



# E-News letter

July, 2022

**MALAWI UNION OF SAVINGS AND  
CREDIT COOPERATIVES**

**"The SACCO model is a  
foundation of serious  
development in Malawi"**



## EDITOR'S NOTE

Dear Readers,

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

We wish you all a prosperous year full of business growth and profitability. In this issue, we showcase some of the initiatives SACCOs have engaged in during the past month; from SACCOs Key in Development, MUSCCO AGM through lens, Nsangu CBFO success story and Mudi SACCO trade fair highlights.

For more information, updates, and articles included herein, please visit our website at [www.muscco.org](http://www.muscco.org).

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# NSANGU CBFO SUCCESS STORY

## THE BUSINESS EMPLOYED A VSLA MEMBER AS A TAILOR

Aaron Dustan, a 34-year-old young man from Sambakusi Village in Traditional Authority Nthondo in Ntchisi district, joined Village Savings and Loan Association (VSLA) model in 2020.

Dustan's intention was to save money more frequently. Growing up as a youth in the rural outskirts of the district, he had a dream of becoming a successful entrepreneur. But alas! His dream could not be easily achieved without a sound financial base.

Like many other young people in Malawi, Dustan did not have access to credit, let alone saving facilities in the area.

And is if adding salt to a festering wound, he lacked vast expertise to manage his finances. He did not want to join a VSL group either because he had witnessed a few groups failing to share-out their proceeds because of practicing bad VSL methodologies.

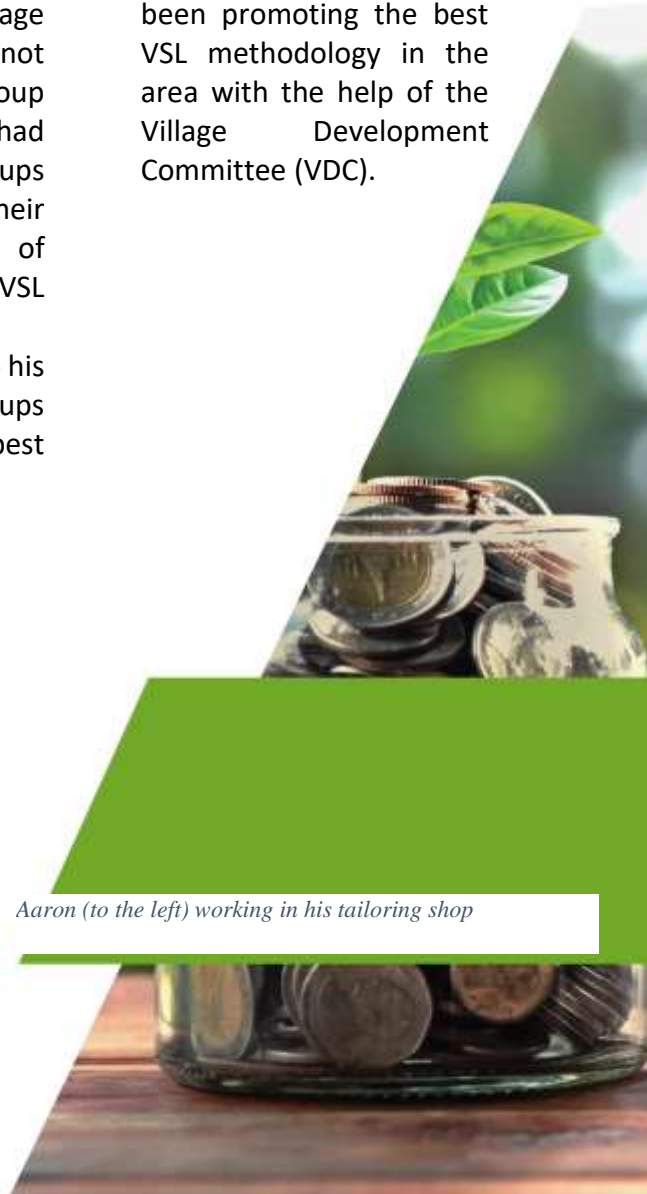
When FARMSE came to his area VSLA, the groups adopted the best

practices. These practices centered on constitution development, sharing-out, record keeping just mentioning the least.

Mr Sauli Chamagwayi, the Community Facilitator, has been promoting the best VSL methodology in the area with the help of the Village Development Committee (VDC).



*Aaron (to the left) working in his tailoring shop*



## Summery

Having seen such a quick change since the program's inception in the area, Dustan joined Chilanga VSL group in 2020. After sharing out in the 2020 VSLA cycle, he invested his proceeds in soya production.

He realized a lot of money after selling the produce. He then purchased sewing machines to start up a tailoring shop.

Today, Dustan – the young entrepreneur – is very thankful to the program because the business provides food to the family and clothes for his children.

The business employed one VSLA member as a tailor, which is a positive step as the government strives to create more jobs in this land.

# SACCOs KEY IN DEVELOPMENT

## *'The Sacco model is a foundation of serious development in Malawi'*

Minister of Trade and Industries Mark Katsonga says Savings and Credit Cooperatives (SACCOs) are a foundation for development in Malawi. Speaking after touring Mudi Sacco in Blantyre and Thyolo Teachers in Thyolo, he said the cooperative model helps people save and borrow from a pool of common resources said Katsonga. 'People save their money with Sacco and they go back to borrow the same money to do a variety of projects.

That's why am saying the Sacco Savings model is a foundation of serious development in Malawi'

The minister said he was impressed with the level of organization in the Saccos and the Cultivation of the saving culture. He said lack of a saving culture is one of the factors that have plunged people into poverty. 'Saving culture is a problem in Malawi. People believe in getting their money and spending it, this to a certain extent, contributes to our lack of development because development comes with money which individuals save' said Katsonga.

Mudi Sacco board chairperson Stanley Mpaya said the minister's visit raised the Sacco's

profile and accorded them a chance to raise Challenges that the cooperatives face in the operations.

Thyolo Teachers' Sacco board chair Fortunate Chanza said his organization is steadily growing. Both Saccos cited delayed remittances as one of the challenges impeding their operations. 'Remittances are like fuel for cooperatives. Without remittances, we cannot operate, said Chanza.



Malawi Union of Savings and Credit Cooperatives chief executive officer Fumbani Nyangulu said the minister's visit provided an opportunity to showcase the potential that Saccos have in providing services to Malawians.

Malawi has 41 Saccos that are registered with the Reserve Bank of Malawi.



## MUDI SACCO TRADE FAIR HIGHLIGHT

The 32nd exhibition and showcasing week of the recently ended Trade fair which commenced on 27th July 2022 and finished on 8th August 2022 was opened by His Excellency Dr Lazarus Chakwera and managed to serve much of the intended purpose. There were both local and international exhibitors Mudi Sacco was one of the local exhibitors in this year's Trade Fair with the sole purpose of sensitization on our products and services that we offer, recruit new members and above all provide financial literacy and counselling to both existing

and prospective members.



Mudi Sacco offers diverse products and services which are tailor made; ranging from shares, deposits, loans, funeral cover, mobile banking, financial literacy, financial counselling and credit management among others. This year's exhibition helped us to connect and partnered with other companies that offer

different products and services like building materials, agriculture inputs and household items just to mention a few, so that our members can benefit from these companies through credit facilities we offer inline with their products and services, all this in the attempt to meet our members' needs and serve them better.



Water for People is one of our existing partners, working together in improving our member's hygiene through sanitation loan products we offer at an affordable rates. We were delighted to display their sanitary products which attracted a lot of people.

During this year's exhibition, we also sensitized members and prospective members about our digital platform services we offer. As far as advancing in technology is concerned, Mudi Sacco hasn't been left behind. We are on mobile banking which enables our members to make any Transactions in the comfort of their homes. We have also partnered with TNM and Airtel through Mpamba and Airtel Money services to ensure that our members can even transact in the remotest areas through these platforms.

Some of the notable paramount objectives which were achieved during the exhibition were member recruitment, sensitization to members as well as prospective members, networking and finally the presentation of financial literacy to the broad spectrum of both existing and prospective members.

In member recruitment, an impressive and satisfactory recruitment exercise was done During the trade fair achieving a considerable score rate of 80% against the attendance record and spectators that visited our pavilion.

## *In sensitization*

They planned and broader targeting sensitization drive that was employed during the exhibition had a far reaching effect.

It managed to get a satisfying and equally engaging impact on the prospective members that patronized and visited our stand.

Finally, in financial literacy and core information to be disseminated to both existing and prospective members, a financial literacy clinic coupled with the expertise of staff in finance did some wonders throughout the period. A well scheduled plan which aimed at informing and enlightening the people with basic and practical principles of finance worked well, where it dwelt among other things on budgeting, saving, borrowing for investing and proper spending.

We also emphasized of retirement saving that need to be taken care of now for tomorrow. This served well because it offered a protective idea to members and responsible management of their funds.

# MUSCCO ANNUAL GENERAL MEETING





# Upcoming Events

- VSLA linkages to Sacco's success stories.
- SACCA Congress through lens.
- Dairy Project impresses Swedish Ambassador

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