

 Early Warning System

EIB-20240001

SUSTAINABLE AGRICULTURE MALAWI - LOAN FOR MSMES



Quick Facts

Countries	Malawi
Financial Institutions	European Investment Bank (EIB)
Status	Approved
Bank Risk Rating	FI
Voting Date	2026-06-03
Borrower	Centenary Bank Limited of Malawi
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 17.41 million



Project Description

According to bank provided information, the facility provides funding to CERUDEB Malawi for on-lending to projects undertaken by micro- and small enterprises, with a particular focus on projects implemented by women and in the agricultural sector.

Malawi is the fourth poorest country in the world with 70% of its population living on less than EUR 1.9 per day and is ranked 174 of 189 countries on the Human Development Index. Access to clean water, sanitation, and health care remain significant challenges for many Malawians, especially in rural areas.

Given that micro, small and medium enterprises (MSMEs) play an important role in Malawi's economy contributing 47% to the country's GDP and employing around 1.7m people (38% of working-age adults) and since Malawi is highly dependent on its agricultural sector which contributes 25% of the country's GDP and employs 80% of the rural population, the proposed operation seeks to support this major segment of the economy with subloans targeting micro clients with a focus on female borrowers.

The up to EUR 15 million loan to Centenary Bank Limited of Malawi, an impact-driven institution, will expand access to finance for women smallholders and rural-based small enterprises, directly complementing EU-funded programmes by adding a much-needed credit component for their final beneficiaries.

The facility is exclusively targeting enterprises with less than 10 employees and embeds a strong gender sectoral focus: half of the funds will support women-owned/-led businesses, and 50% will finance enterprises engaged in sustainable agriculture.

By addressing a persistent market failure in the provision of finance to very small businesses - an essential yet vulnerable segment that provides more than 70% of Malawi's employment and is heavily concentrated in agriculture - the operation promotes greater financial inclusion and economic resilience. It is fully aligned with the objectives of the European Green Deal, the Global Gateway, and the European Investment Package, promoting a green, inclusive, and digital recovery.

With its emphasis on sustainable agrifood systems and gender equity, the credit line contributes to several Sustainable Development Goals.

In addition to long-tenor funding and an extended availability period, the operation provides Centenary Bank Limited of Malawi with technical assistance and capacity-building support to strengthen institutional capabilities and deepen outreach to underserved clients.

Final beneficiaries will be requested to comply with applicable national and EU legislation, as appropriate.



Investment Description

- European Investment Bank (EIB)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Centenary Rural Development Bank \(CERUDEB\)](#) (Financial Intermediary)



Contact Information

Contact information not provided at the time of disclosure

ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.eib.org/en/infocentre/registers/request-form/request-form-default.htm>

ACCOUNTABILITY MECHANISM OF EIB

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When dissatisfied with a complaint to the EIB Complaints Mechanism, citizens can then turn towards the European Ombudsman. A memorandum of Understanding has been signed between the EIB and the European Ombudsman establishes that citizens (even outside of the EU if the Ombudsman finds their complaint justified) can turn towards the Ombudsman on issues related to 'maladministration' by the EIB. Note that before going to the Ombudsman, an attempt must be made to resolve the case by contacting the EIB. In addition, the complaint must be made within two years of the date when the facts on which your complaint is based became known to you. You can write to the Ombudsman in any of the languages of the European Union. Additional details, including filing requirements and complaint forms, are available at: <http://www.ombudsman.europa.eu/atyourservice/interactiveguide.faces>