



# FInES

## NEWSLETTER

April - June, 2023 Issue



### INSIDE THIS ISSUE

FInES holds message workshop for stakeholders

**04**

Chimwemwe Mwenyemasi:  
The Shoemaker Who Defied  
the Odds

**06**

Chaoneka Buys Dairy  
Production Processing  
Machine With Fines Loan

**07**

## EMBRACING DIVERSITY: FInES Unleashes the Power of Inclusive Entrepreneurship



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# Message from the **PROJECT MANAGER**



Dr. Mark Lungu

Dear Readers,

We are delighted to present the latest edition of the Financial Inclusion and Entrepreneurship Scaling (FInES) Project Newsletter. In this issue, we bring you updates on the remarkable strides we have made towards enhancing financial inclusion, promoting entrepreneurship, and building the capabilities of Micro, Small, and Medium Enterprises (MSMEs) in Malawi.

Since the project's launch in 2021, we have witnessed significant milestones and achievements. FInES has played a vital role in enhancing financial inclusion and promoting entrepreneurship in Malawi. Through access to finance, training programs, and support, MSMEs are experiencing transformative growth, contributing to job creation and socioeconomic empowerment.

In this newsletter, we invite you to delve into the stories that exemplify the power of financial inclusion and entrepreneurship. Discover how FInES is making a difference in the lives of MSMEs, driving economic development, and fostering a vibrant entrepreneurial ecosystem. We hope these success stories inspire you and highlight the positive impact that FInES is having on businesses and communities in Malawi.

Thank you for joining us on this journey of progress and empowerment. We look forward to sharing more updates and stories of change in future editions of the FInES quarterly newsletter.





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# ABOUT FInES

Financial Inclusion and Entrepreneurship Scaling (FInES) is a five years (2020-2025) Government of Malawi project being implemented by the Reserve Bank of Malawi under the Project Implementation Unit (PIU) with a loan facility amount of USD86 million from the World Bank. The project aims at increasing access to financial services, promote entrepreneurship and capabilities of MSMEs in Malawi including addressing Covid-19 implications. The Project has four main components:

## 1 Liquidity enhancement to MSMEs

This component aims at increasing the supply of wholesale financing to the project's Participating Financial intermediaries (PFIs) and increase lending to MSMEs;

## 2 Scaling entrepreneurship and building firm capabilities

The project is providing training to entrepreneurs and firms, using a three-stage approach: psychological and technical skills, followed by measures to connect trainees with market opportunities;

## 3 Enhancing the enabling environment for supporting the financial inclusion and growth of entrepreneurs

This component aims at improving the financial infrastructure and regulatory framework to enhance financial inclusion; and

## 4 Project implementation support

Funds under this component are used to meet the costs of the Project Implementation Unit (PIU) in its capacity as the implementing entity, including costs related to fiduciary and safeguards aspects and monitoring and evaluation (M&E).

## PROGRESS HIGHLIGHTS AS AT MAY 2023

The project has disbursed MK39,547,886,551.80 to 36,570 MSMEs.

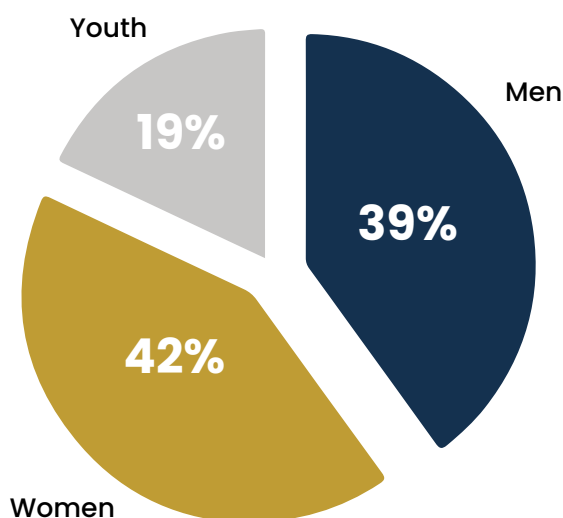


Figure 1

**Money distribution amongst beneficiaries**

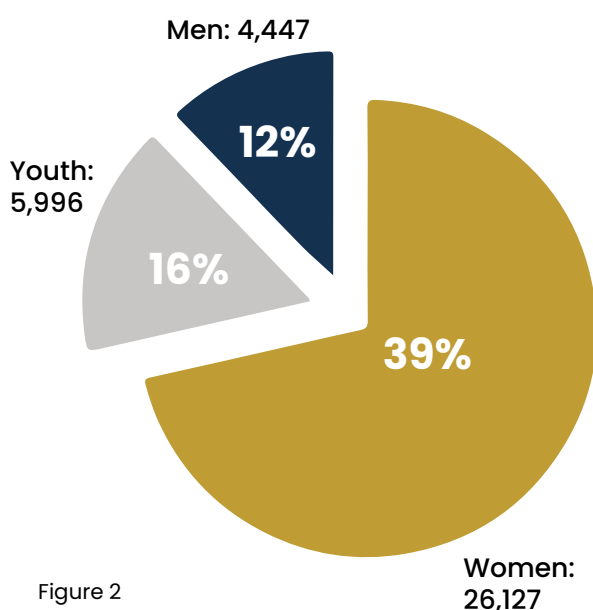


Figure 2

**Numbers of beneficiaries' distribution**



*The participants to the message design workshop*

## FinES Holds Message Workshop for Stakeholders

**T**HE MALAWI GOVERNMENT is working to address the lack of financial information that is hindering access to financial services. A two-day workshop was held in Salima with stakeholders from the financial sector to develop content for communication products that will increase awareness and promote positive behavior change in relation to financial services.

The workshop was held at Sunbird Livingstonia, and participants were trained on environmental and social safeguards. They also discussed emerging issues affecting micro, small, and medium enterprises (MSMEs) in Malawi and came up with core messages that are relevant, timely, and tailored to the information needs of the public.

"We discussed with FinES stakeholders some of the emerging issues currently affecting MSMEs in Malawi and came up with core messages that are relevant, timely and tailored made to their information needs," said Dr. Mark Lungu, project manager for FinES.

NBM Development Bank General Manager Bernard Masi said that developing messages in a consultative way helps to address misinformation and confusion among the public.

"We need to communicate tactfully, so that we achieve our goal of increasing access to finance for MSMEs," said Masi.

The workshop is part of the Financial Inclusion and Scaling (FinES) project, which is funded by the World Bank. The project aims to increase access to financial services for MSMEs in Malawi.



# GROW WITH CONFIDENCE:

FInES Project enhances an  
enabling environment for  
supporting the financial  
inclusion and growth  
of entrepreneurs



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# Chimwemwe Mwenyemasi: The Shoemaker Who Defied the Odds



*Chimwemwe Mwenyemasi with some of his clients*

**I**N MACHINJIRI, 29-year-old Chimwemwe Mwenyemasi has shattered the notion that shoe manufacturing is only for large companies. Armed with the skills inherited from his late father, who crafted shoes from second-hand leather bags, Chimwemwe began making his own shoes in 2011.

Chimwemwe's father was a master shoemaker, and Chimwemwe learned the trade from him at a young age. He watched his father carefully as he worked, and he soon picked up the skills needed to make shoes.

In 2011, Chimwemwe decided to start his own shoemaking business.

He knew that it would be a challenge, but he was determined to succeed. He started out by making a few pairs of shoes for friends and family. The shoes were well-received, and soon Chimwemwe had a growing demand for his products.

However, Chimwemwe's business was limited by his small workshop and his limited capital. He knew that if he wanted to scale up his business, he would need to invest in a new machine.

In 2022, Chimwemwe applied for a loan from the National Economic Empowerment Fund (NEEF). The loan was approved, and Chimwemwe

was able to purchase a new shoe-making machine.

The new machine allowed Chimwemwe to significantly increase his production capacity. He went from making a few pairs of shoes a day to making 50 pairs a day. This increased production allowed Chimwemwe to meet the growing demand for his products.

Chimwemwe's shoes are now sold all over Malawi. He has also started exporting his shoes to neighboring countries. His business is now thriving, and he employs six people.

Chimwemwe is one of many young entrepreneurs who have benefited from NEEF's loans. NEEF is a government-sponsored program that provides loans to small businesses. The program has helped to create thousands of jobs and boost economic growth in Malawi.

Chimwemwe is grateful for the support he has received from NEEF. He says that the loan has allowed him to realize his dream of becoming a successful shoemaker. He is now looking to expand his business even further and to train more young people in the shoemaking trade.

Chimwemwe's story is an inspiration to other young entrepreneurs in Malawi. It shows that with hard work and determination, it is possible to succeed in business, even if you start with limited resources.



# Chaoneka Buys Dairy Production Processing Machine With FlnES Loan

**L**YFORD CHAONEKA, hailing from Chileka in Blantyre, is the owner of Nutrifoods, a company that specializes in dairy products. With a wealth of experience as a retired Dairy Products Manufacturing Expert, having worked with various dairy companies in the country, Chaoneka ventured into small-scale milk production in Chigumula, Blantyre, in 2020. However, his capital fell short of completing the milk cooling facility required for his business.

Seeking a solution, Chaoneka approached the NBM Development Bank for a loan. Impressed by his promising proposal, the bank granted him an initial loan of MK 24,000,000, followed by an additional loan of MK 46,000,000, totaling MK 70 million. With this financial support, he successfully completed the milk facility, enabling him to produce high volumes of milk.

Eager to add value to his business, Chaoneka expanded the loan facility to acquire processing equipment for further milk processing. With the

assistance of NBM Development Bank Limited, he purchased heavy-duty machinery, cold rooms, condensers, and an industrial generator. He also renovated the existing premises to meet the necessary production requirements.

Chaoneka's commitment to hygiene and quality assurance led him to apply for a certificate from the Malawi Bureau of Standards (MBS). The final steps, including electrical wiring and on-site examination by the MBS, are underway. Additionally, Chaoneka has developed a comprehensive waste management plan to ensure the proper disposal of effluent water, which undergoes a two-stage purification process.

As the completion of his venture approaches, Chaoneka is poised to produce one tonne of each of the four dairy products, which have established markets. His determination and meticulous approach guarantee that Nutrifoods will become a prominent player in the dairy industry, showcasing the spirit of entrepreneurship and the transformative power of financial support.



*The milk cooling facility purchased with support from NBM Development Bank Limited*

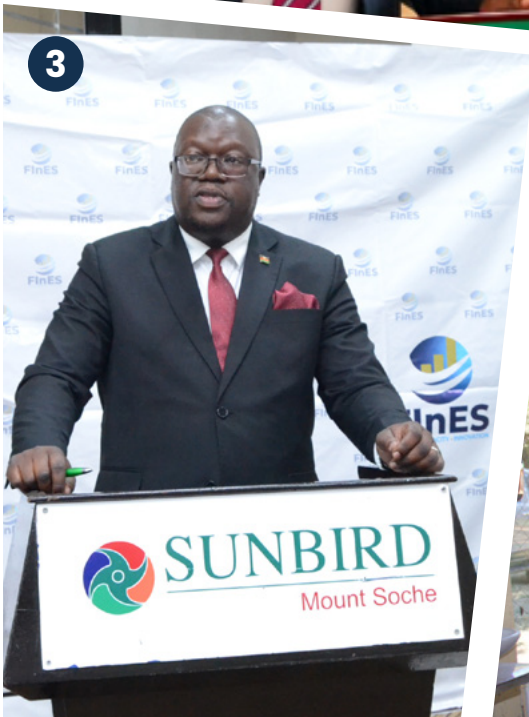
# PICTORIAL FOCUS



1



2



3



4



5

**1** Reserve Bank of Malawi, Deputy Governor, William Matambo speaking during the launch of media orientation in Mponela

**3** Director of Trade, Mr Kachiwaya, doing the opening remarks during the orientation of district councils and trade officers in Blantyre

**5** SMEDI Staff explains to World Bank delegates during tour of the proposed site for rehabilitation works

**2** Group discussion during media orientation in Blantyre

**4** Orientation of the National Association of Business Women in Malawi-Southern Regional chapter





# BUILDING SKILLS, FUELING SUCCESS:

FInES Project's training  
programs are  
transforming MSMEs!



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# ACCESS FInES LOANS FOR YOUR FINANCIAL NEEDS

## HOW CAN I ACCESS FInES LOANS?

To access a FInES loan, here is what you need to know:

- 1** You can access FInES loans through any of the participating financial institutions (PFIs) listed below.
- 2** Some PFIs require a loan application letter, while others provide an application form.
- 3** The PFIs will guide you through the application process.

***The following are the PFIs which are currently participating in the FInES Project:***

*Centenary Bank Limited (formerly, MyBucks Banking Corporation)*  
*Standard Bank*  
*NBS Bank Plc*  
*NBM Development Bank*  
*Malawi Agricultural and Industrial Investment Corporation (MAICC)*  
*COMSIV*  
*NEEF Limited*  
*Wealthnet Finance Plc*

*Saile Financial Services*  
*Microloan Foundation*  
*FINCA Malawi*  
*Business Finance Solutions*  
*CUMO Microfinance*  
*Vision Fund Malawi*  
*Mzinda Sacco*  
*United Civil Service Sacco*  
*Sucoma Sacco*  
*Mudi Sacco*  
*Dedza Community Sacco*  
*Sunbird Sacco*  
*Tipindule Sacco*  
*Malawi Police Sacco*  
*BL Financial Services*  
*Pinnacle Financial Services*  
*Binisons*

## UPCOMING EVENTS

- FInES Grievance Redress Mechanism Technical Working Group
- FInES Technical Working Group Meeting
- FInES District Townhall Meetings
- Training of PIU Staff in website uploading and content management
- Training of MSMEs

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