



FIFAD
Financing Agriculture Development



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Who we are

FISD Finance for Agriculture Development (FIFAD) is a wholly owned subsidiary undertaking of FISD Limited Company incorporated under the Company Act. FIFAD is a financing institution which largely focuses on agricultural financing. The institution is licensed as a micro-credit agency since 2014 by the Registrar of Financial Institutions. However FIFAD has accumulated a capital base that necessitates the company to upgrade from a Microcredit Agency to Non-Deposit Taking Microfinance Institution. Meanwhile the company is in the process of applying for licensing to upgrade to Non-deposit taking microfinance Institution.

Current coverage of FIFAD

FIFAD provides sustainable financing solutions in the agriculture sector throughout the country. The institution brings distinctive products and services that target a wide range of players in the agriculture sector (thus smallholder farmers, medium scale farmers, commercial farmers, farming clubs, cooperatives, associations and farming films). Products and services offered by FIFAD cut across several value chains in the agriculture sphere including but not limited to Horticulture, Legumes and Livestock production



STRUCTURE - GOVERNANCE AND LEGAL STRUCTURE

In its set up the institution has robust organogram that provides a platform for an outstanding performance. FIFAD is governed by board of directors which is supported by its management. The board has five members three of which are independent directors while two are from the holding company FIRD Company Limited. The board of directors is supported by the chief Executive Officer (CEO), who is closely supported by the Chief Operations Officer, Head of Finance as well as Head of Compliance and Risk Management. The institution has Head of Audit Function who works hand in hand with the Head of Compliance and Risk Management. The Senior Management of the Institution is supported by sector heads namely; Credit, Customer service and ICT Functions including the M and E and Product Development Departments. Generally, the Institution is complemented by qualified well trained staff in all the key positions.

PRODUCTS AND SERVICES

FIFAD was established to largely focus on development and provision of agricultural products and services that focuses on uplifting individuals who have the desire to engage in commercial agriculture. The institution has recently introduced a new affordable solar energy lighting systems loan product especially for the rural market. However major products and services on the market include:

Agricultural Inputs and irrigation Equipment Loan

Greenhouse Farming Loan

My Farm Loan (for financing development of farming land by installing irrigation systems that suits customer needs Also the loan further provides opportunity to borrowers to acquire farm inputs and extension services including linkage to markets for their produce).





Group Business Loans (such as VSLAs)

Payroll Loans

Livestock Development Loan

Cash Loans

PRODUCTS CURRENTLY AVAILABLE WHICH VSLAS CAN ACCESS

Irrigation equipment loan

Farming inputs (fertilizer, seed & chemicals)

Cash loans

WHAT ARE THE REQUIREMENTS FOR VSLAS TO ACCESS THE LOANS?

- ▶ A group of at least 10 members
- ▶ National ID for each member
- ▶ A copy of constitution for the group
- ▶ A copy of By-laws for the group
- ▶ Loan affordability assessment

In addition FIFAD will collect the information from the VSLAs

- ▶ Date savings started in a cycle
- ▶ Group status (supervised/self-managed)
- ▶ Who monitors the group
- ▶ Registered members when savings started
- ▶ Savings re-invested at start of cycle
- ▶ Property at start of cycle
- ▶ No. of registered Members now
- ▶ No. of registered women now
- ▶ No. of Members attending this meeting
- ▶ Dropouts in a cycle
- ▶ Value of savings in a cycle
- ▶ Value of loans outstanding
- ▶ No. of loans outstanding
- ▶ Write-offs in a cycle

WHAT ARE THE REQUIREMENTS FOR VSLAS TO ACCESS THE LOANS?

- ▶ Must be community based
- ▶ The majority should be women members
- ▶ Business case (preferably an agricultural enterprise)
- ▶ The willingness to be provided with capacity building support

WHAT ARE THE CRITERIA TO DETERMINE SUCCESS OF THESE PRODUCTS?

- ▶ Capacity building on loan management
- ▶ Monitoring and supervision using a home grown Loan Management system (LMS) and Finfinancials provided by the MFiHub
- ▶ Close field supervision and monitoring

LOAN REPAYMENT CONDITIONS

- ▶ Monthly loan repayments
- ▶ Minimum repayment period of 4 months
- ▶ Maximum repayment period of 24 months

INSTITUTION EXPERIENCE

FIFAD has managed to implement and provide several projects and products in the microfinance sector, including managing cash transfer programs. Some of the projects implemented were in partnership with other organizations, as well as in partnership with FIRD limited company (especially the NGO department). Some of the projects handled are listed in the table below:

PERIOD (YEAR)	PARTNER/PROGRAM AND BRIEF DESCRIPTION OF ACTIVITIES INVOLVED	DISTRICTS
2014 – to date	Provision of agricultural and cash loans across Malawi	All districts in Malawi
2021 – to date	KIVA - Provision of irrigation equipment/systems as loans to groups of farmers	Karonga district but up-scaling to 8 districts from 2023
2018 - 2022	My farm MICF project - UNDP Provision of irrigation equipment/systems as loans to groups of farmers growing rice	Karonga
2018 - 2022	UNDP MICF-Revitalization of Kaombe irrigation scheme. Provision of input loans to irrigation farmers	Nkhotakota
2018 - 2019	Christian Aid- Women and Sustainable Project FIFAD was involved in the mobilization of women groups and the provision of financial literacy trainings to the groups	Karonga, Mangochi & Chikwawa
2017	WFP-Food for Asset creation-where FIFAD as FIRD Fund was responsible for the management of credit under the R4 activities	Blantyre
2015 - 2017	Dan Church Aid-Echo project Cash transfer program targeting vulnerable populations	Dowa

INSTITUTION EXPERIENCE

PERIOD (YEAR)	PARTNER/PROGRAM AND BRIEF DESCRIPTION OF ACTIVITIES INVOLVED	DISTRICTS
2021	Financed supply of solar irrigation pumps to GIZ	Karonga, Chitipa, Nkhotakota, Kasungu, Phalombe, Blantyre, Chiradzulu, Lilongwe, Balaka & Dowa
	Financed supply of solar irrigation pumps to Goal Malawi	Chikwawa & Nsanje
	Financed supply of solar irrigation pumps to Concern Worldwide	Mwanza, Neno, Chikwawa & Nsanje

Together We Can Do So Much



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