

WEST NILE FARMERS TO PROSPERITY



The VisionFund Moyo office was furnished using funds from the aBi grant

its operations to Palorinya settlement with the aim of giving the savings groups funding so members could get more frequent and higher loans from the group.

Mary goat a loan of sh300,000, which she used to buy agro inputs and continued cultivating crops for sale. She paid a friend to cultivate her field for a while. Today, she wants to spend every spare minute on her tailoring course as she dreams of starting a tailor shop.

Chandiga, Inzama and Mary are among the many beneficiaries in West Nile region whose lives are being transformed by loans from VisionFund.

VISIONFUND IN WEST NILE

Evelyn Njereyo, the VisionFund Uganda regional manager for West Nile, says they are a microfinance institution and a subsidiary of World Vision that started in 1996 as MEDNET and rebranded in 2012 to VisionFund Uganda.

She says VisionFund has 23 branches and three offices operating in the eastern, western, central, northern and southern parts of Uganda. They have reached 40,930 clients and have a portfolio of sh2.2b

aBi-development has supported many farmers countrywide achieve better yields and earnings. aBi's focus is to increase agricultural production and value addition by extending matching grants and business development services to agribusinesses, farmer organisations and intermediaries to enhance planning and management. They also support production and business infrastructure, as well as upstream and downstream market linkages of producers and agribusinesses.



Izama used the VisionFund loan funds to dig a well that provides her water for irrigating her crops

with 45% of the beneficiaries being women and impacting 134,446 children in Uganda.

Njereyo says in West Nile, VisionFund started operations in 2019 in Moyo, followed by Yumbe in 2020. That same year, two field offices were opened, that is Adjumani and Arua, reporting to the Moyo and Yumbe operational offices, respectively.

"Some of the products include saving groups linkage loans, the group solidarity loans, and individual loans. These loans are given to

HOW aBI INTERVENTIONS HELPED

VisionFund's interventions would not have been possible without the support of Agricultural Business Initiative (aBi), says Evelyn Njereyo, the VisionFund Uganda regional manager for West Nile.

She says when the Moyo office was being set up, they needed funding to pay rent, buy furniture, computers and to train both staff and clients, among others. They also needed transport facilitation to get to clients, since West Nile is big and the roads and terrain is bad.

VisionFund could not raise funds on their own and sought support from aBi, who granted them sh1.36b

aBi was jointly founded by the governments of Denmark and Uganda in 2010 as a social enterprise that channels development co-operation funding to agribusinesses and agricultural service providers.

aBi aims at building a competitive, profitable and sustainable agriculture and agribusiness sector in support of equitable wealth creation in Uganda. aBi consists of two companies limited by guarantee: aBi Finance Ltd and aBi Development Ltd (formerly aBi Trust).

Njereyo says because of aBi funding, the Moyo branch was opened in 2019 with rent paid for three years. She says they also procured new office furniture, laptops for office use and eight motorcycles.

Twelve staff were recruited and trained on how to run the office. Today, the staff has grown to 37 members.

Part of the funding was used to train the trainers of trainees who empower clients on how to borrow and invest wisely. They were also trained on record keeping for the group secretaries to help them keep well-organised records.

Because of training clients before giving them money, the performance of loans has improved.

aBi funding also helped VisionFund to supplement the institutions lending capital in the region.

Initially, it was not more than sh4m, hence customers only invested in small enterprises. However, with the funding support, clients get at least sh6m per group.

Njereyo says all their computers have a management information system (MIS), an automated system of transacting business.

"Because of MIS, services improved. The system supports mobile banking through which clients can repay their loans. With the motorcycles procured with aBi support, traversing the area of operation to teach the clients about our services has been made easy.

"The distance that we cover is very long and initially it was not easy. However, with the motorcycles, we are able to reach everyone in both refugee settlements and in the host communities," Njereyo explains.

Hannington Thenge, the project and savings group linkages manager at VisionFund Uganda, says the organisation believes that refugees are capable people with skills.

He says VisionFund Uganda is among the few microfinance institutions that serves both host and refugee communities with a loan product that specifically targets saving groups.

In July 2019, the first loans were disbursed to savings groups in Ukuni East village after they were identified and trained by VisionFund staff.

By June 2020, VisionFund had provided savings group loans to 80 savings groups, representing 1,751 people, having disbursed sh262m in loans.

"We take our services to the people. The groups do not come to office but we reach out to these groups and they receive their loans through mobile money and make repayments through mobile money as well.

"We use ODK (open data kit) to transfer loan documents from the field to the office. Our savings group members in particular are able to manage their savings and pay out cycles more effectively, ensuring that their families and children are cared for in a difficult time," Thenge says.

"Financial literacy training forms a cornerstone of our microfinance programme for refugees, helping them to establish financial knowledge for their households and communities," he adds.

both refugees and host communities," Njereyo explains. Njereyo says their clients do not need to have security to get loans. All one requires is to belong to a group of 15-30 members. The group must have existed for two years.

This means the members know each other and have already made some investments. The members can stand surety for each other since the loans are given to the group not

individually.

Before acquiring the loans, Njereyo says the groups are trained on how to borrow wisely and how to manage the money borrowed to earn a profit that will enable them repay their loans.

The individual loans include agricultural loans, business loans and asset loans.



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