



**Malawi – Researched and compiled by the Refugee Documentation Centre of Ireland on 8 May 2017**

**Is there information in relation to the existence of a group in Malawi called “Lilongwe Market Bank Mkhonde”?**

A report from the online newspaper Malawi 24 states:

“Minister of civic education, culture, and community development Patricia Kaliati has urged people in the country to involve themselves in village savings and loan groups locally known as banki m’nkhone. According to Kaliati, bank m’nkhone initiatives are helping people in the country especially in rural areas to develop economically.” (Malawi 24 (21 September 2016) *Join ‘banki m’nkhone’ to reduce poverty – Kaliati tells Malawians*)

An article from Malawian newspaper The Nation states:

“This was the story of Wilson and others in Kampanje community before a village savings and loan (VSL) scheme was introduced to the community. “We just came together as fish sellers and discussed ways of saving our money. The VSL was a popular idea. ‘I have no means of saving. It is too risky to save money in my own hut, and the bank is far away,’ explains Wilson. The VSL group members contribute to a fund from which they can borrow at an interest, helping the fund to grow. The regular savings contributions to the group are deposited with an end date in mind for distribution of all or part of the total funds to individual members. Village banks channel funds within the village from people who want to save to people who have ideas for profitable projects, but lack the funds to realise them. The approach uses of the resources already present in the village, thereby making the bank sustainable. Villagers are willing to save because of security and the interest on their savings paid by the village bank. The interest rate on loans is set by the group, and all income is paid out to the members. VSL groups are set up through a series of training sessions where villagers learn how to decide, collect savings and dispense loans among themselves. The group is provided with a cash box with three padlock, kept by different people, which ensures that no single person can access the cash.” (The Nation 3 April 2014) *Saving to survive*)

This article also states:

“Similar efforts are being implemented in other districts such as Dowa, Ntchisi Salima and Lilongwe under the Tiwalere Project by Feed the Children. Many people attest that their lives have changed since they joined village banks popularly known as Banki M’nkhone.” (ibid)

A document published by the Malawian Ministry of Agriculture, Irrigation and Water Development states:

“When savings and loans are an important part of the VLAP, financial control can be exercised through Community Based Savings and Loans Clubs (CBSL or ‘Bank Mkhonde’), which can manage a pooled investment in which everyone in the community has an interest. In many respects, CBSL Groups resemble any other businesses but have distinctive features. They have similar physical facilities, perform similar functions, and must follow sound business practices. They are usually incorporated under Microfinance Policy and may require bylaws and other necessary documentation. Even though CBSL Groups are similar to many other businesses, they have distinct differences. Some differences are found in the CBSL's purpose, ownership, control, and distribution of benefits. CBSL Groups follow three principles that define or identify their distinctive characteristics.” (Ministry of Agriculture, Irrigation and Water Development (undated) *Financial management*)

An article from The Nation states:

“The programme—whose beneficiaries are cooperatives, associations, farmer clubs or savings and credit groups and youths with potential to repay loan—is expected to help promote commercialisation of farming at smallholder level and eventually increase agriculture productivity at national level. OBM chief operations officer, Wilson Moleni, told Business News in Lilongwe in the aftermath of signing the agreement that Filp beneficiaries will be accorded an opportunity to repay the farm input loans through OBM's physical branches, mobile vans and other outlets spread across the country. Currently, OBM has 34 physical branches, 14 mobile vans, 10 sales offices, 32 ATMs and 73 Banki Mkhonde cash points or agents across the country, making it the bank with the biggest number of access points in the country, according to Moleni.” (The Nation (16 August 2014) *Filp beneficiaries to repay through OBM*)

A report from the Malawi News Agency states:

“A treasurer for Tithandizane Village Savings group popularly known as Bank Mkhonde in Ntchisi will spend the next 15 months in jail for swindling over K162,000 for the group. The treasurer, Matinasi Lubani, 33, pleaded guilty to theft which is contrary to section 278 of the penal code, when she appeared before Ntchisi Second Grade Magistrate's Court on Friday.” (Malawi News Agency (12 January 2016) *Malawi: Bank Mkhonde Treasurer Gets 15 Months IHL for Swindling Group Money*)

This response was prepared after researching publicly accessible information currently available to the Research and Information Unit within time constraints. This response is not and does not purport to be conclusive as to the merit of any particular claim to refugee status or asylum. Please read in full all documents referred to.

## References:

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