

HIGH FIVE CLUB

changing lives in Africa, £5 at a time

Women's Enterprise Revolving Loan Scheme, Malawi



Chitimba in Northern Malawi is a lake-side village in Rumphi District, a district that borders neighbouring Zambia and is home to Vwaza Marsh Wildlife Reserve and Nyika National Park. The people who live here are of predominantly Tumbuka tribal origin. Other smaller ethnic groups in the area include the Chewa, Ngoni, Lomwe and Yao. It is estimated that circa. 5,000 people live in Chitimba village bordering Lake Malawi.

The overwhelming majority of people in Chitimba live in abject poverty. Literacy levels are low, especially amongst women. Very few people in the area have formal employment, so most survive on a hand-to-mouth basis as subsistence farmers growing maize and vegetables and fishing in the lake. The area is very prone to floods in the rainy season and this makes food security an increasingly difficult issue as people's crops are often wiped out during this period – as they just have been this month.

Many people simply don't have the resources to send their children to school once they reach secondary school age and during the 'hunger months' (aka the rainy season) from Nov-Feb many struggle to feed their families. 'Luxuries' that we take for granted in the west like soap, sugar and tea are out of the reach of most families.

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The Brown Munthali Foundation (BMF) - through whom we focus our support in Northern Malawi - asked us if we would be able to help them start a 'soft loans' small-scale enterprise initiative for pro-active Women's Groups in their area. To assist the women to develop sustainable livelihoods so they can send their children to school, buy food in the 'hunger months' and to be able to access the medical clinic when their children are sick.

Women's Groups in rural Africa are a way that women come together to encourage each other to help lift their families out of poverty. And joint enterprises between the women are one way of them doing this. Women in rural areas in Malawi have no access to loans to help them set up such enterprises so a 'soft loan' scheme offers a real lifeline.

One of our High Five Club members at exactly the same time approached us to say he would like to fund such an initiative, enabling the **Chitimba Women's Enterprise Revolving Loan**



Scheme to be set up in December 2021.

High Five Club Support:

As High Five Club we provided to BMF a fund of **550,000 Malawi Kwacha (ca. £500)** to provide a 'soft loan' of 275,000 Kwacha to each of 2 Women's Groups from the community to set up a small-scale business. From month 4, once the women have started generating income from their business, the women agree to pay back their loan in 9 equal monthly instalments, so that by the end of 12 months the loan is paid back in full so it can then be issued to the next Women's Group.

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A small amount of interest in line with inflation in Malawi is applied to the repayment plan so that the amount of the loan available to the next Women's Group does not devalue year-on-year in real



terms. It is inflation-proofed and 'revolves' within the community for as long as the women pay back their loans. Critically BMF provides advice and support to the women in developing their enterprises and in ensuring good welfare standards for any animals that are raised as part of these enterprises (a key requirement of any High Five Club-funded initiative).

Such schemes in other parts of Africa have been incredibly successful, with 90% + of women paying back their loans due to the strong desire that the women have for other women in their community to also benefit from the scheme. In areas where loans to men have been given, these have not been so successful sadly!

The first 2 Women's Groups paid back their loans within 12 months, and in January 2023 2 more Women's Groups received their loans, making 4 Women's Groups in total to date being uplifted out of poverty through this initiative.

That is 19 women and their families (ca. 95 people in total) having benefited. And the exciting thing is that the numbers of beneficiaries will just keep on growing as the funds continue to revolve within this community. It just goes to show how a little can

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create such a huge impact in people's lives in rural areas of Africa when channelled in the right way.





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The Women's Groups that have benefited to date from this initiative are:

Name of Women's Group	Names of members	No. of Members	Purpose of Loan	Status of Loan
Nkhwazi Women's Group	Dora Mkandawire Sibongile Singini Emma Jere Maria Mtumbuka Nolius Mkandawire	5	Local chicken rearing – selling eggs and adult chickens. The loan was used to construct a chicken house and to purchase chicks, medicines and equipment.	Paid back in full by Dec 2022
Nombo Women's Group	Tiwonge Nyirenda Linnie Chihana Lenna Mwanyongo Lucy Ngwira	4	Maize – buying and re-selling in the community. Loan was used to uplift their existing small-scale maize business by purchasing more maize.	Paid back in full by Dec 2022
Nkhwazi Women's Group	Elikana Masewu Enelesi Kope Emmily Gwaza Agness Nyakhwawa Maggie Luhanga	5	Rice – buying and re-selling in the community. Loan was used to purchase rice to sell.	Loan issued Jan 2023 – first repayment due in April
Nombo 2 Women's Group	Maria Mtumbuka Dora Mkandawire Emmie Chavula Salome Harawa Jacqueline Banda	5	Maize – buying and re-selling in the community. Loan was used to uplift their existing small-scale maize business by purchasing more maize.	Loan issued Jan 2023 – first repayment due in April

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