

IMPACT STORY:

Unlocking Credit Access to Spur Local Economic Opportunities for Youth

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The West Nile region of Northern Uganda is a vibrant business hub primarily due benefits of increased cross-border trade – it borders the intersection of three countries – Uganda, South Sudan, and the Democratic Republic of Congo (DRC). However, despite its strategic position, its people struggle to access capital to tap into trade opportunities. For example, Vincent Amasiku, a school dropout from the region’s Arua district, couldn’t find the means to scale up his business. At age 20, he had procured a grinding mill that earned him Ushs15,000 daily.

Soon, with increased demand for his service, Vincent was pushed to scale by adding additional milling equipment. But, in the way of his ambition were barriers such as lack of capital and limited financial literacy skills. Also, local financial institutions lend at over 10 per cent interest, which is high, and Vincent soon found himself contemplating acquiring additional capital.

In 2021 aBi Finance Limited partnered with Nile Microfinance Limited, an Arua-based enterprise that offers agribusiness loans, to expand its microfinance infrastructure, and enhance its support to Small and Medium Enterprises (SMEs) in the region that find it difficult to access financing from larger institutions such as banks. Nile Microfinance supports over 10,000 of the unbankable SMEs in West Nile. That year, Vincent was linked to Nile Microfinance, from which he received financial literacy training in bookkeeping and how to run a business. He also acquired a



cheap business loan at only 2.5 per cent interest. This assistance marked a turn in his fortunes.

“In October 2021, I employed six youths to operate the [milling] machines daily.”

Vincent mastered his milling business, expanded it with five machines, and hired more labour for support. To boost his income, he diversified his business to include new revenue streams; for example, he began machine rentals at Ushs90,000 daily and repairs at Ushs5,000-10,000. Vincent hopes that the complete opening of schools following the COVID-19 lockdown will increase demand for his services. He also used proceeds from the milling business to open a salon that adds Ushs60,000 daily to his income and acquired a plot of land.

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Agricultural Business Initiative | Umoja House, 2nd Floor-Nakasero Road | P.O Box 29851 | Kampala, Uganda | www.abi.co.ug

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