



ssnup

Smallholder Safety Net
Upscaling Programme

DEVELOPING FINANCIAL AND MOBILE MONEY SERVICES FOR FARMERS IN MALAWI



Africa



Latin America



Asia



Financial services



Non-financial services



Market building



Internal management

CONTEXT

Climate shocks, low agricultural productivity, and slow structural transformation mean that poverty levels remain high in Malawi. However, despite recent economic growth, the Malawian population continues to face significant development challenges. They rely mainly on subsistence, rainfed agriculture, which limits its growth potential, increases its susceptibility to weather shocks, and creates food insecurity. The economy depends heavily on the agricultural sector (29.5 % of GDP), which employs over 80% of the population (World Bank).

CURRENT STATUS OF THE INVESTEE

MicroLoan Foundation Ltd (MLF Malawi) is a Tier 3 microfinance institution that was established in 2002 by MLF UK, a charity that has dedicated its activities to microfinance in Sub-Saharan Africa. It is registered as a credit-only microfinance institution and supervised by the Reserve Bank of Malawi. MLF Malawi provides loans under the group methodology only.

As of December 2022, the institution had more than 40,000 active borrowers (100% women and 80% in rural areas) and was managing a loan portfolio equivalent to around € 4.6 million. It operates all over Malawi through a network of 22 branches and a team of 133 employees. Grameen Crédit Agricole Foundation has been collaborating with MLF Malawi since 2018.

OBJECTIVE OF THE PROJECT

The project aims to improve the financing of agricultural activities carried out by producers in rural areas through the development of agricultural loans and a credit scoring system, the integration of mobile money services and the optimization of the operational procedures.

The main expected outcomes are:

- 17,000 farmers, all women, are financially included and have access to new adapted financial services.
- 17,000 farmers have access to efficient distribution channels (mobile money) and have improved their digital literacy through trainings on mobile money services.

IMPACT INVESTOR



AGGREGATOR / INVESTEE

MicroLoan Foundation Ltd (MFI) - Malawi

TARGETED N° OF FARMERS

17,000 farmers

AGRICULTURAL VALUE CHAIN

Maize, Irish potatoes, soya, rice, livestock, horticulture and groundnuts.

STARTING DATE

March 2023

DURATION

24 months

TOTAL TA BUDGET

€ 318,985

Including € 257,726 (80%) contribution from SSNUP

