



Uganda Women's Entrepreneurship Programme (UWEP)

Lessons Learned About the Uganda Women's Entrepreneurship Programme

AUGUST 2022

Lessons Learned About the Uganda Women's Entrepreneurship Programme

Background

Women in Uganda face considerable barriers to accessing credit and markets, which may limit their ability to achieve economic empowerment. Traditional gender norms and limited access to human and financial capital both contribute to gender inequality in Uganda.¹ The COVID-19 pandemic and some of the associated policy responses may further reverse recent progress in gender equality in Uganda.^{2,3}

In line with global evidence, a scoping review suggests that women's groups can achieve positive impacts on economic outcomes and women's economic empowerment in Uganda.¹ Current impact evaluations suggest that microfinance and livelihoods groups showed positive impacts on financial inclusion and economic outcomes.^{4, 5, 6} Women's groups likely also contributed to the resilience during the pandemic.⁷ However, only limited evidence is available on the effectiveness of government-supported women's group programmes in Uganda, despite their relevance for national social protection policy.¹

This brief presents findings from a baseline study and process evaluation of the Uganda Women's Entrepreneurship Programme (UWEP), one of the largest government-supported women's group programmes aiming to improve women's economic empowerment in Uganda. The programme targets women aged 18-65 years and emphasizes the integration of vulnerable groups (e.g., the unemployed, widows, child mothers etc.). The programme uses a community-driven development model to resolve women's credit constraints and stimulate entrepreneurship by providing an interest-free loan as a revolving fund through the Women's Enterprise Fund (WEF). UWEP provided access to credit through a revolving fund to more than 10,000 women's groups representing 169,915 women entrepreneurs. These women generally received interest free loans equivalent to USD\$ 3,472 or 12.5 million Ugandan shillings. The revolving fund provides support to enterprises set up by individual women or women's groups who in turn receive training to enhance their capacity to implement the enterprise effectively and efficiently. The training may include a focus on general enterprise management including group dynamics, effective communication and leadership, planning records management, financial management, community procurement procedures and reporting, accountability business development, and life skills. Although the programme is national in scope, local government structures and systems drive the implementation of the program.

Methods and Limitations

This brief presents findings from a baseline study and process evaluation. The baseline study aimed to collect baseline information on key outcome and output indicators as they were specified in UWEP's results framework to prepare a comprehensive impact evaluation after a 5-year implementation period.¹ The process evaluation aimed to examine the programme's fidelity of implementation by assessing ongoing programme operations and determining the ability of the programme to serve the target population. It included a desk review to understand the UWEP operating environment to assess the programme's effectiveness and efficiency. In addition, the evaluation included interviews with programme implementers and focus group discussions with programme participants to identify potential enabling and inhibiting factors that affected the programme implementation as well as the outputs and outcomes of the programme using an assessment of the results framework. Exhibit 1 summarises the objectives of the baseline study and the process evaluation.

¹ The baseline survey covers 1,566 women and focus group discussions with women from 29 districts across all the 14 subregions in Uganda as well as the Kampala Capital City Authority. The impact evaluation will use a matching approach, but currently it does not yet include a comparison group.

Exhibit 1: Objectives of the Baseline Study and Process Evaluation

Baseline Study



Collect baseline information on key outcomes and indicators.



Enable impact evaluation of the programme after a 5-year implementation period.

Process Evaluation



Assess ongoing programme operations and determine the programme's ability to serve the target population to examine the programme's fidelity of implementation.



Conduct desk review to understand the UWEP operating environment.



Interview programme implementers and host focus group discussions with programme participants.

Lessons Learned – A Summary of Findings



The UWEP programme successfully resolved credit constraints for micro-enterprises, but the COVID-19 pandemic created challenges for loan recovery. The UWEP programme provided access to credit through a revolving fund to more than 10,000 women's groups representing 169,915 women entrepreneurs. These women generally received interest free loans equivalent to USD\$ 3,472 or 12.5 million Ugandan shillings. Although the evaluation does not allow for establishing the causal effects of the programme, this finding suggests that the programme contributed to providing women entrepreneurs with access to credit. The programme successfully resolved credit constraints for women and women's groups, but the pandemic created additional challenges for loan recovery. A considerable number of women and women's groups faced challenges for repaying credit because of the loss in livelihoods after the pandemic. Women had repaid 70.1% of the outstanding loan amount by the 31st of March in 2021 (USD\$7,205 or 27.1 million Ugandan shillings at that time). Women working in the informal sector were hit particularly hard by the restrictions of the Ugandan government in response to the pandemic. The UWEP programme was not well prepared for this challenge because it missed clear guidelines related to loan recovery.



The UWEP programme faced several budget shortfalls. From 2015–2016 to 2019–2020, the UWEP programme disbursed 72% of the available budget for the 5-year period. This finding shows that UWEP operated in a context of recurring disbursement delays. Budget allocations were met but disbursement delays likely limited the ability of the programme to achieve its full potential in improving women's economic empowerment.

The flow of funds contributed to delays in the disbursement of funds. Originally, funds were sent to a special programme account at the districts and from there were passed on to women's group accounts. However, the funds often did not disburse immediately to women's groups from the programme account at the districts.



UWEP targeted primarily women with existing businesses. The baseline survey revealed that 89% of programme participants had their own business before joining UWEP. These businesses primarily focused on wholesale and retail trade (42%), livestock (21%), and crop agricultural enterprises (13%). Of the women with an own business before UWEP, 85% still operated their business even after joining UWEP, indicating UWEP has not led to a crowding out of existing businesses. The process evaluation also indicated that the programme is more effective when it targets women who had their own business before joining UWEP. As a result, however, the programme could not reach many women without existing business experience.



UWEP did not make major contributions to women's access to markets. Although UWEP seems to have contributed to women's access to credit, 67% of UWEP members in the baseline survey reported that they did not have ready access to a market. Further, only 38% of the women reported that they were confident in the negotiation of better prices and market deals.

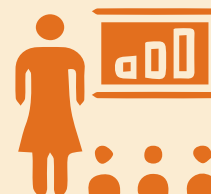
Recommendations for Policy

1. **Support UWEP members through COVID-19 recovery grants or cash transfers.** Although increased access to credit may have mitigated some of the short-term negative economic consequences of the COVID-19 pandemic for women entrepreneurs^{8,9,10,11}, various UWEP-supported groups will require some type of COVID-19 recovery grant or cash transfer to restart their business or repay their outstanding loans. Without this support, individual financial challenges could lead to increased poverty among UWEP members and a dwindling of the revolving fund, which may threaten the sustainability and effectiveness of the program.

This is especially important considering the likely effects of more recent nationwide shocks related to supply chain disruptions and food price increases. Multiple, overlapping, and compounding crises will likely make it more challenging for women entrepreneurs to recover from shocks. It is unlikely that the Parish Development Model and the Presidential Initiative on Economic Transformation and job creation (Emyooga) can resolve these challenges, because their budget per parish is too small to provide much support to women entrepreneurs supported by the UWEP programme. Because of these resource constraints, the government of Uganda will likely require different social protection programmes to provide recovery grants or cash transfers to provide support to women entrepreneurs.

2. **Streamline programme purposes of different social protection programs as part of a unified social protection system.** The process evaluation indicated that the UWEP programme may have a greater potential than other social protection programmes to achieve women's economic empowerment, because it explicitly targets women. Programmes such as the Parish Development Model and Emyooga also aim to improve economic outcomes, but they do not explicitly target women entrepreneurs. In addition, UWEP targets primarily women entrepreneurs and includes only a limited number of other women. Different social programmes have different target groups and different objectives, showing the importance of streamlining programme purposes to avoid redundancies, and to reach a range of women, including those without a business.
3. **Invest in the shock responsiveness of women's groups.** UWEP groups likely contributed to the ability of women to gain access to credit in the short term. However, many women experience challenges in repaying these loans. Further, women's group members continue to face large shocks, including supply chain disruptions and increases in food prices, demonstrating a need to increase resilience. Increasing such resilience will require investments in the shock responsiveness of women's groups.

Lessons for Policy



1. Support UWEP members through COVID-19 recovery grants or cash transfers.
2. Streamline programme purposes of different social protection programs as part of a unified social protection system.
3. Invest in the shock responsiveness of women's groups.

Recommendations for Practice

1. **Support groups in moving from entrepreneurship toward access to markets.**

The process evaluation demonstrated that most UWEP groups aim to resolve credit constraints of women entrepreneurs. Yet only a minority of group members reported having access to markets. Transforming women's groups to commercial players requires access to markets, the ability to negotiate about prices, and the adoption of commercially viable products. Groups may require additional trainings or other support to achieve this goal.

2. **Consider the implementation of a pilot program with continued financial support for women with 100% repayment rates through larger loans and combine this pilot program with a rigorous impact evaluation.**

As discussed above, UWEP contributed to resolving credit constraints. Insufficient working capital may limit the ability of groups to continue growing their businesses, however. Continued business growth may

require continued financial support through larger loans. As of now there is little rigorous evidence from Uganda that larger credit can result in positive effects on women's economic empowerment and business growth. To generate this evidence, we recommend combining a pilot program with larger loans with a rigorous impact evaluation of the pilot program. The results of the impact evaluation could then guide the potential scale up of the program to successful entrepreneurs.

3. **Develop training for implementers on the guidelines for loan recovery of UWEP members.** The COVID-19 pandemic showed that UWEP implementers did not have knowledge about the guidelines for loan recovery. Although guidelines were in place to deal with default, implementers usually were not aware of those guidelines and as a result often did not know what to do in case of default. This shows the need for training on how to deal with default, while taking into consideration that such processes will require adaptations in the case of large shocks such as the pandemic or nationwide food price increases.

4. **Disburse funds directly to approved women's beneficiary groups accounts from the Bank of Uganda in line with the new UWEP guidelines and consider disbursing funds through digitized payments, while maintaining a clear audit to support effective monitoring of cashflows.** The flow of funds was often delayed, because funds were sent to a special programme account at the district and from there were passed on to women's group accounts. These delays likely contributed to significant budget shortfalls, which may have led to lower performance of the UWEP programme. New UWEP guidelines require that funds be disbursed directly to approved women's beneficiary groups accounts from the Bank of Uganda. This new process likely will contribute to resolving some of the challenges with delays of the flow of funds and budget shortfalls. The government may consider using digitized payments to foster transparency and accountability though more evidence is needed on the effectiveness of digitized payments.

Lessons for Practice



1. Support groups in moving from entrepreneurship toward access to markets.
2. Consider the implementation of a pilot program with continued financial support for women with 100% repayment rates through larger loans and combine this pilot program with a rigorous impact evaluation.
3. Develop training for implementers on the guidelines for loan recovery of UWEP members.
4. Disburse funds directly to approved women's beneficiary groups accounts from the Bank of Uganda in line with the new UWEP guidelines and consider disbursing funds through digitized payments, while maintaining a clear audit to support effective monitoring of cashflows.

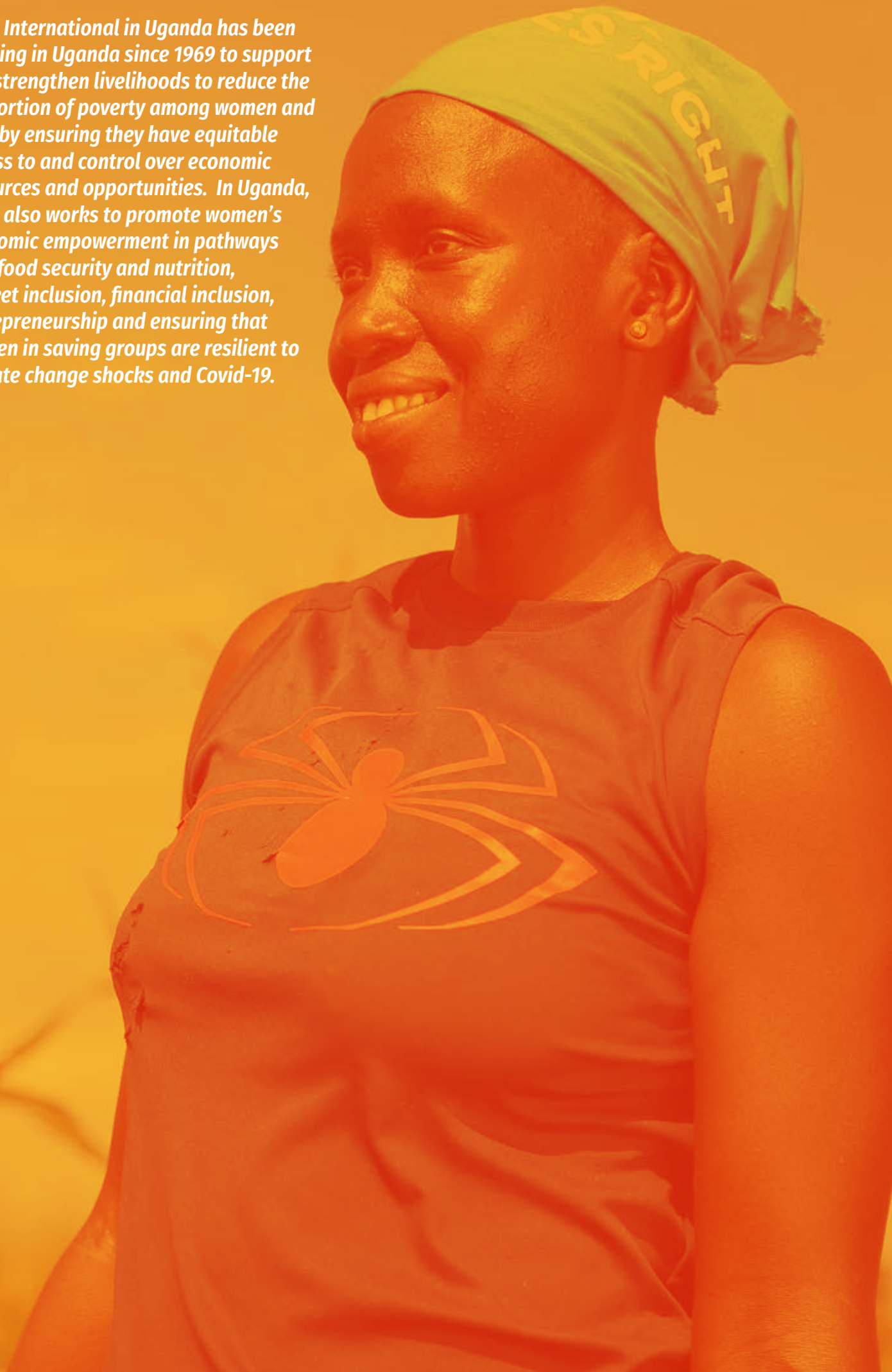
Acknowledgments

The findings presented in this brief are based on the studies, "Process Evaluation of the Uganda Women Entrepreneurship Program" and "Baseline survey for the Uganda Women Entrepreneurship Programme II, conducted by Policy Analysis and Development Research Institute (PADRI), commissioned by Care Uganda, and funded by the Bill & Melinda Gates Foundation (BMGF). This brief and recommendations for policy and practice were compiled by the Evidence Consortium on Women's Groups (ECWG), in partnership with CARE, and funded by BMGF. We also would like to thank PADRI for producing the original reports.

(Endnotes)

- 1 Namisango, E., Mulyampiti, T., Apunyo, R., Muhidini, N., Okiria, E., Sebba Kalayango, R., Ojambo, K., Otike, C., Wangi, R., Ndagire, R., Kinengyere, A., Obuku, E., White, H., and de Hoop, T. (Forthcoming). Scoping Review of the Evidence on Women's Groups in Uganda.
- 2 Adgebite, O., Anderson, L., Chidiac, S., Dirisu, O., Grzeslo, J., Hakspiel, J., Holla, C., Janoch, E., Jafa, K., Jayaram, S., Majara, G., Mulyampiti, T., Namisango, E., Noble, E., Onyishi, B., Panetta, D., Siwach, G., Sulaiman, M., Walcott, R., Desai, S., and de Hoop, T. (2022). Women's groups and COVID-19: An evidence review on savings groups in Africa. Gates Open Research. https://womensgroupevidence.org/sites/default/files/2022-05/Gates_Open_Research_Africa_Evidence_Review.pdf.
- 3 O'Donnell, M., Bourgault, S., McDougal, L., Dehingia, N., Cheung, W. W., and Raj, A. (2021). The Impacts of COVID-19 on Women's Social and Economic Outcomes: An Updated Review of the Evidence. Center for Global Development. <https://cgdev.org/sites/default/files/impacts-covid-19-womens-social-and-economic-outcomes-updated-review-evidence.pdf>
- 4 Blattman, C., Green, E.P., Jamison, J., Lehmann, M. C., and Annan, J. (2016). Microenterprise Support among the Ultrapoor: A Field Experiment in Postwar Uganda. American Economic Journal: Applied Economics. <https://www.aeaweb.org/articles?id=10.1257/app.20150023>.
- 5 Karlan, D., Savonitto, B., Thuysbaert, B., and Udry, C. (2017). Impact of savings groups on the lives of the poor. PNAS. <https://www.pnas.org/doi/10.1073/pnas.1611520114>.
- 6 Lombardini, S. and Yoshikawa, K. (2015). Women's Empowerment in Uganda: Impact evaluation of the project 'Piloting gender sensitive livelihoods in Karamoja.' Policy Commons. <https://policycommons.net/artifacts/1825027/womens-empowerment-in-uganda/2564914/>
- 7 de Milliano, M., de Hoop, T., Holla, C., Yihun, K. L., Mulyampiti, T., Namisango, E., Akinola, A., Natukunda, M., Okello, S., Khaoya I., and Joseph, T. (2022). Savings Group Member Resilience Over the Course of the COVID-19 Pandemic: Evidence From Nigeria and Uganda. CARE. <https://womensgroupevidence.org/sites/default/files/2022-04/CARE-Women-Respond-Brief.pdf>
- 8 Adegbite, O., Anderson, L., Chidiac, S., Dirisu, O., Grzeslo, J., Hakspiel, J., ... & de Hoop, T. (2022). Women's groups and COVID-19: An evidence review on savings groups in Africa. Gates Open Research, 6(47), 47.
- 9 CARE (2022). COVID-19 & Women: Saving for Resilience: Women (in VSLAs) Respond: Final Report, June 2022. https://www.care.org/wp-content/uploads/2022/07/Women-in-VSLA-Respond_Final-Report_June-2022.pdf
- 10 De Milliano, M., de Hoop, T., Holla, C., Lakew Yihun, K.L., Mulyampiti, T., Namisango, E., Akinola, A., Natukunda, M., Okello, S., Khaoya, I., & Joseph, T. (2022). Savings group member resilience over the course of the COVID-19 pandemic: Evidence from Nigeria and Uganda. <https://womensgroupevidence.org/sites/default/files/2022-04/CARE-Women-Respond-Brief.pdf>
- 11 Sanyal, P., Namisango, E., Mulyampiti, T., Akinola, A., Iskarpatyoti, B., de Hoop, T., Lakew Yihun, K.L., Khaoya, I., Okello, S., Natukunda, M., & Joseph, T. (2022). How the COVID-19 Pandemic Affected VSLAs and Their Members: Qualitative Evidence from Nigeria and Uganda.

CARE International in Uganda has been working in Uganda since 1969 to support and strengthen livelihoods to reduce the proportion of poverty among women and girls by ensuring they have equitable access to and control over economic resources and opportunities. In Uganda, CARE also works to promote women's economic empowerment in pathways like; food security and nutrition, market inclusion, financial inclusion, entrepreneurship and ensuring that women in saving groups are resilient to climate change shocks and Covid-19.





care®

CARE International in Uganda

Luthuli Avenue - Bugolobi, Plot 78, 5th Floor, Union House, P. O. Box 7280, Kampala - Uganda

Tel: +256312 258 100. www.careuganda.org



This Report was produced with support from the Bill and Melinda Gates Foundation in partnership with Ministry of Gender Labour and Social Development, Uganda Women Entrepreneurship Programme and CARE International in Uganda