



micr**loan**
foundation

Zambia
December 2021

MicroLoan Foundation Zambia

MicroLoan Foundation Zambia (MLF Zambia) launched in 2008. Since then, it has been growing steadily, serving women in under reached rural communities where the demand is high.

MLF Zambia currently provides financial loans and savings services to clients across 10 branches and 11 satellite branches, spread across the Southern, Eastern and more recently the Northern regions of the country.

As of 31st December 2021, the outstanding loan book was KMW 37,623,340 (US\$ 2,259,310) and the active client number was 28,877. Agricultural loans and conservation farming training is offered to clients in its Chipata branch with the aim of expanding these services in the near future.

Mobile money services were adopted by MLF Zambia in 2017 where a pilot was launched for clients in the Chipata and Petauke branches. Since then, mobile money technology has been implemented across all branches and 100% of disbursements and 60-70% of repayments are now electronic. Reducing cash handling improves the efficiency of operations and makes it safer and easier for clients to run their business and access and repay loans.

As part of the 5-year strategic plan, MLF Zambia aims to become a market leader by scaling up its geographical reach and enhancing its services through product diversification.

Leadership Team

Jack Ngoma

Chief Executive Officer, MLF Zambia

Jack has the overall responsibility for implementing the strategic business plan of the organisation, developing new partnerships and developing the team.

Qualified as a Chartered Accountant, Jack comes with several years of financial management and microfinance experience, having previously worked at Bayport Financial Services as the interim Head of Finance for MLF Malawi, and as MLF Zambia's CFO from 2014 until September 2018, when he was promoted to his current position of CEO. Since he took over as CEO, MLF Zambia has witnessed significant growth in both client numbers and loan portfolio.

Emily Chuunga

Human Resources Manager, MLF Zambia

Emily is responsible for implementing HR systems and processes, which help to optimise the effectiveness of employees throughout the organisation.

Emily has previously worked at Family Legacy Missions, Bayport Financial Services and Barclays Bank, and has extensive experience in HR policy design and implementation, staff training and development, conflict resolution and change management.

Bornface Matanda

Chief Financial Officer, MLF Zambia

Bornface is responsible for the development and implementation of an effective financial management framework, including the designing of the financial policy, identifying and managing financial risks and representing the company to investors, auditors and the regulator.

Qualified as a Chartered Accountant, Bornface has previously worked at MultiChoice Zambia Limited and MTN Zambia. He comes with extensive experience in financial reporting and analysis, risk management and project management.



Social Performance Management

MicroLoan Foundation works towards achieving a long-term outcome that permits poor rural women to cope better with the challenges and stresses they face. We monitor activities and progress towards social and economic goals for our beneficiaries using rigorous and globally recognised systems. Our Social Performance Management model is often cited as an example of best practice, and is recognised by TrueLift, a global initiative pushing for accountability and learning in pro-poor programmes.

We conducted a COVID-19 Survey to assess the impact of the pandemic on our clients. The full report is available [here](#).

Key Products and Services

£ Four - six month business loan

This product has a flat interest rate of 6% per month. It is designed to support women intending to start small businesses or to provide additional capital to those that are already in business. No collateral is required.

🌽 Nine month maize loan

This loan is designed to support women to increase their food security and income generation. Our maize loans are offered to clients who have already taken out business loans and run a successful business. This is to ensure that they are used to build food security rather than as a means of income. Maize loans have a 5% interest rate per month.

☁️ Financial literacy and business training

We offer pre and post loan disbursement training modules. They aim to help clients understand the purpose of the loans and ensure they are equipped to run and manage their businesses. Training modules include: market research, profit analysis, budgeting and the importance of savings. All training is taught through song, dance and role play.



Customer Hotline

This is to provide customers with ongoing support on any operational issues. It is monitored monthly to analyse any common issues coming from clients.



Savings

In addition to loans, MicroLoan facilitates savings among clients. As a non-deposit taking organisation, the clients are linked to third party providers for savings accounts. These savings are available to withdraw at any time required, with consent from the group.

New Savings Product

Part of MLF Zambia's focus is to teach women the benefits of making savings, encouraging them to do so. To effectively meet this objective MLF Zambia is in the process of rolling out a savings product on the mobile money platform. The savings product will provide women with additional assurance that their funds are secure, and will also give MicroLoan access to a web based dashboard to facilitate and oversee the performance of all savings groups.

Operational highlights as of 31st December 2021



Source: MicroLoan Performance Report. Exchange rate based on Oanda at 31st December 2021.

MicroLoan Zambia News

COVID-19 update

There was an increase in COVID-19 cases in Zambia towards the end of the year. A few cases were reported among staff members in the Livingstone branch. In the 10 days that the affected Loan & Training Officers were off work, loan repayments were coordinated by centre leaders and no arrears were recorded in this period. Overall there was no major impact on operations in the latter part of 2021 as centre meetings have been conducted, market places remain open and clients have adjusted to operate within the confines of the pandemic. Loan & Training Officers and Centre Leaders ensure that all health guidelines are followed during meetings and sensitization on COVID-19 to clients is ongoing.

Operational self-sufficiency

MLF Zambia has seen strong operational performance results with both client numbers and portfolio value exceeding the budget, resulting in a higher income return. The operational self-sufficiency ratio in 2021 was 120%.

Agricultural loan product outreach

In 2021, MLF Zambia has extended the Agriculture (Tilime) loan product to five branches and provided financial services to 995 farmers. This is an existing product that includes cash loans for inputs paired with conservation farming training delivered by MLF's in-house crop officer. The yields and client income relating to the agricultural loan product is monitored carefully and will inform the development and expansion of the agricultural portfolio for MLF Zambia.

Floods

Rainy season has begun in Zambia and several branches in the Southern region are experiencing floods. This is preventing Loan & Training Officers from visiting villages and centre meetings have been cancelled. Services and support for the affected clients will continue remotely until roads have been restored and the field staff are able to access the villages again.

Key Partnerships

Lendwithcare partners with MLF Zambia and MLF Malawi. They are a microfinance organisation that solicits individual or group loans for people across the world from the general public through their online fundraising platforms. They give MLF Zambia access to loan capital which helps them to expand their reach.

Whole Planet Foundation is part of the Whole Foods Market and is dedicated to poverty alleviation around the world. Since 2015 they have provided two three-year grants to a total value of US\$907,777 to MLF Zambia. The first to grow the loan book in the Southern Province from March 2015 - November 2018 and the second to expand into the Northern Province from September 2019 - September 2022.

Headley Trust, part of the Sainsbury Family Charitable Trusts, is a long-standing partnership with MicroLoan in both Malawi and Zambia. They funded MLF Malawi's maize training and loans programme since its inception in 2012, then awarded a three-year pilot programme grant of £64,000 to replicate this programme in Zambia. In 2021 they granted MLF Zambia a three-year core funding grant to a value of £42,500.

The Paul Foundation partners with MLF Zambia as a social investor. They have provided a three-year loan of US\$200,000 to support operations in 2019. This was topped up by an additional US\$100,000 in April 2020.

Grameen Credit Agricole Microfinance Foundation partners with MLF Zambia as debt finance providers. They provided MLF Zambia with a three year Zambian local currency denominated loan facility equivalent to EUR 250,000 to support and improve our operations. In 2022, Grameen approved a loan facility of EUR 500,000. In addition to debt funding they provided a technical assistance grant for the initial design and development of the new savings platform.

ADA is a Luxembourgish NGO supporting microfinance institutions with access to technical assistance and funding opportunities. They are providing a two year loan facility of EUR 230,000 for MLF Zambia. In 2021/22 they are also supporting MLF Malawi with Technical Assistance funding to strengthen internal processes and digitalisation.

The UN Capital Development Fund (UNCDF) makes public and private finance work for the poor in the world's least developed countries. Their aim is to reduce poverty and support local economic development. UNCDF has pledged a grant of US\$65,000 to build MLF Zambia's internal capacity and roll out the new digital savings product in 2022.



Mobile money clients in Zambia

If you would like any further detail about the information included in this document please contact MicroLoan Foundation's Group Chief Executive Officer, Medha Wilson.

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