

## **FINANCING SPECIAL PROGRAMS-UGANDA DEVELOPMENT BANK**

**SPECIAL PROGRAMS-** Uganda Development Bank Special Programs serve to implement and manage interventions in the categories of SMEs, Women, Youth, and Business advisory services from start-ups to existing business with appropriate financial and non-financial solutions.

The following are Uganda Development Bank Special Programs;

### **1. SME KAZI LOANS**

This is an intervention to enable access to affordable financing and business support with the aim of promoting sustainable growth of SMEs and build their resilience against business shocks.

#### **Product features**

##### **a) SME BUSINESS ACCELERATION FACILITY**

###### **These covers;**

- short-term working capital,
- Trade facilities,
- Invoice discounting,
- Contract financing.
- Min UGX50M
- Max UGX720M
- Debt/ Equity Ratio 80%: 20%,
- Loan tenure up to 1 year (revolving)
- Grace period up to 3 months
- Appraisal fees 1% first time 0.75% on revolving amounts
- Interest rates 10-12% p.a.

##### **b) SME ASSET FINANCING FACILITY**

- The product enables SMEs acquire assets necessary for production.
- Collateral pegged to the acquired asset
- Min UGX 50M
- Max UGX 720M,
- Debt/Equity Ratio 90%:10%,
- Loan tenure 6 years
- Grace period up to 2 years
- Appraisal fees 0.75%

- Interest rates 10-12% p.a.

### **c) SME BUSINESS EXPANSION FACILITY**

- This is to facilitate SME businesses with demonstrated potential of expansion (both start-ups and existing) with capital investment
- Min UGX 50M
- Max UGX 720M
- Debt/Equity Ratio 80%:20%,
- Tenure up to 6 years
- Grace period 2 years
- Appraisal fees 0.75%
- Interest rates 10-12% p.a.

### **Eligibility Criteria.**

- Entity must be a Small or Medium Enterprise.
- Annual Turnover of up to UGX 100M for small enterprises and Medium up to UGX 360 M.

## **2. WOMEN PROSPER LOANS.**

This aim is to increase access to affordable and appropriate financial services for women-owned and women-led business as an enabler to increase participation of women in the development agenda of Uganda.

### **Product features**

#### **a) WOMEN SWIFT FACILITY**

- To address the various short term business needs of women enterprises
- Min Ugx 100M
- Max Ugx 900M
- Debt/Equity Ratio 80%:20%
- Loan tenure up to 18 months
- Grace period up to 6 months
- Appraisal fees 0.5% and
- Interest rates 10-12% p.a.

#### **b) WOMEN ACCELERATION FACILITY.**

- A medium-term facility to finance business expansion and cater for women start-ups and existing businesses that may require full commercialization.
- Min Ugx 100M

- max Ugx 900M
- Debt/Equity 80%:20%
- Loan Tenure 8 years
- Grace period up to 2 years
- Appraisal fees 0.5%
- Interest rates 10-12% p.a.

**c) WOMEN ASSET ACQUISITION FACILITY.**

- To enable and enhance productivity, the Bank supports women enterprises to acquire much needed assets
- Min UGX 100M
- Max UGX 900M
- Debt/Equity 90%:10%
- Loan Tenure up to 8 years
- Grace period 1 year
- Appraisal fees 0.5%
- interest rates 10-12% p.a.

**Eligibility Criteria**

- **By Ownership/Share-holding**-Any enterprise or business where ownership/shareholding is more than 50% by women.
- **By Leadership/Management**- Any enterprise where:
  - i) The board is constituted of at least 30 % women
  - ii) Senior Management constitutes at least 30 % women.
- **By product** – Any enterprise involved in the production of essentials for women including sanitary items, medical equipment, and inner clothing.
- **By Employment** – Any enterprise or business employing at least 40% women.

**3. YOUTH STEP-UP LOANS**

The bank provides appropriate financing options and business development services as an enabler for the youth to develop social, economic and entrepreneurial skills to enhance their participation in the overall development process for an improved quality of life.

**a) YOUTH QUICK FACILITY**

This provides financing for;

- Working Capital
- Trade Finance

- Min UGX 100M
- Max UGX 540M
- Debt/Equity Ratio 80%:20%
- Loan Tenor up to 18 Months
- Grace Period of up to 6 months.
- Appraisal Fees 0.5%
- Interest Rates 10-12 p.a.

#### **b) YOUTH AGRO FACILITY**

This targets youth in the agriculture value chain for both start-ups and existing businesses.

- Min UGX 100M
- Max UGX 540 M
- Debt /Equity Ratio 90%:10%
- Loan Tenure of 1-7 years.
- Grace period of up to 2 years
- Appraisal fees 0.5%
- Interest rates 10-12% per annum

#### **c) YOUTH ACCELERATION FACILITY**

This facility intends to promote the growth of youth enterprises by enabling business expansion.

- Min UGX 100M
- Max UGX 540M
- Debt/Equity Ratio 90%:10%
- Loan Tenure of up to 6 years
- Grace period up to 1 year
- Interest rates 10-12% p.a

#### **d) YOUTH KICK START FACILITY**

- Support youth with start-up projects that demonstrate potential viability.
- Min UGX 100M
- Max UGX 300M
- Debt/Equity Ratio 80%:20%
- Loan Tenure of up to 6 years

- Grace period up to 2 years
- Appraisal fees 0.5%
- Interest rates 10-12% p.a.

### Eligibility Criteria

- **By Shareholding/Ownership:** Any enterprise or business where shareholding/ownership is more than 30% by youth.
- **By Product:** Any enterprise involved in skilling or reskilling of youth, i.e., BTVETS, Incubation Hubs etc. Where youth enrolment exceeds 50%.
- **By Employment:** Any enterprise or business employing at least 35% of youth.

### Product Value Proposition

The bank shall support the purchase, surveying, and titling of land as a component of the main project cost. The details are as outlined below;

- ❖ **Land survey and titling:** SMEs, women and youth enterprises may be supported to enable them to undertake the land survey and titling process.
- ❖ **Land purchase:** the bank shall specifically support youth and women enterprises by allowing for land acquisition for permanent business premises to be part of the main loan request.

## 4. BUSINESS ACCELERATOR FOR SUCCESSFUL ENTREPRENEURSHIP

### Product features

#### a) BUSINESS ADVISORY SOLUTIONS

The bank provides advisory services to clients pertaining to management best practices, good governance, record keeping, financial management, etc based on the Bank's wider knowledge of the business, operating environment and experience gained from funding, implementing and monitoring such projects.

This is done by way of training technical support to develop and implement the required process in the businesses.

The objective is to have professionally run businesses and enterprises which in result reduce the risk of default of financed projects.

#### e) PROJECT PREPARATION

This product is to fill the gap of inadequate stock of bankable projects that are required to propel development, including public projects. The bank supports in moving identified

projects from concept design, pre-feasibility studies, feasibility studies, financial structuring and to commercial operations.

The bank undertakes planning and preparatory activities for project development for projects within sector plans and the NDP, in addition to private sector projects.

#### Application process

All the customers under kazi loans, women prosper loans and youth step-up loans have the same application process as below.

- i) Fill the special programs application form in substitution of a business plan.
- ii) Attach the standard requirements for special programs.