

mastercard
foundation



East Africa Youth Inclusion Program (EAYIP) 2016-2022

A synopsis of the approach, methodology and learnings from Uganda

Table of Contents

1	Foreword
	East Africa Youth Inclusion
2	Project Locations
3	Project Approach and Methodology
4	The Hub Model
5	The Formation of Agri-hubs
6	Hub Business Growth and Job Creation
8	Hub Business Growth and Sustainability
11	Skills Development
13	Access to Finance
	Case Studies
16	Greater Kibiga Multipurpose Youth Cooperative Society
17	Zorobwe Kalagala Youth Cooperative
18	Voila Nanteza
19	Birungi Teddy
20	Yasin Alimiga
21	Zachariah Elipu

Foreword

Dear Friends,

Heifer International started work in Uganda in 1982, with a handful of cows and has since reached and worked in 52 districts of Uganda. Currently, we are present in 15 districts of Central, Eastern and Northern Uganda. For the last 40 years, Heifer Uganda has supported over 1 million families in Uganda to attain a sustainable living income.

We work to address the peculiar bottlenecks hindering smallholder farmers particularly youth, women and girls/ young women from achieving a living income by creating jobs and unlocking their potential to participate meaningfully in the local economy. We intervene to unlock the potential of young entrepreneurs to drive innovation in agribusiness while embracing technology.

Generally, the high youth unemployment rate in Uganda and Africa at large can be attributed to the slow economic growth and small formal labour markets, high population growth rate, lack of sufficient skills, and the rigid education system. With the youth unemployment rate at 13.3 percent and more than 75 percent of Uganda's population below the age of 30, this calls for urgent action and innovative solutions. Heifer Uganda through the EAYIP program has contributed to reducing the unemployment rate in Uganda by improving the livelihoods of 20,627 youth, increasing their income through youth employment and enterprise development.

In this synopsis, am pleased to share with you our key learnings and success stories from EAYIP program in Uganda. We describe how Heifer's Values Based Holistic Community Development, agri-hub and private sector engagement approaches have accelerated youth to access market driven skills, financial services and markets. These approaches have enabled us to achieve scale and transformation of communities, creating permanent channels and platforms for job creation within the wider agro-ecosystem.

With such learnings, we will continue to invest in innovative and transformative interventions, while working with like-minded partners to create decent and dignifying jobs for young people in Uganda. I therefore, take this opportunity to recognize and appreciate the Mastercard Foundation who funded the program, our program participants, government of Uganda, implementation partners (Youth Alive, Kirimo Trust and Making Cents), the private sector and, other partners who choose to walk with us on our journey of learning, adoption and scalability.

William Matovu
Country Director

About Heifer International

Since 1944, Heifer International has assisted 42.9 million farming households, enabling them to sustainably address hunger and poverty in their communities. Currently operating in 19 countries across Africa, Asia and the Americas, Heifer invests in agricultural value chains to provide farmers the opportunity to earn sustainable living incomes and better integrate rural women, youth and Indigenous populations in more inclusive markets. In doing so, vulnerable rural households are more resilient to shocks, allowing them to thrive, not just survive.

Heifer International started work in Uganda in 1982, in Northern Uganda with a handful of cows and has since reached and helped over five million families across the country. Heifer has worked in 52 districts of Uganda and currently, the organisation is present in 15 districts of Central, Eastern and Northern Uganda. In the last 10 years, Heifer Uganda has reached an incremental number of 390,000 families through agriculture and environmentally sound economic development programs.

As a way of contributing to the country's 2040 Vision and the Heifer Global mission, Heifer Uganda has set a 2030 goal of supporting 400,000 smallholder farmers (60% women & youth) to attain a sustainable living income. This is being achieved by supporting smallholder farmers to identify and exploit agribusiness opportunities, enhance their competitiveness and employability for sustainable living incomes. The focus is also to unlock the potential of young entrepreneurs to engage and drive innovation in agribusiness while integrating technology and finance as enablers.

Learn more at www.heifer.org.

Country Context: Uganda

Uganda's population is currently estimated at 47 million, and will most likely increase to approximately 104 million by 2060 while poverty levels stand at 21.4 percent. The country has the second youngest population in the world with 78 percent below 30 years, 38% are between 18-35 years. Uganda is entering a pivotal stage of its development path. 700,000 young people reach working age annually and only 75,000 jobs are created per year. 90% of these are in the informal sector.

More than a million young people enter the job market every year. The unemployment rate for youth aged 18 to 30 is 13 percent (2019/20 Uganda National Household Survey (UNHS)). Of that, 10 percent of those in the "employed" category have formal jobs, while 90 percent work informally, without a formal contract or any type of social security.

Similarly, in financial service delivery, young entrepreneurs' financial needs are not being met. The financial needs are not well understood by financial institutions and bank loans are not customized; they are expensive and often with highly bureaucratic processes. Therefore, Heifer Uganda has learnt that one single financing mechanism cannot fully meet the demand for financial services by young people.

East African Youth Inclusion Program (2016-2022)



Heifer Uganda in partnership with Mastercard Foundation, implemented the East Africa Youth Inclusion Program (EAYIP) from 2016–2022. In Uganda, the program was implemented in partnership with Youth Alive Uganda, Kilimo Trust, Postbank Uganda, Making Cents, several civil society organizations and vocational training institutions.



The program aimed at empowering 25,000 youth (15,000 youth in Uganda and 10,000 youth in Tanzania) to improve their livelihoods through creating employment opportunities for youth, business development and job creation along agriculture value chains. To achieve this goal, the project focused on four broader pathways:



Equipping youth with the necessary skills to establish businesses around the hub or seek employment in hub-related agribusinesses.



Creating an enabling environment to increase youth participation in agribusiness.



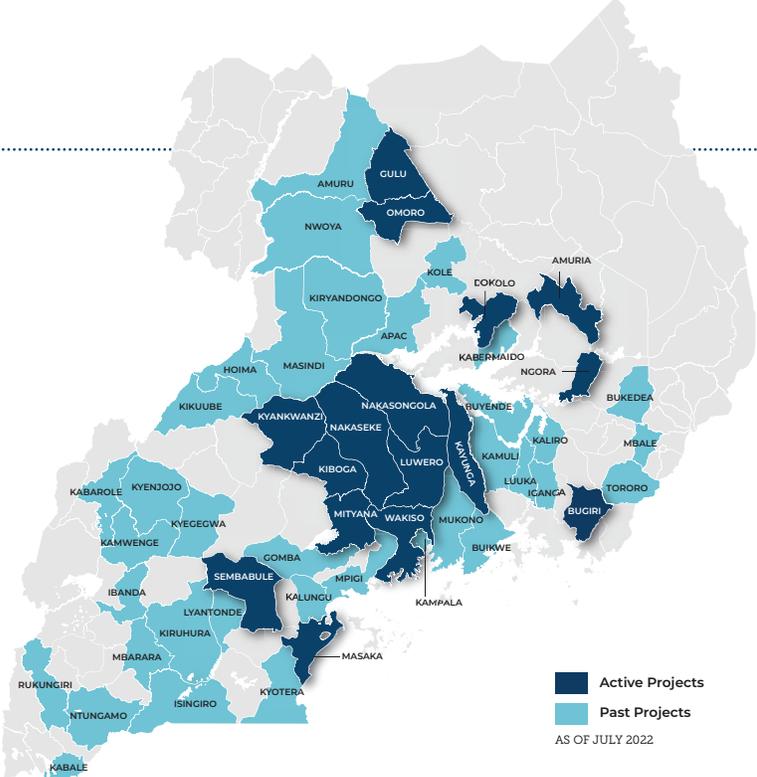
Facilitating access to finance for young entrepreneurs to start or expand businesses.



Replicating the hub model in new value chains to support young men and women.

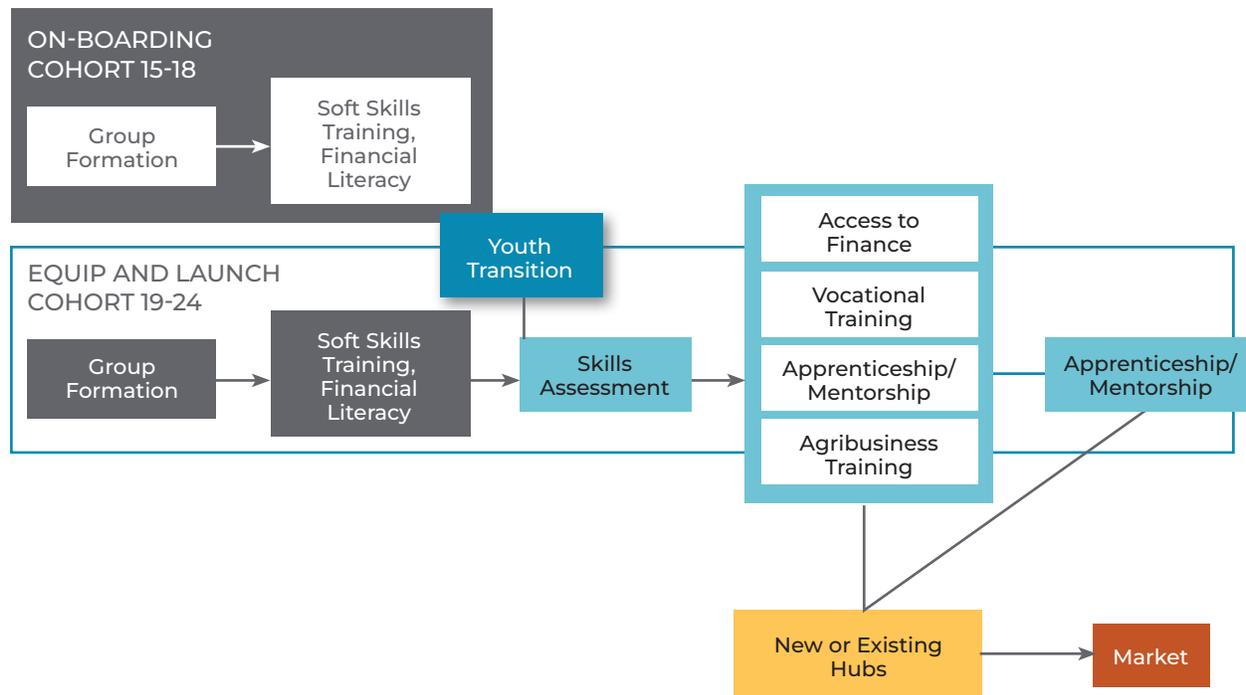
Project Locations

Heifer has implemented projects in 52 districts in Uganda. EAYIP was implemented in the Eastern and Central regions of Uganda in the districts of Amuria, Bugiri, Kiboga, Luwero, Ngora and Wikso.



Project Approach and Methodology with Learnings

The Value-Based Holistic Community Development Approach and Hub model



EAYIP was built on the learnings and Heifer’s proven models of agri-hubs, values-based holistic community development (VBHCD), private sector engagement to stimulate input and outputs markets for youth to access skills, products and services for job creation.

The VBHCD and agri-hub models set a platform for execution of an effective skills development program, with mindset-change and the relevant market structures for access to business development services. Social capital development was an important methodology for the project in the social transformation. It enabled disadvantaged young people to become confident and productive entrepreneurs.

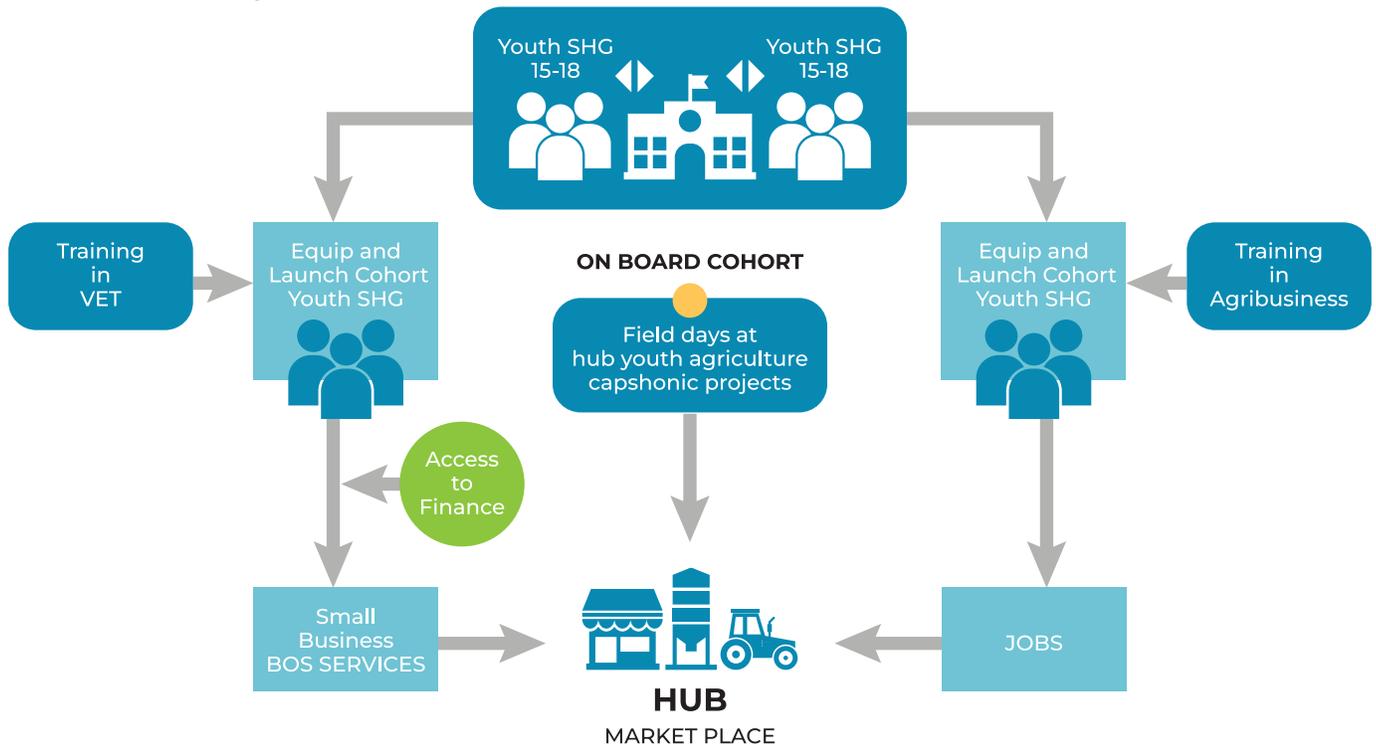
The formation of self-help groups (SHGs) was driven by a structure of 53 community facilitators, business mentors and agri-entrepreneurs. EAYIP keenly identified enhanced capacity of other young people within the communities with passion and skills to offer on-site training and mentorship of the targeted project participants. The structure has developed the local skill capacity for continued engagement beyond the project timeframe.

“When I completed my senior four, I was in the village staying with my parents. I didn’t have the morale to take on farming because I thought it was a job for uneducated people... For me, I had gone to school and I needed to do something better than that.”

—
TEDDY BIRUNGI
 CHAIRPERSON - BULIDHA
 BUDAYA HUB - BUGIRI

The Hub Model

EAYIP HUB Ecosystem



The East Africa Youth Inclusion Program was built on the success of Heifer’s East Africa Dairy Development (EADD) hub model.

A hub is an agri-business center that supports a network of businesses delivering goods and services to farmers and creating outlets to markets. These hubs generate formal, informal, and mixed employment opportunities for local communities



“... with EAYIP, I can confirm that there is strength in unity. They organized us into groups and now I see the value in that. We support each other. As youth in my village had earlier on tried to set up a youth savings group (VSLA) on our own, but we couldn’t succeed due to lack of information and commitment from the members. When EAYIP came to our community, in 2018, I was among the youth who were mobilized to form self-help groups that enabled us build ‘social capacity’, share information and acquire different skill sets. We were mentored and trained by the community facilitators in entrepreneurship and business management.”

—
MUYIMBA VILLAGE
 KALULE PARISH, NYIMBWA SUB-COUNTY

Formation of Agri-hubs



Assessment and mapping of potential business opportunities along the selected value chains and earmarking possible business lines informed by the business planning process.



Raised awareness through sensitization of the community structures and district officials about the agri-hub model and development process.



Selected hub champions/ lead youth farmers to popularize the model articulate the value proportion for the hub in terms of services and products to enhance skills acquisition, production and productivity, value addition, market access and financing.



Facilitated the set-up of the interim boards through elections, closely facilitated by the district Commercial Officer. Followed by intense capacity building in governance and business planning and management. Periodically, Heifer conducts stage gate assessments to assess the hub growth trajectory and pathway towards profitability and self reliance.



Supported the formation and registration of youth-led agri-hubs, supported establishment of hub management and governance structures, built capacity in management and governance. Tailor-made tools, policies and systems including business plans were developed to enable hubs start and run businesses, establish linkages with strategic input and out markets to stimulate job creation.



“When we started our business operations in 2019, our members needed access to quality seeds, fertilizers and market. EAYIP linked us to input providers such as Nalweyo seed company (NASECO) and also installed a milling machine. We started buying maize from our members and non-members to fulfil our processing capacity.”

—
MUYIMBA VILLAGE
 KALULE PARISH, NYIMBWA SUB-COUNTY

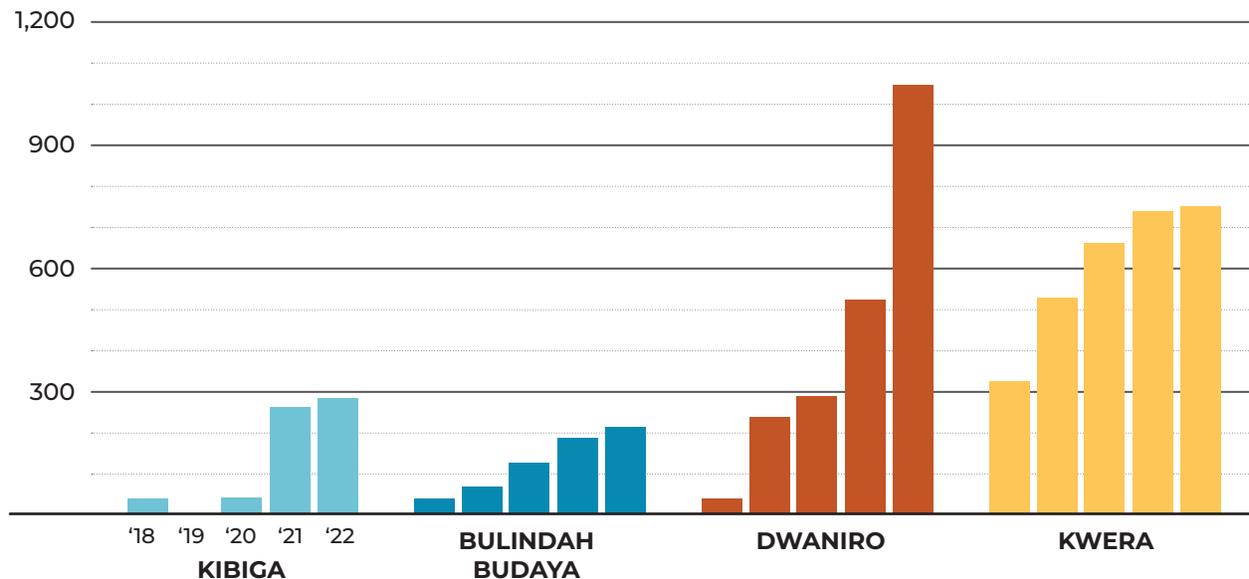
Hub business growth and job creation

Building strong and self-sustaining youth agrihubs creates a permanent channel and platform for driving access to business development service (BDS), market and linkages with the wider agriecosystem and create additional jobs. Hubs act as shock absorbers for youth businesses and can guarantee resilience and business growth.

Heifer has used the agri-hub model across its different programs including the Learn for Agribusiness project that created two youth led agri-hubs in Dokolo district. Considering the graph below, all the four hubs have grown their membership more than 100% for the last three years. Kwera Oilseed Youth Farmers' Cooperative a youth led hub has exponentially grown from 135 members in 2019 to over 1041 members by 2022.

All members are engaged in production and marketing of soybean and sunflower through the hub translating into 1,041 jobs created for youth in Kwera sub-county. Dwaniro Dairy Farmers Cooperative – an existing and old hub created by Heifer Uganda under the East African Dairy Development program in 2012, has not significantly attracted youth to join the hub but has created 748 jobs for youth under the EAYIP program. The project facilitated the hub to strategically identify opportunities for youth along the milk supply chain which include milk transportation, provision of extension and artificial insemination (AI) services, livestock fodder businesses, beef fattening and milk value addition/yoghurt processing.

Jobs Created (2018-2022)



Key drivers for membership/job creation:

Value proportion

The growth in membership and job creation is driven by the ability of the hubs to align their businesses with the business needs of members. Hubs that provide a range of services and products are attracting more young people to become members and benefit from quality seeds, micro credit, fertilizers, insurance, mechanization and market access among others. For instance, Kwera Oilseeds Youth Farmers Cooperative has rapidly grown its membership from 526 in 2019 to 1,041 in 2022. This is driven by a package of services and products offered by including quality seeds, crop index insurance, mechanization, bulking and micro credits.

Partnerships with public and private sector

One of the key roles of the hub is to provide a platform for channeling input and output products and services from and to the youth farmers. This enables farmers to develop and pursue sustainable business partnerships with reliable partners. Hubs that attract values-based partners increase their capacity to serve members and create confidence for long-term business engagements. Consequently, more young people are attracted to join hubs in order to become part of the agri-business ecosystem and leverage the opportunities created by the hubs. For example, the current partnership agreements of Kibiga Multipurpose Youth Cooperative with education institutions to process and supply processed maize provides a guarantee for its membership to increase production and productivity.

Branding and visibility

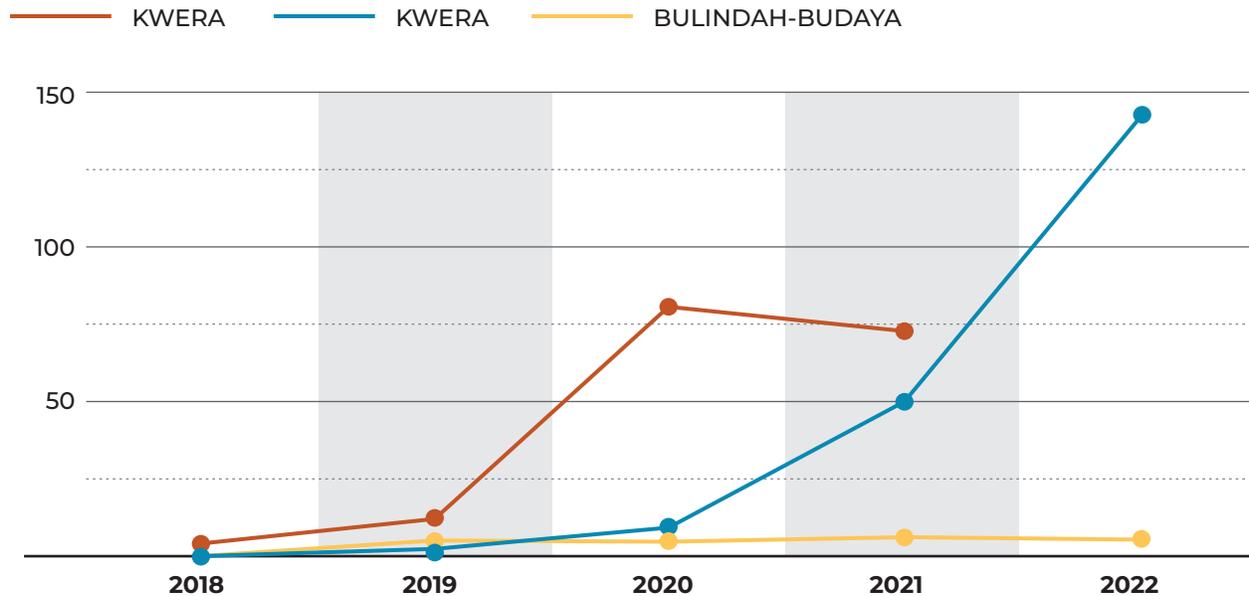
The importance of branding and visibility for hubs is closely tied to this membership growth. To get new members on board, hubs need to work on their communication to increase visibility and promote their brand. Heifer Uganda's capacity building package for hubs included supporting them to develop and run clear communication and branding strategies in order to their target audience and make them familiar with the hub value proportion. Kwera Oilseed Youth Farmers Cooperative has a communication strategy which includes communication activities and channels like farmer field days, radio programs, branding of all their products and services. This has increased the cooperative visibility and membership.

Governance and management structures

The growth and sustainability of the hub lies in its governance and management structures as well as subsystems that facilitate its operations to run a profitable business. Heifer Uganda invested resources to enhance governance and management capacity of youth hubs and facilitated training, mentoring and coaching of leaders and management teams. The support included facilitating business planning and operationalization, audit and accountability, linkages with government and the wider business development service ecosystem. The strong governance and management structures and systems guarantee a going concern for hubs and consequently attract more members.

Note: Not all youth trained transitioned to employment or started a business or secured a job. However, 30% of the jobs created came through the hubs as they continued to recruit more members to receive services such as quality seeds, extension, post-harvest handling and most importantly access to market. For example, the Great Kibiga Multipurpose Youth Cooperative expanded their membership from 129 trained by the project to more than 362 by the project closure as a result of the project enhancing capacity of the hub to offer services to members.

REVENUE IN MILLIONS (UGX)



Hub business growth and sustainability

Having gone through the establishment phase with governance and management structures in place, hubs had to operationalize their businesses. This was in line with the services and productions required by their members. Depending on the opportunities and resources available, hub business start-up and growth took different pathways and this has influenced their growth path to-date. The key major drivers of their growth trajectory included:

The nature of the business model

Despite the fact that members required a range of services and products, the hub didn't have the capacity to offer multiple services from the start. The low hanging opportunity was to start with access to market. For some hubs, they started with bulking produce from their members and holding it for better prices or even adding value through processing. The Kibiga Multipurpose Youth Farmers' Cooperative adopted the bulking model with members collectively pulling their produce together. The value of the final product is shared between members and the cooperative at 90:10 ratio. This model provided 30% additional value to members on top of the prevailing price of non processed maize. With this model, the hub expanded its bulking capacity from 17.6 tons per season in 2020 to 78.2 tons by 2022. This has translated into increased annual revenue for the hub from UGX 11.7 million in 2020 to UGX 184.5. A similar trend is noticed with the growth in revenue for individual members due to the 30% additional revenue resulting from value addition.

Unlike Kibiga, the Kwera Oilseed Youth Farmers' Cooperative runs a trading business in oilseeds majorly buying from members, holding and selling to major off-takers/processors. The hub has a moderate growth revenue from UGX 8.8 million in 2019, 80.4 in 2021 and 72.2 in 2022. The fall in revenue for the first season of 2022 is attributed to the hard climatic conditions resulting into poor crop production. Therefore, value addition and bulking have a significant impact on the hub revenue compared to trading.

Financing Models

For business startups, different financing models were sought by the different hubs. EAYIP supported the hubs to develop business plans to guide their business operations. For Bulidha- Budaya Youth Cooperative, the starting point with a loan of UGX 8.2 million from Post Bank was working capital for buying and processing maize produce from members. For the next two years, the hub has focused on loan repayment which has greatly reduced the revenue growth.

Unlike Bulidha-Budaya, Kwera Oilseed Youth Farmers' Cooperative started business operation with share capital from members. Heifer Uganda worked with the hub to adopt a value chain financing model. The project facilitated the hub to engage with Soybean Africa to co-finance a local seed business which introduced the hub into the seed business. Also working with processors, the hub leveraged capital to invest in collective bulking and marketing of oilseed produce and bulking of produce. This approach created an avenue for the hub to start and grow their capital and revenue without borrowing.



Building resilience of hub members

The hub profitability and revenue growth is partly influenced by the capacity to aggregate volumes from members. However, such volumes are dependent on the level of production and productivity of the members. From 2020 to 2022, the productivity of farmers has been affected by COVID-19 and climate change which impacted on the hub revenues. To address this challenge, Heifer supported hubs to develop additional services to improve the resilience of members against the economic and climate shocks.

For instance, Heifer Uganda supported Kwera Oilseed Youth Farmers' Cooperative to develop mechanization, and insurance services to shield their members from climate change. The hub provides tractor hire services and provision of quality seeds bundled with crop index insurance. Such services have cushioned members from the effects of climate change effects and maintained high productivity. Bulidha-Budaya equally runs a savings and Cooperatives Society (SACCO). After COVID-19, the hub supported its members to micro credits to restart businesses in poultry. Such business had collapsed during the lock down due to limited access to inputs and markets.

Achievements

- o 13 youth-led producer organizations developed and strengthened as a platform for job creation, proving BDS services to youth. Ninety percent of EAYIP project participants reported an increase in assets after using services from hubs.
- o Nine agri-hubs are running a minimum of two services and have established SACCOs to provide saving and credit services to members.
- o Social return on investment.
- o 75% of EAYIP project participants support at least one to two people and the social return on investment is positive, with an investment of \$1 in EAYIP yields \$4 in social value.



Key Learnings:

- o Building strong and self-sustaining youth agri-hubs creates a permanent channel for driving access to BDS, market and linkages with the wider agri-ecosystem and create additional jobs. Hubs act as shock absorbers for youth businesses and can guarantee resilience and business growth.
- o Formation of hubs should start following the formation of self help groups (Self-help groups) to create value for members to join the hub and align youth businesses with the hub business lines and value proportion.
- o Continuous hand holding after project closure is key for building sustainability of the established agri-hubs that are still at the infancy stage. Therefore, strengthening linkages and partnerships with government and private sector actors is an important exit strategy for the hubs' growth.
- o Strong governance and management structures provide a strong pillar for stimulating the hub business growth and sustainability. Hubs with management teams of young people who are involved in agribusiness, contribute greatly to the business growth, ownership and sustainability.
- o Continuous market review and assessment is required during project execution to align the hub business growth with trending market opportunities and youth aspirations. For some hubs, youth business changed over time, creating a misalignment with the hub business lines.
- o Integrating young entrepreneurs within an existing hub is not easily accepted as such hubs have already set up structures and systems that are not necessarily youth focused.

Skills Development

The skills development started with the formation of self help groups (SHGs) was based on Heifer's Value- Based Holistic Community Development (VBHCD) integrated with the foundational skills by Youth Alive in Uganda. The VBHCD model provided an opportunity for personal transformation of vulnerable youth into confident and active participants. Through social capital development, project participants were able to organize themselves into self help groups (SHG) and were facilitated to select their leadership structures. This was reinforced with personal leadership development, value reflection and alignment with Heifer's 12 cornerstones culminating in self-driven action planning.

In order to meet the social, technical and financial capabilities of young people and build the required competencies of young people, the program offered a package of foundation skills in agribusiness, entrepreneurship, financial and financial and business management, as well as life and social skills. The skills were delivered by a range of service providers through the self- help groups.



Financial Literacy & Entrepreneurship

A team of fellow young people with skills and entrepreneurial expertise were engaged to build the financial capability of youth and offer practical training and mentorship in business planning and management. The business mentors also acted as agents of access to finance. The business mentors were trained and mentored by a range of BDS providers within the ecosystem.



Technical and Agribusiness Skills

The program engaged vocational institutions, agri-hubs, private business companies, incubation centers and resource persons. Trainings were aligned to selected value chains and associated skills in artificial insemination, machine operations and mechanization, seedling production, construction of livestock housing, vegetable production, yoghurt production, fruit juice processing, metal fabrication, and animal feed formulation.



Social and Life Skills

The program build capacity of community facilitators to mobilize and train young people at self-help group level in group dynamic, leadership, communication, self-awareness including formation and strengthening of informal savings and lending groups. These provided continuous career guidance and support including referrals for additional services such as reproduction health, family support.

Note: The program created more jobs beyond the number of youths trained and not all youth trained started a business or secured a job. However, 30% of the jobs were created through the hubs as they continued to recruit more members to receive services such as quality seeds, extension, post-harvest handling and most importantly access to market. For example, the Great Kibiga Multipurpose Youth Cooperative expanded their membership from 129 trained by the project to over 362 by the project closure as a result of the project enhancing capacity of the hub to offer services to members.

Achievements

- Total reach of 32,301 (15,592 females) with improved skills and competencies to fit into the job market. 16,789 (8,494 Males and 8,295 Females) in Uganda and 15,512 (5,592 Females) in Tanzania.
- 33,106 jobs were created (20,627 in Uganda while 12,479 in Tanzania). Jobs were created along the value chains of poultry, dairy, maize, horticulture, produce buying and selling, animal feeds.
- Reduced the living income gap by 31 percent with the average income stands at USD 63 in Tanzania and USD 153 in Uganda from the baseline of USD 27 in Tanzania and USD 50 in Uganda.
- Improved living conditions of targeted youth by 80.9% compared to 55.7% percent in the comparison areas in Uganda and by 88.9% compared to 20.6% in the comparison areas in Tanzania.

Key Learnings:

- Fostering market-driven skill acquisition, certification, incubation, mentoring & coaching, increases the opportunities for youth to secure meaningful employment.
- Driving youth from primary production skills to value addition at the upper market segment can rapidly contribute to closing the living income gap and generate additional jobs. In additional youth engaged in livestock production mainly poultry and fattening of steers realize a rapid growth in income compared to crop related value chains even when the initial capital is higher with livestock enterprises.
- Shorter training durations can reduce on the higher attrition rate especially in urban areas. Integrating a learning by doing approach for technical and agribusiness skills increases opportunities for youth to generate income and increase participation and retention.
- Trainings offered through vocational institutions provide a long pathway into production and income generation compared to the learning through production by private business companies aligned to value proportion of both the young people and the company.
- Participatory career guidance and youth engagement for choice of technical/ vocational and agribusiness skills increases youth interest and persuasion of the business opportunities along the value.





Access to Finance

The core element of the access to finance component was the Revolving Loan Fund (RLF). From the design, Heifer committed a sum of \$1 million to EAYIP to create the RLF in both Uganda and Tanzania and make it available to young entrepreneurs who have successfully completed at least three months of activities within the self-help groups. By creating the RLF, Heifer intended to maximize the number of young people who would benefit from EAYIP's interventions of supporting business establishment and growth and consequently stimulating job creation. Therefore, RLF was not a replacement of the existing commercial loans within the financial institutions, but rather a viable alternative for borrowers who could not qualify for conventional financial products or are otherwise viewed by the banks as being high risk. To roll out this initiative, EAYIP took a number of processes:

- ▶ Post Bank and MUCOBA were identified and selected as financial services partners to manage the RLF. Their selection was based on the capacity to delivery microfinance products and experience in micro lending.
- ▶ An memorandum of understanding (MoU) was signed between Heifer and two banks under EAYIP which could make a 50/50 contribution to the fund. Loans were provided a plat interest of 15% per annum and later reduced to 10% during the Covid-19 pandemic.
- ▶ Post Bank and MUCOBA designated staff from the credit departments to manage the lending and recovery activities while EAYIP had access to Finance Managers in both countries working for the banks for the first three years.
- ▶ Post Bank and MUCOBA provided quarterly reports on RLF portfolio in each country and performance reviews were conducted on a quarterly basis.
- ▶ Hubs and self-help groups provided a platform for disbursement and recovery while EAYIP provided recommendations to youth and groups. Borrowers provided an initial deposit and a recommendation from EAYIP to access the loans.
- ▶ However, considering that majority of the youth business were startups, an initial deposit was required, less than 10% of young people accessed credit through the RLF. Low update was also attributed to long appraisal processes and limited engagement of the financial institutions. Consequently, EAYIP adopted alternative financing mechanisms alongside the RLF.



Information, Savings and Lending Associations (ISLAs)

The program further enhanced the capacity of the savings groups at community level as a starting point for youth to access credit. This resonated more with a majority of the business start-ups, and it enhanced the financial capability of young people to qualify for formal lending. Over 90% of the youth accessed credit from ISLAs to establish their micro businesses. However, the ISLAs were limited by the small fund portfolio to offer bigger loans to members. Savings and Credit Cooperative.



Savings and Cooperative Societies (SACCOs) at Hub Level

To address the challenge of limited funds at the ISLAs, the program supported hubs to develop SACCOs with individual and self-help groups membership shares. Pulling resources from hub members and self-help groups created a bigger fund for onward lending to young people especially for business expansion. The SACCOs were linked to umbrella bodies like the Uganda Central Cooperative Financial Services (UCCFS) for further capacity building and capitalization.



Value Chain Financing

To support young people starting businesses under selected values particularly in production, EAYIP identified and facilitated formal business partnerships between the hubs and private business companies. The deal was to enable young people access initial start up capital in form of inputs, extension and advisory services, while addressing the supply constraints of the off takers. This was mainly done in crop value chains and poultry. However, this mechanism required a strong private sector engagement and facilitation which was not built from the onset.



Introduction of Equity Bank | Youth Loan

In the fourth year, EAYIP introduced Equity bank as a second formal financial institution to offer savings and credit to young people. This relationship was leveraged on the Equity Bank partnership under Young Africa works Strategy. Unlike with Post Bank, Equity Bank capitalized on the learnings of RLF and adopted a business model working strictly through the hubs and self-help groups to channel credit to young people. The bank also used the business mentors, community facilitators and hub structures to undertake appraisal, disbursement and recovery processes. As a result, more youth took up loans from Equity Bank during the last two years of the program and this continued after the project closed.



Financing by Government Programs

In both countries, Heifer signed MoUs with local governments and strongly collaborated with district leaders to implement the program. Building on this relationship, the program linked youth groups to benefit from programs such as Youth Livelihood, Emyooga and Women Entrepreneurship program.

Note: 50% of the loans accessed from financial institutions were invested in poultry and steer fattening compared to crop value chains. This was attributed to the higher return in those investments and less risks related to climate change effects that affect crop value chains.

Achievements

- Total reach of 32,301 (15,592 females) with improved skills and competencies to fit into the job market. 16,789 (8,494 Males and 8,295 Females) in Uganda and 15,512 (5,592 Females) in Tanzania.
- 33,106 jobs were created (20,627 in Uganda while 12,479 in Tanzania). Jobs were created along the value chains of poultry, dairy, maize, horticulture, produce buying and selling, animal feeds.
- Reduced the living income gap by 31% with the average income stands at USD 63 in Tanzania and USD 153 in Uganda from the baseline of USD 27 in Tanzania and USD 50 in Uganda.
- Improved living conditions of targeted youth by 80.9 % compared to 55.7% in the comparison areas in Uganda and by 88.9% compared to 20.6% in the comparison areas in Tanzania.



Key Learnings

- Access to several innovative financing mechanisms widens the pathways for youth access to finance, bringing financial services closer to the youth people. For instance, SACCOs and direct value chain financing through input and output market actors provide viable alternatives.
- Financing business start-ups requires detailed analysis to ascertain business viability and risks as well onsite business mentorship. Most youth who invest in startups register higher default rates. In some instances, it may require providing smart subsidies to kick start the business.
- The hub and SHG structures provide a suitable platform for financial institutions to undertake disbursement and recovery. Building the capacity of the hubs to work with financial institutions can increase uptake and recovery.
- Lack of an insurance cover on agriculture loan products expose the youth to risks associated with enterprise failure.
- Use of digital financial systems increases avenues for youth savings and access to credit and increase efficiency for timely disbursements.
- Engaging with financial institutions with a shared interest, long term youth financing strategy and a clear business model guarantees sustainability.



Greater Kibiga Multipurpose Youth Cooperative Society

KIBOGA DISTRICT

- o Started as a youth association in 2018 with 36 members mainly engaged in informal financial savings and lending.
- o Registered as a cooperative in 2021, July 2020 registered as a Youth Association with 39 members under EAYIP project.
- o Grew members to 362 fully paid members (179 women) from 10 self-help groups within Kibiga sub-county raising USD 1,167 from membership and USD 2,448 from shares.
- o The cooperative provides quality maize seeds, extension/post-harvest handling, bulking and processing of maize.
- o Expanded its bulking capacity from 17.6 tons per season in 2020 to 78.2 tons by 2022. The annual turnover has grown from USD 7,160 in 2020 to USD 50,724.
- o Acquired two acres of land worth USD 6,216 for establishment of a bulking and processing facility and increase its current processing capacity. EAYIP has co-financed the establishment of this facility.

Zorobwe Kalagala Youth Cooperative

LUWERO DISTRICT

- o Started as an association in 2017 with 24 members as champions from eight groups mainly engaged in casual work and maize production.
- o Registered as a cooperative in August 2018 with 30 founding members and then started doing business in 2019 with maize bulking from members and providing inputs to members.
- o By 2022, the hub has grown its membership to 568 fully paid members (231 females) from 51 self-help groups within Zorobwe and Kalagala sub-counties.
- o Started with 12 tons of maize per season in 2019 and increased to 37 tons in 2022 with the introduction of value addition. The hub has an outlet within Zirobwe for selling maize and also supplies to schools.
- o The cooperative provides quality maize seeds, extension/post-harvest handling, bulking and processing of maize.
- o The hub could potentially increase its bulking capacity to over 100 tons given the high quality of maize floor they produce. The utilization capacity is limited by low working capital and limited access to land for members to increase production.





Viola Nanteza

KWESE VILLAGE, KALULE PARISH, NYIMBWA SUB-COUNTY, LUWERO DISTRICT

Viola Nanteza (25 years old) from Nyimbwa sub-county, Luwero District is a female youth belonging to “Work not Words Youth Development Group”. After completing her ordinary level secondary school education, she looked for jobs in vain.

On 3rd March 2018, Viola joined a self-help group together with 29 other youth. As a result of her acquired skills, she developed a business plan and approached Postbank with support from EAYIP for a loan of UGX 1,000,000. She invested the money in piggery project with 12 pigs (eight pigs and four piglets). She went ahead and diversified into tomatoes (half an acre garden at flowering stage) and beans (two acres of beans also at flowering stage as at the beginning of May, 2021). Viola has also setup a money transfer business using Airtel Money.

The above enterprises have been made possible because of EAYIP's support in extending trainers and agri-vet entrepreneurs who provide timely advisory services. The returns from her enterprises are promising and she now earns a monthly income of UGX 500,000 from her mobile money business and an average of UGX 600,000 from the agricultural ventures including piggery, maize, beans and tomato growing.

With the leadership skills she gained , she is now Female Youth Counselor and a speaker of Nyimbwa sub - county in Luwero District. Viola intends to use her new position to champion the interests of fellow youth including access to Youth livelihood program funds such as Youth Livelihoods Program (YLP) , Presidential Initiative on Wealth and Job Creation (Emyooga) and others.

Viola is grateful to Heifer International and Mastercard Foundation for EAYIP which has empowered her and opened her eyes to new possibilities. At personal level, she is taking good care of her parents whom she resides with and pays school fees for three siblings in primary school. She has been able to buy two plots of land where she grows tomatoes and bananas.

Birungi Teddy

BULIDHA BUDAYA YOUTH FARMERS' COOPERATIVE SOCIETY LIMITED, BUGIRI DISTRICT

Birungi Teddy started her business with USD 429.5 start-up capital in 2018 from post bank her business is currently valued at USD 2,351.4.

She started with maize value addition business. Later she utilized the maize bran from the hub maize milling business to start a poultry farm.

EAYIP helped Teddy pay her household's bills after her husband lost his job as a result of COVID-19. She has been able to pay school fees for her children as well.

She's able to save USD 30 with the Hub SACCO. The money saved has given other hub members the opportunity to get some substantial loans for their small business ventures.



EAYIP has had a magnificent impact on my life, which I cannot just tell it all due to limited time, but what I can say is that EAYIP got me from a point where I was just seated at home as a housewife without any hopes of making money to a now businesswoman and a chairperson of Bulidha Budaya Youth Farmers' Cooperative Society Limited here in Bugiri.

Yasin Alimiga

DWANIRO SUB-COUNTY, KIBOGA DISTRICT

In 2018, Yasin bought five goats with his savings of UGX 300,000 from his group and started a goat rearing project. While running the business, he was trained on goat husbandry and linked to animal health services by the EAYIP program. Yasin was also introduced to Post bank Uganda where he secured a total loan of UGX 29,000,000 to expand his business, both the goat rearing and bull-fattening and trading business. The loans were secured in four installments and he was able to pay them back in full.

“ I was a middleman who used to link owners of goats and chicken to the market, and I would reap a small commission. My capital was UGX 100,000.”



Currently, Yasin boasts of a 57-goat business. He has also been able to grow his working capital from UGX 100,000 to UGX 15,000,000. Running a profitable goat business has greatly improved his earnings, amounting to approximately UGX 600,000 monthly which has enabled him to acquire some assets.

Yasin is highly recognised and respected in his community. In the recent elections, he was voted as the Vice Chairperson of the local council of Kakinzi village where he lives. He has also helped pay school fees for many children in his family — something he also learnt from the Heifer cornerstones.



I have managed to construct a permanent house and will soon leave this grass-thatched small house. I used to think that for one to build a big and permanent house, he had to be a government official. Through the interventions of Helper Project International, I now have the ability to construct my dream house.



Zachariah Elipu

MUKURA SUB-COUNTY, NGORA DISTRICT

After joining Ainerkedaaswam youth group, he received trainings on how to develop a vision for their lives, saving, business planning, and saving. In his group of 30 members, Zachariah's group of 30 members started saving.



We started with a small share value of UGX 500; we started small because the members were skeptical about the venture, they were not sure if it would work. After saving for a whole year, I had UGX 100,000 which I used to buy a goat. During the second year, we increased our share value to UGX 2000 and collectively saved a total of UGX 6,000,000. I used my share of UGX 620,000 to buy a calf.

The group was introduced to Postbank that guided them on saving and borrowing from the bank. Zachariah was excited about this new opportunity to access finances for investment, and he became interested in borrowing money to expand his business. He borrowed, UGX 3,000,000 from Post Bank, and stocked two fish ponds. His fish venture was successful, and he managed to pay back the loan on time. He then secured another loan of UGX 5,000,000 that he used to re-stock fish and also bought three boats for fishing in Lake Kyoga as well as the fish nets .

He is happy that he selected an enterprise that has ready market. The challenge remains the impassable roads are impassable to vehicles which forces him to sell the fish from the local community market His future plans are to expand the fish farming business and construct a house for himself.



HEIFER[®]
INTERNATIONAL

Plot 1, Yusuf Lule Road, Opp. Italian Embassy
P.O. Box 28491, Nakasero, Kampala
heiferuganda@heifer.org
www.heifer.org