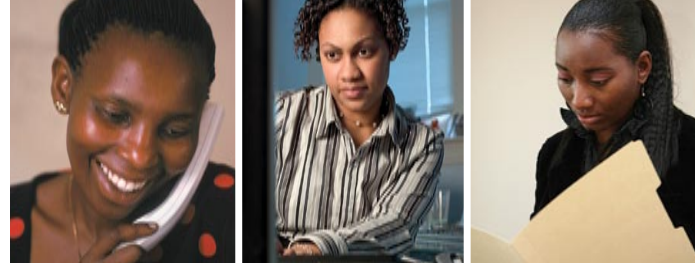


Creating Opportunities...for Women

CLIENT CASE STUDY

January 2008



Banking on Women in Business: dfcu Group, Uganda

"Through our Women in Business program we have discovered a market with pent-up demand and great potential." — Moses Kibirige, Executive Director, dfcu Ltd.

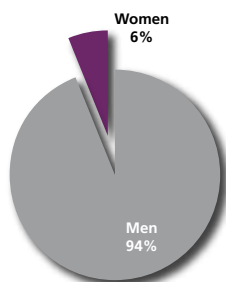
A Growing Opportunity

Ugandan women own about 39 percent of businesses with registered premises, yet they receive only nine percent of commercial credit. These numbers reveal a familiar story about women's lack of access to finance. They also point to a compelling opportunity for Ugandan banks: to expand their SME lending portfolios while becoming innovative leaders in critical private sector development.

Tapping the Market with Help from IFC

The commercial bank dfcu Group is doing just that. Its new Women in Business Program extends lending to women entrepreneurs, supported by a \$6 million credit line from IFC, of which at least \$2 million is dedicated to the women's program. IFC is also supporting the program with advisory services by experts in the women's market, including training for women entrepreneurs.

In Uganda, as elsewhere in the region, a major barrier facing businesswomen is their limited ownership of land, which is traditionally required as loan collateral. This can dissuade even the savviest women from applying for loans, leading to a chronic lack of experience in dealing with banks. Compounding the problem, women have little access to financial management training to help them successfully plan and manage growth.



Land registration received by district land management offices, 2000.

Source: Government of Uganda (2003)

The new program addresses these issues, such as through emphasizing equipment lease financing instead



Women entrepreneurs learn about financial planning as part of dfcu's Women in Business program. Training provided by IFC.

of traditional loans. IFC-provided training covers banking requirements and processes, as well as financial literacy, business networking, and mentoring for businesswomen. dfcu employees have also received training on customer care and gender awareness.

"Partnering with IFC has enabled us to break new ground in the women's market. Combining best practices in access to finance with professional training, we expect to increase women entrepreneurs' contribution to Uganda's economy. That means good business for everyone," says Moses Kibirige, the executive director of dfcu.

Outcome

The entire IFC credit line dedicated to women was disbursed by dfcu within three months of the program launch in February 2007.



- \$2.3 million in local currency loans disbursed.
- 170 new bank accounts opened.
- 30 women entrepreneurs trained thus far.
- Evaluation underway to determine how to reach applicants who did not initially qualify.

Financing at Last: SME Focus



Julian N. Adyeri Omalla supplies juice, processed food and cereals in Uganda and other countries, including for the World Food Program in Sudan.

Julian N. Adyeri Omalla is the founder of Delight Uganda Limited, a firm that started small but today employs more than 400 people. Julian started with juice production and gradually expanded her company to supply a range of food and cereals, relying on farming partnerships with rural women. With an annual turnover of nearly \$4 million, some call Julian a tycoon. Yet she knows what it is like to be refused by a bank.

Prior to her relationship with dfcu, Julian experienced many difficulties accessing finance to grow her business. She did not know how to successfully apply for loans, and was not keeping records in the manner that formal commercial banks require. At the same time, her business was too large to qualify for less formal microfinance.

Business training through IFC's program support has helped Julian obtain new financing and structure a plan for continued expansion. "The training has made all the difference to my confidence and ability to manage my loan and business. I am now employing 100 more people since getting a dfcu Women in Business loan," said Julian.

Dfcu Group is a member of the Global Banking Alliance for Women. It is a private limited company offering long-term project finance, leasing, mortgages, and a full range of commercial banking services in Uganda. For more information go to www.dfcugroup.com.



IFC, the private sector arm of the World Bank Group, is the largest multilateral provider of financing for private enterprise in developing countries. For more information on IFC's support for access to finance for women entrepreneurs, visit www.ifc.org/gender.

Notes

Ellis, Amanda, Mark Blackden, and Clare Manuel. 2005. *Gender and Economic Growth in Uganda; Unleashing the Power of Women*. Directions in Development Series. World Bank, Washington, D.C.

Government of Uganda. 2003. "Information Paper on Changes in Poverty in Uganda 1999/2000-2002/03." Paper submitted to the Ministry of Finance, Planning and Economic Development, October, Kampala.