



E-news Letter



MALAWI UNION OF SAVINGS AND CREDIT COOPERATIVES

Spearheading Financial Independence

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EDITOR'S NOTE

Dear Readers,

Welcome to the June 2022 Issue of our monthly E-newsletter. In this, we showcase some of the initiatives SACCOs have engaged in during the past month from exponential growth strategy at United Civil Servants Sacco, MUSCCO trainings and Dairy project impresses Swedish Ambassador – we effect.

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

DAIRY PROJECT IMPRESSES SWEDISH AMBASSADOR

Ambassador of Sweden to Malawi Asa Pehrson has expressed satisfaction with the contribution Civil Society for Rural Development Project is making towards achieving sustained livelihoods for dairy farmers in Lilongwe.

Pehrson made the remark on Tuesday when she visited Nsaru Milk Bulking Group, which is located in the outskirts of Malawi's capital, Lilongwe.

The aim of her visit was to appreciate how various interventions under the project by We Effect Malawi in partnership with the Malawi Union of Savings and Credit Cooperatives (MUSCCO) and Malawi Milk Producers Association (MMPA), are impacting the lives of the targeted beneficiaries.

Said Pehrson: "It is pleasing that farmers are taking the project seriously and from their stories, it is obvious that they have achieved a lot from dairy farming. In times where climate change is greatly affecting crop production, it is exciting when farmers divert to other sources of making sustainable livelihoods and, in this case, embracing dairy farming."

We Effect Country Manager Esther Chirwa said even though the project is phasing out this year, they have put in place sustainability frameworks, which will see farmers continuing with the interventions.

Chirwa said: "What we want is to see the lives of farmers change for the better. That is why they have been prepared to continue with what they have learnt when the project phases out."

MMPA national director Herbert Chagona thanked the Government of Sweden for providing financial support for the project through Swedish international Development Agency.

Chagona stated that through We Effect Malawi, Nsaru has increased the number of dairy farmers and most households are now financially stable.

In his remarks, MUSCCO Head of Cooperative Development and Projects, Leroy Banda, said the financial institution is helping to cultivate the saving culture in the farmers through Study Circles and Village Savings and Loans Associations where they save and borrow money if need arises.

Banda added that the union is also linking the farmers with already established Savings and Credit Cooperatives (Saccos) and that when they graduate, they, too, can establish their own cooperatives.

Nsaru cooperative chairperson Daniel Chapota said, so far, about 209 farmers are benefitting from the dairy activities and they aim to increase the number of dairy cattle from 293 to 500 in 2025.

FINANCIAL LITERACY DEEPENING

Through FARMSE Project, MUSCCO has conducted a good number of Financial Literacy Trainings in Ntchisi district. The aforementioned trainings have had positive impact on the lives of most VSLA members as the rights holders are now able to make sound financial decisions that would spur their families and businesses.

Mrs. Louise Kandani hails from Kandani Village in Traditional Authority Nthondo where she is also a Community Facilitator under FARMSE Project.

She understands the provision of financial education by the project as the only way to bring success on the table of any VSLA member as well as proprietors of SMEs.

Kandani alluded that most women and youths from the cluster in which she is operating understand the basic principles of financial literacy such as (a) understanding why is it important for them to be saving money, (b) where to open an account, (c) how to keep financial records, but also (d) how to access a loan.



VSLA members from TA Nthondo, GVH Mtawaira attending the Financial Literacy training

During the VSLA monitoring exercise that the project conducts, the district COMO had the privilege to interact with one VSLA member from TA Nthondo who had this to say,

My name is Limbikani Kabanga and I was born on the 1st of January, 1992. I come from Tchale Village, GVH Mtawaira 2, TA Nthondo. As a youth, I had a dream to become a successful business person. Every business I venture into could not flourish because I did not know how to manage my finances let alone a conducive environment to save and borrow money. When Mrs Kandani, came to our village to promote the VSLA concept with the help of the Village Development Committee (VDC) I

understood the methodology as the best way that could solve my problems and become a prominent business person in the near future. We started our group-Mtendere 1 in the year 2019, and the association trusted me with the position of chairperson. As an individual member, I saved my money through the purchase of shares to the tune of Mk 150, 000.00. At the end of the first circle, I walked away with Mk 295, 000.00, the chunk that I invested in my grocery business.

This year, I am more than determined to save more money so that I sustain my business and compete with other players who are operating in the same business environment.



Limbikani Kabanga, a happy shop owner selling cooking in his shop

When asked how MUSCCO through the FARMSE Project has helped him to realize his personal dreams, Kabanga cited the financial literacy concept. He pointed out that the financial education has equipped him to the extent that he is essentially able to make good financial decisions.

Not only that, he is more likely to succeed in his grocery and agriculture businesses because of the concept.

He said he is now able to save money at the VSLA to meet emergencies. Before MUSCCO, Kabanga thought that saving can only be done by putting money aside for future use. But now he understands that one can save through buying and selling of goods at a profit.

AN EXCITING SCORECARD: 9000 RECRUITED BY HALF TIME

Exponential Growth Strategy at United Civil Servants Sacco – Unveiling the Secret

A Burning Passion shared by everyone at United Civil Servants SACCO (UCS SACCO) is to recruit over 14, 000 new st members by 31 December, 2022. Counting down half time, the June 30 almost 9, 000 brand new members joined the SACCO pushing the total membership to 52, 000; we are excited! Our Passion to bring the unsacced on board is derived from our huge mission of changing lives; we believe, therefore, that we cannot change their lives unless they join the SACCO.

It is also common knowledge that membership growth is a prerequisite to financial growth of the SACCO. When the SACCO grows strong it can offer viable services and products to its members timely and through both physical and digital channels. Strongly pulled and pushed by one of the most quoted cooperative principle: Cooperation amongst Cooperatives, we would like to share in this little piece of writing two wild strategies we employed to grow numbers.

Courting the Capital Hill Captains

During the dinner event we organized at Sunbird Capital Hotel (Lilongwe) we engaged the Principal Secretaries, Directors and Senior Staff from the Capital Hill as a strategy to grow membership. Our central message that evening was to elaborate that the financial cooperative model has the potential to solve people's economic problems as well as improving the economy of the country.

We illustrated how the SACCO industry has contributed over 33% to Kenya's economy; this was confirmed by word of mouth of Mr. George Ombado, ACCOSCA's Executive Director, who also graced the beautiful evening.

Our audience was also shown how the SACCO movement has changed lives even in the United States of America.



Ms Lois Kitsch CHAIRPERSON OF ACDF (USA)

An American resident, Ms. Lois Kitsch, ACCOSCA Foundation Chair, spoke firmly that SACCOs (Credit Unions) are much bigger than banks there, and that she has been a SACCO member herself for over 40 years. She emphasized that SACCO's business model has potential to solve problems people face and encouraged Malawians to patronize SACCOs.



Mr. Francis Zhuwao -PS for Trade and Industry

The Principal Secretary for Trade and Industry, Mr. Francis Zhuwao, who was our Chief Guest called upon his fellow leaders to

encourage every Malawian to join SACCOs to have their lives improved. He told the gathering that he joined UCSS himself when he realized that his savings at the SACCO will give him a second retirement package.

Our Distinguished Guests watched a documentary that exhibits how members have changed their lives through UCS SACCO. An outstanding member is one Who has opened sugarcane plantations in Dwangwa; he makes an annual profit of over K15 million and has a workforce of 20. Supported by SACCO loans others established private clinics, small businesses, real estates, etc. Watching the documentary Director General for National Economic Planning, Dr. Thomas Munthali, called upon all Malawians to join SACCOs to improve their economic lives, he reasoned that when individual citizens become wealthy it means the country becomes wealth collectively.

Our own industry Captain, Mr. Fumbani Nyangulu, MUSCCO CEO challenged his fellow Captains that SACCOs' business model has a lot of potential of changing the economic landscape of Malawi as long as they are run well and when people patronize them. He therefore called upon the senior government leaders present to join and encourage their subordinates to join SACCOs.

JOURNALISTS VISIT KENYA



Journalists

Journalists' Visit to Kenya during the first half of this year,

We also took some journalists to Kenya to visit four big Saccos to

Appreciate how Saccos have grown and how they have impacted on people's lives. These journalists were deeply impressed to see for themselves how SACCOs in Kenya are bigger than some banks. They learned that the SACCOs in Kenya contribute over 33% of the nation's GDP. They reported from Nairobi with much passion calling everyone in Malawi to join and support SACCOs to end poverty. A documentary covering their visit is coming out soon.

What's in it for your SACCO? Taking an honest look at the two membership growth strategies cited above, they are meant to help all SACCOs to grow membership. They were meant to convince gatekeepers and all Malawians that SACCOs have a unique potential for changing their lives (not just UCSS); that everyone, no matter their position (and not just civil servants) needs to join a SACCO. When a sales team of any SACCO goes to the market to recruit, they should be able to bring back huge numbers because many people in Malawi have already heard.

Upcoming Events

- SACCOs key in development
- Nsangu CBFO success story
- MUSCCO AGM in pictures
- Mudi SACCO trade fair highlights

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