



PUBLIC DISCLOSURE NOTICE

FINANCIAL INCLUSION AND ENTREPRENEURSHIP SCALING (FInES)

PUBLIC DISCLOSURE OF GRIEVANCE REDRESS MECHANISM (GRM) OF THE FINANCIAL INCLUSION AND ENTREPRENEURSHIP SCALING (FInES)

1.0 INTRODUCTION

The Government of Malawi, with support from the International Development Association (IDA), is implementing a Financial Inclusion and Entrepreneurship Scaling (FInES) Project which is aimed at increasing access to financial services, promoting entrepreneurship and capabilities of MSMEs in Malawi including addressing Covid-19 implications. The project cost is USD 86 million.

2.0 PROJECT DESCRIPTION

The activities for this project are structured under four mutually reinforcing components, namely: Component 1: Liquidity enhancement to MSMEs; Component 2: Scaling entrepreneurship and building firm capabilities; Component 3: Enhancing the enabling environment for supporting the financial inclusion and growth of entrepreneurs; and Component 4: Project implementation support.

3.0 ENVIRONMENTAL AND SOCIAL COMPLIANCE

Like any other project that is financed by the IDA, the FInES Project is subjected to the Environmental and Social Framework (ESF) of the World Bank. As such, the project has to comply with the World Bank Environmental and Social Protocols as well as in country policies. One Policy requirement is the Grievance Redress Mechanism (GRM). The FInES project has established a GRM which was duly approved by the World Bank. An operations manual has been developed to guide participants on activities around the GRM.

4.0 THE FInES GRIEVANCE REDRESS MECHANISM MANUAL

The GRM manual has been packaged in such a way that it clearly describes the FInES project GRM. The aim of the GRM is to enable smooth implementation of the project. This allows all underlying grievances and complaints which can hinder progress on implementation of the project to be addressed accordingly. The manual outlines all processes and procedures by which grievances and complaints under this project are going to be received, handled and addressed, or referred for next level. The GRM operates as a system through which queries regarding the

implementation of the project are responded to, how clarifications are sought, how problems and grievences are resolved and addressed in an efficient manner. The FInES GRM has been suggested to interface with communities in a power dynamics environment where loans are being disbursed. The GRM seeks to ensure smooth implementation of the project by timely and effectively addressing problems that are encountered. Grievances, concerns and problems are inevitable and therefore it is key to have a mechanism in place to address them promptly.

The FInES GRM ensures that there is fairness, objectivity, responsiveness, inclusiveness, effectiveness and wide participation. The various avenues of the GRM have personnel to capture and process the grievances, learn from them, share and support reprogramming initiatives. For continued efficiency of the GRM, there is need for regular reviews and analysis on the registered grievances and proposed resolutions. There will be regular follow ups at both PFIs and PIU. The typical FInES GRM is therefore in three parts. The first part is a system at the PFI. The PFIs are required to sensitize their clients about the availability of the GRM and the grievance reporting and resolving channels that have been put in place. The second part is the consolidation of grievances that are registered through the Financial Sector Regulation (FSR) Department of the Reserve Bank of Malawi and the Financial Services Appeals Committee (FSAC). PFIs already report finance-related disputes from clients to PFIs and between PFIs, respectively. These processes are already governed by law. The FSR department has enhanced this aspect by introducing a hotline as an additional channel for communication. The last part of the FInES GRM is anchored through a Grievance Redress Committee (GRC) which captures project related social and environmental grievances. This Committee provides an avenue to resolve problems that have not been resolved at PFIs. The GRC also plays a pivotal role of consolidating and circulating a matrix of all grievances so that all project stakeholders are apprised of the numbers, nature and extent of grievances and how they are being resolved. The GRC can also highlight project design hurdles which may manifest through repeated grievances and propose solutions accordingly.

5.0 PUBLIC DISCLOSURE

The FInES GRM Manual shall be disclosed through the newspapers and website.

6.0 THE DISCLOSURE PERIOD

Considering that the FInES project will complete in 2025, it follows that this GRM Manual shall remain disclosed throughout the project period.

7.0 CONTACT DETAILS

For further details about the FInES GRM Manual, you may contact the following:-

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