

## Microcredit for Farmers in Mubende, Uganda

After ten years the Mubende, Uganda the microcredit project sponsored by the Abingdon Vesper Rotary Club has been building on its successes. Today, the project is as fresh and popular with farmers as the day it started. This is evidenced by the 80+ farmer groups wanting to join and the enthusiastic participation of group leaders in our Training Seminars.

On day one we welcomed 120 chairmen, secretaries and Key Farmer Trainers (KFT), and on day two 80 treasurers for bookkeeping training. The microcredit project consists of an interest free three-year loan to an established group of farmers. The loan is combined with training in bookkeeping and sustainable organic agriculture by a Key Farmer Trainer.



From the loan the group gives small 10-month loans to its members. These enable them to buy or rent some land, pay for labor or buy an animal or seeds. **Above all we stress that loans must be used for income generating projects only.**

The project fulfills a very real need, as it is impossible for ordinary small scale farmers in Uganda to escape the cycle of poverty without the kind of training and loans that the project provides. Interest on bank loans prevents a group from building up a loan pool and lending schemes of the Ugandan Government do not reach the rural population. They either have unattainable conditions or they simply disappear before they reach grassroots level.

Thousands of farmers in Mubende are extremely grateful for the opportunities Abingdon Vesper Rotary has given them. As part of the project, we encourage people to use their profits for education, mosquito nets, water filters, water harvesting and other farm and home improvements.



From the beginning of the microcredit multi-year project in 2007 we have given out loans to 135 farmer groups with a total of 4000 members.

Counting the members' families, we can say, that well over 25,000 people have directly benefited the project.



## Rotary Action Group for Community Economic Development

### CHANGING LIVES IN MUBENDE, UGANDA

Susan borrowed 200,000 Ugandan Shillings. She bought a calf, sold it for 500,000. She paid off loan, bought land and paid school fees. Susan got a new loan and bought another calf. She needed money for the hospital. She sold the calf early for 400,00 but kept enough to buy another calf. This calf is already worth 450,000

**Susan has learned to plan.  
She feels more in control and more secure**



The impact goes even further, as these groups set an example for other people in the community, who then set up their own groups. By visiting Mubende every year, Members of Abingdon Vesper Rotary Club provide training and encouragement and make sure that the program is running well. Every group that has microcredit is visited and we also meet lots of potential groups, so that we can evaluate them before they receive a loan. These visits form an important part of the program. Throughout the rest of the year, we stay in regular contact with the local Coordinator via email and WhatsApp.

A small number of groups have fallen apart and have difficulty in paying back the loan or are doing so very slowly. In four cases the group leaders were unwilling to pay back. We successfully recouped money from a number of groups and shall continue our efforts to recover all outstanding microcredit, but inevitably some of the outstanding money will not be recoverable. Today the deficit stands at 2,355 pounds which is only 2.5% of the total sum lent. As any bank can tell you, losses are not unusual in the "lending business". Our losses are comparatively small, especially taking into account the vulnerability and "credit rating" of our "customers". The continuity of our microcredit program is not only helping the farmers, but also it is giving Rotary a very high reputation in Mubende.

**This is truly "Rotary the World Over"**

To learn more about this project, contact Maya Smeulders - Mubende Projects Coordinator  
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