



## Women's Center for Job Creation

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**FROM: Charity Nduhura (APM)**

**TO: Dorothy M. Tuma (Director), Board Members**

**DATE: 3rd July 2017**

**SUBJECT: June 2017, Report**



### **1.0 Achievements**

#### **1.1 2<sup>nd</sup> Quarterly Workshop for Women in Business**

The Workshop for WCFJC WiB was held on Wednesday 28<sup>th</sup> June 2017 at St. Nicholas Primary School, Jinja. The main objective of the workshop was to train and equip WiB participants with basic knowledge and skills in savings and operations of credit groups. The workshop was facilitated by Mrs. Harriet Nsubuga and attended by 20 WiB participants.



## 1. Introduction to saving



### a) What is saving?

The facilitator defined saving as putting aside money consistently, to be used for future needs or to achieve a dream. She further added that "saving is putting aside immediate pleasure for future gratification."



### **b) Why save money?**

The trainer after getting views from participants discussed that saving is a way of preparing for emergencies like sickness and death. Saving is a means of keeping surplus money from shopping, keeping money from business or income generating activities like tailoring, catering, teaching, farming among others for future expansion or new investments.

### **c) Advantages of saving money**

The trainer noted that, while it might be painful to save some money because one loses the chances of using it immediately; it is advantageous to the person saving in the following ways:

- To be able to gather enough money for investment or business expansion, be able to repay loans, achieve big goals like build a house, pay school fees, buy a car, have money for emergencies like death, accidents, sickness to mention but a few.



**Jennifer giving a testimony on how she built a house from savings**

### **d) Disadvantages of saving**

Although saving is good to a larger extent, it leads to loss of opportunity to buy something in order to save for the future. Immediate gratification is put aside to achieve pleasure in future.



### 2. Savings and credit groups

These are the groups of people who come together with a common interest of saving money for future benefit. These groups have an element of lending money to participants at agreed upon terms and conditions.

#### a) Advantages/Benefits of membership to Savings and Credit groups

The advantages/ benefits of Credit groups discussed included among others:

- To be able to save more money as a group than saving alone.
- Accountability to other members.
- Builds one's savings due to restricted withdrawal.
- To be able to access credit whenever needed from the credit group.
- Groups act as security and provide a guarantee that enables members to get loans from organizations like WCFJC.
- Members may support each other by lending each other money to pay off a big loan or waive off a loan in case of a genuine problem.



Jemimah giving her opinion about group saving



### **b) Disadvantages / Challenges of membership to Savings and Credit groups**

Savings and Credit groups have a lot of benefits as discussed however they also have challenges. Some of the challenges highlighted include:

- Loss of independent decision making on the savings, since collective decision making is common in savings and credit groups.
- Some members do not pay back loans on time or delay in paying back thus affecting the cash flow of the group and destroying the trust built by members.
- Might not be able to borrow all the money desired because other members want to borrow as well.
- Might not get the loan on time due to the bureaucracy involved in the approval process.

### **c) Methods of preventing fraud in Savings and Credit groups**

In order to avoid disappointments due to fraud, participants identified the following strategies:

- Members should know each other well, even before joining the group. Particulars of members should be shared with the group, including residential address and the names and contact information of the next of kin.
- There should be group training to build a culture of integrity and proper loan utilization.
- The group needs to conduct due diligence before the loan is given out to each member.
- There is need for proper financial records and consistent supervision of all members' businesses.
- The group should minimize losses by lending small amounts of money as the groups learn more and build trust in the members.



### 3. Role plays of saving money as an individual versus saving it together in savings and credit groups



Role play on group saving



Role play on individual saving

The demonstrations were followed by a discussion about observations from saving as an individual in comparison with saving in groups. Some of the observations included:





Harriet training participants on types of savings and credit groups

The types included:

### **i) Revolving fund/Circles**

These are practiced in rural and urban centers by small scale business owners like saloonoperators and market vendors. The amount of money saved is determined by the members. Amounts range from UGX 5,000 to UGX 50,000 per week. The money saved at each sitting is all given to one member. The group may have three to ten members.

### **ii) Savings and Credit Cooperative Organizations (SACCOs)**

ASACCO is like a mini bank where the members save a minimum of UGX 5,000 or more per week depending on the years of existence and agreed upon amount in the Annual General Meeting (AGM). Cooperatives are required to have a minimum of 30 members.

### **iii) Village Savings and Loan Associations (VSLAs)**

VSLAs are found in villages all over the country. The members meet weekly to contribute money towards their savings. Members may borrow from the savings to meet their financial needs. A group has 15 to 30 members. The members agree on the amount to contribute and it ranges between UGX 500 to UGX 10,000, per member, per week.





### iv) Table Banking

This is a common method in Kenya among rural and urban women groups. Members meet once a month, place their savings, loan repayments and other contributions on a table, then borrow immediately either as long term or short term loans. A group is comprised of 15 or more members. Members borrow small loans of KShs. 5,000 (UGX 170,000) or large loans of up to KSh500,000 (UGX 17,000,000) depending on available saving and member needs.



Harriet explaining how table banking is done

### v) Investment Club

Investment club members do not necessarily come from the same village, but have something in common that brings them together. Members save money, then collectively invest it into some lucrative business like tree planting, rental houses, transportation cars or land purchase among others. There is no specific number of members, but the numbers reported have been ten and above. Members only save for investment and do not borrow the funds saved. Group savings per month range between UGX 50,000 to UGX 200,000.

### vi) Munomukabi burial groups

These groups are common in Ugandan villages. Members collect money (typically UGX 2,000 per person in case of death) to help with the welfare of its members. Members also contribute food, firewood and help with food preparation, and with digging the grave when a



member passes away. There is no limit on the number of members, however members come from the same village.

The training was educative and challenging. The trainer demonstrated full knowledge in saving as a subject. She encouraged participants to save and increase their savings to meet future goals.



Participants who attended the training

### **1.2 Registration of WCFJC at the Sub-counties**

WCFJC has been successfully registered in four (4) of the six (6) sub-counties where it operates namely: Butagaya, Budondo, Bugembe and Walukuba. The registration exercise in the remaining two (2) sub-counties of Mpumudde and Mafubira is on-going. WCFJC is able to legally carry out its operations in the above sub-counties without restriction. Registration at the sub-county level is a statutory requirement under the new NGO Act.

### **1.3 Phase VII Loan Repayments**

The WiB program participants who received in-kind loans on 19<sup>th</sup> April 2017 are paying back as required. However most of the participants receive constant reminders to deliver the repayments at WCFJC Office. Hopefully by the end of the phase all participants will have paid back their loans



Participants are still trying to adapt to the saving culture. With continued training in saving WCFJC believes participants will be encouraged to save more and use their savings productively. The total savings at the end of June 2017 totaled to UGX 528,000 (see Appendix II for loan repayments and saving details).

### **2.0 Challenges and Proposed Solutions**

#### **2.1 Uncooperative Community Development Officers (CDOs)**

In the process of registration at the sub-counties, WCFJC encountered uncooperative CDOs who delayed the process, resulting in unplanned transport costs. The Mpumudde Sub-county CDO is one of the CDOs who are never in their offices. It is difficult to schedule a meeting with her. The Mafubira Sub-county CDO is on maternity leave and the Sub-county Chief sitting in for her could not be reached due to on-going investigations in Jinja District by the Land Commission. The two CDO Offices were visited four times, unsuccessfully. We hope to meet the two CDOs in the coming month (July 2017) to finalize registration.

#### **3.0 Upcoming Activities for July 2017**

- i. Follow-up/monitoring visits of WiB programme participants.
- ii. WCFJC Registration in the remaining sub-counties and at the Jinja District level.
- iii. Recovery of WCFJC Phase VII WiB loans.
- iv. Follow-up concerning Jinja Municipal Council's demand that WCFJC obtain a trading license.

#### **Appendix I: Summary of Financial Requirements for July 2017**

<b>Item</b>	<b>Cost (UGX)</b>
Office Petty Cash (June)	20,000
APM Lunch (June)	100,000
Toner (Bought by Kampala Office)	280,000
Office Rent (July, August & September))	1,320,000
<b>Total</b>	<b>1,720,000</b>



**Appendix II: Women in Business Phase VII Loan Repayments and Savings as of 30th June 2017**

LOAN DISBURSMENT DATE	REPORTING MONTH	LOAN PHASE	LOAN PORTFOLIO UGX	ACTUAL LOAN AMOUNT RECOVERED, 30TH JUNE	BORROWER SAVINGS AS OF 30 <sup>TH</sup> JUNE	#ACTIVE LOANS	#WEEKS IN LOAN PHASE	WEEK AS PER REPORTING DATE	%LOAN PHASE COMPLETED	%LOAN PORTFOLIO RECOVERED	% COMPLIANT BORROWERS
April 19th 2017	June 2017	Phase VII	5,757,900	2,430,000	528,000	14	18	8th	44	42	100