

PROPOSAL ON CHIPUNGA CREDIT MANAGEMENT SYSTEM PROJECT

1) Background information

Chipunga Development Committee (CDC) is a committee established within Chimojimoji Village Development Area, STA Nyaluwanga, Nkhata-bay district, Malawi, particular in Kayuni village. The committee was established in the year 26th December 2004.

2) Broader Objectives:

The broader objective of Chipunga Development Committee is to bring development to people of Chipunga area as well as those working on the farm.

3) Specific Objective

Chipunga Development Committee is a committee aimed at:-

- i) reducing poverty through loan scheme to women of employees at Chipunga farms.
- ii) Caring of children through establishment of nursing school (kindergarten)
- iii) ensuring food securing through establishment of ideal maize storage.
- iv) ensuring health proper health services especially to mothers who walk long distances to Chikwinda 12km and Chigwere ~~through~~ 1 hour walk.
- v) development of the youths in Chipunga area
- vi) distribution of social services to needy people of Chipunga area.

3) JUSTIFICATION

So far Chipunga credit management committee (CCMC) has been established within the Chipunga Development Committee to oversee the operation and management of loan scheme to Chipunga farms as one way of reducing poverty through provision of loans to women of employees at Chipunga farms, in order for them to run small businesses.

The committee comprises of few members, for gender data these are 4 men and 6 women

(4) ACCOUNT

Chipunga credit management committee (CCMC) has an account through Chipunga Farms at Stanbic Bank for its operation at the mean time.

The account Number is (CHIPUNGA FARMS KNOWS)
The Signatories to the account for the mean time is, M.A. (MR. BENHARD) but in a few days to come the committee will open its own account at Malawi savings Bank with the following Signatories:

(1) ~~secretary~~

(i) secretary

(ii) Treasurer

(iii) committee member

(5) BENEFICIARIES

The credit scheme will benefit all the people of Chipunga area especially women who will be running their business smoothly.

The scheme will also benefit families of those targeted women through reduction of over dependancy to their husbands.

Children for the targeted women will also benefit through the payment of fees school fees, ~~clothes~~ clothes well prepared foods (nutrition) from profits realised from the business. In total the scheme is targeting 44 women in the first place but the figure is subject to go up in the near future.

EXPECTED OUT PUTS

The following are the expected out put if the credit scheme is put into operational:-

- (i) reduced poverty at household level,
- (ii) more women leading independent life
- (iii) reduced contraction of sexually transmitted infections including HIV/AIDS
- (iv) more children attending school
- (v) reduced food crisis at household levels
- (vi) Healthy business that realises more profits
- (vii) knowledge and skills in running business

EXPECTED INPUTS

(3)

a) INTERNAL

Internally women are expected to:-

- i) establish self formed groups
- ii) run their business on their own
- iii) open up personal account and group accounts.

b) EXTERNAL

Externally there is need for the following inputs:-

- i) funds to run the operation and management of the local scheme
- ii) funds to run the capacity building both to the credit management scheme and women in groups.
- iii) funds for the ~~supervision~~ supervision by local partner

- LOCAL PARTNER

Chipunga credit management committee has identified a local partner who is experienced in the credit management system as well as development. The partner is the rural development facilitator in the Government Ministry of gender, child welfare and community services.

The rural development facilitator will co-ordinate the ~~activities~~ programme both to Government as well as to GRACE. Among the activities to be performed by the rural development facilitator are as follows:-

- i) facilitating groups formation and organisation
- ii) programme planning and implementation
- iii) facilitating credit management system to Chipunga credit management committee
- iv) monitoring and supervision of credit scheme together with Chipunga credit management committee
- v) facilitating group organisation, business management and credit management skills.
- vi) providing business advisory services to individual in business groups
- vii) conducting follow-ups on loan payment together with Chipunga credit management committee
- viii) linking groups to other programme i.e. FUDA → Food utilization and Dietary Diversification
→ food processing.

COMSIP → Community Savings and Investment promotion

iii) Arranging intra and inter exchange visits to other groups that are doing fine in business.

Local partners details

Name: Isaac W. Mbalika

Position: Community Development Assistant in the Ministry of Gender, Child welfare and Community Services.

ii) Duty station: S.T.A. Nyaluwanga area chipunga inclusive

iv) Programmes: (a) Economic Empowerment programme
 (b) Adult Literacy programme
 (c) community mobilization and organization programme
 (d) Capacity building programme (leadership)

v) Full address:

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Monitoring and Supervision

Since the chipunga Credit Management Committee (C.M.C.) and the women's groups will be trained in credit management system and business management both committees will be sharing the responsibilities of supervision and monitoring and evaluating the progress on daily and monthly.

Project Requirements

Start up capital MK 200,000.00
with the following breakdown:-

Facilitators upkeep + fuel for first training of
Chipunga credit management committee at MK 12,000.00
for 5 days

Facilitation upkeep + fuel for second training of
44 women in business management, credit management
and group organisation at MK 24,000.00 for 10 days

MK 120,000.00 will be disbursed in the first place
to 20 women each MK 6000.00. The remaining
balance of MK 44,000 will be deposited to credit
management committee account ready for its
operations and disbursement to second phase
into. American dollars the budget is at US\$ 1482

Monitoring and ~~evaluation~~ Supervision

Since the Chipunga credit management committee
(CCMC) and the women groups will be trained in
credit management system and business
management both committee & will be sharing the
responsibilities of supervising and monitoring and
evaluating the progress on daily and monthly basis
while the local partners from the ministry of Gender
child welfare and community services will monitor,
supervise and evaluate regularly preferably week and
monthly in the first six months of the project and
later on reduce the frequency during the second
six months in order to let the two committee assume
full responsibility and ownership of the project.
Finally the frequency will be grossly reduced to once
per month unless need arises for such frequency
visits

Responsibility and Ownership
 The project is solely owned by ~~committees~~ Communities of Chipunga area who ~~required~~ have requested through its Chipunga Development Committee and their own initiatives. They formed the committee, and women groups on their own. Therefore this project is really owned by them and are responsible for all activities that will be carried out during and after the implementation.

Transparency and accountability

As one way of ensuring smooth running of the project both chipunga Development committee and chipunga Credit management committee and women groups will advocate for transparency and accountability in their operations through

- i) monthly loan disbursement and repayment report to all the enlisted committees as well as GRACE

- ii) Quarterly meetings where ~~the~~ three committees will review and plan the operations of credit scheme and report to GRACE

- iii) During monthly and Quarterly meetings Treasurer will give a detailed ~~to~~ report on credit scheme

Sustainability

committee will sustain the project through

- i) Opening the account which will be used by the credit scheme.

- ii) Each beneficiary will be required to open personal account

- iii) Advising women to engage in production type of business than petty ones

- iv) Reducing defaults rates by deducting defaults from women husband salaries at chipunga farms

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v) regularly using and referring to group Constitution
Confirmed by :-

- Chairperson ~~Anna~~ Martha Chihana
- Secretary ~~W.C.~~ W.C. Msisika
- Treasurer
- Committee members