



Access to affordable credit stirring and spurring businesses to success in West Nile

West Nile is a land of immense potential and opportunity largely because of its strategic location at the intersection of three countries – Uganda, South Sudan, and the Democratic Republic of Congo (DRC). The people of West Nile have a rich menu of opportunities to select from, the problem is, most of the time, success only happens when preparation meets opportunity. Just about everyone in the region has the latter staring at them, waiting to be taken; but several people lack the former.

That is the story of Vincent Amasiku who lives in Onduparaka, a little trading centre, in Ayivu Division, Arua; a small place yes, but having some people with big brains.

Amasiku went into business early in life. By the time he was 20, Amasiku owned a grinding mill that earned him UGX15,000 daily. The young, vibrant and enterprising

Amasiku felt he was called to operate at a higher level than that; because he was still struggling to meet his basic needs – like any man who carries a family on his shoulders. Ideas filled his head, but how to bring those ideas to fruition and how to run the business professionally, were deficiencies he acknowledged, especially since he hadn't gone far with formal education.

His rise to financial independence started in April 2021 when he was introduced to Nile Microfinance Ltd agriculture value chain loans at a monthly interest rate of 2.5% - which is several times cheaper than the average Ugandan moneylender in any town. Far more important, before picking even a shilling, Amasiku underwent training on bookkeeping and how to run a business professionally, something Ugandan entrepreneurs are highly deficient in.

By the time Amasiku borrowed UGX1.5million to scale up his value addition enterprise, he was equipped to succeed. He expanded his business by buying five other mills. Since October 2021, he rents out the machines and earns UGX90,000 daily. He has mastered the art of the grinding mill and he now provides repair services at a fee of about UGX5000-UGX10000 to boost his income.

“Since October 2021, I employ six teenage boys daily to operate the machines,” he says. “I charge between UGX100-200 for each kilogram and earn UGX90,000 daily from the six grinders.” With the opening of schools an estimated two tonnes of flour is ground daily.

From the proceeds of the grinding mills, Amasiku now owns a salon that adds about UGX60,000 daily to his income and acquired a 50ftx100ft plot of land. From the salon he saves UGX350,000 every month.

Nile Microfinance Limited was established in 2007, with the objective of helping small and medium enterprises (SMEs) in West Nile that find it difficult to access services from the conventional financial institutions (Tiers 1-3).

In partnership with aBi Finance Holdings Limited, Nile Microfinance Limited has leveraged support towards developing online banking platforms, farm input loans as well as agribusiness loans; and advanced efforts towards the acquisition of a new

banking hall under the condominium arrangement. Their efforts have been a blessing to the less privileged in the community and their vision of improving the quality of life of an average person through the sustainable provision of microcredit is being steadily actualized as they reach out to over 10,000 of the unbankable small micro-enterprises of West Nile.

Affordable credit to unlock household incomes

Olivia Tabi, a 36-year-old mother of three children is a story that fits the classic rags to riches plot. To start with, it is public knowledge that teachers, especially in the public sector are poorly paid, especially if the calls for unending strikes are a yardstick of fair measure, so when Tabi got married to a fellow teacher, they both acknowledged that sitting and waiting for a teacher's salary would not help the family grow. They began improvising, starting from the premises that the household labour, properly organized and deployed, can work wonders.

They agreed to embark on poultry farming and started small, at household level. "My husband and I agreed to use our own labour to save on expenses so that we could increase on our net income from the poultry farm," says Olivia.

Little by little, the project prospered until a point where the couple felt it was time to rise to another level. They agreed to take on a credit facility. In March 2021, Olivia accessed a loan of UGX2,000,000 from Nile Micro Finance - with training in basic financial and business management as part of the package - to expand the poultry from a largely domestic to commercial production with house capacity sufficient for 1,000 birds and solar lighting system installation. With this, the couple increased the poultry stock from 300 to 450 birds.

Today Olivia supplements her income from the sale of broilers every six weeks. Each bird is sold for UGX17,000. In December 2021, she earned a profit of UGX900,000.

"We are also using the manure in our vegetable gardens and the excess manure is sold," says Olivia. "We currently use our savings for home improvements."

There are so many entrepreneurs and enterprises in the country whose only barrier to success is access to affordable credit and basic training on how to run a business in a professional and sustainable manner.

Quite often though, the challenge for entrepreneurs is the ability to come together and work in organized formations, to ease or negate collateral as a pre-requisite to accessing credit, and generally enjoying the economies of scale that organized formations can yield. This is another area where aBi Finance Holdings has successfully intervened to the delight and benefit of otherwise disadvantaged rural communities.

Group lending, a gateway to rural women financial inclusion

Agremach Ojeybo, a-30-member-strong Women's Group, started in 2007, in Warr Sub-County, Zombo District. It is one of several groups whose members have been able to access affordable agriculture financing towards scale-up of foundation seed production of beans (NABE) and ware (Irish potato) seed, they would otherwise not have accessed credit as individuals due to the lack of collateral.

"Our group partnered with aBi-ZADI to promote foundation seed quality, however we needed credit to increase foundation seed production and open more land," says Ms. Odubi Anna Owrotto, the chairperson of Agremach. Hence in 2018, the group borrowed UGX5,000,000 from Nyaravur Farmers SACCO to support group and individual members' seed production at an interest rate of 3% per month. This was costly to members as the interest was transferred to individual borrowers. Mercifully, in 2019, with the advent of aBi Finance support to Nyaravur Farmers SACCO, the agricultural loan interest rate dropped to 2% per month with a grace period of three months making the loans more affordable to farmers. The farmers' group accessed an additional UGX9,000,000 for onward lending to members for more seed purchases and land opening for bean (Nabe 1,2,3) and ware potato seed

with district-level linkages - Zombo District Local Government procured bean seed worth UGX 14,000,000 from the group.

Nyaravur Farmers SACCO is itself a grassroots institution that has consistently shown that just because something is grassroots-based should not mean it is disorganized and inefficient. It was formed by members of a rural community who have always owned and controlled it; but with emphasis on strong, ethical, and efficient governance structures since its registration in October 1991. In 2019, the SACCO received an infrastructure matching grant from aBi Finance towards the construction of a banking hall and the development of online banking software estimated at UGX369.4Million. The SACCO has a total membership of 13,000 individuals in groups, a total saving of UGX601,000,000, share capital of UGX 203,000,000 and total loan portfolio of UGX 1,100,000,000 as at October 2021.

Nyaruvur SACCO through the support of aBi has greatly enhanced rural women's access to financial services through the group lending approach in Pakwach, Nebbi and Zombo districts.

In her path towards a self-sustainable and socially responsible rural-based microfinance institution, Nyaravur SACCO is collaborating with several development partners such as, aBi Finance Holdings, the West Nile Private Sector promotion Center, and Uganda Coop. Savings and credit society Ltd, Association of Microfinance Institutions in Uganda - AMFIU, TIAS East Africa, Zombo District Farmers Association and AGRITERRA Uganda.