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GROW PROJECT:
THE TRIGGER FOR ACCELERATED
GROWTH & TRANSFORMATION
FOR WOMEN ENTREPRENEURS IN
SMALL-SCALE INDUSTRIES





REMARKS FROM THE PROJECT COORDINATOR- DR. RUTH BIYINZIKA

GROW is a government of Uganda Project, targeting women entrepreneurs with growth and productivity opportunities. The project is the largest grant that Uganda has ever received from World Bank (WB) specifically targeting women and it is worth Ugx.800b.

The project is targeting women that have not benefited from any other government programmes such as Uganda Women Entrepreneurship programme (UWEP) and the Parish Development Model (PDM). These women should be below the medium and large entrepreneurship scale. The aim of this project is to ensure that these women entrepreneurs have access to free training, both soft and technical skills as well as apprenticeship.

The apprenticeship component is allocated \$7million to enable younger women get placement in factories and businesses where they aspire to be.

Over 1000 women will be identified to access free seed capital for innovative and unique entrepreneur ideas of up to Ugx.100m. This is such a big opportunity for women to scale their businesses. The women are free to apply as individuals or in small groups who decide to work together.

Grow is going to empower women associations and support them to advocate for their issues, train members on governance but also give them global exposure. I would like to see women going to attend world expos and trade shows where they are able to showcase their products.

The project is going to work with a few selected banks to ensure that a woman entrepreneur is not exploited with high interest rates, therefore women are going to be accessing loans at very low interest rates. Depending on the nature of the project the women can apply for amounts between ugx.4m -200m. We have already interfaced with some banks and our interest is with those having a large network.

We are also considering subsidising the loans for those women entrepreneurs with running loans at high interest rates to help pay off the loans. The project's major interest is to see women businesses grow and flourish.

Men are encouraged to allow their women business partners to have more shares in their businesses if they are to partake of GROW. The business owners should be able to prove that women have at least 51% stake in that particular enterprise.

Grow intends to change the creative arts and education industry, by funding women entrepreneurs in this sector. This will be done through training and providing them opportunities to benchmark on experts such as those from Nollywood.

Let the women entrepreneurs take up these opportunities in time, look out for associations and join them to ready themselves for funding. The associations and networks will apply on behalf of their members. We want to make it as easy as possible for women to access GROW facilities at a free cost. The associations are the entry points for the project, and they also ease follow up and monitoring of the beneficiaries. We are looking for those who are ready to graduate from one entrepreneurial level to another.

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Over 811 billion Uganda Shillings set for 60,000 female owned enterprises, 280,000 women entrepreneurs in 135 districts & 11 cities in the next five years.



FACTS ABOUT WOMEN ENTREPRENEURS IN UGANDA

Women are significant in driving national economic transformation. In Uganda, 80% of working women are self-employed compared to 69.5% of men (UBOS, 2018). This makes Uganda the leading country in women business ownership in Africa (with 24-44% of all businesses owned by women). The biggest challenge though is that 80-94% of women-owned firms are micro and operate in the informal economy, which results in challenges of growth and productivity. The women own only 19% of firms with more than 10 employees (World Bank 2019), and their enterprises are concentrated in vulnerable sectors and as such earn 30% less profit than men. These enterprising women operate amidst a number of constant challenges that include:



- *Limited access to finance*
- *Poor entrepreneurship culture*
- *Limited access to digital technologies*
- *Inadequate basic economic and social infrastructure for women*
- *Inadequate evidence based innovations*

A FLASH LIGHT INTO THE **GROW PROJECT**




A SNEAK PEEK INTO GROW

To mitigate the challenges faced by women entrepreneurs, The World Bank has given the government of Uganda a grant through the Ministry of Gender, Labor and Social Development (MGLSD) together with the Private Sector Foundation Uganda (PSFU) to roll out *the Generating Growth Opportunities & Productivity of Women Enterprises (GROW) Project*.

GROW is a five-year national development initiative supporting the country's efforts to scale up economic empowerment for women in a bid to boost their role in national socio-economic development and transformation.

The project is currently in its first year of implementation with its major focus being generating growth opportunities for women to transform from micro to Small and Medium Enterprises (SMEs) across the country — including within refugee host communities.



The Project's specific objectives include: promoting women enterprise development and productivity as well as skills development for women entrepreneurship. These objectives will be measured against two major outcomes, namely; improved access to business finance by female entrepreneurs and improved employability of women and girls.

Approximately 20,000 women entrepreneurs will benefit directly from the project by way of getting affordable credit and training in the core courses and obtaining practical skills through apprenticeship training. Other benefits include access to work spaces, common user production facilities and upskilling in the common user production shelter.

GROW will be implemented through the already existing industry associations such as the Uganda Small Scale Industries Association (USSIA) and the related structures. With the project now at its start phase, major engagement with beneficiaries is centred on familiarising them with the project processes and proce-

dures. This is being done through sensitisation workshops. For instance, Private Sector Foundation Uganda engaged women entrepreneurs under USSIA to share project information, explore the project entry points and create a collective way forward through sharing and learning. For this cause, the USSIA leadership mobilised members from 21 of its member enterprises to participate in the sensitisation workshop.



Esther Nassanga-
National Chairperson
Women Desk - USSIA

**CONSISTENCY BREEDS DISCIPLINE
FOR BUSINESS GROWTH –
MS ESTHER NASSANGA**

The Uganda Small Scale Industries Association (USSIA) boasts of a wide spectrum of women-owned enterprises, which defines a unique value in bio-diversity entrepreneurship for women

The National Chairperson, Women Desk USSIA, Ms. Esther Nassanga says that the blend of diversity among the association members is the bedrock for networking and building business and market linkages for the members' products.

USSIA is an all all-inclusive platform without any form of discrimination among members, with discipline as the engine of survival and operation accelerated by knowledge and consistency.

It has been observed that a number of enterprises relax their good practice obligations and compromise consistency, which in the long run reflects attributes of indiscipline and compromise hence hurting their credibility in the market. Therefore a lot of effort is being put on ensuring consistency.

Women entrepreneurs need to always remember that discipline comes with taking extra steps and choosing to be committed to trainings and networking, which ultimately breeds platforms for biodiversity and exposure to markets.

The ability to keep face beyond today is what creates sustainability; so keeping the market pace

and being able to match the growing technology are pre-requisite attributes. There is power in optimum exploration and exploitation of the available resources within our operation vicinities before stretching beyond.

Ms. Nassanaga notes that, the local resources within the operation vicinity are always user-friendly and cost effective. Therefore, members need to satisfy the available local markets even in terms of technologies, take advantage of local raw materials and grow their enterprises. The natural cycle in business starts with the locally available raw materials to address the biodiversity that comes with networks within and beyond USSIA. Henceforth, I implore the women entrepreneurs to standardise what is available, so as to be able to transform to another level, innovate and set a good example. Women should also tap into the local African technologies, take advantage of the diversity and inclusiveness it comes with. Also, resolve that nothing should stop their potential to grow and transform.

WOMEN ENTREPRENEURS' GROWTH TRAITS IN SUMMARY:

- Discipline
- Commitment
- Consistency
- Innovations
- Take advantage of the local technologies
- Keep up the industry pace

Patriarchal systems disenfranchise women entrepreneurs – Mr. Francis Kisirinya



Mr Francis Kisirinya, the Chief Membership Officer PSFU, believes that women entrepreneurs in Uganda are still held back by a combination of sociocultural and industrial bottlenecks, the most critical being subjective patriarchal society systems and limited access to financing.

Kisirinya says that these challenges have systemically frustrated women efforts to transform in entrepreneurship. On financing, Kisirinya decries the multiple bureaucracies and stringent terms and conditions associated with the country's formal banking system, making it so difficult for women to access credit. He says, for instance, while banks require collateral as a pre-condition for lending, most cultural norms refrain women from owning property which disqualifies them as credible borrowers.

Secondly, because of negative societal attitudes, most women entrepreneurs operate informally due to lack of appropriate business skills, compromising the quality and quantity of their business operations thereby leading to low profit margins.

Kisirinya says that to address the above bottlenecks, PSFU through GROW is intentionally targeting to close the limitations to credit and financing as well as entrenching acquisition of appropriate trade related skills. This is because transformation from micro and small to medium enterprise is a major pathway into exploring and exploiting the international markets' high demand for Uganda made products.

He implores the women entrepreneurs to make it a point to survive in operation and be available when growth and transformation opportunities sprout. To be available, entrepreneurs are required to develop a discipline of clear business record keeping so as to facilitate verification whenever called upon. Women

entrepreneurs should also take advantage of networks for sharing knowledge and experiences as a way of boosting business growth and transformation. Mr. Kisirinya applauds the government of Uganda and the Parliament for always prioritising the funding vote for business growth and transformation through PSFU.

YOU ARE FASHIONED TO GROW & TRANSFORM, REBECCA KUKUNDAKWE LAUDS USSIA WOMEN ENTREPRENEURS

REBECCA KUKUNDAKWE PSFU GENDER SPECIALIST

Rebecca Kukundakwe, the Gender Specialist at PSFU commended the women under the Uganda Small Scale Enterprises Association (USSIA) for taking the extra mile to venture into manufacturing.

The Manufacturing sector in its own nature, is challenging for anyone regardless of gender. However, for a woman facing the already existing societal and systematic inequalities, it requires double efforts to sail through.

She says the women's ability to venture into manufacturing is an indicator of resilience and determination to break the barriers and challenge the odds to grow and transform.

Therefore, GROW is an accelerator to the women entrepreneurs' determination to excel through skills acquisition, access to financing, generation



of market growth linkages, and improved productivity.

It largely targets women entrepreneurs including refugees with a budget of \$ 217m; of which \$40m is ring-fenced for refugee-hosting communities. Rebecca encourages the women entrepreneurs to take keen interest in GROW by identifying areas of specific interest which they can exploit for optimum gains.

The Project which will stretch until 2027, is a WB grant and was developed against the background that women are important drivers of society transformation with 80% of them being self-employed compared 69.5% of the men. Statistics indicate that Uganda has the biggest number of Women business ownerships in Africa, representing 24.44% of all businesses. However, 80-90% of the

women owned enterprises are micro-informal with challenges of growth and competitive productivity.

Ms Kukundakwe further elaborates that only 19% of the women-owned businesses employ more than 10 employees and are majorly concentrated in the most vulnerable sectors that accrue 30% less profits compared to the male-dominated enterprises.

The key challenges facing the women entrepreneurs include, among other, limited access to finances, poor entrepreneurship culture, limited access to digital technology and inadequate basic economic and social infrastructure. This is on top of inadequate evidence based innovations.

Majority of women-owned enterprises are trapped in between groups of entrepreneurs whose portfolios are neither defined as Micro nor small, leaving them out of the existing financing interventions; which dilemma aggravates their vulnerability.

Accordingly, Rebecca reemphasizes that GROW gains will directly address the missing gaps through deliberate interventions that accelerate business growth and transformation.



As Women We Ready To Tap Into Grow Opportunities- Veronica Namwanje Executive Secretary USSIA

GROW is timely, says Ms. Veronica Namwanje the Executive Secretary USSIA. Women have accumulated a lot of potential for a long time that lie untapped to evolve into growth and transformation. The project approach and engagement through member organisations is a sustainable move since other projects have been missing out, on the potential that builds

GROW is timely, says Ms. Veronica Namwanje the Executive Secretary USSIA. Women have accumulated a lot of potential for a long time that lie untapped to evolve into growth and transformation. The project approach and engagement through member organisations is a sustainable move since other projects have been missing out, on the potential that builds within networks and inclusive plat-

forms such USSIA.

Engaging member organisations in development projects help in effective mobilisation, information sharing and dissemination. The USSIA Women entrepreneurs are already excited about GROW facilities and are willing to work with all the support therein to position themselves better for the gains.

At USSIA, membership is all inclusive with members from different levels of entrepreneurship, most of the members however are still at vulnerable stages with no visible indicators of growth and transformation. A number of the original USSIA members could barely write or read, that alone has been holding back a good percentage of enterprises at kick off level and sometimes closing down.

The tiresome bureaucratic processes associated with most of the formal credit facilities is another huddle that frustrate the women entrepreneurs under the USSIA platform, the paperwork is all prepared in English language which requires a third-party to interpreted the documents. This is not likely a sustainable mode of doing business and as such, most members get demotivated

GROW therefore, is our saviour as USSIA, we are looking forward to gain from the facilities that the project comes with. Internally we will keep engaging and consulting with PSFU on whatever way we could prepare our members in different clusters to organise at individual level and ready themselves for the different opportunities under GROW Project.

Drop Self-pity & Embrace Grow Project **— MS. EUNICE WEKESA** **THE NATIONAL** **CHAIRPERSON USSIA**

Self-pity and unnecessary justification of not coming through for an obligation are some of the attributes that keep the women slow or sometimes inactive when it comes to taking up growth and transformation opportunities.

I call upon the women entrepreneurs under USSIA to embrace the opportunities that come with GROW project.

The project portfolio puts into consideration gender equality, knowing that the patriarchal systems hold the women back even when they are able to venture into manufacturing. Therefore, checkers for issues of gender equality ought to be tested all through the life time of the project, solving one of the silent but destructive challenges.



Women are positive change makers in society, therefore efforts to integrate and recognise their relevance in social-economic transformation blends into inclusivity for collective growth and development.

It is a fact that a good number of USSIA members operate without formal regulations and certification, which gives the leaders the responsibility to closely work with individual members for exclusive guidance since not all the enterprises need the same type of help.

Therefore, the architectures of the GROW could re-visit the approach to group facilities where entrepreneurs from the related craft are given the same facility in the same mode. This is because doing the same type of work or

trade and having related challenges may not necessarily mean that each enterprise need the same solutions, the solutions may be individual to the entrepreneur and enterprise .

Mrs. Wekasa says she personally makes chocolate, but with basic knowledge which she attained during a short course, therefore she would like more hands-on training to improve on her creativity and value addition. However, she doesn't know so many other women making chocolate in her network, the few known to her, are at different levels of production and have different needs, therefore receiving a blanket facility such as training as a group, may not be productive to her business.

She also highlights the phobia that comes with accessing a financial facility from the formal banking sector, especially for the micro and small scale women entrepreneurs. She says, a lot of project facilities that are meant to be accessed through the formal banking institutions do not get to the target portfolio especially the micro and small scale women entrepreneurs.

The institutions often make it so hard for the women to access the money, wasting a lot of time demanding for so many documents and other creden-

tials which sometimes presents as intentional frustrations since banks have the same credit facilities to lend out resulting into conflict of interest.

She therefore implores PSFU and partners to consider extending the financial facilities through the member organisations mapped out as entry points for the project since the organisations know and understand the needs of their individual members.

**GROW IS A SPRINGBOARD FOR
WOMEN ENTREPRENEURS'
TRANSFORMATION-
SIMON KAMANYA ALEX**

Mr Simon Alex Kamaya, the USSIA Executive Committee Representative for mid-eastern region, is also a chairperson of the Fish Farming Cluster which has 165 member groups spread across Busoga Region. 80 of the groups are made up of women owned enterprises in fish farming. He is looking forward to preparing and positioning the female entrepreneurs for optimum gains from the GROW.

Simon says that most of the women under the Fish Farming cluster operate at micro and small scale levels with limited facilities for value addition, competitive quality and quantity production.

He is grateful that PSFU considered USSIA for the sensitisation engagement about GROW, stressing that the engagement was mind-opening and he is optimistic that the USSIA member enterprises will experience growth and transform.

He elaborates that a good number of women involved in Fish Farming, use the available traditional and affordable means of preservation, storage and hatching facilities with limited basic



skills to operate. Even when fish farming is lucrative, with the potential for growth and transformation, the women have no capacity to sustain the available market in terms of quality and quantity.

However, with the projected wide span of opportunities provided under GROW , through training, coaching and mentorship complemented by access to affordable financing, there is likely to be accelerated improvement of house hold incomes and improved standard of living among women entrepreneurs in Eastern region.

Other USSIA members in the region are involved in different income generating activities besides fish Farming. A good number of women groups use banana stems to make threads

for knitting especially school sweaters. But they operate at a very micro level with no machinery to improve their trade yet there is ready market for the products, unfortunately they also cannot match up the demand in terms of quality and quantity.

Since GROW considers women entrepreneurs and women owned enterprises, Simon says the USSIA members struggling to sustain their business would get a chance to grow and transform in the next five years.

WE ARE ALREADY INTERNALLY ORGANISED GROW- KATUSHABE JOVIA, USSIA EXECUTIVE REP. HOIMA DISTRICT

The USSIA executive representative Hoima District, Ms Jovia Katushabe is the chairperson of the Hoima Women Textiles Association that brings together 20 women enterprises dealing in textiles. She expressed her excitement about grow and as an association they have already mobilised their members to make an in-house checklist, lest they miss out on the growth and transformation prospective opportunities.

The fact that the entry preference for GROW is through the already existing networks and member platforms such as USSIA, Ms Katushabe has already organised her peers in the textile group to renew their membership with USSIA, since they stand higher chances of benefiting from such projects.

The association has been looking for funding to enable them set up a per-



**MS JOVIA KATUSHABE -
USSIA REPRESENTATIVE
HOIMA**

manent place for their operations and better sewing machines to facilitate skilling for the members. Jovia says the group currently operates from rented premises with barely enough space to accommodate the trainees and also comes with high maintenance costs.

The group owns a few sewing machines that can only do basic knitting and one machine for labelling which does not give them a competitive advantage in the region. For example, most schools do

not give them contracts because they cannot deliver on the desired quality in time. contracts they cannot deliver on the desired quality in time.

This means that the women are not able to make enough profit to support them and their businesses. We all know that the home care responsibilities lie entirely on women and during the most vulnerable periods such as pregnancy and breast feeding, the attention is shifted from the business which affects the operations.

The husbands give little or no support to their wives, especially when there are sure that their wives have a running business, this often eats into the business capital.

MAKE GROW PROJECT CERTIFICATION COMPONENT MORE INCLUSIVE- ZAITUNIE NAKADU

Zaitunie Nakaddu is a proprietor of Jannant General Agencies, dealing in organic fruit drying for export markets, trading as Janzy products. She says that, GROW has several components aimed at accelerating women entrepreneurs' to grow and transform their enterprises.

However she notes that, women owned enterprises and their products need to be certified. Zaitunie says, the problem is not necessarily because they don't want but because they do not have the requirements. The Uganda National Bureau of Standards (UNBS) requires a lot that the women cannot afford



because of their financial capacity and the size of the business.

Most women entrepreneurs are operating at micro or small scale and it is almost impossible to have all facilities to qualify for a quality mark.

It is therefore important for GROW to consider facilitating women entrepreneurs to meet the terms and conditions of certification than paying for the quality mark directly to the regulator for them to compete favourably on the local international market.

At the moment not many women are exporting their products because the export market requires high quality standards and they do not come cheap. International standardisation and certification processes, especially for organic products are extremely expensive to be afforded by a woman entrepreneur operating at a micro level. It costs over €4000 to acquire an organic product certification for

export to the European Market this affects their competitiveness at the global level.

Zaitunie therefore implores PSFU and partners to consider making the certification component in GROW project more inclusive beyond paying up the specific fees for the process. This will help to establish direct linkages to export markets.



EQUIP WOMEN ENTERPRISES WITH BETTER MACHINES FOR IMPROVED PRODUCTIVITY.

MS NANYONGA BENEDICTA-CEO KIWOI

The women of Kinawataka Women Initiative, are calling on implementers of GROW to consider funding of heavy machinery that are needed by various women entrepreneurs if they are to grow from Micro to small and medium enterprises.

Hand-knives straw processing is too slow. We need a \$8000 machine but we cannot afford it

said Ms. Nanyonga Benedict, the team leader of 27 women entrepreneurs operating under the Kinawataka Women Initiative. In this Women's Initiative, plastic drinking straws are used as raw materials to weave different house hold items such as hand bags, sacs, mats headgears and bracelets among so many other assorted items.

Benedict says the straws are straightened and flattened to come out smooth and easy to weave, this process is currently done by the women using their hands and locally made kitchen knives. The consistent friction burns up women hands especially the palm and fingers making it painful to work.

The effects spill over and affect the general productivity of the women as

individuals as well as a team. The use of hands and knives to process the straws is time consuming, which results into low productivity. Benedicta therefore is optimistic that through GROW, her initiative will be able to acquire a machine for flattening and straightening the straws. If acquired, the machine will help improve the speed, quality and quantities produced. The machine required cannot be locally fabricated because the straw straightening and flattening is generally a new craft therefore can only be procured from China at \$8000 which makes it even more expensive. The team can only make five sacks of the kind, in two months using bare hands and knives and as a result the group cannot deliver on big orders. For example they have lost many opportunities both locally and internationally. They lost an outstanding order of 100 Sacs from Italy and South Africa respectively.



Work placement programme: Some partners are protective of the essential areas of production yet they are the crucial points of growth and transformation for the under study. GROW project should be intentional while choosing partners for work placement mentorship.



Conflict of interest in the partner banking institutions:- The project credit facilities often conflict with the already existing facilities in the Bank Institutions partnered with.



How inclusive is the GROW project since USSIA is not active in all the rural areas in Uganda ? Inclusion is important because women entrepreneurs are diverse in nature





Access to finance:
 The rural women’s challenges are different; some areas do not have even the least of a mobile money transaction point so one has to take some form of extra cost in terms of time and money to access a mobile money point. Therefore, the project should be sensitive to the diversity that defines the women entrepreneurs, putting into consideration the women in the most remote areas with neither electricity nor internet

EXCLUSIVE CHALLENGES FOR WOMEN ENTREPRENEURS

Male Spouses often use women credentials stealthily to acquire credit but fail to honor their obligation of repayment

Access to credit is not easy for women entrepreneurs because most dont own assets for collateral.

The manual labour that women cannot do because of the physique is always an additional expense.

Sexual harassment (usually verbal but often grows into physical sexual abuse).

Cultural beliefs: most lenders prefer to deal with men as opposed to women













GROW DIGEST VOLUME 1

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