



micr**loan**
foundation

Zimbabwe
December 2023

MicroLoan Foundation Zimbabwe is a subsidiary of MicroLoan Foundation UK, registered charity number 1104287 (England and Wales); SC041941 (Scotland)

MicroLoan Foundation Zimbabwe

MicroLoan Foundation Zimbabwe (MicroLoan Zimbabwe) launched in April 2017. The operations have two branches in the North East of the country with Harare serving as the Head Office.

MicroLoan Zimbabwe provides pro-poor financial services and focuses on clients living in the rural areas to reach financially excluded and underserved communities. There is high demand for appropriate financial products and services, and a real need for capital, business support and financial literacy training. At the end of Q4 the institution had 2,205 active clients and the outstanding loanbook was US \$291,206.

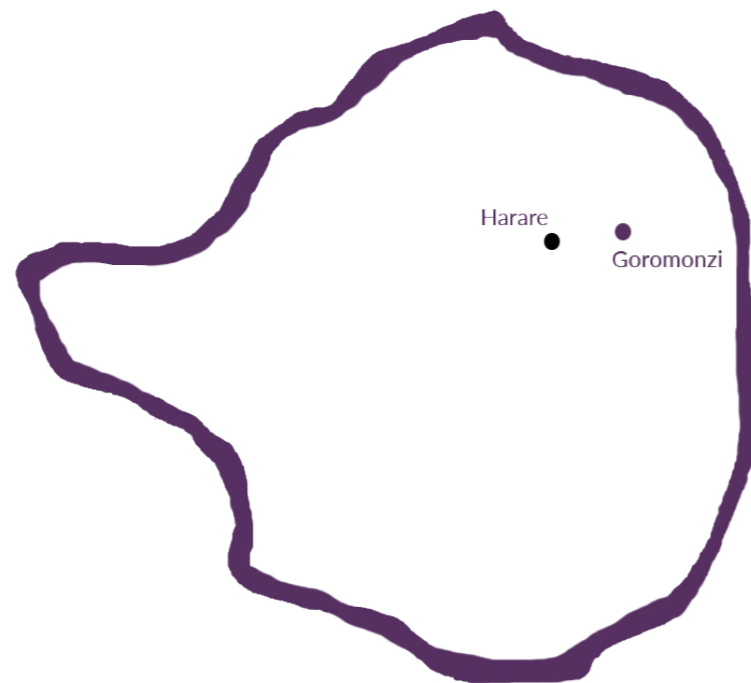
Leadership Team

Mateo Zanetic

Regional Director Africa and Chief Executive Officer Zimbabwe

As the Regional Director Africa, Mateo is responsible for overall operational development and results, specifically across Zambia and Zimbabwe. He works closely with the senior management teams and he leads the Social Performance Management function for the group. As a member of the Boards across all three of MicroLoan Foundation's subsidiaries in Malawi, Zambia and Zimbabwe he ensures operations are working effectively and efficiently. As of February 2019, Mateo serves as the Chief Executive Officer of MicroLoan Zimbabwe

Mateo holds a degree in Management Accounting and Corporate Finance from Wits University.



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.

Key Products and Services

£ Four month business loan

This product is offered to women to help them start income generating businesses. It has a 10% interest rate per month and is repayable over 8 fortnights. No collateral is required.

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. Since we are a non-deposit taking microfinance organisation, we facilitate savings for clients through accounts with third parties such as traditional banks or mobile money providers.. Clients can withdraw savings at any time required with consent from the group.

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.

MicroLoan Zimbabwe News

Macroeconomic situation

In relative terms, the macroeconomic situation continues to be stable. The government has extended the use of USD as parallel currency until 2030. This was a welcome announcement as the government had previously said that the multi-currency system would end in 2025.

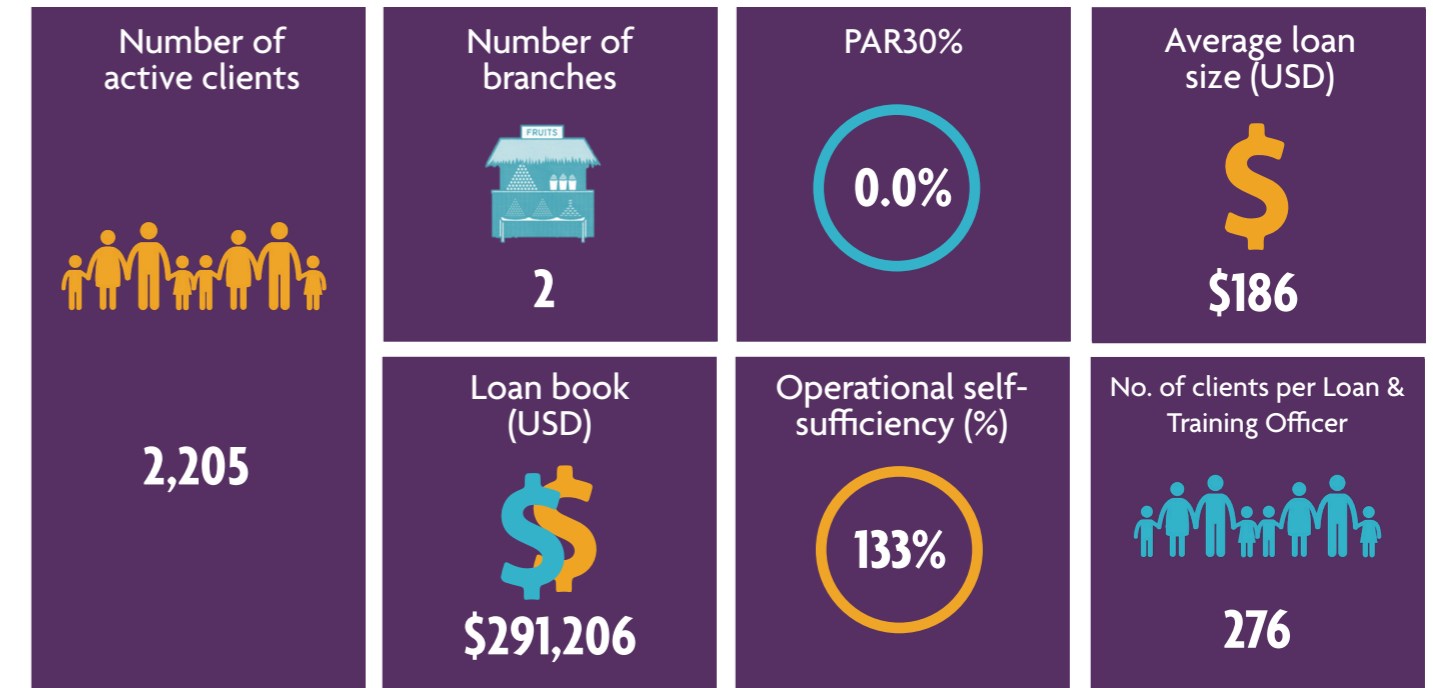
Achieving operational sustainability

At the end of December, the Operational Self Sufficiency ratio for 2023 stood at 133% compared to the budget of 100%. This is a significant milestone as it is the first time in its history that the institution achieved full operational sustainability in a year, made possible by the move to the USD.

Food security and economic outlook for 2024

In 2024, economic growth is projected to slow to 3.5% from 4.5% in 2023, as agricultural output is expected to suffer from depressed global growth and the predicted erratic and below-average rainfall caused by the El Niño weather pattern. We are currently in the lean season before the harvest season and many households are experiencing food insecurity. However, the areas where MicroLoan Foundation operates are not yet in a stressed phase of food insecurity compared to other parts of the county.

Operational highlights as of December 2023



Source: MicroLoan Performance Report. Exchange rate based on Oanda at December 2023.

Key Partnerships

Whole Planet Foundation is part of the Whole Foods Market and is dedicated to poverty alleviation around the world. They partner with MicroLoan Zimbabwe across all three countries of operations to facilitate growth. In Zimbabwe, they are providing a grant of \$350,000 to grow the loanbook and outreach between 2023 and 2025.

The Paul Foundation is a grant giving trust and social impact investor. Their generous grants were instrumental in launching MicroLoan Zimbabwe operations and come to a total of £120,000. In 2022 they provided a donation of £41,000 for operational expenses and loan book growth. The Paul Foundation made a loan of \$100K at the end of 2023 and we drew down on 50K in 2023, with the second tranche being drawdown in 2024.

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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