

Uganda Trip Report: 25th Sept – 2nd Oct 2011

Team:

Tom Sanderson	Five Talents UK
Annette Brooke MP	Chair of Parliamentary Group on Microfinance and Member of FTUK Council of Reference
Jennifer Page	Freelance Film Producer (BBC Songs of Praise etc.)
Paul Beaumont	Independent Accountant and Project Manager
Adam Dickens	Photographer

Day 1

Five Talents Uganda (FTU) briefing

After arrivals and settling in, we met Esther Nakamatte the General Manager for Five Talents Uganda and her senior staff team comprising: Jonathan – Training and Mobilisation; Benson – Finance; Gideon – Operations. They are an impressive team overseeing the three current branches in Kabale, Kasese and Namirembe, with plans to expand services to Kisoro in the south (known as Muhabura Diocese) and Kitgum in the north. They are currently serving 3,928 clients with small loans and business training. The interest income received from the loans is currently sufficient to cover all the running costs of the Uganda programme, which is a great achievement. It has taken 10 years to reach this stage of operational self-sustainability and we are very proud of the programme. However, I encouraged them to pay attention to social impact and not focus exclusively on financial returns. This is a key differentiator for Five Talents – our concern for the whole person, not just repayment rates etc.

DFID and British High Commission

We had a meeting with Christopher Musoke (DFID) and Elizabeth McKinnell (High Commission) updating them on the work of FTU and learning about DFID and UK government priorities and perspective on Uganda. Christopher said that DFID are helping to re-establish the Financial Sector Deepening (FSD) programme in Uganda which has a number of focus areas including: introducing financial literacy into the primary school curriculum; Branchless banking (agent and link banking); Mobile phone bank services; Small and medium business growth especially in oil producing regions; social protection welfare programme (cash transfers linked with village savings and loans associations). He encouraged FTU to transform into a deposit taking institution (Tier 3) and said that there may be DFID support available for doing so. Also DFID are looking for VSLAs or MFIs that could help groups after they have received social protection payments.

FTU Board

We had dinner with Sam Baguma, a member of the FTU Board – a UK trained accountant – a very impressive person with a passion for FTU and microfinance.

Days 2&3

On day 2 we travelled to Kabale, across the equator where we stopped to see the water going clockwise down a plughole in the north and anti-clockwise in the south – just a few metres either side of the equator line!

“Master,” he said, “you entrusted me with five talents. See, I have gained five more.” (Matt. 25:20)

Diocesan Bishop

Day 3 we met Bishop George Katwesigye, the Bishop of Kigezi, who is a Trustee (patron) of FTU and very supportive. The Diocesan water project is benefitting around 28,000 people directly and indirectly and we challenged the FTU Kabale programme to compete and reach a similar level. They are currently serving 1,300 clients in Kabale district, impacting around 6,500 people (average 5 people per client).



FTU Branch

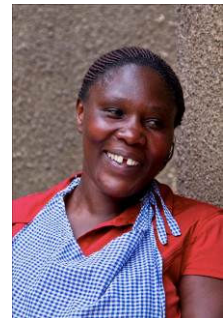
We met the FTU branch team, comprising Peter – branch manager; Caroline – accountant; and loan officers Laban, Honest and Spencer. They currently have one motorbike for field visits and hope to receive two more shortly (funded by FTUK). They travel to groups 40km from Kabale town. Starting loans are as low as £17 per person, with a very few maximum individual loans up to £1,000 per person for the most trusted clients.

Client Visits



We met Eileen (left) who makes necklaces from rolled-up paper, varnished and threaded. They sell for just over £1 each and she sells two or three a day. She also employs 4 workers to make samosas for sale at her husband's shop in the town; and she grows mushrooms in her garden shed, for sale at £1.50 per kg. She has been a member of FTU for 6 years and is in a group of 5 women. Her latest loan was worth £227. The businesses provide for her children and also her retirement, when it comes. A very inspiring entrepreneur.

We met Alice (right) who runs a restaurant selling drinks and hot food, serving up to 300 people a day including school children and adults from the town. She employs 4 people. She has been a member for 5 years and is now eligible for an individual loan worth £227.



Medius (left) rents a shop selling clothes in the central market. She is illiterate with 6 children, the eldest of whom, Jared, is about to go to university, Makerere in Kampala, to study Business Administration where the fees are £400 per year. She has invested her business profits into her children and they will be much better educated and equipped than her.

I met Prisca (right) in 2006 and was delighted to see her again and her business is still thriving beside the Uganda-Rwanda border. Last year she bought a pool table which yields £45 per month in slot playing fees. She empties the slot once a month and uses it to pay her 5 employees. It's her very own savings bank! She has 5 children ranging from University age to 11 months old. She is so thankful for how FTU has helped her to succeed.



We met Stephen who owns a plot of land alongside the main Kabale-Kampala road. He uses the space to run a car-washing business employing 70 young men as washers. He has erected a temporary café and hair salon where drivers can get refreshments and have their hair cut while waiting for their cars! A great business.

Day 4

We went to a village called Nyamabale, 40km from Kabale town, where there are 4 brand new groups comprising 39 people. They had received their first group loans in May 2011 and were in the process of repaying monthly. Most members were involved in agricultural activities such as growing potatoes, pigs or poultry. They were on target to repay in full and appreciate the business training that FTU deliver. Today Peter helped them with a class on “What makes a business succeed?” and we were impressed by their participation and shared knowledge and enthusiasm.



Day 5

Tom visited the FTU branch in Kasese while the others went on a lion hunt. I met Joseph – branch manager; Job – accountant; Jeff and James – Loan officers and Meresi – volunteer. It was interesting to note the other MFIs in Kasese town – but FTU is the only one which reaches out to rural areas. We agreed that FTU is distinctive in this, plus the free training, church-basis, open access, and monthly repayments. I impressed on them the importance of social impact as well as financial performance, and they were fully on board with this and FTU are beginning to roll out a social performance management system to gather social data.

Day 6

We ended the trip with a dinner with Esther – the FTU general manager – to share our experiences and feedback our impressions. Subsequent reflection from Paul Beaumont below:

"It was really great to see people turn their lives around by receiving small business loans. Time and time again we heard that one of the main benefits of earning a small income is the ability to pay school and college fees for the entrepreneurs' own children, This gives a sense of dignity by providing for the children - important for any parent. In addition good education is passed onto the next generation and enables them to have better life chances for their own lives. Microfinance gives people dignity as they are not dependant on donor handouts and it offers clients a chance to build self-esteem and employ others.

So what is different about Five Talents as compared to other microfinance institutions?

1. Genuine care for the poor rather than exploitation for profit, arising from its Christian values. This is demonstrated by a desire to reach inaccessible population centres with microfinance. The big banks just want as many people located close together in big cities as it makes debt collection easier.

2. The emphasis on group training. This is a real differentiator. This gets the clients thinking about the risks of business and thinking about other ideas. Again it is empowering as the group helps itself rather than "experts" coming in and telling them how to run their businesses.

3. Governance and Controls. As an accountant I was interested in the controls that Five Talents have to ensure donor funds are invested as intended. I was sufficiently assured on the governance employed by Five Talents Uganda to feel comfortable donating funds personally.

I can thoroughly recommend Five Talents Uganda on the basis of what I have seen and I would encourage others to join Five Talents on a trip to see for themselves what microfinance can achieve".

TS. 11.10.11