



**MALAWI UNION OF
SAVINGS AND
CREDIT COOPERATIVES**

E-News *letter*

FEBRUARY 2022

Monthly

THE WINNING FORMULAR

- Turning non-members into members
- Turning non-active members into active members
- Turning members into leaders
- Turning leaders into mentors

VSLAs

The only viable and convenient means to access financial services in rural areas is through community based financial organizations (CBFOs) such as the Village Savings and Loans Associations (VSLAs).

LEGISLATORS

MUSCCO and MAMN presented observations and proposals, following Legislators advised that proposed changes be summarized for consideration in the bill that will ensure that; overall there is no increase in non-interest fees and commissions



e-newsletter



CONTENTS

Cover Page	01
Legislator's engagement	05
The winning formula	06
Wiyule CBFO	07
Upcoming Events	09

EDITOR'S NOTE

Dear Readers,

Welcome to the February 2022 Issue of our monthly E-Newsletter.

As we begin the New Year, In this Issue, we showcase some of the initiatives SACCOs have engaged in during the past month; membership recruitment retention and customer care training, SACCO Annual General Meetings and also and MUSCCO engagement with legislators on Interest capping Members' Bill.

For more information, updates, and articles included herein, please visit our website at www.muscco.org.

+

LEGISLATORS’ ENGAGEMENT



On 3rd February, 2022 Malawi Union of Savings and Credit Cooperatives (MUSCCO) together with Malawi Microfinance Network (MAMN) engaged Legislators on Interest Capping Member’s Bill which is before Parliament.

To facilitate interaction with Legislators, MUSCCO and MAMN presented observations and proposals, following

Legislators advised that proposed changes be summarized for consideration in the bill that will ensure that; overall there is no increase in non-interest fees and commissions, overall credit supply is enhanced and that consumers will not be exposed to predatory practices by non-regulated (informal) lenders.

While the proposed bill seeks to protect

consumers, in the case of SACCOs consumers are also owners, the submission therefore from MUSCCO was that consideration should be made so that the SACCO members’ self-help initiative is not stifled with unsustainable operational.

Accordingly, the meeting agreed that further consultations be made with sector players for further refinement of the bill.



*Minister of Sports who is also a leader of the house in Parliament
Hon. Richard Chimwendo Banda
addressing the Audience during the meeting.*

NOT EASY TO RECRUIT MEMBERS, NOT EASY TO RETAIN THEM

The winning formula for SACCOs in Malawi is to have well knowledgeable and skilled members, leaders and staff. Acknowledging to this, Chapter 1 organized a training for SACCOs on Membership Recruitment, Retention and Customer Care. This is in line with this year's Chapter 1 ambition of growing by 40% in membership and ensuring 100% retention on membership unless there are deaths. The training looked at challenges SACCOs face to bring in new members and retain them as well as strategies on the same. The training focused on five areas of:

- Turning non-members into members
- Turning non-active members into active members
- Turning members into leaders

- Turning leaders into mentors
- Managing SACCO members through customer care on understanding that "if you don't take care of them, someone else will do".

The two-day training took place on 26 and 27 February 2022 at Victoria Hotel and attracted 32 participants from ten SACCOs – seven from Chapter 1 and three from Chapter 2. Amongst the participants were six Directors from three SACCOs directly involved in membership recruitment drive? The participants have spoken highly about the training being one of its kind which will help them to reorganize their strategies as they have learnt quite a

lot around the subjects' matter.

The participants have dubbed the training "SACCO, a game of numbers" as the opening presentation looked at why SACCOs' should be bothered of increasing and retaining members as well as the impact t, that has on SACCO finances. Participants were happy with how the training was delivered and said that it has come at the right time considering that there are ten months to go in the year. Participants were challenged to make a difference in their SACCOs. Two of the quotes amongst the thirty-two discussed that challenged the participants during the discussions were "Make a customer, not a sale" by Katherine Berchetti and "You are serving a customer, not a life sentence. Learn to enjoy your work" by Laurie McIntosh.



WIYULE CBFO

VENTURING IN VSLA AND DAIRY PRODUCTION TO IMPROVE LIVELIHOODS



In most Access to financial services, either through formal or informal organizations, is critical in one's life, as it enables people to start and expand their various businesses, invest in education, manage risk and financial shocks. It is an issue of livelihood management.

This helps in improving the overall quality of lives for individuals and families, as well as in end their communities at large.

In Malawi, however, there is low visibility of formal financial service providers in the rural areas where a majority of the population lives. Currently, the only viable

and convenient means to access financial services in rural areas is through community based financial organizations (CBFOs) such as the Village Savings and Loans Associations (VSLAs).

Through its project titled Rural Livelihoods Enhancement through Strengthening and Support for Community Based Financial Organizations, the Malawi Union of Savings and Credit Cooperatives (MUSCCO) has been mobilizing and strengthening community based financial organizations (VSLAs and SACCOs) that will contribute to improved livelihoods

through agricultural productivity in Chitipa district.

International Fund for Agriculture Development (IFAD) is financially supporting the project through Ministry of Finance and Economic Affairs under the Financial Access for Rural Markets, Smallholders and Enterprise (FARMSE).

Wiyule VSLA was formed on August 21, 2021, with a membership 27 people (seven women and 20 men) in order to engage in village savings and loans.

It later evolved into dairy production enterprise after being trained and

developing a constitution to guide its operations. But due to non-compliance to the group constitution, some

The group is in Lufita Village, GVH Mwenelufita in Traditional Mwabulambya under Lufita Extension Planning Area (EPA) in Chitipa district.

MUSCCO is providing technical support on village savings and loans in the district. MUSCCO in collaboration with Malawi Milk Producers Association (MMPA) engaged the group to start dairy farming through provision of bulls.

The objective of the initiative is to increase milk production of the local cows through provision of hybrid bulls as well as improve on cash earnings of those involved. The group has received two bulls from MMPA that will

members dropped out of Wiyule. The CBFO now comprise of nine females, seven non-youth and two youth females, four males

be mating local cows to boost milk production.

MUSCCO trained the group in village savings and loans activities while MMPA conducted training in dairy production.

The group constructed a kraal after being trained in dairy production. It has also contributed finances for the payment of membership fee to Mpoto Dairy Farmers Association apart from paying membership fees to MMPA as its mother body.

Currently, the group has a financial asset of K225, 100.00 in shares. Members of Wiyule VSLA are also engaged in small businesses like buying and selling beans, millet and tomatoes.

of which one is a youth and the rest are non-youths participation in VSLAs.

The coming in of the two bulls has strengthened the relationship amongst group members as they feed the animals on rotational basis. The bulls are being stall-fed within the kraal. The members are also able to contribute money for the purchase of drugs for better survival of their bulls. With combination of village savings and loans and dairy production, members feel they have a big chance to improve their household incomes and well-being through this project hence they are happy with the development and in appreciation of what MUSCCO is doing through FARMSE in collaboration of MMPA.



THE FIRST SACCO TO CONDUCT ITS AGM - TIPINDULE COMMUNITY SACCO

“First year of operation after being granted a license”

Tipindule Community Savings and Credit Cooperative (SACCO) on Friday 25th February 2022 conducted its third Annual General Meeting at Agriculture Training Center (RTC) in Mponela. It was interesting to note that the SACCO had done well in most areas. Total Assets of the SACCO grew from 21.8 million in 2020

to 34.4 million in 2021 representing a growth of 60%.

Tipindule SACCO Board Chairperson, Mr. Harrison Dzonzi is thankful and appreciated its members for the trust given to SACCO, he mobilized more members to join SACCO. In his remarks, he encouraged members to

patronize new products which would be introduced soon after SACCO automation.

The function was graced by Chapter Director, Mr. Phillip Mwanza. Who saluted the Board, Staff and members for being the first SACCO to conduct the Annual General Meeting?



Upcoming Events

- SACCO Annual General meetings
- SACCO Marketing and member Education training in Chapter 3
- ACCOSCA Foundation visit to Malawi SACCOs
- Collateral Registry/Management and SME lending workshop
- VSLA Management committee Training in Mzimba funded by GIZ
- Improving access to formal financial services for rural communities-
FARMSE

Follow us on:

