



OPENING SPEECH

BY

**THE MINISTER OF GENDER, LABOUR AND SOCIAL
DEVELOPMENT**

AT

THE MEETING OF GROW LOAN BENEFICIARIES

AT

HOTEL AFRICANA, KAMPALA

ON

7TH FEBRUARY 2025





- Minister of state for Labour and Industrial Relations
- World Bank Representatives
- Permanent Secretary MGLSD
- Chief Executive Officer, PSFU
- PSFU Board Members
- MDs of the Participating Financial Institutions (PFIs)
- Members of the Press,
- Staff of GROW project from both PSFU and MGLSD
- GROW Project Focal Persons present
- Women Entrepreneurs
- Distinguished Guests
- Ladies and Gentlemen.

1. I am honoured to stand before you today to celebrate women entrepreneurs who have accessed GROW Loan from the partner commercial banks.
2. First and foremost, I want to commend the commercial banks that have partnered with us to make this project a success. Your commitment to supporting women's economic empowerment is truly commendable.
3. To the women entrepreneurs who have borrowed money under this project, I want to say congratulations! You have taken a bold step towards financial independence, and I am proud of each one of you.
4. The GROW project is a Government of Uganda initiative financed by the World Bank to the tune of US\$217 Million. This project is just one of the many initiatives we have undertaken to empower women economically.





5. Ladies and Gentlemen, during the GROW project design, analytical studies undertaken revealed multiple constraints faced by women entrepreneurs, which include: 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 Project is, therefore, responding to these identified constraints by providing an integrated package of services to enable women entrepreneurs grow their businesses. In this regard, GROW was conceived to benefit women in business (entrepreneurs) mainly the micro and small businesswomen entrepreneurs by providing tailored skilling opportunities, access to affordable financing and productive infrastructure.
6. Uganda's population of about 45 million people comprises 51% women and girls compared to 49% men and boys. However, women are less represented in the economic domain of the country.
7. In the labour market, the labour force participation rate for women is 39% compared to 58% for men; implying that only four in ten working-age women are active in the labour market compared to six in every ten men. Data from UBOS also indicates that unemployment for women is higher at 16.5% compared to that of men (10.4%), with female youth suffering the greatest blunt (20.4%). This implies that sustaining livelihoods is more difficult for women than men.
8. Unfortunately, even the lucky few women who are in employment earn almost half of the earnings of men. The medium annual earnings for females in Uganda stand at UGX 1,680,000 compared to men at UGX 3,000,000.



9. As a stopgap measure to make ends meet, a large number of women have turned into independent workers. Sixty-four percent (64%) of the working women are independent workers majority of whom (56%) operate as own-account workers while only 8% operate businesses and employ other people.
10. In view of the above, Uganda has the highest number of women business ownership in Africa (24-44% of all businesses). However, many of these enterprises are micro and small and most of them do not grow to transition from micro to small or small to medium.
11. It is against this background that the Government, through the Ministry of Gender, Labour and Social Development, approached the World Bank for financing the project dubbed the *Generating Growth Opportunities and Productivity for Women Enterprises (GROW)*.
12. The project arises out of the need to respond to the needs of women entrepreneurs who want to grow their businesses, sustain their self-employment and also create more jobs. The Project Development Objective is *to increase access to services that enhance transition of female owned businesses from micro to small and from small to medium enterprises*. It focuses on empowering women enterprises in high-growth sectors with the potential to create more jobs and lift many people out of poverty.
13. The GROW Project is an accelerator targeting women entrepreneurs whose businesses have a growth potential including beneficiaries of other Government of Uganda economic empowerment initiatives for example



the Parish Development Model (PDM), Uganda Women Entrepreneurship Programme (UWEP), Youth Livelihood Programme (YLP) and EMYOOGA. It is not meant to benefit start-up businesses but targets women entrepreneurs who have existing businesses and require entrepreneurial services that support scaling up of those businesses.

14. It is expected that during the project life, 35,000 micro and 4,000 small women enterprises will have transitioned to small and medium enterprises respectively. The project is expected to create 295,000 direct jobs and 1,180,000 indirect jobs.
15. Ladies and gentlemen, there have been concerns about requirements for collateral for the GROW loan with many leaders calling for scrapping of this requirement. The same concern was discussed by the Cabinet of Uganda on 14th October 2024 and it was resolved that because of the need to create a revolving fund, it is important that borrowers pay back and having collateral is one method of enforcing compliance.
16. There have also been concerns over the range of funding under the GROW loan (UGX 4-200 million) where some women entrepreneurs and leaders have been proposing that we lower the minimum loan amount to at least UGX 2 million. This too was discussed in Cabinet, and it was resolved that since GROW is an accelerator program, it should continue targeting those women who have businesses that need more funding than what is available in other women economic empowerment schemes of Government of Uganda. This will avoid duplication and maintain clarity on the scope of GROW project as per the design. Therefore, the minimum amount a woman entrepreneur can borrow under GROW Loan shall remain UGX 4 million.



17. Relatedly, there have also been concerns of funds running out of the 06 commercial banks. I want to inform you that the initial contracts we signed were for UGX 98.8 billion out of a total allocation of UGX 260 billion. We therefore still have funds to lend out under the Project. The agreements we signed with the 6 commercial Banks (Centenary Bank, Finance Trust Bank, Equity Bank, DFCU Bank, Post Bank and Stanbic Bank) require that an independent firm verifies and confirms that funds were lent out to eligible beneficiaries before replenishment. This has un-intendedly resulted into delays to replenish the Banks—but it remains a good safety net that helps us confirm that loans are going to the target beneficiaries.

18. I would also like to bring to your attention the Cabinet resolution of having equal allocation of the GROW loan apportionments across the 19 sub-regions of Uganda. MGLSD together with PSFU are engaging the World Bank to agree on the mechanisms for implementation of this directive.

19. Ladies and gentlemen, please note that the GROW project is a demand driven project! Now that you have accessed credit, I call upon each one of you to seek other products and services essential for your business' growth and transition.

20. The project contracted Uganda Women Entrepreneurs Association Limited (UWEAL) to facilitate the establishment and build the capacity of women entrepreneurs platforms in Central, Eastern and Western Uganda. We are in the final stages of contracting NUWEBIZ to offer the same services in Northern Uganda.



21. Working with Makerere University Business School we have developed a curriculum for a core course on entrepreneurship. The curriculum has been translated into major languages spoken in Uganda and by refugees. Further to this, we are in the final stages of contracting training firms that will cascade the entrepreneurship training to all women entrepreneurs across the country.
22. In addition, we have vetted host institutions that will train women entrepreneurs and their employees who wish to acquire on-the-job work placement skills across the country. We hope that the host institutions will be announced by March 2025.
23. The project has finalized design of infrastructure and business competition grants that will soon be officially announced to the public. The grants will target key sectors of the economy including manufacturing, value addition, the creatives sector, science and technology and services.
24. Following successful business development services training in refugee hosting districts, we are reviewing the package before we spread out non refugee hosting districts/cities across the country. We hope that from today's meeting, we shall secure additional information on your business needs to better the project design and implementation strategy.
25. As I conclude, I call upon all women entrepreneurs that have borrowed GROW Loan to pay back diligently. This means that more women entrepreneurs will access GROW Loan and above all, you will have a good credit history and it will also enable you earn the bonus when you are mid-way your loan repayment period as shall be explained to you in the presentation.



26. I want to encourage the women entrepreneurs who are here today to continue working hard and to never give up on your dreams. You are role models to many women and girls, and I have no doubt that you will inspire them to follow your footsteps.

27. Once again, I want to congratulate you on your achievements, and I look forward to seeing a lasting impact that you will make in your communities, families and at personal level.

FOR GOD AND MY COUNTRY

