



Women savings and loans group in Malawi (Malumbo Simwaka/Christian Aid)

Rural Enterprise Assistance Project (REAP)

Annual Project Report, 2022-2023

Executive Summary

Christian Aid and our partner organisation Alliance Development Africa Foundation (ADAF), alongside local District Community Development and Agriculture Offices are working together to increase household incomes and access to finance and markets for people living in poverty in Mulanje and Phalombe Districts, southern Malawi.

Through the REAP project we will provide business skills training, and micro-loans, that will be repayable through village savings and loans schemes (VSLAs), supporting people to establish small businesses and strengthen their existing businesses. Our REAP programme aims to lift 5,250 households out of extreme poverty by 2025.

Progress Update

Over the last year the project has made significant headway. Work began with vital foundational activity including project inception meetings, district and community entry



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meetings (to get the buy-in of relevant stakeholders), identification of the project beneficiaries, and a baseline survey (which records the project starting point, so that the impact of this work can be accurately tracked and measured). It then built on that foundation, establishing 281 VSLAs, which directly benefitted 5,044 people and indirectly benefitted a further 15,642 household members.

Additionally a total of 3,476 participants have received business skills training through this project. Among these, 1,424 members from 85 VSLAs have secured interest-free loans to start or expand businesses. The project has also distributed £68,884 in loans, with £21,236 already repaid, indicating a 31% recovery rate.

Beyond the immediate economic benefits within households and for these communities, we have also seen enhanced social dynamics within households, aided by training that incorporates spiritual elements and gender inclusivity.



Lidia used a VSLA loan and start-up capital to launch a tomato-selling business. The business has shown significant growth, enabling Lidia to provide for her family and pay school fees for her four children. She is now focused on saving £500 by the end of this cycle, which she plans to invest in purchasing a piece of land.

Progress Update

Highlights from project activity in the reporting period include -

- The formation of 281 VSLAs, providing access to credit to 5,044 individuals in Phalombe and Mulanje, enhancing their livelihoods and bolstering household incomes
- The training of 3,476 households in business and financial literacy skills which has equipped VSLA members with the necessary knowledge and skills to select, plan, and manage small-scale businesses.
- Support for VSLA members to develop business plans, with 1,417 receiving funding to launch new businesses or to expand existing ones
- Provision of interest-free loans totalling £68,884, disbursed to 1,424 VSLA members, boosting local entrepreneurship

In the coming months the aim is to build on this progress by -

- Conducting business and financial management training for a further 1,524 people in Mulanje and Phalombe districts.
- Disbursing interest-free loans to 1,047 VSLA members who meet the minimum loan requirements.
- Organising a graduation ceremony for 15 VSLAs from Phalombe, who will have repaid their loans.



- Monitoring all trained VSLAs, providing technical support, and conducting post-disbursement monitoring
- Providing business advisory services

Key Challenges

Cyclone Freddy severely affected most beneficiaries, particularly in Sunganinzeru in Mulanje, and Jenara and Chiwalo in Phalombe. Flexibility in the project plan was required to continue delivery. Adopting such an approach meant the team did not have to halt activities but instead proceeded with project delivery in less affected areas such as Nyezerera in Phalombe and Mabuka in Mulanje.

Case Studies

Zinenani' Story:



Zinenani Jaile, a 31-year-old mother of three from Nkuta village in the Phalombe district, dropped out of school in primary school due to poverty. She married young and initially supported her family through a small grocery business, which eventually collapsed. They then resorted to piecemeal work for survival. Despite her passion to return to business, lack of knowledge about successful business management and insufficient capital proved major obstacles.

Zinenani took part in the VSLA group formation delivered through the REAP project and received business management skills and financial literacy training, becoming a member of the Chinangwa club. She received a £65 interest-free loan from ADAF, which she used as start-up capital to restart her grocery business. A key lesson from the training was maintaining stock levels to ensure reliability in the market. Already, Zinenani is reaping the benefits. Her household income has increased, allowing her to pay school fees for her children, especially the one in senior secondary school. She expresses her gratitude to ADAF for this life-changing opportunity. Her future plans include diversifying into livestock farming and providing tertiary-level education for her children.⁴

Dorothy Story:



Dorothy Masiye, a 45-year-old married woman with seven children, who hails from Mulima village in the Phalombe District. For years, Dorothy has been running a business selling fried chicken. However, due to a lack of knowledge on effective business management, she struggled to make enough profit to support her family adequately. Dorothy's circumstances began to improve when the Rural Entrepreneurship Assistance Project (REAP) came to her community.

She participated in a four -day training session, gaining vital knowledge and skills in areas such as business idea generation, profit calculation, customer care, and record - keeping. Joining the Tipindule club, the local VSLA group, she began to access informal financial services, managing to save at least £2 regularly. Seizing the opportunity to expand her business, Dorothy obtained an interest -free loan of £50 from ADAF, which she used as capital to diversify her business.

Recognising the economic challenges in her community and the high poverty levels, she decided to sell maize bran, a more affordable alternative to maize, the staple food. This strategic shift paid off, as her business grew steadily. Her consistent stock of maize bran established her as a reliable supplier in the community.

Funding Update

The total project cost is £1,000,000. All donations to this project continue to be matched pound for pound by AquaAid and the Africa Trust. Currently a further £184,000 of match funds are needed to deliver this project to conclusion.

If you would like to consider renewing your support of this vital work to lift extremely marginalised communities in Malawi out of poverty, please get in touch at philanthropy@christian-aid.org

Thank you very much for supporting this life-changing project.

