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PROMOTION OF PRODUCTIVE USE OF ELECTRICITY AND ENERGY EFFICIENCY



Access to Finance:
The Fundamentals of Borrowing

July 2022

CLEAN ENERGY

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GLOSSARY

Item	Description
Accounts receivable	Money your customers owe you that you have sent them a bill for.
Bad debt	Money owed to you that is not repaid.
Cash flow	The movement of money into and out of your business. ("What is cash flow: Why is it important? - American Express")
Collateral	Item (equipment, property, etc.) that is pledged to guarantee a loan.
Covenant	Prescription for action in a loan agreement.
Current assets	Money, inventory and equipment that will be used up in the short term (usually within one year).
Depreciation schedule	Accounting procedure for determining the amount of value left in a piece of equipment.
Financial forecast	Projection of revenues and expenses for the next one to five years.
Financial plan	Outline for how to use the money (capital) you have and how to raise the money you will need.
Fixed assets	Equipment, buildings, etc., that are purchased and used for long term purposes. Inventory
	"Merchandise that is purchased and/or produced and stored for eventual sale." ("Inventory Management System Project Report - Studocu")
Inventory turnover	How often the inventory is sold and replenished in one year.
Liquidation	Sale of products or merchandise.
Long term	Period usually greater than one year.
Obligation	Money, merchandise, or service owed to someone. Another term for debt.

Short term	Period usually one year or less.
Solvency	The ability to continue business.
Working capital	Term assets that can be used for current needs (bills, etc.)

ENERGY EMPOWERS EAST AFRICA PROGRAM

While significant strides have been made in expanding energy access, there remains a critical need to empower women entrepreneurs with the knowledge and resources to utilize energy efficiently for productive purposes.

In many East African economies, such as Kenya, Uganda, and Tanzania, there is an emerging trend of overcapacity, with installed capacity far surpassing current and projected peak demand. This surplus offers a unique opportunity to focus on demand-side strategies, particularly for women who face greater challenges in accessing clean energy due to their prevalence in the informal sector, limited capital, and time constraints from additional domestic responsibilities. Productive Use of Energy (PUE) holds immense potential for both male and female-led enterprises. However, women, who often operate smaller, less energy-intensive businesses, stand to gain disproportionately from targeted interventions. PUE encompasses activities that leverage energy to maximize economic and social opportunities, ranging from powering equipment for production to providing essential services. The term "productive use of energy" (PUE) is broadly used to describe income generating opportunities from the use of energy, meaning powering equipment and appliances that are directly used to create a product or provide a service. According to the United Nations Industrial Development Organization, productive use of electricity means directly harnessing job creation and income-generating opportunities for local communities. USAID refers to productive uses of energy (PUE) as the process of powering devices/appliances that can be used in commercial, industrial, and agricultural businesses (Power Africa, 2022).

Women's participation in business development is hindered by limited access to skills trainings, financial illiteracy, persistent cultural and gender discriminatory attitudes and lack of the value for women's work. To address these barriers, energy access programs must broaden their objectives to include women focused demand-side strategies that promote better access to the services that

offer electricity access. That means better access to lighting, refrigerating, cooking, and other productive use of energy in women-run enterprises. If combined with the concept of energy efficiency, these appliances and equipment would use less energy, thus generating additional value when providing products and services.

USAID and Lawrence Berkeley National Laboratory (Berkeley Lab) developed a program to increase the inclusion of women in electrification programs throughout East Africa. The aim is to identify key actions that will unlock the benefits of modern energy access for women and enhance their role as agents of change in promoting clean, affordable, and efficient energy use. The program focuses on increasing opportunities for efficient and productive use of energy through community based participatory surveys, educational materials on equipment's productive use and energy efficiency, entrepreneurial skill development, access to markets for efficient products, awareness campaign, financing, and creation of women's self-help networks. As a first step, the program focuses on developing a pilot project in Uganda, implemented through a partnership with the local partner organization, the Clean Energy Enthusiasts (CEE). One of the program's objectives was to conduct research to collect information to improve women's benefits to energy access and increase their role as active citizens in economic development. This research focuses on the energy demand side, particularly by understanding electricity needs through a gender lens, and by assessing the context to which stimulating efficient and productive use of electricity could increase the benefits of energy access.

This training modules, comprised of various sessions covering business basics, planning, enterprise management, and financial management, serves as a comprehensive resource for women entrepreneurs in the clean energy sector. It provides practical insights and skills crucial for establishing and managing successful enterprises. This Access to finance Manual, together with other complementary materials, focus to provide knowledge for readers to hone their business acumen, and are better equipped to leverage opportunities in productive use of energy and energy efficiency practices for business growth.

INTRODUCTION

Access to finance remains a significant challenge for most entrepreneurs and especially women with limited access to alternative financing solutions, lack of collateral, inadequate financing documents, to mention but a few and this was evidenced by the 48% of women entrepreneurs that have never applied for business loans; the EEEA project set out to unlock the myths surrounding commercial financing by developing this manual to guide entrepreneurs on the basic concepts of accessing affordable financing. The manual was used to train business entrepreneurs in eight target districts including Bushenyi, Kalangala, Kamwenge, Kasese, Kyegegwa, Kabarole (Fort Portal),

Isingiro and Masaka in Uganda and it can be replicated to other enterprises.

Irrespective of their scale, all businesses inevitably encounter the need for additional capital at some point. In the case of small businesses, proprietors might draw from personal savings, or assistance could come from friends who are willing to extend loans. Nonetheless, it is common for entrepreneurs to seek external sources of funding.

For women entrepreneurs, particularly those engaged in enterprises that leverage electricity for productive purposes, a series of impediments can hinder their access to financing. These obstacles encompass:

i. Limited awareness of available credit products.
ii. Absence of collateral (a prevalent example being the lack of land ownership, which is often a customary form of collateral).
iii. Subpar literacy rates.
iv. Challenges in obtaining spousal consent and support.
v. Prevailing negative perceptions and attitudes towards financial institutions (a sentiment widely expressed in focus group discussions, wherein many women express apprehensions about approaching banks due to concerns about potential loss of property or collateral).

The focal objective of this manual is to furnish women entrepreneurs engaged in productive use of electricity (PUE) businesses with comprehensive insights. Specifically, it intends to equip them with the requisite knowledge to ascertain their credit requirements, assess their capacity and willingness to fulfill repayment obligations, identify suitable financial institutions, navigate the application process for financial facilities, and adeptly negotiate financing terms.

IS YOUR FIRM CREDITWORTHY? ARE YOU CREDITWORTHY?

While conducting business, it is widespread practice for individuals to initially utilize their personal funds, often commencing with their own savings due to its convenience. However, as business operations progress, the available personal resources might become insufficient to adequately fund the various financial requirements of the enterprise. This situation can potentially lead to a strain on personal finances. Funding necessities could arise for the daily operational needs of the business or for investments such as procuring energy-efficient appliances to enhance productivity, bolster sales, and increase revenue.

At this juncture, seeking external sources of finance becomes imperative, provided that such endeavors are supported by a well-prepared, viable business plan. Acquiring timely funding is crucial to the functioning of a business, akin to factors like securing a favorable location or building a competent workforce. Before a financial institution extends a loan, the loan officer must attain confidence in the answers to the following inquiries:

- What is the applicant's character and financial history? Is there a demonstrated

commitment to loan repayment?

- How proficient is the applicant in managing and operating the business? Are the skills and capabilities present to ensure successful loan repayment?
- What precise purpose does the loan serve? Is the requirement short-term or long-term in nature?
- Is there a comprehensive financial strategy and projection in place that elucidates the necessity for the loan and outlines the means of repayment?
- Is the loan quantum sufficiently substantial to account for unforeseen shifts in circumstances, yet moderate enough to be repaid without undue strain?
- What is the broader economic outlook for the respective business and industry?
- Is the applicant's personal financial stake in the business reasonable and proportionate?
- What assets or collateral can be pledged to secure the loan amount?

FINANCIAL INFORMATION REQUIRED BY LENDERS

Lenders typically request two fundamental financial documents: the balance sheet and the income statement. The balance sheet provides an overview of the business's assets, liabilities (obligations for payment), and the equity held by the owner(s). On the other hand, the income statement serves as a primary indicator of profitability. It delves into the sales revenue generated by the business, subtracting the costs incurred in the production of the goods sold. Additionally, lending institutions scrutinize the Cash Flow statement, which outlines how money enters and exits the business. Informed by these financial documents and other pertinent information, lenders pose the following inquiries:

General Inquiries:

- Are the business's financial records up-to-date and in sound condition?
- Does the business engage legal and/or accounting expertise?
- Who constitutes the customer base, and what proportion of total sales do the principal customers contribute?
- Are all financial obligations met punctually?
- What is the extent of insurance coverage?

Lenders also seek insights into the following aspects:

Accounts Receivable:

- The anticipated revenue influx into the business.
- Any contemplated loans for business purposes.
- The timing of expected receivables.

Inventory:

- Is there an inventory of goods/merchandise? What was their original valuation?
- Is there a substantial financial commitment tied up in the inventory?

- Is the inventory marketable, and at what price could it be sold?

Fixed Assets and Equipment:

- Does the business possess machinery or equipment? What is the nature of these assets?
- What is their current condition and estimated value?
- Does the business hold ownership of land or buildings? If so, what are their specifications, location, and ownership status? Are there any encumbrances associated with these assets?

The lender's scrutiny of the business's cash flow is aimed at gauging whether the owner-manager generates adequate cash inflow to fulfill the firm's financial obligations. Additionally, the lender ensures that the cash essential for working capital is not diverted towards other purposes, such as acquiring fixed assets, thereby potentially diminishing liquidity.

WHAT TYPE OF LOAN DO YOU NEED?

When embarking on the process of securing funding for your business, it is imperative to have a clear understanding of the type of loan you require and its intended duration. Within the realm of loans, two primary categories exist: lines of credit and installment loans. Additionally, loans can be broadly classified based on their duration: short-term and long-term.

The purpose to which the borrowed funds will be allocated holds significant sway in determining the most suitable loan structure. Moreover, a pivotal relationship exists between the repayment source and the loan's duration. Generally, short-term loans find their repayment source in the liquidation of current assets like receivables and inventory, while long-term loans are typically repaid from earnings. In the context of Productive Use of Electricity (PUE), financing can serve diverse functions, including but not limited to:

i. Establishing an electricity connection.
ii. Transitioning from an existing diesel connection.
iii. Acquiring processing equipment (e.g., mills, freezers/refrigerators, electric motors).
iv. Implementing efficiency systems like capacitor banks.
v. Expanding production capabilities, among other objectives.

Line of Credit:

A line of credit is an arrangement wherein the bank disburses funds as required, up to a predetermined limit. The customer can borrow and repay within the established timeframe (usually one year) repeatedly, staying within the predefined limit.

Installment Loan:

An installment loan involves an initial lump-sum disbursement of funds, followed by systematic repayments according to a fixed schedule. Each payment installment encompasses a portion allocated to repaying the principal and another portion addressing the interest on the debt. The loan is repaid in uniform amounts over a pre-agreed period, as delineated in an amortization

schedule that delineates principal and interest components.

For instance, let's consider the case of Ruth, a woman entrepreneur who secures an installment loan amounting to $2,000 to purchase a peanut grinder. If the loan carries an annual rate of 15% and a 12-month term, her repayment plan would be structured as follows:

Installment Repayment Schedule for Ruth

No.	Payment Date	Beginning Balance ($)	Payment ($)	Principal ($)	Interest ($)	Ending Balance ($)
1	30/09/2022	2,000.00	180.52	155.52	25.00	1,844.48
2	30/10/2022	1,844.48	180.52	157.46	23.06	1,687.02
3	30/11/2022	1,687.02	180.52	159.43	21.09	1,527.59
4	30/12/2022	1,527.59	180.52	161.42	19.09	1,366.17
5	30/01/2023	1,366.17	180.52	163.44	17.08	1,202.73
6	02/03/2023	1,202.73	180.52	165.48	15.03	1,037.25
7	30/03/2023	1,037.25	180.52	167.55	12.97	869.70
8	30/04/2023	869.70	180.52	169.65	10.87	700.05
9	30/05/2023	700.05	180.52	171.77	8.75	528.29
10	30/06/2023	528.29	180.52	173.91	6.60	354.37
11	30/07/2023	354.37	180.52	176.09	4.43	178.29
12	30/08/2023	178.29	180.52	178.29	2.23	0.00

Note: Monthly repayment is $180.53
Total interest is $166.20.
Total repayment is $2,166.20.

Short-term loan

A short-term bank loan serves specific purposes, often entailing the financing of transient escalations in accounts receivable or inventory during seasonal fluctuations. Typically, lenders anticipate the repayment of these loans upon the attainment of their designated objectives. For instance, an accounts receivable loan would be settled when the outstanding receivables have been settled by customers, while an inventory loan would be repaid following the sale of inventory and subsequent collection of cash. The repayment window for short-term loans generally spans less than a year.

Long-Term Loan

A long-term loan constitutes a formal commitment to extend financial resources for a duration exceeding one year, and frequently, these loans target initiatives that augment a company's

capabilities and elevate its earnings potential. An illustrative scenario encompasses acquiring a new building to enhance operational capacity or procuring machinery that streamlines the manufacturing process, rendering it more efficient and cost-effective. Long-term loans are typically repaid through the company's profits, aligning with the sustainable financial gains generated by the supported initiatives.

INVESTOR CATEGORIES IN UGANDA

A comprehensive understanding of the financing ecosystem is pivotal for women entrepreneurs to effectively identify suitable financial institutions catering to their specific requirements. This necessitates familiarity with the distinct categories of financial institutions and their respective credit offerings. This section delineates the key players in Uganda's financing landscape.

Commercial Banks and Microfinance Institutions (MFIs):
Uganda's financial sector encompasses commercial banks, credit-only institutions, as well as micro deposit-taking and non-deposit-taking entities. Notably, commercial banks and other institutions target diverse customer segments and yield varying impacts. The country is home to 25 prominent commercial banks, five credit-only institutions, and four micro deposit-taking institutions.

Commercial banks are established entities dealing with current accounts and participating in the clearing house system. They extend significant loan facilities to clients, encompassing microfinance loans. Several of these commercial banks have introduced specialized products for women entrepreneurs in business. For instance, Centenary Bank features the "Supa Woman" facility, DFCU Bank offers the "Women in Business" program, and Stanbic Bank presents "She Loans." These commercial banks frequently provide installment loans that are tailored by sector and purpose. Their lending process draws upon in-house credit teams and a network of agents across the country. Interest rates charged by commercial banks range from 15% to 30% monthly, contingent on borrower risk profiles and sectors. For Productive Use of Electricity (PUE) women entrepreneurs, particularly those contemplating the acquisition of PUE assets or equipment, commercial banks often represent the most viable option.

In contrast, Microfinance Institutions (MFIs) function similarly but do not provide current accounts, focusing instead on the microfinance realm. MFIs primarily extend lines of credit with swift processing times, often accompanied by 12-month repayment schedules. Monthly interest rates applied by MFIs span from 2% to 8%, constituting a cumulative expense exceeding that of commercial banks.
In summary, a grasp of these financing dynamics empowers women entrepreneurs to make informed decisions regarding their financial needs and the appropriate institutions to fulfill them.

Table 1: Overview of the commercial banks present in Uganda and their market shares.

	Banks	Category	Market share on overall assets
1	Stanbic Bank	Pan African bank	28.87%
2	Centenary Bank	Local bank	11.76%%
3	Standard Chartered Bank	International bank	10.03%
4	Absa Bank Uganda	Pan African bank	9.27%
5	DFCU Bank	Local bank	9.27%
6	Bank of Baroda	International bank	5.58%
7	Equity Bank Uganda	Pan African bank	5.42%
8	Diamond Trust Bank (DTB)	Pan African bank	4.93%
9	Housing Finance Bank (HFB)	Local bank	2.88%
10	Citibank Uganda	International bank	2.61%
11	Bank of Africa	Pan African bank	2.31%
12	Orient Bank	Pan African bank	1.92%
13	Ecobank	Pan African bank	1.76%
14	KCB Uganda	Pan African bank	1.72%
15	NCBA	Pan African bank	1.46%
16	UBA Uganda	Pan African bank	1.29%
17	Exim Bank	Pan African bank	1.07%
18	Bank of India	International bank	0.87%
19	Finance Trust Bank	Local bank	0.85%
20	Tropical Bank	Local bank	0.81%
21	Opportunity Bank Uganda	Pan African bank	0.64%
22	Guaranty Trust Bank	International bank	0.63%
23	Cairo Bank Uganda	International bank	0.57%
24	ABC Capital Bank Uganda	Pan African bank	0.16%
	Total		**100%**

Source: 2020 bank financials

Legend:

- International Banks have a global presence e and provide numerous financial accounts to clients irrespective of where the clients reside. Sometimes, international banks are called offshore banks because of this.

- Pan African banks operate across the whole of Africa with primary focus on the African market. These banks focus on cross-border operations in Africa and are headquartered in Africa.
- Local banks are only registered and operational in Uganda.

For purposes of the market segmented, this manual focuses on pan African and local banks.

Private Investors:
This classification encompasses debt and equity investors whose primary focus does not necessarily center on impact. It includes entities such as debt funds, mezzanine funds, or private equity (PE) funds with a broader orientation towards emerging economies. These investors generally exhibit a greater inclination toward risk aversion and prioritize financial returns. To mitigate perceived risks and optimize returns, end-users frequently seek support to address information asymmetry and mitigate high transaction costs.

Development Finance Institutions (DFIs):
This category encompasses both international and domestic DFIs that engage in private sector project investments through various financial instruments, including grants, debt, hybrid offerings, and occasionally equity vehicles. The overarching objective is to foster substantial regional impact. Entities falling within this category include government-backed funds like the Uganda Development Bank, Uganda Development Corporation, East African Development Bank, Agricultural Credit Facility (ACF), bilateral development funds like NORFUND, Finnfund, KfW, and Proparco, as well as multilateral development funds such as the International Finance Corporation (IFC) and African Development Bank (AfDB).

Impact Investors:
Among the most actively engaged entities within the investment landscape are impact-focused participants. These investors, by virtue of their emphasis on generating social and environmental impact, exhibit a relatively lower aversion to country risk. Noteworthy organizations like AgDevCo, Ascent Africa, Balloon Ventures, and Mango Fund not only exhibit substantial activity within Uganda's investment sphere but have also established a local presence, providing them with a distinct proximity advantage compared to other investors.

COLLATERAL/SECURITY REQUIREMENTS

In the process of borrowing, understanding the concepts of security and collateral is paramount. Security refers to how a bank ensures the repayment of a loan. Collateral, in this context, is the asset or assets offered as security to guarantee the repayment of the loan. The nature and extent of collateral vary depending on the institution and borrower circumstances. Here are some key points regarding collateral and its forms:

Types of Collateral include:

Unsecured Loans:
At times, your signature and overall credit reputation alone can serve as adequate collateral for the bank to extend a loan. Such loans are known as unsecured loans. Alternatively, banks may require collateral to secure a loan.

Secured Loans:
In other instances, banks may seek collateral as additional assurance for loan repayment. This is termed a secured or collateralized loan. Collateral refers to the asset or assets provided to secure the loan facility. These assets can include Land, Vehicles, Equipment and Machinery, or movable items (which need to be registered by the Uganda Registration Services Bureau to be recognized as collateral).

Varieties of Collateral:

Numerous forms of collateral can be pledged for secured loans. Common options include:

Endorser, Co-maker, Guarantor:
A borrower can have another individual sign a note to enhance creditworthiness. This endorser becomes liable for the note, with the bank expecting repayment from them if the borrower defaults.

Warehouse Receipts:
A prevalent system for cooperatives and aggregators involves using commodities as collateral, supported by warehouse receipts. The bank lends money against the receipt, confirming the placement of merchandise in a warehouse or under controlled premises.

Floor Planning:
To facilitate sales displays, small marketers often borrow against merchandise like automobiles, appliances, and boats. Trust receipts acknowledge receipt of goods and commit to paying the bank as goods are sold.

Chattel Mortgage:
Acquiring costly equipment, such as a delivery truck, can secure a loan via a chattel mortgage. The equipment's market value and insurance coverage are assessed.

Real Estate:
Real estate can serve as collateral for long-term loans. The property's market value, foreclosure value, and insurance are considered.

Accounts Receivable:
Banks lend against accounts receivable, relying on customers to repay the loan. Notification and non-notification plans exist, where the bank either informs customers of assignment or you handle

payments.

Inventory:
Inventory, encompassing merchandise and assets, can serve as collateral. It guarantees loan repayment. Plant and equipment may also be included.

Savings Accounts and Certificates of Deposit:
Assigning a savings account as collateral is feasible, with the bank holding the passbook.

Life Insurance:
Life insurance cash values can be assigned to the bank as collateral. This option often offers ease of obtaining and lower interest rates compared to borrowing directly from the insurance company.

Stocks and Bonds:
Marketable stocks and bonds can be collateral. Banks lend a portion of their value, leaving a cushion against declines.

The selection of collateral depends on factors including the institution's policies and the borrower's circumstances. This nuanced understanding of collateral and security empowers borrowers to navigate the lending landscape effectively.

THE LOAN APPLICATION PROCESS

When pursuing loans from banks and other lending institutions, a comprehensive loan application is required, where specific details regarding your business are enumerated. Prior to completing this application, consulting with your accountant or banker is recommended to ascertain your business's loan eligibility. While many sections of the loan application are intuitive, certain segments might pose challenges for applicants who are unsure about locating the required information.

For instance, consider the collateral section. Collateral comprises the borrower's assets offered as a guarantee for the loan. Your business's financial records should accurately reflect the market value of assets, such as business real estate and machinery and equipment (market value signifies the original purchase price minus depreciation). If you are diligent in your managerial approach, you likely engage in monthly book balancing. However, some businesses might produce balance sheets less frequently. Seeking professional guidance while compiling this critical information is advisable. Experts including accountants, bankers, or business advisors can offer valuable assistance in this regard.

Similarly, if your records lack the necessary details to formulate income statements (profit and loss), your income tax returns can prove useful in consolidating information vital for your loan application. By harnessing such resources, you can ensure that your loan application is well-prepared and accurately represents your business's financial standing.

LOAN AGREEMENTS – WHAT TO LOOK OUT FOR

A loan agreement represents a meticulously crafted document that fully outlines all the terms and conditions governing the loan arrangement. This contractual agreement specifies the loan amount, repayment terms, identifies involved parties, and enumerates any stipulations placed upon the borrower. It is essential to thoroughly comprehend the contents of the agreement before executing it to ensure the absence of burdensome clauses.

Limitations:
Loan agreements frequently incorporate limitations that delineate the borrower's permissible actions. The extent of these limitations is largely contingent on the borrowing entity's risk profile. Low-risk entities will experience fewer constraints, while entities posing higher risks will face more stringent limitations. These limitations primarily revolve around repayment terms, collateral utilization, and periodic reporting, and they are typically articulated in the covenant section of the agreement.

Covenants - Negative and Positive:
Negative covenants encompass restrictions imposed by the lender on the borrower. Examples include curbs on the borrower's total debt, agreements not to pledge assets to other creditors, and constraints on the issuance of dividends. Positive covenants stipulate actions the borrower must undertake. These involve maintaining a minimum working capital, ensuring adequate insurance coverage, adhering to repayment schedules, and furnishing the lender with regular financial statements and reports. Loan agreements can be subject to amendments over time, with exceptions being made. Certain provisions can receive waivers from year to year with the lender's consent.

Negotiation with the Lender:
Requesting an opportunity to review the documentation before the loan closing is a reasonable request, and reputable lenders typically comply. During this interim, consulting with your associates and advisors is advisable. Engaging in discussions and negotiations regarding lending terms before signing the loan agreement is prudent practice, irrespective of the urgency for funding. It's likely that the lender may be open to concessions on some terms. Strive to secure terms that align with your company's operational capacity. However, once the loan is finalized, compliance becomes obligatory.

In essence, navigating the intricacies of a loan agreement necessitates diligence and a clear understanding of its provisions. Taking the time to deliberate and negotiate terms can result in a more favorable arrangement that suits your business's needs while upholding its financial stability.

TECHNICAL ASSISTANCE AREAS BY SELF-HELP NETWORKS, GROUPS, COOPERATIVES

Some profiles of BDS Institutions and Networks

Uganda Women Entrepreneurs Association

The Uganda Women Entrepreneurs Association (UWEAL) aims at empowering women entrepreneurs to create wealth through capacity building, networking and advocacy and therefore gives women in business a voice to showcase their capability to start and run a business. UWEAL regularly organizes several training programs and has established collaboration with development partners and trade facilitation agencies to build the capacity of our women entrepreneurs and prepare them for regional, cross border and international trade. UWEAL also focuses on advocacy, training, mentoring, business counseling, networking, and market linkages. Some of the training they provide, for example, includes digital skills, emotional intelligence for small businesses, Digital marketing, production training (tailored to specific businesses and value chains), etc.

Private Sector Foundation Uganda

The Private Sector Foundation Uganda (PSFU) is Uganda's private sector apex agency with over 200 private sector leaning entities and supports the private sector in improving competitiveness through business development support, cost-share grants, capital financing, capacity building and advocacy. The PSFU is also a great link for intra-regional trade through the East Africa Business Council and the Common Market for Eastern and Southern Africa. The PSFU manages several government of Uganda and donor-funded projects that support entrepreneurship development, business skilling, covid-19 response and management, access to finance and acquisition of equipment. Interested women entrepreneurs can apply for technical assistance and small matching grants for investments in energy efficiency and PUE.

Enterprise Uganda

Enterprise Uganda is a public-private institution that was designed to support the government of Uganda in realizing its objective of promoting the development of Small and Medium Scale Enterprises (SMEs) to become the main vehicle for expanding production, providing sustainable jobs, and enhancing economic growth ("Enterprise Uganda"). It is a center of excellence for the creation and the nurturing of a globally competitive private sector in Uganda and does this by actively providing support to the small and medium scale enterprises (SMEs) to enhance their productivity, growth and competitiveness.

Enterprise Uganda provides services that include business health checks, business counseling and advisory services, business plan development support, access to finance/credit facilitation, and management skills development, among others. The institution works with both individual entrepreneurs, enterprises, and groups such as women groups.

Uganda Women Entrepreneurship Program, Ministry of Gender, Labor, and Social Development

The Uganda Women Entrepreneurship Programme (UWEP) is an initiative of the Government of Uganda that is aimed at improving access to financial services for women and equipping them with skills for enterprise growth, value addition and marketing of their products and services.("UWEP – Ministry of Gender Labour & Social Development - MGLSD"). The Programme is designed to address the challenges women face, especially regarding limited access to affordable credit, limited technical knowledge and skills for business development, limited access to markets as well as information regarding business opportunities. The primary target beneficiaries of the Programme are women within the age bracket of 18-65 years ("UWEP – Ministry of Gender Labour & Social Development - MGLSD") The program focuses on three support areas:

i. Capacity and Skills Development: Women can apply for these funds to get hands-on training in skills needed for effective implementation of their enterprises and purchase of required inputs. Through Local Governments, individuals or institutions are identified to train the women in appropriate skills.
ii. Women Enterprise Fund: Women groups are provided interest-free credit for enterprise development on a revolving fund basis. The women are required to be in groups of 10-15 members to ensure successful implementation of their priority enterprise and full repayment of the Revolving Fund.
iii. Institutional Support: Women groups receive basic training in bookkeeping, teambuilding, enterprise planning and implementation, entrepreneurship/ business skills and group dynamics. In addition, business counseling is provided to the women to enable them to realize their potential.

Under the program, women entrepreneurs can access a maximum of UGX25 million with zero interest for repayments made within the first twelve months (one year) and a service fee of 5% per annum for the repayments made after 12 months. The service fee is meant to cater for inflation. There is no physical asset/collateral required, repayment period of 1-3 years, depending on the nature of the enterprise and each repayment schedule is based on the nature and maturity period of the enterprise.

Contact: The District Community Development Officer in all districts.

The Energy Efficiency Association of Uganda

The Energy Efficiency association (EEAU) was formed by a group of energy professionals coming together to promote networking, understanding, knowledge and action among different stakeholders working towards promotion of efficient use of energy in Uganda ("Energy Efficiency Association of Uganda - Apollo.io"). Some of the association's objectives include:

i. Advocate and provide advice for the development, management, enforcement of and compliance with appropriate standards, codes of practice, regulations and policies that promote energy efficiency in the country.
ii. Develop and maintain partnerships and collaborative arrangements at both National and International levels that support energy efficiency.
iii. Establish a system for knowledge management and dissemination of appropriate information on available energy efficient technologies and new developments; and
iv. Strengthen human resources and improve the organizational, operational and conceptual capacities for improved service delivery.

EEAU is the official chapter of the Association of Energy Engineers (AEE) in Uganda, which houses certified energy auditors in Uganda. The association can provide support to women entrepreneurs on the determination of efficiency ratings, undertaking energy audits and making efficiency improvement recommendations.

Possible Business Development Support areas

Self Help networks such as associations and cooperatives can provide support to their members through the investment process to facilitate preliminary pitch presentations to potential financiers**.** Such support could include guidance on market intelligence, preparation of fundraising/financing documents, due diligence support, preparation of business plans and linkage with service providers, as summarized below.

Table 2: Detailed description of the Investment Activity Support to women investors

The Activity's Support Area	Description of support by Self-Help Groups
Provision of Market Intelligence	Provide market intelligence to women entrepreneurs, breaking down the information asymmetry barrier. i.e., estimate the size of the addressable market, consumer profiling, etc.
Sourcing efficient and PUE equipment	Execute partnership agreements with manufacturers and vendors of PUE equipment so that members have access to efficient PUE equipment on fair payment terms. Can also help link the purchase of PUE equipment to partner banks for financing.
Preparation of Financing Documents	Support capital seeking through the preparation of financing documents. i.e., business plans, financial models, valuation, pitch deck, etc.

Due Diligence	Screen the commercial and social impact potential of PUE projects, including detailed operational and commercial due diligence assessments of potential investment beneficiaries. This can include carbon credit, emission reductions and carbon trading.
On-going Business Development Support	Provide business development support to women entrepreneurs: setting goals, pricing, import and export, taxation management, standards, and quality assurance, etc.
Linkage with Service Providers	Support members in finding the right service providers, including business and financial advisors, auditors, as well as legal counsel to support investors on active transactions. This also includes matchmaking with financial institutions (both commercial and grants)
Loan Execution	Support women entrepreneurs in negotiating terms of loans, including review of the terms of the financing agreements and any conditions precedent.
After care support	Provide business facilitation support to women entrepreneurs to ensure that financing is appropriately used, opportunities for diversification are identified and new prospects are explored.

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