

PROJECT COMPONENTS

- COMPONENT 1**
Support for Women empowerment and enterprise development services
\$42 Million
- COMPONENT 2**
Access to finance for women entrepreneurs
\$90 Million
- COMPONENT 3**
Enabling infrastructure and facilities for women enterprise growth and transition
\$70 Million
- COMPONENT 4**
Program management, policy innovation, and evidence generation
\$15 Million



THE GROW FINANCING FACILITY (GFF) UNDER PSFU

GROW Project is a government of Uganda five-years project financed by International Development Agency (IDA) under a grant financing arrangement of USD 217million. **The Project Development Objective (PDO)** is to increase access to entrepreneurial services that enable female entrepreneurs to grow their enterprises in targeted locations, including refugees host districts.

For more details, please contact:

Private Sector Foundation Uganda (PSFU)
Plot 43, Nakasero Road
P.O. Box 7683, Kampala
Tel: +256-312-263850
Email: grow@psfu.org.ug | www.psfuganda.org

Ministry of Gender, Labour & Social Development
P.O.Box 7136, Kampala - Uganda
Tel +256 (0) 414 347 854
+256 (0) 414343572
+256 (0) 414256374
Email: ps@mglsd.go.ug



IMPLEMENTING AGENCIES

The implementing agencies are Ministry of Gender, Labor and Social Development (MGLSD) and Private Sector Foundation Uganda (PSFU) who will collaborate with the following entities among others:



Eligible Grants and Loans

The loans and performance grants that are eligible for consideration under the grant scheme will be on the basis of loan amounts made in the range of UGX 4 Million to UGX 200 Million. Other terms include:

- A maximum tenor of 24 months.
- The financing has to be for new loans only (not refinancing)
- Loans have to be for individual borrowers (individual Women Entrepreneurs) or companies in which women have at least 51% shares but NOT informal women groups.
- The borrower must be a woman or a woman owned company in which women have at least 51% shares



GFF Financing Windows

Window 1

Financial Institutions Portfolio Expansion

This shall support selected Financial Institutions (FIs) to increase access to finance to the project's target beneficiaries. The participating FIs will present their portfolio expansion targets over a two-year period (2024 and 2025) alongside a GROW loan product that the individual FI will develop and roll out. Based on both the portfolio expansion targets and the specific characteristics of the GROW loan product, PSFU will establish a portfolio grant percentage for each of the selected PFIs and on a quarterly basis the PFI will receive a portfolio grant proportional to the principal of new eligible loans that they make during the quarter.

This window will increase access to financing by incentivizing participating financial institutions (PFIs) to develop and roll-out, on a sustainable basis, a financing product(s) with specific characteristics tailored to the GROW project beneficiaries.

Window 2

Entrepreneur Performance Grants

The scheme will enable women entrepreneurs to access credit from participating financial institutions and establish a credit relationship. Initially the grants will support financing provided by the PFIs using their own funds. The grants will also support financing provided through the Line of Credit. The beneficiaries will get the grant indirectly through a reduction in the interest amount they have to repay the PFI, rather than as a direct cash grant.

The scheme will increase access to financing in several ways:

- Reducing the effective interest rate for borrowers who are able to repay on time.
- Incentivizing beneficiaries to repay on time and in full, thus enabling them to establish a good credit history;
- Enabling beneficiaries to transition from informal financing to formal sources of finance.

Window 3

Line of Credit

This will form one part of an integrated financing facility alongside the innovation grant scheme, both of which have the overall objective of addressing the supply-side constraints that financial institutions face in meeting the credit needs of female entrepreneurs.

Under the Line of Credit, PFIs will access funds for on-lending from PSFU and provide loans to women entrepreneurs at substantially reduced rates, to facilitate the increased uptake of credit.

Window 4

Innovation Grant Scheme

This support will go to participating financial Institutions to improve loan products and credit processes for women entrepreneurs. It will be financed as part of the Entrepreneur Performance Grant and Line of Credit windows. FIs will submit proposals explaining their needs for support and due diligence will be conducted on these needs. The areas of support shall include but not be limited to;

- Strengthening risk assessment and management for women products**
- Improved data systems for loan generation, compliance, monitoring and reporting.**
- Development and usage of digital tools, tech-enabled tools or mobile loan application tools and mobile money solutions.**

THE GROW FINANCING FACILITY (GFF)

The term GROW Financing Facility (GFF) refers to Components 2B and 2C which are being implemented by PSFU. The financing facility will work through participating financial institutions (PFIs) to provide support to women enterprises.

GFF targets three categories of direct beneficiaries

New micro-enterprises i.e. women who have enterprises but have outgrown most micro-credit and livelihood programs.

Micro-growth i.e. women-owned micro-enterprises with the potential to transition from micro to small.

Small growth i.e. women-owned micro-enterprises with the potential to transition from small to medium.

