

Women's Enterprise Loan Scheme, Uganda



Background

Access to small business start-up loans and training are extremely hard to come by, if not impossible, in rural areas of Africa. This means that pro-active, entrepreneurial members of local communities never get to realise their dream of running a small enterprise to lift their families out of poverty. They are trapped by a lack of opportunity to develop themselves.

High Five Club has partnered with **Busoga Volunteers for Community Development** in Uganda since 2016, bringing safe clean drinking water and improved hygiene and sanitation to thousands of people. Busoga approached us earlier this year with the idea of partnering with High Five Club to help expand and develop their fledgling rural, micro-credit programme to empower and build the capacity of pro-active, entrepreneurial poor HIV/AIDS widowed women living in the rural Bugaya-Sub-County of Uganda in Buyende District.

High Five Club were keen to help facilitate this given our policy of giving marginalised people living in wildlife areas of Africa an empowering 'hand up' out of poverty.

High Five Club support:

Over the last 6 months we have worked with Busoga to rollout a Revolving Loan Scheme for women widowed by HIV/AIDS, the majority with children to support, to help these women to set up self-help income generating enterprises so as

to liberate them from economic bondage / dependency and poverty. We have contributed the



equivalent of £699.24 which has funded business start-up loans for 4 women and covered the costs of the training programme.

The **Revolving Loan Scheme** involves:

- Providing women with training in business and management skills and access to a loan of \$150 each to set up a small business.
- Organising the women into groups of 4 to form a 'borrowing group'. This is based on group lending methodology, but each woman has her own business to start and run. The group members co-guarantee each other's loans. There is no collateral, as these women lack assets to stake for the loans. But the group members use peer pressure to ensure loan repayments are done on time and in full, so that when paid back, the loan is available to another group of 4 women. So the funding revolves.
- The loan beneficiaries submitting a business plan which is first appraised at group level before being sent to Busoga for appraisal before receiving their loan.
- A built in saving scheme enables the women to grasp the essence of savings and to experience a process of financial discipline for 1 to 2 months prior to accessing their loan, in order to accumulate 15% of the required loan. Credit will then be extended to the project beneficiaries. These savings provide some level of security for the loans and are therefore caveated by Busoga during the loan period.
- A minimal interest rate of 3% per month is charged on the loans to enable the programme to meet its operational costs and to address the need for sustainability and to expand its capital base to serve more women.
- Business counseling and training continues throughout the loan term provided by Group Mentors and Field Officers.
- The women are required to invest at least 20% of their profit make into their enterprise.

2 of the 4 women in the pilot have already paid their loan back in full, and hence 2 more women have recently received loans. To date throughout this scheme Busoga are achieving repayment rates of 96%, which is in line with best practice in the Micro finance Industry. Critically, through our support, 6 widowed women are well on the way to establishing profitable micro-businesses and increasing their incomes, helping them to meet their families' basic needs. In addition they have developed organisational, leadership, entrepreneurial, management and business and book keeping skills, the ability to save and re-invest, and increased confidence in themselves and their future.

What a fantastic way for us to invest £699.24 of High Five Club funds!

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The 6 woman and their start up enterprises are:

Naigaga Amina – Opened up a small restaurant selling local food in a rural trading center. She has already paid off her loan in full.



Nakasango Cisy – Opened a grocery outlet (fruit & veg) in a local trading center and also takes her produce to a weekly market. She has already paid off her loan in full.



Muzigo Suzan – Opened up a charcoal selling business. Started with 10 bags, and now is stocking 30 bags after only 3 weeks. She plans, however, on our advice to close this enterprise and move into raising chickens for eggs as she has learnt that charcoal is harmful to the environment. She has already paid off half her loan.



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Biryeri Beatu – Opened up a small, women’s clothes shop in the local trading center. She has already paid off half her loan.



Nakaima Lydia Joy - Opened up a small drug outlet in Bugaya trading center. She has only recently received her loan.



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Nairuba Suzan Hasifa –
Opened up a retail shop in Bugaya trading center selling home-based essential goods such as oil, rice, posho, soap, sugar, etc. She has only recently received her loan.



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