

GENERATING GROWTH OPPORTUNITIES AND PRODUCTIVITY FOR WOMEN ENTERPRISES (GROW) PROJECT

**WOMEN IN BUSINESS (WIB)
FACILITY AND GROW FINANCING
FACILITY (GFF)
UNDER PSFU**



INTRODUCTION

i)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.

ii)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:

a	Office of the Prime Minister
b	Ministry of Finance Planning and Economic Development
c	United Nations High Commission for Refugees (UNHCR)
d	Ministry of Local Government including local governments
e	Ministry of Tourism, Trade and Industry
f	Makerere University Business School

iii)Implementation in Refugee Host Districts: GROW project implementation in Refugee Host Districts will to the extent possible, be aligned with existing service delivery mechanisms being used by other projects and development partners.

iv) Project Components

Component	Amount Allocated in USD	Implementer
Component 1: Support for Women empowerment and enterprise development services		
Subcomponent 1A: Supporting creation and strengthening of women platforms, community mobilization, and mindset change.	5 Million	MGLSD
Subcomponent 1B: Support for core business development for micro and small enterprises	14 Million	MGLSD
Subcomponent 1C: Support for trade/sector specific skills.	15 Million	PSFU
Subcomponent 1D: Women entrepreneurship work placement program	8 Million	MGLSD
Component 2: Access to finance for women entrepreneurs		
Subcomponent 2A: Grant support for micro enterprises through business competition.	20 Million	MGLSD
Sub-component 2B: Facilitating access to credit for enterprise growth.	35 Million	PSFU
Subcomponent 2C: Sustainable loan products and processes for women entrepreneurs.	35 Million	PSFU
Component 3: Enabling infrastructure and facilities for women enterprise growth and transition		
Subcomponent 3A: multi-purpose service and production facilities to boost women enterprise productivity.	USD 38 Million	MGLSD
Sub-component 3B: Enabling access to gender-inclusive workplace infrastructure.	USD 32 Million	MGLSD
Component 4: Program management, policy innovation, and evidence generation		
Subcomponent 4A: Project management support for high-quality implementation.	USD 15 Million	MGLSD
Subcomponent 4B: Policy innovation and evidence generation.	To be determined	MGLSD
Total	USD 217 Million	



1 THE WOMEN IN BUSINESS (WIB) FACILITY

i) Purpose: The WiB Facility is the Subcomponent 1C of the GROW project that supports advanced, sector-specific training/skilling and business Development Services. The sector specific trainings are part of the continuum of enterprise development services provided to women enterprises that have growth potential and want to move to the next stage. The subcomponent supports women who have existing enterprises and may or may not necessarily need the core course and would benefit from trade/sector-specific training that allows for value-addition and expansion of their enterprise. In addition, the subcomponent finances business development services to women-owned micro and small enterprises with the potential to further grow and increase productivity.

ii. Eligible Beneficiaries of the WiB Training and Business Development Services Facility: Include:

- Self-employed women/women entrepreneurs.
- Full-time employees of women-owned businesses.
- Members of association and cooperatives with majority of female members.
- Female apprentices employed by women-owned enterprises.
- Beneficiaries of subcomponent 1B with potential to grow their businesses and transit from micro to small and small to medium enterprise.
- Beneficiaries from other government programmes such as Myooga and Parish Development Model (PDM) wishing to transit from micro to small and small to medium enterprises.
- Female refugee entrepreneurs.
- Male employees working for a female entrepreneur.
- For cases of shared businesses between a woman and man the woman should have at least 51% of shares in the enterprise.

iii) Areas of Sector-Specific Training/Skilling: The training packages will take a value chain development approach. Skilling will include but not limited to:

- Agro-processing
- Post-harvest handling
- Technological skills
- Textile related skills and technologies
- Construction fields
- Manufacturing fields
- Business digitalization
- Tourism and hospitality
- Oil and gas fields

The training will include an introduction to management of sector related environmental, social health and safety (ESHS) risks and impacts.

iv) Provision of BDS to Women Entrepreneurs (WEs): WiB Facility beneficiaries will be provided with Business Development Services for business expansion and growth. Eligible activities for support include but are not limited to:

- Processes that lead to product and standards certification for local and international markets (e.g., getting UNBS Q-mark, ISO etc.). The process leading to product certification and actual fees will be financed by the project,
- Innovations and development of new business products, (The project supports processes and costs related to product research, consultancies and product development),
- Consultancy services and activities leading to development and actualization of marketing plans of female owned enterprises,
- Activities leading to business digitalization and development of information Management systems,
- Activities leading development of business branding plans and actualization,
- Provision of short-term business mentorship and development of business networks,
- Provision of coaching services that lead to value addition and further expansion of the enterprise development,
- Participation in marketing activities both nationally and internationally, like trade fairs and business conferences and other business fora,
- Business linkages with industrial processors, value chain development and product(s) aggregation.
- Support for market penetration, both local and international markets (Business promotions, and business negotiations fora etc.)
- Costs for Formalization of businesses (Business registration, tax guidance, initial consultancy services about business formalization, etc.)

BDS will include supporting Women Entrepreneurs to comply with ESHS requirements as per national policies and laws

v) Exclusion: The GROW project Environmental and Social Commitment Plan (ESCP) which is part of the project legal agreement between Government of Uganda and World Bank, has listed several activities which will not be eligible for funding or any other support. The listed activities contravene national laws, policies and international conventions or are likely to result in irreversible environmental, social, health and safety impacts that cannot be easily mitigated. Here below is the exclusion list:



- Any activities resulting or anticipated to result in physical or economic displacement.
- Any activities that have significant or irreversible impacts on cultural heritage (ESS 8)
- Production or trade in any illegal product or activity
- Production or trade in weapons or ammunitions
- Gambling, casinos and equivalent enterprises.
- Trade in wildlife or wildlife products regulated under Convention on International Trade in Endangered Species (CITES)
- Production or trade in radioactive materials (this does not apply to the purchase of medical equipment, quality control (measurement) equipment)
- Production or trade in or use of unbounded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
- Drift net fishing in the marine environment using nets in excess of 2.5 km in length.
- Purchase of logging equipment for use in cutting forests.
- Production or trade in wood or other forestry products other than from sustainably managed forests.
- Commercial logging operations in primary tropical moist forests
- Production or trade in pharmaceuticals subject to international phase outs or bans.
- Production or trade in pesticides/herbicides subject to international phase outs or bans such as potential Ozone Depleting Substances [ODSs] that have been burned in Uganda
- Fishing in the marine environment using electric shocks and explosive materials.

- Any activities that would curtail workers' fundamental rights (. (i) freedom of association and the effective recognition of the right to collective bargaining; (ii) all forms of forced or compulsory labor; (iii) engaging workers in hazardous construction activities without appropriate OHS measures as per national laws and ESF/ESSs, and hiring persons under 18; (iv) discrimination/exclusion of workers based on race, color, sex, religion, political opinion, national extraction, or social origin.
- Production or trade in products containing Polychlorinated biphenyls (PCBs).
- Production or trade in ozone depleting substances subject to international phase out.
- Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals (includes gasoline, kerosene, and other petroleum products).
- Production or storage or packaging of inflammable material in large scale commercial quantities.
- Production or trade or use or storage of dyeing chemicals and dye intermediaries in large scale commercial quantities.
- Production or activities that impinge on the lands owned, or claimed under adjudication, by Vulnerable and Marginalized Groups, without full documented consent of such peoples.

vi) Government Institutions to Provide Tailored BDS: PSFU will have a direct partnership with specific government institutions that will provide tailored BDS support to women entrepreneurs.

The institutions include:

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|----|---|
| a) | Uganda National Bureau of Standards (UNBS); |
| b) | Uganda Industrial Research Institute (UIRI); |
| c) | Uganda Registration Services Bureau (URSB) |
| d) | Directorate of Industrial Training (DIT); and |
| e) | Presidential Skilling Centers/Hubs. |
| f) | Uganda Export Promotion Board (UEPB) |



vii) Justified Trainings and BDS Not Available in Uganda or With Selected Trainers and Service Providers: In

situations where the required expertise is not available in Uganda, the expertise may be sourced from another country or the training may take place outside the country. PSFU will enter into MoUs with these and other relevant institutions. In rare and unique cases that the requested service can not be provided by any of the prequalified service provider, then another service provider can be sought in collaboration with the female entrepreneur applicant. This kind of service provider will have to be approved by the Awards Committee.

viii) Implementation Procedure: The following steps are being followed:

Identification of Trade and Sector Specific Skills:

a. The training needs and content were identified through a Training and BDS Needs Assessment, conducted in.

Selection of a Pool of Trainers and BDS Providers:

b. PSFU through a competitive process, will identify a pool of trainers and BDS providers that will be contracted to deliver the required skills training and BDS to the beneficiaries. Each of the prequalified Training and BDS provider will clearly indicate the sector specific training and BDS services they offer in line with GROW project requirements. The evaluation and due diligence will assess the training curriculum/modules and the training facilities for delivering the curriculum. Compliance with relevant ESHS standards as required by national policies and laws will also be ascertained. This includes obtaining the necessary permits and licenses from relevant MDAs, especially if the training facility is also a production site.

Orientation of prequalified trainers and BDS providers:

c. Following the selection process, successful applicants will be oriented on pertinent issues for successful execution of training and BDS support. This will include GROW project ESHS requirements, safeguards, technical and financial reporting among other aspects. The Orientation will be done by PSFU before the signing of MOUs with PSFU and receiving applications from training beneficiaries. MOUs with Selected Trainers and BDS Providers: After orientation, successful Trainers and BDS Service Providers will sign MoU with PSFU to deliver the beneficiaries required training and Business development support.

d. **Application by Potential Beneficiaries:** Through an advertisement in newspapers with a wide national coverage and PSFU website, a call for eligible women entrepreneurs to submit applications will be made. Applicants will apply directly to prequalified trainers and BDS providers based on specified packages offered. Applications will include an ESHS screening of business activities and the measures being implemented or planned to be implemented to manage ESHS risks and impacts if any are identified. A simplified ESHS risk and impact screening tool will be provided by PSFU.

e. **Screening of Applications:** Prequalified trainers and BDS providers will conduct a screening of applications. This will include ensuring that the applicant is not engaged in activities on the exclusion list. For eligible activities, it will also include confirming that the ESHS risk and impact screening has been done and measures that are proportionate and appropriate to the level of ESHS risk and impact are being or will be implemented. The screening will, to the extent possible, be inclusive of eligible WEs from vulnerable and marginalized groups (VMG) including PWD, PLHIV, the elderly and youth. Prequalified trainers and BDS providers in areas where the IK, TEPETH, BENET and BATWA live will also demonstrate efforts to include eligible WEs from these VMGs in the training through the screening process.

f. **Submission of list to PSFU:** Prequalified trainers and BDS providers will compile a list of screened and proposed trainees/beneficiaries and submit it to PSFU together with the training/BDS concept for approval. The list of beneficiaries will, to the extent possible be inclusive of VMGs as mentioned in (f) above.

g. Due Diligence and Approval of Beneficiary Lists:

Due diligence of training beneficiaries and training facilities will be undertaken by PSFU. This will include ensuring the trainers and BDS providers have, where required, obtained the necessary permits and licenses issued by MDAs such as NEMA and MGLSD. After due diligences, the final list of proposed beneficiaries and concept will be approved by the PSFU Chief Executive Officer (CEO) or GROW Project Awards Committee.

ix. Conducting Training and Provision of BDS to Beneficiaries:

Approval by PSFU CEO or Awards Committee will be followed by execution of technical training conducted by prequalified training providers. Demand driven BDS will also be provided by the prequalified BDS providers. The training and BDS will comply with the following ESHS and safeguarding requirements among others:

•**Permits and Licenses:** The permits and licenses are issued by MDAs such as NEMA and MGLSD. Refer to viii) h) above.

•**Flexible Training Programme:** The training programme should take into account other roles of trainees, especially domestic chores of female trainees.

•**Code of Conduct (CoC):** To be signed by all trainers and trainees and will include clauses on prevention of vices such as sexual harassment and stigma and discrimination of anyone including PLHIV and PWD.

•**Security:** This includes ensuring trainees are safe and females are particularly protected from sexual violence especially at night.

•**Public Health:** Prevention of and response to public health challenges such as EBOLA and COVID-19. This includes access to condoms.

•Separate bathrooms/toilets for females and males

•Room for female trainees who are breastfeeding

•Accessible training venue and other facilities for PWDs

•**Disclosure:** The planned gathering of trainees, trainers and service providers and the associated risks, the risk management measures must be disclosed to the community in the vicinity of the training venue by the trainer. Disclosure also includes where grievances related to the skilling/training may be reported and how the grievances will be resolved. The Trainer of BDS provider will be required to use one their management structures or offices to be the point of first instance for receiving and resolving grievances related to their actions and inactions if this is consistent with the law. The orientation of trainers and BDS providers by PSFU will include stakeholder engagement, disclosure and grievance management.

X. Synergies with other GROW Project Components and Subcomponents:

There will be direct and indirect linkages between WiB and other GROW Project sub components. Beneficiaries of WiB will be able to access other GROW project services depending on their needs and the criteria for accessing the different services as spelt in the GROW project Operations Manual.

xi. Monitoring and Reporting:

First level monitoring and reporting about the participants, training and learning outcomes will be done by the Trainers and BDS Service providers. The service providers will submit quarterly and end of activity reports to PSFU using a format and based on indicators provided by PSFU. PSFU will conduct scheduled monthly on-site monitoring of the training and BDS activities. In addition PSFU will undertake assessment of sampled trainees to document the effectiveness of the training, and impact of the training on their enterprises. As part of the selection and approval process, the training providers will profile the applicants, undertake field visits to assess and report on the effect of the training on the enterprises, compliance and reporting on the social safeguards as well as the serious/severe incidents / and accidents that may occur during training or BDS support. Such incidents and accidents shall immediately be reported by the Trainers and BDS Service providers responsible officer to PSFU Project Coordinator within 24 hours. The PSFU Project Coordinator, upon receipt of the report shall report the incidents/accidents to the World Bank GROW Project TTL within 48 hours. GBV incidents such as sexual violence which may occur shall be handled within the MGLSD GBV Referral pathway for accessing the minimum package of services. Such incidents shall strictly be handled in a manner that is consistent with principles of the survivor-centred approach (SCA) which include confidentiality and survivor self-determination of the course of action. The District Probation and Welfare Officer shall immediately be notified in cases of GBV and other incidents including sexual exploitation and abuse (SEA) against children. The orientation to be provided by PSFU to trainers and BDS service providers will include monitoring and reporting including the SCA for managing and reporting GBV incidents.

2 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. The facility will comprise 4 (four) financing windows and these are:

Window 1	Financial Institution Portfolio Expansion	Window 2	Beneficiary Performance Grants
Window 3	A Line of Credit (LoC)	Window 4	An Innovation Grant Scheme

ii)GFF Beneficiaries

GFF targets three categories of direct beneficiaries

Level 1	New micro-enterprises i.e. women who have enterprises but have outgrown most micro-credit and livelihood programs.
Level 2	Micro-growth i.e. women-owned micro-enterprises with the potential to transition from micro to small.
Level 3	Small growth i.e. women-owned micro-enterprises with the potential to transition from small to medium.

2.GFF FINANCING WINDOWS

i. 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.

iii. 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.

iii)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

ii. 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.

iv. 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.

3. OTHER GFF CONSIDERATIONS

v. Ineligible Activities:

The exclusion list under the Women in Business (WiB) Training and Business Development Services Facility applies to the GFF.

vii. PFI Selection:

The GFF will be implemented through selected Participating Financial Institutions (PFIs) that shall include commercial banks, microfinance institutions (MFIs) and Savings and Credit Cooperatives (SACCOs).

viii. Environmental, Social, Health & Safety (ESHS) Screening of Potential GFF Beneficiaries

All GFF potential beneficiaries will be notified by the PFIs of the GFF ESHS requirements. This includes the need to carry out ESHS screening of their sub-projects or activities. This is to ensure compliance with the ESCP exclusion list.

The screening will also ensure that ESHS risk and impact measures that are appropriate and proportionate to the level of ESHS risk and impact are put in place by sub-projects/activities and are monitored by the PFIs. PFIs will review the screening at the time of considering the women entrepreneurs for the grant. PSFU will provide to PFIs, the ESHS screening tool to be used by potential GFF beneficiaries.

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