



PRESS STATEMENT

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Ministry of Gender, Labour and Social Development
**MINISTRY OF GENDER, LABOUR AND SOCIAL
DEVELOPMENT**



The Republic of Uganda
MINISTRY OF GENDER, LABOUR,
& SOCIAL DEVELOPMENT

PRESS STATEMENT ON THE STATUS OF IMPLEMENTATION OF THE GENERATING GROWTH OPPORTUNITIES AND PRODUCTIVITY FOR WOMEN ENTREPRENEURS (GROW) PROJECT

For Immediate Release

10th October 2024

Kampala, Uganda – The Ministry of Gender, Labour and Social Development (MGLSD) wishes to provide an update to the Public on the progress of implementation of the Generating Growth Opportunities and Productivity for Women Enterprises (GROW) Project, with a focus on the GROW Loan that is implemented in partnership with the Private Sector Foundation Uganda (PSFU) through the Participating Financial Institutions (PFIs).

GROW PROJECT OVERVIEW

The GROW Project, which was launched in March 2023 by His Excellency Gen. Yoweri Kaguta Museveni, the President of the Republic of Uganda, is a Government initiative funded by a Grant from the International Development Association of the World Bank. The Project aims to increase access to entrepreneurial services that enable female entrepreneurs to grow their enterprises, including refugee women and women in host districts.

The Project was designed to respond to multiple constraints hindering women in business (entrepreneurs) from growing their businesses including but not limited to: inadequate business management skills; lack of access to affordable capital; limited access to common user manufacturing infrastructure and negative social norms that affect their participation in business.

The GROW Project, therefore, provides an integrated package of services to meet the needs of women entrepreneurs that include: (i) mobilising women entrepreneurs to network, receive mentorship and information on services of the project under district/city-based women entrepreneurship platforms; (ii) training women entrepreneurs and their employees on basic entrepreneurship development; (iii) provision of trade or sector-specific training and access to business development services offered by specialised departments of the Government of Uganda; (iv) apprenticeship training for women entrepreneurs and their employees; (v)



business competition grants; (vi) access to affordable credit (GROW loan); and (vii) improving access to common user production infrastructure.

UPDATE ON THE GROW LOAN

The GROW Loan was launched by Her Excellency Maj (Rtd) Jessica Alupo the Vice President of the Republic of Uganda on 28th August 2024 and she announced the participating Commercial Banks which include: Post Bank, Centenary Bank, Finance Trust Bank, DFCU Bank and Equity Bank. Arrangements are being finalised to bring Stanbic Bank on board. The GROW loan amounts that are being given out to the eligible beneficiaries range from UGX 4 million to UGX 200 million for a period of up to twenty-four (24) months. Currently, the five (5) Commercial Banks are offering the GROW Loans at a rate not exceeding 10.5% per annum, with no loan application/arrangement fees, making the actual interest paid even much lower. It should however be noted that the eligible borrowers will be required to meet only the statutory costs associated with their specific loan applications, for instance, the Credit Reference Bureau (CRB) Fees, and Security Valuation Fees, among others as may be deemed fit.

The agreements signed with the initial five (05) Commercial Banks are valued at UGX 98.55 billion of which UGX 26.052 billion was advanced to the Participating Financial Institutions (PFIs) in August 2024. By 25th September 2024, UGX 18.98 billion had been lent out to 1,193 women entrepreneurs. Of these, 995 (83%) women entrepreneurs received loans in the category of UGX 4-20 million with a value of UGX 9.03 billion; 132 (11%) women entrepreneurs borrowed amounts in the range of UGX 20-40 million with a total amount of UGX 3.97 billion while 66 (5.5%) borrowed under the category of 40-200 million with a value of UGX 5.987 billion. From our initial review, most of the loans are being made towards priority sectors of agriculture (along different value chains), real estate and trade.

It should be noted that women entrepreneurs who will pay back their loans as scheduled, halfway through their loan period will receive a grant/reduction of their loan value by 5%. As an affirmative action, refugee women and those in refugee host communities that will pay well will also receive a grant of 8% of their loan value, while women entrepreneurs from ethnic minorities and those from Karamoja, Busoga and Bukedi regions will receive grants of 10% of their loan value as a reward for good performance. The above-mentioned regions were identified from studies conducted by the Uganda National Bureau of Statistics (UBOS) to be having relatively higher poverty levels. The GROW loan is being lent out through a combined network of 279 branches that are spread across the country. Working with the Participating Financial Institutions, the Government is going to make a deliberate effort to improve awareness and mobilisation of women in the under-served areas to improve uptake



and equity. In addition, Microfinance Institutions (MFIs), and Savings and Credit Cooperatives (SACCOs) will be brought on board to serve women entrepreneurs who may not have access to traditional banking services.

I would like to inform the public that in the current design of the GROW Loan, Participating Financial Institutions are bearing the entire GROW loan risk and in case they lend money to a woman entrepreneur and they do not repay the loan or a part thereof, the financial institutions are required to absorb the credit losses. The financial institutions are therefore taking the responsibility of assessing creditworthiness and lending to only those women entrepreneurs who are assessed to be able to repay based on the financial institutions' credit assessment protocols and regulations. The GROW loan, therefore and in accordance with the Bank of Uganda Regulations, requires appropriate collateral. In addition, the Government has negotiated with the Banks to accept a wide range of security including untitled land and movable business assets (Chattels). Some financial institutions are also accepting group and personal guarantees as a form of security for small loan values. Key to note is that the financial institutions are required to pay back all the money advanced by the Government so that the GROW loan is sustained as a Revolving Fund that will be available to women entrepreneurs even beyond the life of the Project.

Regarding the reports indicating that some Commercial Banks depleted the GROW loan funds advanced to them, I wish to provide clarification as follows:

Drawing lessons from similar interventions delivered through financial institutions, under the GROW Project, the Government put in place an arrangement where GROW funds are disbursed in tranches with corresponding targets over a given period. As part of the same arrangement, the Government contracted an independent firm (KPMG), to undertake due diligence and verify the loan funds given out by the Participating Financial Institutions before the release of additional funds to the specific banks that have depleted the total amount initially released. In this case, Centenary Bank and Finance Trust Bank exhausted funds (i.e. UGX Six (6) Billion each) that were released in the first tranche. The independent firm (KPMG) has finalised the due diligence/verification exercise and the Government is now set to release the next tranche of funds to the two (2) aforementioned Banks before the end of October 2024.

The results from the assessments so far indicate that the funds released so far are being lent out to eligible women entrepreneurs. We are however going to require the Participating Financial Institutions to collect demographic information of targeted beneficiaries with a



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view to assess if the funding is directed towards the purpose of the GROW project specifically the growth of women-owned enterprises and job creation.

It should be noted that the other Commercial Banks involved, namely; Post Bank, DFCU Bank and Equity Bank have not yet exhausted the first tranche of funds released. Women entrepreneurs across the country are encouraged to visit these Commercial Banks.

It has also come to our attention that many women are expressing interest in the GROW Loan, but some of them lack the collateral and cash flow required to access the loans. I want to re-emphasise that the GROW Loan is targeting women entrepreneurs who are making a transition from other existing Government of Uganda programs that provide micro-loans, for example, the Parish Development Model (PDM), EMYOOGA and the Uganda Women Entrepreneurship Program (UWEP), and now seek to grow and expand their businesses. Knowing that many women may not possess registered land, we negotiated with the participating commercial banks to broaden the securities accepted to include basic forms of security like unregistered land, movable household items and business assets. The provision of security by those intending to borrow should not be seen as a limiting factor but rather a demonstration of commitment to repay the loan.

OTHER GROW PROJECT SERVICES

Essential Business Skills for Women Entrepreneurs (Entrepreneurship Training):

Besides the GROW Loan, working with Makerere University Business School, the Ministry has developed a curriculum and training materials on basic entrepreneurship development to help women entrepreneurs acquire and improve skills in book keeping, financial and digital literacy, sustainability of enterprises, saving and investment and marketing among others. The government will roll out entrepreneurship training to eligible women entrepreneurs and their employees by 30th November 2024.

Technical Skills /Business Support Services: the GROW Project is meeting the costs associated with the provision of business support services such as business registration, standards certification, export licensing and product development. Agreements have already been signed between the Private Sector Foundation Uganda (PSFU): (a) Uganda Industrial Research Institute (UIRI) and (b) Dairy Development Authority. So far, 4,246 women entrepreneurs and their employees have received technical training. Additional Agencies such as URSB, UNBS and Technical/Vocational Training Institutes are being brought on board to offer services under their mandate to women entrepreneurs.



Work-Based Learning Program: Under this program, women entrepreneurs and their employees will be supported to acquire on-job skills from established enterprises in sectors including manufacturing, agricultural value addition; leisure and hospitality; science and technology; and the creative arts among others. In August 2024, we put out an advert calling for host enterprises under this program and applications are being received from across the entire country. Actual selection and placement of women entrepreneurs and their employees will start before 30th November 2024.

Business Competition Grants: In addition to the GROW loan, the project will also be providing competitive business grants. The grants will range from UGX 7,000,000 to UGX 110,000,000 and will target women-owned businesses in both traditional and non-traditional sectors that demonstrate innovation, and environmental sustainability and those engaged in male-dominated profitable industries. The grant beneficiary selection process will involve a transparent business plan competition. The grants will be advertised by 30th November 2024, with outreach conducted in multiple languages to ensure broad inclusivity.

Access to Common User Production Infrastructure: This is supporting the refurbishment and construction of common user production facilities (CUPFs) with the aim of providing women entrepreneurs with access to shared facilities thereby reducing the need for individual investments in equipment that may be financially out of their reach. Under this intervention, Makerere University Food Science and Technology Business Incubation Centre, Kawanda National Agricultural Research Laboratories, and Rwentanga Farm Institute have so far been earmarked for support to increase the production lines for processing raw materials like fruits, cereals, vegetables etc into finished products, repair of existing equipment, investment into energy and water conservation and waste management, among others. The process of selecting additional facilities across the country is ongoing and will be concluded by 30th December 2024.

Strengthening Women Platforms, Community Mobilisation and Mindset Change: Under the GROW Project, the Government is setting up and strengthening existing Women Entrepreneurs Platforms (WEPs) to mobilise women entrepreneurs for business networking and mentorship. Through these platforms, all eligible women entrepreneurs will be mobilized and supported to receive all GROW services. The Ministry has partnered with the Uganda Women Entrepreneurship Association Uganda Limited (UWEAL) to build the capacity of Women Entrepreneurs Platforms (WEPs) in 105 districts. Another Women Entrepreneurs Platform (WEP) will be engaged before the end of November 2024 to cover the remaining districts.



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CONCLUSION

As the GROW Project continues to demonstrate strong public interest and engagement, I take this opportunity to inform the general public that all GROW services, including loans and training, are provided free of charge. Any cases of individuals demanding fees for these services should be reported through our toll-free number 0800307777 or via email at info@grow.go.ug.

For further inquiries or information on how to access the GROW Project services, please visit our website at <https://grow.go.ug/>. You can also visit our offices located on the 3rd Floor of the Ministry of Gender Labour and Social Development, Plot 2 George Street, Kampala - Uganda or the Private Sector Foundation Uganda GROW Office located at Trust Tower, Ground Floor, Plot 4 Kyadondo Road, Nakasero Kampala. You can also visit the GROW Project Focal Contact Officers (who are mainly Labour Officers and in some cases Community Development Officers) in the different City/District Local Government Offices across the country for information on the Project.

FOR GOD AND MY COUNTRY

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