart the use of their halls for all our training.

This successful community engagement has resulted in our expansion into the Ulundi Municipality, under the Zululand District Municipality. The spinoff of this development has been increased ownership and participation in ECD initiatives in five of the surrounding local municipalities simultaneously. The new SmartStart branch opened in July 2022 and its launch was supported by the late Dr Mangosuthu Buthelezi – a strategic relationship that fostered valuable partnerships with local traditional leaders and other influential stakeholders from the area.

Some highlights of this partnership include:

- The Ulundi Municipality has offered the SmartStart team the use of their office space and vehicle.
- The SmartStart branch manager sits on the Local AIDS Committee and participates in Local Task Team meetings which are chaired by the Ulundi Mayor. This presents an opportunity for SmartStart to report on our activities and share any challenges in the presence of all departments including DBE, DSD, South African Police Services, South African Social Security Agency, Department of Health, and local councillors.

The stronger and more established these engagement models and practices are, the greater the potential to achieve our collective goals. What is abundantly clear is the need for additional resources to meet the level of engagement and support that is required. To this end, public-private partnerships can add significant value. This is where SmartStart plays a useful and enabling role in unlocking private-sector and government partnerships, fostering collaborations, and leveraging resources and expertise.



Leveraging Assets

Mobilising Community

Enabling Empowerment

Maintaining Growth

SmartStart plays a powerful enabling role in unlocking private-sector and government partnerships, fostering collaborations, and leveraging resources and expertise to achieve the country's broader ECD vision.

Mobilising communities to advocate for the necessary change

Achieving universal access to early learning is a goal shared by all players in the sector, who are all invested in developing a coordinated approach to achieve this goal. SmartStart, like many other organisations, has had varying degrees of success.



ECD Advocacy BULLETIN
A SUMMARY OF THE LATEST NEWS FROM PARLIAMENTS AND PARLIAMENT

News from parliament

briefing by the DDC on the 2022/23 quarterly report – Portfolio Committee on Basic Education
20 September 2022

Officials from the DDC presented an overview related to their quarterly reports and some of the highlights emerging from the current financial year. The DDC also outlined some targets for the current financial year, indicating a focus on the Vangquah (state +13) kindergarten system for provincial education departments, and the drafting of guidelines to support the administration of the +13 subsidy.

Presentation by the DSD on the 2022/23 quarterly report

Parliamentary question on children living with disabilities in ECD centres
27 September 2022

Ms Amos (DA) asked the Minister of Basic Education about measures that had been put in place to accommodate children living with disabilities in +13 centres. The Minister responded that the children are ensured that all +13 programmes that provide services to children with disabilities must have specialised units to provide quality services and will benefit those children.

Question to the Minister on children living with disabilities

briefing by the DSD on the 2021/22 Annual Report – Portfolio Committee on Social Development
12 October 2022

The Committee received a report from the Auditor General of South Africa (AGSA) on the audit outcomes for the Department of Social Development (DSD) and its entities for the 2021/22 financial year. In addition, Annual Reports for the 2021/22 financial year were tabled by DSD and its entities. The AGSA reported amongst its successes, quarterly monitoring reports to determine the increase in the number of children accessing +13 services; the development of the draft ECD Quality Assurance and Support System and the use of UJALA work appointments were developed through the social sector expanded public works programme (SPWP), which includes increasing the quality of ECD programmes.

Presentation by DSD on the 2021/22 Annual Report

ABOUT SMARTSTART SmartStart is taking quality and affordable early learning opportunities to one of the poorest of children. Our vision is to ensure population-level change in access to early learning by having an integrated national delivery platform which can address systemic capacity, curriculum, social finance model, governance, the provision of enabling conditions, who learns and supports a network of early learning practitioners to deliver the same quality programme for 3-4 year olds. Find out more at smartstart.org.za

Advocacy and partnerships: growing influence and facilitating enduring relationships

SmartStart produces a triannual advocacy bulletin that serves as a valuable resource for researchers, academics, activists, and others sector role players. The bulletins include policy and research developments and other ECD-related information and are widely disseminated across the ECD sector and beyond.

Leveraging Assets

Mobilising Community

Enabling Empowerment

Maintaining Growth

Our recent advocacy efforts channelled through submissions to the government on the following documents:

Comment on the Draft National Infrastructure Plan (NIP): 2050

In December 2022, SmartStart made a submission to the Department of Public Works and Infrastructure on the Draft NIP 2050. We highlighted the urgent need to support a full range of modalities that deliver quality early learning programmes, such as home and community (HCB) facilities, to meet the minimum infrastructure health and safety standards.

Draft Norms and Standards for Spatial Planning and Land Use Management

In June 2023, SmartStart made a submission to Department of Agriculture, Land Reform and Rural Development on the Draft Norms and Standards for Spatial Planning and Land Use Management. The current Spatial Planning and Land Use Management Act (SPLUMA) calls for the redress of 'spatial and other development imbalances' and for land use provisions that are 'flexible and appropriate'. This submission called to further strengthen the enabling legislation around support and resources for municipalities and highlighted the potential of these norms and standards to contribute to a more enabling regulatory environment for ECD services by recognising and removing barriers at the municipal level.





Leveraging Assets

Mobilising Community

Enabling Empowerment

Maintaining Growth

Working together with our Franchisors, we unlock access opportunities through effective engagement with municipalities

A priority focus for 2023 was in strengthening municipal and Franchisor partnerships. Through proactive engagement with municipal officials, we aimed to cultivate a nurturing and collaborative environment within the ecosystem. A key pursuit in this area is to secure appropriate facilities for early learning programmes and ease compliance requirements to facilitate the registration of early learning programmes and unlock the ECD subsidy.

The collaboration between SmartStart Franchisors and local municipalities is underpinned by five principal objectives:

1. Increase access to quality early learning programmes.
2. Support the compliance journey and quality delivery of early learning programmes.
3. Create economic opportunities for women in the ECD sector.
4. Ensure parents and caregivers play an active role in their children's early learning experience.
5. Contribute to the holistic development of children.

Working with Franchisors and local municipalities is a fundamental part of our strategy and vision for scale. It is important that we partner with the right people, develop the right skills and work with the available resources and strengths of different municipalities using an asset-based approach. We have learnt that the stronger our partnerships, and the more coordinated our approach to leveraging and maximising local resources, the stronger and faster we can intensify our impact.

We partner with the right people, develop the right skills and work with the available resources and strengths of different municipalities using an asset-based approach.





Leveraging Assets

Mobilising Community

Enabling Empowerment

Maintaining Growth





Leveraging Assets

Mobilising Community

Enabling Empowerment

Maintaining Growth

Case Study: City of Johannesburg (CoJ)

The learnings from our partnership with the City of Johannesburg (CoJ) have helped us to create the blueprint for an ‘ideal’ partnership model.

SmartStart’s partnership with the CoJ began through a former SmartStart franchisor KYB. The work of KYB, SmartStart’s largest franchisor at the time, was focused on four pillars: access, quality, compliance, and partnerships. KYB experienced remarkable success, with its programme being implemented in all seven regions in the city and the local SmartStart branch eventually taking over the implementation of the programme across the city.

In March 2023, SmartStart entered into a formal agreement with CoJ. An MOU was formalised and outlined commitments to expand access to early learning, focus on the improved quality of early learning delivery,

and contribute towards the sustainability of ECD programmes by working with the City’s compliance processes.

In a short space of time, this partnership has helped us to:

- identify target areas in the city for intervention;
- identify **unused or under-used municipal land and facilities** that can be repurposed for early learning programmes; and
- share information to existing early learning programmes about infrastructure and zoning requirements.

The SmartStart team engages actively with the CoJ, collaborating with various departments. We have built solid working relationships with the ECD sub-unit (within the City’s children’s

department) and the partnerships department – the custodian of our MOU. These relationships have been instrumental in ensuring that our MOU with CoJ is not only relevant but also achieving tangible impact. There is a need to further strengthen the MOU, enhancing its effectiveness through joint-meetings and workshops that will improve the strategic alignment between the terms of reference and the implementation team.

At a regional level, SmartStart coaches enjoy a productive relationship with CoJ fieldworkers and childcare officers (CCOs). Coaches and CCOs work together to identify areas, in the different wards, where the ECD access gap is the widest. They engage with these communities with the objective of driving demand for early learning.



Our engagement with the CoJ continues to be driven by a spirit of collaboration. Other efforts have included:

- A coordinated approach to solve for structural capacity. This relates primarily to the availability of suitable venues for early learning programmes.
- Joint assessment visits to initiate compliance categorisation and support for compliance processes.
- Regional compliance training workshops for SmartStarters
- Training for coaches and club leaders on the COJ by-laws

2023 was a big year for SmartStart's growth in Johannesburg.

We trained 1 800 practitioners

who deliver the SmartStart programme to 9 900 children.

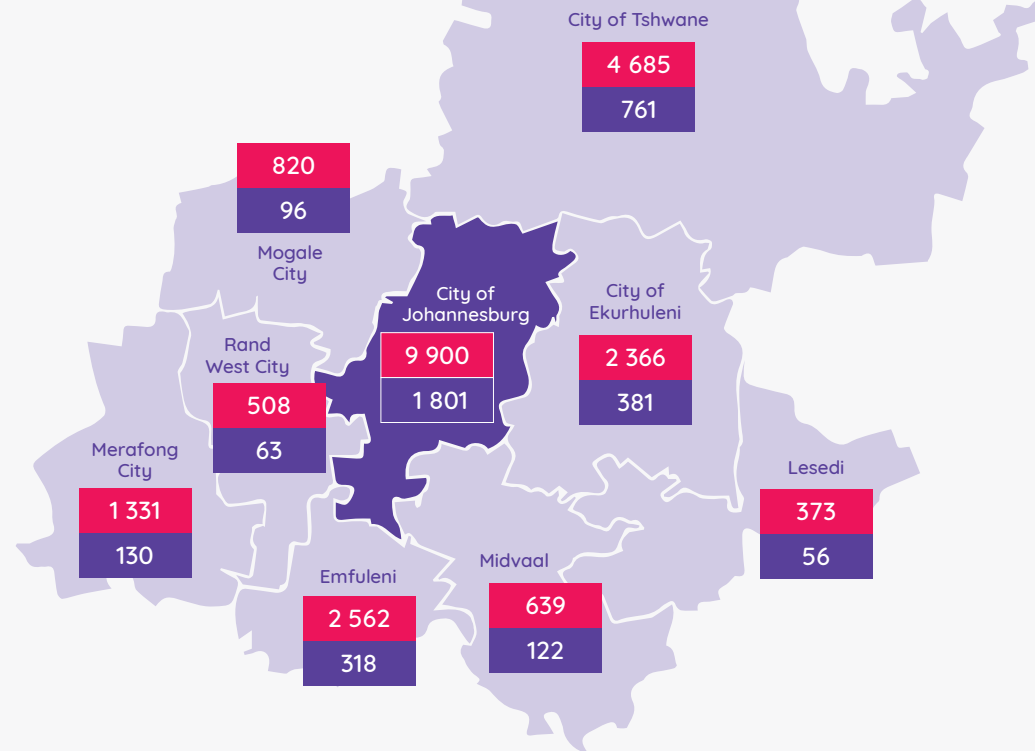


In total, SmartStart has **3 729 active early learning practitioners** that are providing quality ECD services to over

23 000 children in Gauteng.

Franchisees
3 729

Total children
23 168



Case Study: The Knysna Education Trust in the Knysna and Bitou Municipalities

The Knysna and the Bitou municipalities have local ECD policies, which means that ECD is considered in their IDPs. This is an essential element of ensuring an enabling environment where ECD and its associated ecosystem players work together and are empowered, making the local government agenda a priority.

The Knysna Education Trust (KET) is a SmartStart Franchisor that has seen considerable progress from working closely with the Knysna and Bitou municipalities and supporting coordination within the local ECD ecosystem. Some highlights of KET's working relationship with government includes:

- Negotiations and advocacy for land and building plans for ECD facilities.
- Collaboration with local stakeholders on campaigns such as 16 Days of Activism, that seek to nurture relationships through purpose and upliftment.
- Participating in a social services initiative called the Knysna Bitou Social Services Forum which works closely with the DSD and DBE.
- A contract with local government to assist in partial care registration for ECD's.

Other benefits from KET's local network engagement:

- The municipality offers the ECD facilities under KET's umbrella numerous services such as computer training, first aid training and fire equipment.
- The municipal officials inform KET of any new criteria or conditions, for example health and safety regulations. These are timeously shared with KET ECD facilities.

Such an engaged and collaborative relationship is empowering for all parties. KET's current focus is on strengthening the sustainability of the local ECD workforce through the local Community Work Programme (CWP).

Leveraging Assets

Mobilising Community

Enabling Empowerment

Maintaining Growth

IDPs: a route for nurturing municipal partnerships

The understanding that early childhood development is a cornerstone for community development is integral to SmartStart's advocacy efforts.

Over time we have honed our capacity and knowledge to know where to focus our relationship-building efforts and how to work with the varying strengths of different municipalities and local assets.

In 2022/23 we placed special emphasis on contributing to IDPs, where our network could play a pivotal role in shaping local development agendas. This engagement ensures that the unique needs and challenges of early learning programmes are integrated into municipal planning. Beyond municipalities, we work closely with parents and practitioners empowering them to take ownership of IDPs and drive progress in the ECD environment in their communities.

We engage with Integrated Development Plans to ensure that the unique needs and challenges of early learning programmes are integrated into municipal planning.



Leveraging Assets

Mobilising Community

Enabling Empowerment

Maintaining Growth

Our first advocacy initiative for IDPs was piloted between February and April 2022. The objective was to shape an approach to supporting IDP processes and identify advocacy opportunities for the SmartStart network.

In 2023, using the insights gained from the 2022 pilot, the SmartStart network scaled up its advocacy efforts. We experienced substantial growth and increased participation in our initiatives. By actively participating in our various engagements, practitioners raised pertinent issues and concerns directly affecting them in relation to early learning provisioning. Through these advocacy efforts with the IDPs, we have been able to facilitate a collaborative ecosystem that enriches the early learning landscape.

SmartStart and the North-West Department of Basic Education

In 2019, SmartStart joined forces with NPO, Ilifa Labantwana, to implement the SmartStart programme in the Northwest. At the time, Ilifa Lbantwana's playgroup programme was funded by the Department of Social Development. SmartStart took over the government relationship and, once the ECD portfolio had shifted to the Department of Basic Education, began working closely with provincial authorities to introduce and advocate for the SmartStart intervention.

While the DBE knew about SmartStart's programme they did not know about SmartStart the organisation, and the relationship with the different implementing partners in the province.

After consultation with the relevant stakeholders and formal introduction of the SmartStart method, the North-West DBE embraced the programme, eager to collaborate and reach more children not accessing ECD services. The department agreed to continue to provide funding and signed a service level agreement with SmartStart. SmartStart opened a branch in Rustenburg, a move that further cemented the partnership and built a stronger presence in the province.

The DBE supported SmartStart's integration into the province by introducing them to district and sub-district officials and promoting regular interaction. Today, SmartStart is recognised as an official partner in ECD at all levels of local government.

SmartStart's entry into the North-West has proven that relationships with DBE local authorities, the districts and sub-district are critical for effective implementation of the SmartStart programme, particularly with training, community entry and recruitment. There is a need for added capacity in SmartStart to manage the level of engagement needed to maintain and build relationships with relevant government departments.



Leveraging Assets

Mobilising Community

Enabling Empowerment

Maintaining Growth

We are
facilitating a
collaborative
ecosystem
that enriches
the early
learning
landscape.



Leveraging Assets

Mobilising Community

Enabling Empowerment

Maintaining Growth

Enabling economic empowerment using untapped human capital

SmartStart takes a community-led approach to seek out individuals (many already operating within the care economy) and unlock the capacity and capability that exists – supporting the growth of micro-enterprises, through a network of clubs and coaches, and backed by a central Hub of expertise and resources.

Taking our franchisee support to new heights

SmartStart's network is filled with compassionate and resilient individuals who are determined to make a real impact on the lives and futures of children in their care. SmartStart provides the platform to improve the quality of their early learning programmes, the resources to turn their passion into viable economic ventures, and the support of clubs to develop their leadership skills and enhance their sustainability.

SmartStart provides the platform to improve the quality of early learning programmes, the resources to turn them into viable economic ventures, and the support system to develop leadership and enhance sustainability.



Leveraging Assets

Mobilising Community

Enabling Empowerment

Maintaining Growth

SmartStart clubs offer peer support for both the development of individual professional skills and enhanced community outreach. Clubs that are making progressive inroads with regard to community outreach, and building the capacity of their practitioner network, attribute their success to strong leadership and supportive coaches


With this in mind, we designed a club leader journey to redefine the leader's role and tap into that network for messaging at scale. The process for the development of the club leaders takes on a behaviour change and learning approach, which will help ensure the club system is strong enough to grow and sustain itself (without too much reliance on coach support).

Recognising the economic opportunities within early learning programmes, our business support and mentoring programme is a commitment to empowering our practitioners to create economically viable businesses, which further improve caregiver engagement and an increased interest in the development of children.

There is common shared interest among practitioners who have been in the network for a longer period of time, to not only expand their programme and take on more children, but to also be involved in the growth and development of new practitioners through additional support mechanisms such as mentorship initiatives. In many instances where we have identified a gap for additional support within a practitioner's development, peers have stepped in to close this gap by offering preparation support for annual accreditations or, even in securing local sponsorships and donations.

We have noticed that many more established practitioners in our network are eager to not only expand their programme by taking on more children, but to also mentor and support newly recruited practitioners.





In 2023, SmartStart reached new milestones for our practitioners:

- Accreditation of the SmartStart programme as a short course (with the Education, Training and Development Programme of the Sector Education and Training Authority (ETDP-SETA) provides an entry point for SmartStarters into qualifications in the ECD sector.
- The development of an online training academy envisioned to become a platform for continuous learning, allowing SmartStarters to enhance their skills, fostering a culture of quality improvement and continued education in our network and beyond

As we scale, the development journeys of SmartStart practitioners must go beyond programme implementation to catalysing business growth within the SmartStart network and the ECD sector

Supporting the whole network: the Hub staff

Supporting this growing network is the SmartStart Hub, a central workforce of diverse yet complementary skills, bound together by shared values and purpose. The Hub is integral to the sustained success SmartStart has experienced and is positioned to expand in support of SmartStart’s growth trajectory.

Organised into six key departments, our staff fulfil the functions of advocacy and communications; programme design and development, monitoring and reporting; franchise management; finance (in support of the network); and people, organisational design and development.

In FY 2022/23, SmartStart hub and branches had a total of:



82 staff members



of which
95% were black



64
under the age of 35



61 females



21 male



EXCO comprised
8 members



Supported by
19 managers

Maintaining quality in the move towards exponential growth

Rapid growth, the kind required to reach the 2030 target, requires an even greater focus on quality assurance.

Coaches - guiding lights along the practitioner journey

Coaches offer important guidance and support to SmartStart practitioners. The strength and sustainability of our network is largely attributed to them.

Recognising the crucial role of coaches, in 2023 we set out to with two priorities:

- Fortify our quality assurance system
- Establish a robust foundation for new coaches joining SmartStart

We achieved this through a consultative process undertaken in close collaboration with our coaches – an approach that proved to be instrumental in elevating our quality assurance and development processes.

The main outcome was the development of an online induction and accreditation process for new coaches joining the SmartStart team. The platform goes above onboarding new coaches. It contributes to the development of strong coaching skills and advocates for quality early learning.

This new digital pathway serves as a critical tool in the strengthening of the coaching network. It contributes to building a sense of community amongst coaches who are not just knowledgeable, but also passionate about closing the early learning gap in South Africa. They must also be aligned with SmartStart's values and capable of supporting programme delivery at the SmartStart standard.

As the organisation pushes towards exponential scale, coaches are a critical part of our legacy, as they play a fundamental role in assuring consistency and quality.

Olivia Shivambu is a SmartStart coach who operates in Limpopo. She has several priorities that enable her to ensure a consistent and high level of quality is adhered to. These include:

- Having daily interactions with clubs and club leaders
- Running coaching circles
- Staying connected to franchisees – taking the time and effort to know and understand them as individuals
- Being available to visit new locations on the request of councillors, indunas and DBE officials

Our new digital platform contributes to building a sense of community amongst coaches – promoting knowledge and nurturing passion.





Leveraging Assets

Mobilising Community

Enabling Empowerment

Maintaining Growth

Clubs: a scalable tool for sustainable growth

For a second year in a row, Western Cape club Young Ones, has been recognised as SmartStart’s Club of the Year. Headed up Elzette Wessel, Young Ones comprises a group of practitioners committed to not only growing themselves and their businesses, but to contributing to a healthy ECD ecosystem that breaks down access barriers. Elzette stepped into this leadership role with an understanding that her influence can have a catalytic impact. She has spent time nurturing the leadership potential of her club members and encouraged ownership and accountability by sharing some of the administrative responsibilities of the club. This means that all club members indirectly support each other in keeping their general business administration up to date.

Elzette runs an ECD programme with her husband Etienne Wessels. His perspective on the club model is that it provides an invaluable support system that holds individual businesses accountable and has enabled their family business to grow.

Across the board, we experience a huge appetite for growth among our practitioners - not only for their personal and professional development but for the number of children they can reach. Elzette suggests that by placing newer clubs (or even individual practitioners) under the mentorship of more experienced practitioners or club leaders, clubs can be leveraged as a tool for scale. She also suggests that the SmartStart clubs should be more involved in outreach programmes that have visibility in rural communities in the Western Cape.



“I believe that my role is to empower other practitioners by holding them accountable for their business development and connecting them to the bigger picture of early learning in South Africa.” – Elzette Wessels



Leveraging Assets

Mobilising Community

Enabling Empowerment

Maintaining Growth

Leveraging on the existing passion and desire for growth among practitioners is key to mapping out clearer growth paths for these businesses and the impact made in their communities.



Our work in 2023 towards closing the opportunity gap

To scale our current reach by tenfold and support the broader sector in reaching the national target of providing quality early learning programmes for one million children, every year, by 2030, SmartStart is homing in on a few strategic imperatives. These include efforts for sector enablement, increased engagement and advocacy within the ECD ecosystem, and expanding the platform to include open-access resources that support the vision for scale.

To this end, SmartStart is building and adding capacity in key areas within its operational hub. Focus areas include information technology, as a critical tool for scale; fundraising and resource mobilisation; and rapid-cycle experimentation as a means of discovery and learning for accelerated improvement and growth.





Sector enablement: breaking down barriers to progress.

To enable a thriving ECD environment, we must overcome and break down the barriers that interrupt or block progress. Part of this includes a necessity to provide the state with the tools to develop and implement systems that will support increased early learning opportunities. One such tool includes a population-based planning tool that was developed by SmartStart in 2020 in collaboration with Social Surveys Africa (SSA).

The tool classifies communities into categories based on their infrastructure, social and economic conditions and the existing income or wealth inequalities, as identified by the Gini index. This provides insights into the socio-economic dynamics that influence access to early learning in specific communities and guides our thinking about community-entry and engagement.

SmartStart is currently coaching DBE national and provincial officials on the use of the planning tool in its current format. This process will inform the changes that need to be made to improve the tool and how it can be developed to better enable the efficient identification of areas with the greatest gaps in early learning provision. The goal is for the tool to be used by the DBE to channel resources to these target areas with high demand for early learning.



ELOM Child Outcome Evaluation

Ikapadata is conducting the Child Outcomes Evaluation for SmartStart to assess the performance of SmartStart franchisees. This evaluation has three objectives:

- Investigate whether the 2018 study results can be replicated as scale increases;
- Test the correlation between the SmartStart quality assurance (PQA) rating system and outcomes for children and use the findings to inform a review of the PQA;
- Identify elements of the SmartStart model that influence child outcomes and strengthen the understanding of minimum program requirements

The sample size for the project was 808 children aged between 50 to 61 months and selected from 404 franchisees. The sampling approach was applied in two phases: 202 franchisees were selected from the database using a random sampling method. Secondly, minimising time on the road was key to the feasibility of the proposed strategy. The second half of the sample was selected based on pairing sites geographically. The second phase involved identifying 202 franchisees in a 30 minute radius of selected sites in phase one.

The endline survey will be completed in December 2023, the Ikapadata team is currently busy with analysis and report writing and are expected to provide SmartStart with a draft report in February 2024.





Integrated Development Plan

At the core of our advocacy efforts to align our ECD initiatives to local IDPs, is the message that early childhood development is a cornerstone for community development.

Our Kwa-Zulu Natal team is working with local municipalities to align the SmartStart ECD initiatives with area specific IDPs. This involves emphasising the role they play in supporting broader community goals, while specifically ensuring that early learning is given priority status.

With this in mind, the KZN team is focused on:

- Leveraging IDPs to garner more municipal support and secure more resources for SmartStart programmes.
- Ongoing dialogue with relevant local municipalities to advocate for increased funding earmarked for ECD initiatives in Quintile 1 and 2 areas.
- Close engagement with social workers to support SmartStart's early learning practitioners to navigate the registration process, and ensure their businesses are compliant with national standards.

The team is also placing special emphasis on the Richards Bay area. An industry hub, Richard's Bay has been earmarked to offer significant opportunity for public-private partnerships and collaborations with local businesses. Educating industry on Corporate Social Investment and Responsibility initiatives that are directed at ECD programmes is another step towards increasing resources and leveraging local expertise.

All these efforts are neither stand-alone nor ad-hoc. They form part of our integrated and synergised growth strategy that seeks to:

- engage communities;
- influence policy; and
- maximise resources.

A holistic strategy that combines advocacy within IDPs, enabling ECD registrations, and bolstering government partnerships, is instrumental for achieving a tenfold scale by 2030, and ensuring quality early childhood development for a larger number of children.



Ecosystem engagement: mapping out opportunities to leverage resources and maximise impact

At the heart of SmartStart’s vision is increased and accelerated access to early learning in the most under-resourced communities. To achieve this, meaningful and productive engagement with the wider ecosystem is key.

As much as SmartStart plays the orchestrator role for its early learning platform, in the greater ECD ecosystem, SmartStart also acts as a relationship-builder, coordinator and enabler.

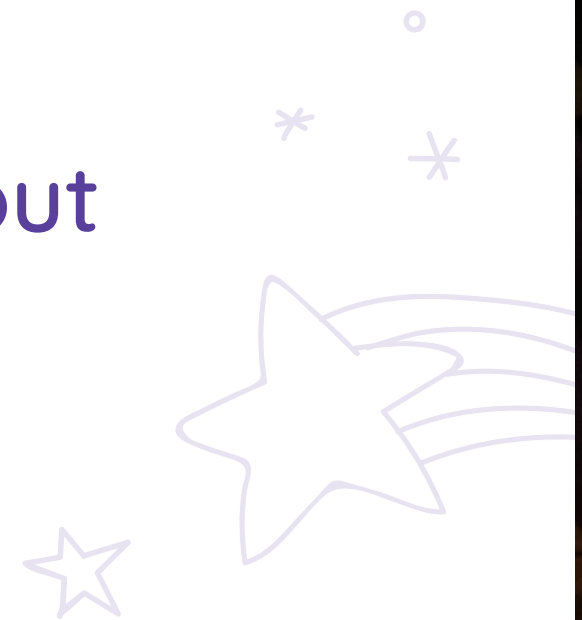
Our approach to community engagement is intentional and context-specific, as are the strategies we use to enter different communities.

In the past, our community entry approach and stakeholder engagement processes have been narrowly focused on key officials within the Department of Basic Education (DBE) and the Department of Social Development (DSD).

We have learnt that when we extend our engagement beyond those stakeholders with a direct influence on ECD access, we gain deeper insights into the broader ECD ecosystem. As a result, in 2023 we widened our stakeholder network, beyond the DBE and DSD, to include those that indirectly impact the sector – such as other NGOs and government departments working with local communities, and community leaders who appreciate education as a key enabler to drive local growth. We focused our energy on building relationships with these stakeholders who we previously identified as non-core - but whose active participation in

community development means that they can influence and activate community engagement, which is essential for driving increased support for access.

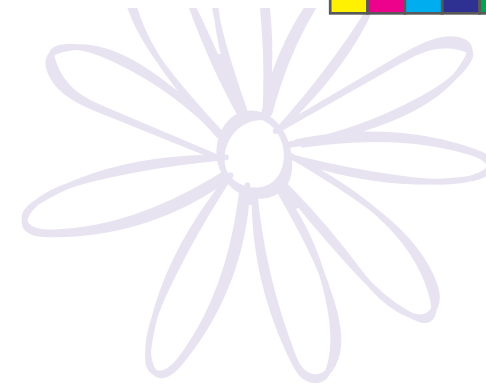
When our stakeholder engagement strategy is multi-pronged, reaching a diverse range of individuals and organisations with direct and indirect influence on accessing ECD in local communities, we make the biggest – and quickest – strides.



We have made the biggest – and quickest – strides through widening our stakeholder engagement strategy to reach a diverse range of individuals and organisations with direct and indirect influence on accessing ECD in local communities.



When children play, the world wins



FreeSource: SmartStart’s open-source offering

Open-source resources are fundamental to strengthening the broader ECD ecosystem in South Africa. To support this and contribute to the open-source movement pioneered by Nal’ibali, Book Dash and many other partner organisations, SmartStart has created an open-source offering under the brand FreeSource (with SmartStart co-branding on the educational resources). This offering currently includes digital access to a selection of resources and several online training modules.

The training modules available on the platform include videos, activities, assessments, and idea sharing prompts that are designed to be accessible to those with limited digital literacy and are accessible through a variety of platforms such as the Funda Wande App, a web-based portal and WhatsApp.

The open-source resources include:

- SmartStart’s Small and Large Group Activities Book
- The revised version of SmartStart’s Essential Handbook
- Administrative tools
- A selection of storybooks, stories, and puppets.

These resources are available to any players in the ECD ecosystem who are registered on one of our platforms. We anticipate these stakeholders to include practitioners, partner organisations, and DBE partners in South Africa and beyond. We have also created additional online modules for ECD principals, assistants and teachers who are not formally affiliated with SmartStart but work closely with SmartStarters in their communities.

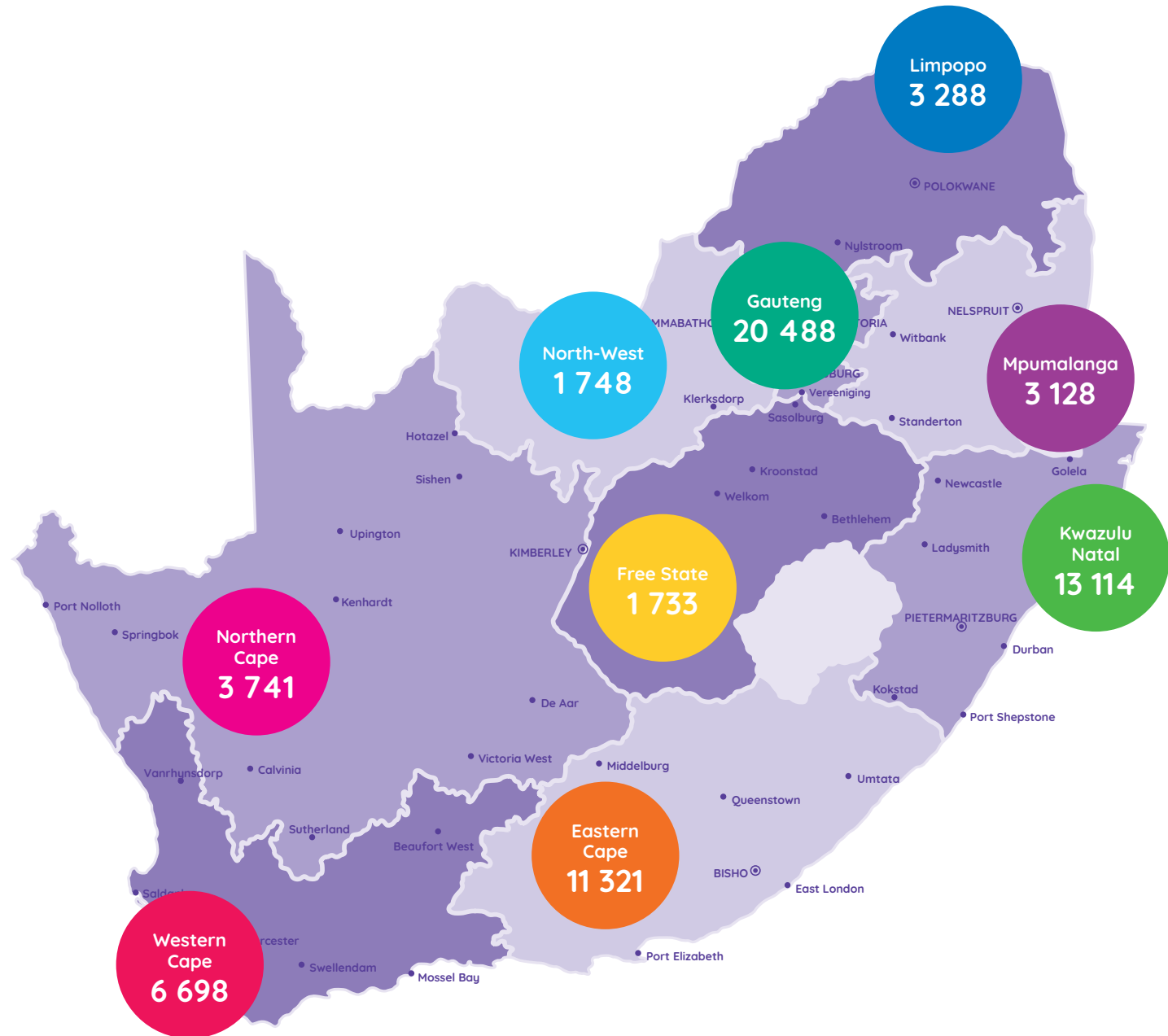




All our efforts form part of an integrated and synergised growth strategy that seeks to engage communities, influence policy, and maximise resources.

Our children by province

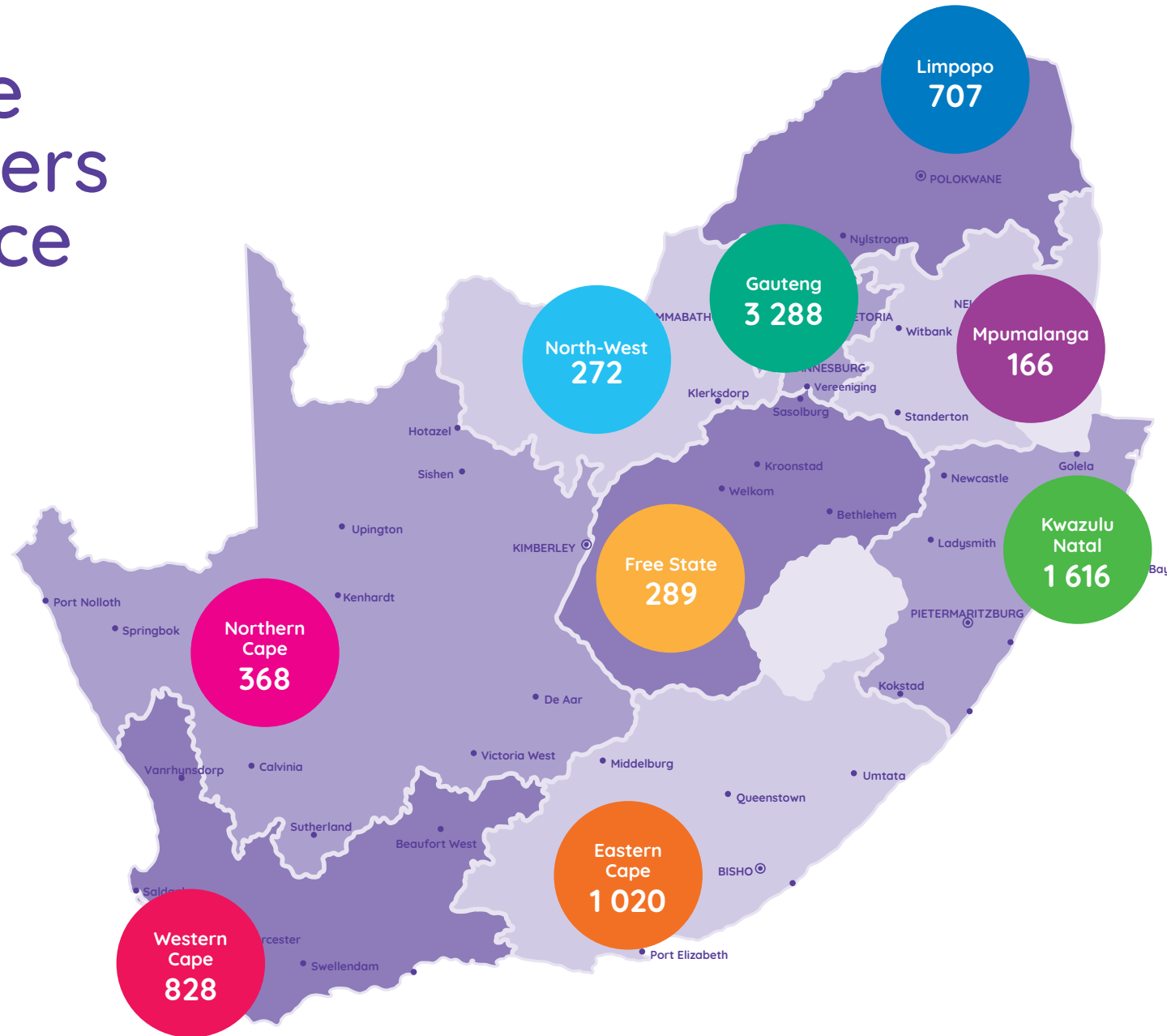
TOTAL
66 051





Our active practitioners by province

TOTAL
8 629



Governance Report

How we are governed?

A Board of Directors regulates how the organisation is conducted, to further our mission of SmartStart, in accordance with principles of good governance. The Board is directly accountable to the founder organisations and bears ultimate responsibility for the Organisation achieving the purposes for which it exists. Providing leadership and strategic governance, the duties and responsibilities of the Board include, determining the Organisation's strategic direction, annual budgets, and major initiatives.

Executive committee

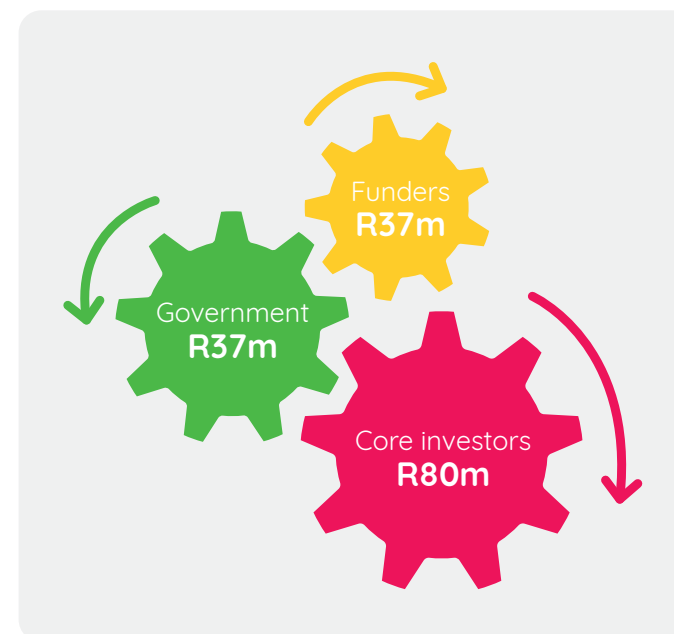
SmartStart's Executive Committee (EXCO) is chaired by the Chief Executive Officer (CEO) and included the Chief Operating Officer (COO), Chief Growth Officer (CGO), Chief Financial Officer (CFO), and all the departmental leads. EXCO is responsible for overseeing the day-to-day management of the Organisation's affairs, executing Board decisions, strategy development, and reviewing the Organisation's values, operations, and financial performance. In accordance with good governance, the EXCO meets every month.

Board meetings

Meetings of the Board are convened by formal notice as per the annual schedule. The schedule is compiled by the Company Secretary and approved by the Board. Special meetings are organised as and when required to address specific material issues. Corporate governance, especially transparency, and accountability, is enhanced with comprehensively compiled Board documents, submitted by Executive Management. During the 2022/23 financial year, there were four (4) Board meetings and one (1) Annual General Meeting. There was also one two-day Board strategy session.

Composition of the board

SmartStart has a Board of Directors comprising of one Executive Director, the CEO, and three Non-Executive Directors. The Organisation supports the principles of gender diversity at the Board level and has an optimal mix of knowledge, skills, and experience that effectively meets the Organisation's governance requirements.





Statutory Information

SmartStart Early Learning (RF) NPC

NPO Number:	54-752 NPO	Contact person:	Grace Matlhape (CEO)
Reg Number:	2015/075926/08		011 268 5959
PBO Number:	930/049/914		grace@smartstart.org.za
Physical Address:	111-113 Oxford Road, Saxonwold, 2196, Gauteng	Directors:	C Symms
Postal Address:	Private Bag X777, Houghton, 2041, Gauteng		DB Harrison
			NR Galombik

Constitutional Amendments

No Constitutional amendments were made this reporting period.

Primary Activities

Sourcing:

Different types of people were made aware of the importance of early learning and were invited to a matching process that provided an opportunity to potentially be part of early learning.

Matching:

Beneficiaries were assessed in terms of their suitability for working with children and their desire to run potential micro-enterprises.

Training:

Matched candidates were invited for 5-day Start-Up training. For the reporting period, over 2 500 people underwent SmartStart training.

Licencing & Coaching:

More than 2 500 people who passed the training were licensed to start practising the SmartStart programme with recruited children. Ongoing coaching and mentoring was provided.

Implementing the SmartStart Programme:

More than 66 000 children were part of the SmartStart early learning programme in ECD centres, playgroups and full-week day mother programmes.

Quality Assurance:

Practising franchisees were quality-assured to ensure they were implementing the programme properly for the benefit of the children. This helped with practice improvement and motivation of practitioners.



Financial Report

Our funders are the reason SmartStart has been able to give more than 66 000 children the power to succeed over the last financial year. Their support has enabled us to provide quality and affordable early learning opportunities to three to five-year-old children across South Africa. We recognise the value of their investment and support.

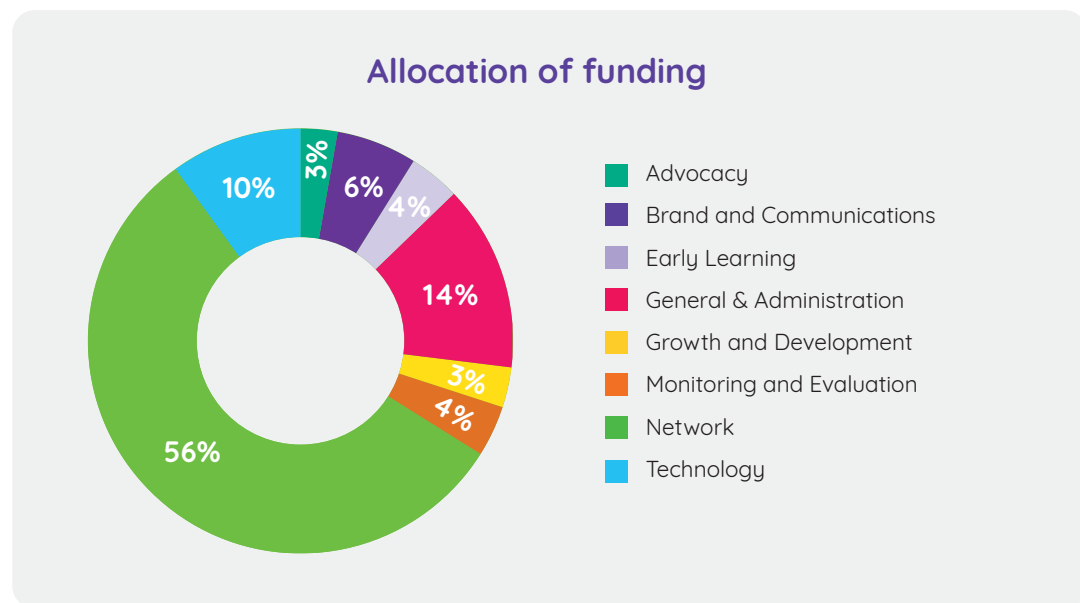
In this financial year, we continued to receive great support from our core investors: DG Murray Trust, ELMA Foundation, Hollard Foundation Trust, Yellowwoods, and Imaginable Futures. Since the establishment of SmartStart in 2015, some of these investors have contributed to our growth strategy and sustainability.

Our growth for this year was also due to several international and local funders who came on board and contributed about R37m towards closing the early learning supply and demand gap. Our funders contributed significantly towards the sustainability of the franchisees by funding monthly stipends, business skills training, and business mentorship.

Through our programme, government has also played a huge role in job creation and enterprise development in the ECD sector. A contribution of R37m was received from the Jobs Fund and SETA.

2022 Allocation of expenses

SmartStart spent R 126 114 120 in 2022/23 (18% increase compared to the prior year)



The spending on FY2023 continued to focus on supporting the accelerated implementation to close the performance gaps and meet annual targets. Through a concerted effort, our key targets were exceeded, and main deliverables achieved. As a result, the network ended the year with 8 629 active SmartStarters.

Statement of Financial Position as at 30 June 2023

Figures in R	2023	2022
Assets		
Non-current assets		
Plant and equipment	669 801	355 675
Right-of-use assets	642 229	1 156 013
Intangible assets	460 000	460 000
	<u>1 772 030</u>	<u>1 971 688</u>
Current assets		
Inventories	1 583 749	1 341 287
Trade and other receivables	43 808 401	7 813 181
Cash and cash equivalents	34 561 448	22 553 655
	<u>79 953 598</u>	<u>31 708 123</u>
Total assets	<u>81 725 628</u>	<u>33 679 811</u>
Equity and liabilities		
Equity		
Retained income	5 819 050	2 710 088
Liabilities		
Non-current liabilities		
Lease liabilities	258 785	935 191
Current liabilities		
Trade and other payables	11 790 419	11 586 258
Lease liabilities	673 230	582 645
Deferred income	63 184 144	17 865 629
	<u>75 647 793</u>	<u>30 034 532</u>
Total Liabilities	<u>75 906 578</u>	<u>30 969 723</u>
Total Equity and Liabilities	<u>81 725 628</u>	<u>33 679 811</u>

Statement of Profit or Loss and Other Comprehensive Income

Figures in R	2023	2022
Revenue	126 281 504	106 839 278
Other operating income	1 347 892	1 620 739
Other operating losses	(87)	(17 680)
Other operating expenses	(126 029 014)	(106 892 015)
Operating profit	1 600 295	1 550 322
Finance income	1 593 686	1 006 253
Finance costs	(85 019)	(125 892)
Profit for the year	3 108 962	2 430 683
Other comprehensive income	-	-
Total comprehensive income for the year	<u>3 108 962</u>	<u>2 430 683</u>

Statement of Changes in Equity

Figures in R	Retained income	Total
Balance at 01 July 2021	279 405	279 405
Profit for the year	2 430 683	2 430 683
Other comprehensive income	-	-
Total comprehensive income for the year	2 430 683	2 430 683
Balance at 01 July 2022	2 710 088	2 710 088
Profit for the year	3 108 962	3 108 962
Other comprehensive income	-	-
Total comprehensive income for the year	3 108 962	3 108 962
Balance at 30 June 2023	<u>5 819 050</u>	<u>5 819 050</u>

Statement of Cash Flows

Figures in R	2023	2022
Cash flows from operating activities		
Cash generated from operations	11 758 723	3 479 813
Finance income	1 593 686	1 006 253
Finance costs	(85 019)	(125 892)
Net cash from operating activities	13 267 390	4 360 174
Cash flows from investing activities		
Purchase of plant and equipment	(633 702)	(242 483)
Proceeds from sale of property, plant and equipment	-	108 393
Cash flows from financing activities		
Cash repayments of lease liabilities	(585 821)	(499 659)
Total cash movement for the year	12 047 867	3 726 470
Cash and cash equivalents at the beginning of the year	22 553 655	18 827 185
Cash and cash equivalents at the end of the year	34 601 522	22 553 655



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