TECHNICAL PAPER

MICROFINANCE IN EAST AFRICA

SCHEMES FOR WOMEN IN THE COFFEE SECTOR

International Trade Centre

EXPORT IMPACT FOR GOOD

MICROFINANCE IN EAST AFRICA

SCHEMES FOR WOMEN IN THE COFFEE SECTOR

Abstract for trade information services

ID=41904 2011 F-04.03 MIC

International Trade Centre (ITC)
Microfinance in East Africa – Schemes for Women in the Coffee Sector
Geneva: ITC, 2011. ix, 33 pages (Technical paper)
Doc. No. SC-11-195.E

Overview of the microfinance sector in East Africa with particular focus on schemes for women engaged in the production and processing of coffee in Uganda and Kenya − explains the role and importance of microfinance for women engaged in the coffee sector; presents the key players in microfinance in East Africa, and reviews the current trends; explains reasons for the limited coverage by microfinance of women engaged in the sector, and provides suggestions to increase it; outlines additional sources of information on the topic; includes detailed information on a number of microfinance institutions, as well as international non-governmental organizations and foundations involved in the microfinance sector.

Descriptors: **Microfinancing, Gender, Coffee, Uganda, Kenya, Eastern Africa, Africa.**

For further information on this technical paper, contact Mr. Morten Scholer, scholer@intracen.org

---

English

The International Trade Centre (ITC) is the joint agency of the World Trade Organization and the United Nations.

ITC, Palais des Nations, 1211 Geneva 10, Switzerland (www.intracen.org)

This technical paper has not been formally edited by the International Trade Centre.

Acknowledgements

Dominic Stanculescu and Laura Gibson, both independent consultants, prepared this Technical Paper in close cooperation with Morten Scholer, Senior Adviser at ITC.

Valuable contributions and support was received from:

- Emma Joynson-Hicks, Director, Café Africa Uganda, Kampala, Uganda
- Phyllis Johnson, President, BD Imports and Member of the Board of the International Women's Coffee Alliance (IWCA), Rockford, IL, United States of America
- Irene Banda Mutalima, Executive Director, Ecumenical Microfinance for Human Development (ECLOF), Geneva, Switzerland
- Barbara Doswell, Programme Assistant – Operations, ECLOF, Geneva, Switzerland
- John Schluter, CEO, Café Africa, Nyon, Switzerland
- Laura Hemrika, Vice President, Public Policy − Sustainable Affairs Microfinance, Credit Suisse, Zurich, Switzerland
- Meg Jones, Senior Programme Officer, Women and Trade, ITC
- John Gillies, Senior Officer, ITC
- Roger Megelas, Senior Adviser on Trade Finance, ITC
- Raphael Dard, Adviser on E-business Solutions, ITC
- Isabel Droste, Publications Assistant, ITC

Funding for development, publication and dissemination of this Technical Paper was provided by the Department for International Development (DFID) in the United Kingdom as part of DFID's support to ITC's Women and Trade Programme.

Contents

Abbreviations

The following abbreviations are used:

AMFIU	Association of Microfinance Institutions of Uganda
ASCA	Accumulated Savings and Credit Associations
BoU	Bank of Uganda
CGAP	Consultative Group to Assist the Poor
DANIDA	Danish International Development Agency
DFID	Department for International Development, United Kingdom
EAFCA	Eastern African Fine Coffees Association
ECLOF	Eucomenical Microfinance for Human Development
EU	European Union
FAO	Food and Agricultural Organization
FAST	Financial Alliance for Sustainable Trade
FSA	Financial Services Assessment – Kenya
FSA	financial services association
GTZ	German Technical Cooperation
IFAD	International Fund for Agricultural Development
IISD	International Institute for Sustainable Development
ITC	International Trade Centre
IWCA	International Women's Coffee Alliance
KWFT	Kenya Women Finance Trust Limited
MDI	microdeposit institution
MFI	microfinance institution
MFMI	Microfinance Management Institute
MIX	Microfinance Information Exchange
NGO	non-governmental organization
NORAD	Norwegian Agency for Development Cooperation
ROSCA	rotating savings and credit association
SEEP	Small Enterprise Education and Promotion Network
SACCO	savings and credit cooperative
SNV	Netherlands Development Organisation
TNS	TechnoServe
UBOS	Uganda Bureau of Statistics
UFT	Uganda Finance Trust Ltd
UML	Uganda Microfinance Limited
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
VO	village organization
VSLA	village savings and loans associations
WMI	Women's Microfinance Initiative
WTO	World Trade Organization
WWB	Women's World Banking

Executive summary

The coffee sector has a huge potential to contribute to poverty alleviation in East Africa, but the sector's development is hampered by a lack of savings and credit facilities. Moreover, women's access to financial services is even more restricted than that of men, and most women in rural areas continue to save in secret hiding places, and borrow from shops, agricultural input wholesalers or agro-vets.

Microfinance providers such as commercial banks, microdeposit taking institutions, NGOs and 'NGO-like microfinance institutions', generally serve urban areas and are biased towards financing commercial activities. Cooperatives and less formal 'village banks' and self-help groups have a greater rural outreach, but their means and institutional capacities to finance the coffee sector are at present very limited in most East African countries.

The professionalization of the microfinance sector, increased competition in urban areas (also from commercial banks offering microfinance) and the adoption of new technology are driving the outreach of savings and credit services into rural areas. However, the very remoteness of certain areas, the high costs of services, financial illiteracy, and the unsuitability of financial products for agriculture restrict the reach of microfinance to women engaged in coffee production and post-harvest processing.

The main opportunities for donors to contribute to the development of financial services for women engaged in coffee include: (i) strengthening of client entrepreneurial awareness and skills; (ii) support to financial institutions in their rural outreach and in the development of financial services appropriate for smallholder famers; and (iii) creation of links between village banks and more formal financial institutions to increase the scope and capacities of the former.

Working alliances between financial service providers, agricultural input sellers, coffee buyers and women producers based on existing models for win-win situations also need to be replicated to increase coverage of financial services for women in coffee. Such alliances could possibly be established in cooperation with the national associations for women in the coffee sector, which are currently being established in several countries in East Africa with the support of the International Trade Centre and the International Women's Coffee Alliance.

A large number of online information sources on microfinance, including downloadable training materials and listings of microfinance institutions and their performances, serve to increase transparency in the sector and promote the adoption of best practices. In line with this paper's objective to give an overview of the savings and credit landscape relevant to women in Africa, we provide a list of some of these resources for further information on the topic.

Finally, for an easy overview of who-is-who in microfinance in East Africa with services targeted at women and the coffee sector, go to Section VI, Organization profiles, on page 22.

Introduction

The potential of microcredit to contribute to poverty alleviation was widely recognized some two decades ago; since then many developing countries have witnessed an explosion of organizations providing financial services to clients, including loans, saving plans, insurance and payment transfers. The numbers of scholarly research reports, project evaluations, guidelines, forums, platforms and organizational directories have proliferated with corresponding intensity. In order to keep up with the rapid evolution of the microfinance landscape, many of these resources are web-based and continuously updated.

This technical paper is aimed at those who are interested in promoting the economic empowerment of women in the coffee sector. The paper provides information on existing financial services field in East Africa, and is a guide towards additional sources of information. The document is divided into the following sections:

- **Section I: Rationale.** An explanation of our focus on savings and credit schemes for women engaged in coffee.
- **Section II: Financial services in the coffee sector.** An overview of the role of savings and credit in the coffee sector, and reasons for the scarcity of finance.
- **Section III: The microfinance landscape.** A summary of some of the main types of players in microfinance in East Africa and the current trends in microfinance.
- **Section IV: Savings and credit for women in coffee.** A description of financial institution coverage of women engaged in the coffee sector, reasons for the limited coverage and suggestions for increasing the coverage.
- **Section V: Information resources.** An overview of some of the key sources of additional information on the topic.
- **Section VI: Organization profiles.** Detailed information on some of the microfinance institutions (MFIs) providing microfinance, as well as on international non-governmental organizations (NGOs) and foundations involved in the financial services sector.

The commonalities in the regulations and types of institutions across the East African anglophone states (which differ significantly from those in West Africa) have allowed for a certain amount of generalization of the field in these countries. However, national and local specificities should be explored in the process of making further decisions regarding interventions.

The examples of financial institutions referred to in this document are primarily from Uganda and Kenya. This is partly due to the access to information from these countries in 2010 during implementation of ITC's Women-in-Coffee project in cooperation with the International Women's Coffee Alliance, IWCA, www.womenincoffee.org . The project assisted with the establishment of associations for women in the coffee sector (so-called IWCA-chapters) in Burundi, Kenya, Rwanda, Uganda and the United Republic of Tanzania. The cooperation between ITC and IWCA is planned to continue in 2011 and beyond with the inclusion of women in the coffee sector in other countries – both in Africa and elsewhere.

Section I Rationale

Savings and credit for women engaged in the coffee sector is important for three main reasons:

1. The coffee sector has a huge potential to contribute to poverty alleviation

The coffee sector provides incomes for millions of smallholder farmers across East Africa, and employs a variety of enterprises in processing, transporting and marketing. An estimated 25% of the active population in Uganda is directly or indirectly employed in the coffee sector – according to the Uganda Bureau of Statistics. In addition, for some countries, such as Uganda, coffee also represents a major source of foreign exchange and an important source of government revenue. However, since the slump in coffee prices and the precipitated liberalization of the sector in many countries in the 1990s, coffee production has tumbled to a fraction of what it was in the past, quality has suffered, the younger generation has abandoned the sector, and the economic development of rural coffee producing communities has stagnated. Yet, today the growth in coffee consumption in emerging countries, and the chase for high quality beans by traditional buyers, provide new market opportunities for producing countries. With an increase in farm productivity, and improvements in the traceability and quality of coffee beans, the coffee sector could once again play a significant role in poverty alleviation in East Africa. However, a number of obstacles hinder the recovery and modernization of the sector in the region, foremost being the lack of financing for coffee production and post-harvest treatment.

2. Microfinance is emerging to fill the void in rural finance

Finance for the coffee sector (and the agricultural sector at large) is very scarce in East Africa despite the sector's huge potential. Many recent attempts by national governments to provide credit have been marred, and commercial banks have almost entirely withdrawn from providing loans to the sector following the financial crisis in the early 1990s. In this context microfinance has emerged as a potential solution by providing credit and savings services to the multitude of smallholder producers that make up the agricultural sectors in East Africa. NGOs have supported microfinance institutions in East Africa since the late 1980s based on methodologies adapted from Asia that reduce the costs and non-repayment risks associated with small loans through group-lending (i.e. peer selection of borrowers and peer pressure for repayment). Moreover, since the early 2000s, the governments of many East African states (including Kenya, the United Republic of Tanzania and Uganda) have made microfinance a pillar of their agricultural and rural development strategies. Donors and governments are now hopeful that the provision of savings and loan services to small producers through microfinance institutions could fill the rural finance void and underpin the future growth of agricultural sectors of East African economies. Indeed, the growth of microfinance has been startling: in 1996 in Uganda MFIs served 100,000 people; twenty years later the industry has 3 million clients.

3. Women often contribute most to economic development in rural areas

According to several studies, women in rural Africa reinvest up to 90% of their income into their families and productive income generating activities, whereas men simply consume most of it. Thus, one of the most efficient mechanisms for achieving impact not only in health and education, but also on economic development in poor rural communities, is to increase the incomes of women. This is one of the main reasons that donor-sponsored financial services initiatives target women. Another reason why many savings and credit initiatives focus on women is that women are more likely to repay their loans than men. Finally, this document focuses on women because they are the least served by agricultural credit, although they contribute to much of the coffee production.

Section II Financial services in the coffee sector

This section provides general information on the role of savings and credit in the coffee sector, and reasons for its scarcity. This information is important for understanding why women engaged in the coffee sector need access to appropriate financial products, and what can be done to improve their access.

1. The role of credit

Financial credit underpins all the activities of the coffee sector, from production to export and roasting. Without finance the developmental impact of the coffee sector is severally hampered. This section gives a brief overview of the importance of finance at each stage in the value-chain and the consequences of shortages as witnessed in East Africa.

- **Finance and farm productivity**

Smallholder farmers produce the majority of the coffee in East Africa. These farmers need to purchase agricultural inputs (including high-yielding plant varieties, agro-chemicals and labour), but without access to savings or credit institutions, the majority of smallholder farmers are obliged to borrow from moneylenders or input stockists. The interest on these 'loans', however, sometimes exceeds 100%; it is therefore not profitable for farmers to invest in fertilizers and other inputs that could increase coffee yields and farm incomes. Moreover, without access to long-term credit, farmers are unable to renew their old coffee plants. In sum, the lack of access to affordable credit partially explains why the coffee yields are low and in decline for many East African countries.

- **Finance and coffee quality**

The collection of coffee for processing and sale in East Africa was until recently performed mostly by farmer groups, including cooperatives. However, farmer groups have had difficulties obtaining loans to invest in equipment (e.g. modern pulping, drying and storing facilities), and credit to finance their marketing operations (e.g. storage and transportation, and payment of advances to farmers upon coffee deliveries). Without credit for modern processing infrastructure, the quality of coffee has suffered. Moreover, with the inability of farmer groups to offer marketing services, the collective bargaining power of farmers' vis-à-vis private buyers and their agents may weaken, and the buyers must spend large amounts of money tracking and sourcing coffee across rural areas (these costs are of course deducted from the price paid to farmers).

- **Finance and value-addition at a national level**

Coffee buyers and exporters require finance to purchase the coffee from farmers ahead of reselling it to clients abroad. Many local buyers and exporters, competing for coffee with multinationals that can source cheaper credit from abroad, have either disappeared or become affiliated with the multinationals. The consequence for the sector is that a few large players now often dominate the purchasing and export of coffee. Similarly, coffee millers and roasters need finance to invest, maintain and operate their machines. If credit is too expensive, these industries become uncompetitive and cannot develop; and thus the opportunities for value-addition at a national level are lost.

2. The role of savings

Often neglected in the discussion of financial services are savings schemes. However, providing a safe and affordable facility to save is as important as credit, if not more so, to development in rural areas.

- **Saving facilities and the developmental impact of the coffee sector**

Coffee revenue is lumped during the year, but household expenditures are spread across the year. In order to meet their needs during 'deficit months' and purchase of inputs later in the year, households need a savings mechanism. Without access to a bank to deposit money, smallholder producers (in particular men) often spend coffee revenues on leisure or consumer goods within a few weeks. Moreover, if access to savings is too easy (e.g. under the mattress) rural low-income households may not be able to resist the pressure from the extended family to spend it. Later in the year households are then obliged to take loans from moneylenders at exorbitant rates to meet their household needs and to purchase agricultural inputs. In other words, due to the lack of savings mechanisms, farmers may be 'stuck' in a poverty trap. It is therefore not surprising that studies have shown a higher demand for a 'safe haven' for earnings than for credit/borrowing facilities amongst rural populations in East Africa[1]

3. The scarcity of financial services

Credit and savings services are scarce for the agricultural sector, including the coffee sector, in many East African countries. In Uganda, for example, the agricultural sector represents approximately 40% of GDP, but is recipient of only about 10% of the credit.[2] Why is credit unavailable to the sector that is the foundation for economic development in many East Africa states? Why are there few safe saving mechanisms for rural populations in East Africa? The answer to these questions is complex, and certainly also depends on the country. A complete explanation likely includes the following elements.

- **The dual liberalization of the financial and coffee sectors**

In the past the governments of many East African countries (including Kenya, the United Republic of Tanzania and Uganda) controlled the marketing of coffee, a major source of foreign exchange. They therefore organized farmers into cooperatives and provided these with credit. In turn, farmers could obtain advances for coffee production from their cooperatives, which were then deducted from their sales (this system certainly had its problems, not least corruption within cooperatives). However, in the 1990s, faced with large debts and under pressure from international creditors, many East African states liberalized their coffee and financial sectors. While there were certainly advantages to the liberalizations (not least the increase in the share of the coffee export price received by farmers) there is a consensus that the withdrawal of the government from financing and marketing activities created a void, which the private sector did not fill as might have been expected.[3] Moreover, with the liberalization of the financial sector the interest rates for agriculture rose steeply (previously they had been fixed by the government). Finally, many of the more recent efforts of the governments to again offer financial services to rural areas have largely been unsuccessful due to their politicization, corruption and capture by elites, as well as high delinquency rates.[4]

- **The banking crisis in the late 1990s**

In the late 1990s a number of banks throughout East Africa had severe financial troubles or went bankrupt (including the Cooperative Bank and the Commercial Bank of Uganda) in part because of losses made in rural areas (including due to low repayment rates). Banks then closed rural branches to consolidate costs, and new regulations introduced after the banking crisis have curtailed the risks credit institutions take.

- **The nature of smallholder production**

The coffee sector in East Africa (and the agricultural sector in general) is characterized by small and scattered producers, which makes giving a loan (and recovering it) very expensive for conventional banks. The population density in many rural areas is also so low that a rural bank branch would not be profitable. Finally, the fact that farmers and farmer groups have little collateral (such as land titles) to offer further contributes to discouraging banks from lending to them.

- **The competition from other sectors**

Since the dual liberalization described above, the agricultural sector in East Africa has faced stiff competition for financing from other sectors and investment opportunities. Banks make high and relatively risk free earnings from the purchase of high-yielding government treasury bonds and short-term lending to commercial and trade activities. In the present context most commercial banks are unlikely to provide finance to the agricultural sector, unless specifically mandated by the government. In sum, the coffee sector has been crowded out from the formal credit market in many East African countries.[5]

---

[1] Kibaara, 2006.
[2] Ssemogerere, 2004.
[3] *Ibid.*
[4] AMFIU, 2008.
[5] Ssemogerere, 2004.

Section III The microfinance landscape

This section gives an overview of the main players offering microfinance services in East Africa, as well as some of the major current trends in the industry. This information is important to understand the opportunities in the field for women engaged in the coffee sector.

> **A definition of microfinance**
>
> *'Microfinance refers to financial services provided to low-income people, usually to help support self-employment. Examples of microfinance products include: small loans, savings plans, insurance, payment transfers, and other services that are provided in small increments that low-income individuals can afford. These services help families to start and build "micro" enterprises, the very small businesses that are important sources of employment, income, and economic vitality in developing countries worldwide.'* (**Source:** FINCA website)

1. The main players

The players in the microfinance landscape today include the government and their programmes, the microfinance providers or institutions, the networks and associations of such institutions, and finally the international NGOs and foundations, donors, development banks and other funding sources.

1.1. Microfinance providers

The terms 'microfinance providers' and 'microfinance institutions' (MFIs) are often used interchangeably and to refer to all sorts of organizations, including self-help groups, cooperatives, NGOs, government programmes, international foundations, banks, etc. This section attempts to provide some clarity on the types of microfinance providers.

> **A definition of a microfinance institution**
>
> *A microfinance institution (MFI) is an organization that provides financial services to the poor. This very broad definition includes a wide range of providers that vary in their legal structure, mission and methodology. However, all share the common characteristic of providing financial services to clients who are poorer and more vulnerable than traditional bank clients.* (**Source:** CGAP website, World Bank Group)

Microfinance providers can be grouped according to the level of '*formal-ness*' (informal, semi-formal, formal) or *ownership* (government, members, socially minded shareholders, profit-maximizing shareholders, etc.). Each country has its own system for the categorization of MFIs. In Uganda, for example, microfinance providers are grouped into four tiers according to levels of formalness. The World Bank has proposed grouping microfinance providers into main categories according to the *source of funds*.[6] This categorization is very relevant because the source of funds is related to the risks and liability posed in case of bankruptcy, and thus the regulation required (for example, MFIs lending donor funds pose less of a risk than those lending savings from the general public). This categorization is detailed below.

1.1.1. MFIs using the public's money

The microfinance providers in this group can mobilize and intermediate deposits from the general public, which is a liability-raising activity. Therefore they are also typically subject not only to general laws, but also to specific banking regulation and supervision. Examples of MFIs in this group are specialized/limited equity banks, licensed mutual-ownership banks, and non-bank financial institutions. Development banks, savings and postal banks, commercial banks, and non-bank financial intermediaries may also fall into this group if they provide microfinance services.

[6] World Bank, 1998.

These institutions are primarily concentrated in urban areas and only very few target low-income populations. In Uganda, three commercial banks offer microfinance services (Centenary, Stanbic and Barclays Bank). Additionally, two credit institutions (Commercial Microfinance Ltd. and PostBank), and four microfinance deposit-taking institutions, or MDIs (Equity Bank (Uganda) formerly Uganda Microfinance Limited, Uganda Finance Trust Ltd, PRIDE Uganda, and FINCA Uganda) are of this category because they also intermediate deposits.

1.1.2. MFIs using other peoples' money

The capital of this group of microfinance providers is primarily sourced from grants and donations, which are sometimes augmented with members' savings and limited borrowings from commercial banks. They are generally 'semi-formal' registered entities subject to general and commercial laws, but not under bank regulation and supervision. Examples of microfinance providers in this group are NGOs and 'NGO-like MFIs'.

1.1.2.1. NGOs and 'NGO-like MFIs'

NGOs providing microfinance and dedicated MFIs have evolved over time. In the 1980s and 1990s NGOs started microcredit schemes based on group solidarity (i.e. Grameen Bank model) as part of integrated development projects. Later the microfinance units of some of these projects were consolidated into independent MFIs, but these still hold strong links to 'parent' NGOs, which are often internationally based. Examples of institutions originating from this time in Uganda are MED-Net (engendered by World Vision), FINCA Uganda (which is linked to FINCA International), PRIDE Uganda, and the Uganda Women's Finance and Credit Trust (UWFCT) created in 1984 by a group of progressive women with the support of various international NGOs.

As the donors' focus has shifted from providing financial support (e.g. grants and concessional loans) to microfinance providers towards the provision of capacity development (e.g. trainings), MFIs have had to look elsewhere for their loan funds. Some have managed to link up to Internet portals (such as Kiva, Zidischa, Lend for Peace, MyC4) or other international money markets; some MFIs have gained independence from grants by becoming licensed deposit-taking institutions, or MDIs (see above). Overall there are over 600 Tier IV MFIs and NGOs in Uganda with varying levels of dependency on external donors for their funds.

1.1.3. MFIs using members' money

This category is by far the largest category of microfinance providers in East Africa. In this category more than half of the total funding for financial services to members is generated from members' savings and share capital contributions. The services of these providers are generally limited exclusively or primarily to members. The number of microfinance organizations in this category is generally not known except for the small share of registered Cooperatives. This category is composed of a wide variety of institutions, including:

- Semi-formal registered savings and credit cooperatives called SACCOs in Uganda, the United Republic of Tanzania and Kenya;
- Informal non-registered village banks, such as village savings and loan associations (VSLAs) and accumulated savings and credit associations (ASCAs) in Uganda, and financial services associations (FSAs) in Kenya;
- Informal non-registered groups such as rotating savings and credit associations (ROSCAs).

In many countries of East African, the cooperatives and other member-based associations are particularly relevant to women engaged in coffee production because of their high level of rural outreach. We have therefore described in more detail such organizations below. Again, the examples are taken from Uganda and Kenya, but other East African countries have similar schemes.

1.1.3.1. Savings and credit cooperatives

Savings and credit cooperatives (SACCOs) are user-owned and user-managed organizations in Uganda, the United Republic of Tanzania and Kenya, ranging in size from a handful of to several thousand members. They first emerged in the late 1960s out of credit systems of farming cooperatives common in cash crop areas, particularly where coffee was produced. A 2001 study showed that about 65% of SACCO members in Uganda are men and only 35% are women.[7]

As in most other parts of the developing world, SACCOs in East Africa have been marred by mismanagement and corruption that has tainted their reputation and led to the collapse of many of them. Additionally, SACCOs often lend out both share capital and savings, leading to frequent liquidity management problems, and because most members (owners) are net borrowers the interest rates are generally kept too low. In the past lending policies were usually poorly enforced and systems to track and manage arrears hardly existed.[8]

In 2001 it was estimated that of 500 SACCOs in Uganda only 60 were 'functional'; however since 2007 the Government of Uganda boosted SACCOs as part of the 'Prosperity for All' programme of which microfinance and agricultural production are key elements. There are more than 1,000 SACCOs today, of which about half are functional, according to the AMFIU.

In theory cooperatives have the potential to contribute to the expansion of financial services provision to the poor, especially in rural areas. However, with the continued expansion of the SACCO model, a focus on sound management and governance is necessary to avoid a threat to the financial sector. Uganda is currently developing a law to regulate SACCOs as financial institutions that intermediate members' deposits and ensure the safety of savings mobilized.

1.1.3.2. Community or village banking schemes

Community-owned microfinance providers, such as accumulated savings and credit associations (ASCAs) and village savings and loans associations (VSLAs) in Uganda, and financial services associations (FSA) in Kenya, are a major source of credit for rural agricultural producers in remote areas. Membership to such village banks is gained through the purchase of shares. In Kenya, the communities generally contribute to building a hall for the FSAs and donors subsidize their institutionalization (building, furniture, insurance, audit fee, capacity building). A board of directors elected annually in a general meeting runs each FSA; regional management companies (RMC) provide supervision and training.[9]

The main financial services of FSAs in Kenya are compulsory savings, voluntary savings, fixed deposit, money transfer, business loans, agricultural loans, education loans, emergency loans and safe deposit. Some financial services are also open to the non-shareholders at a higher fee. Each FSA operates a bank account with a link to a mainstream bank located in the nearest town centre where surplus money is deposited and money transfer is transacted. The group members scrutinize borrowers and also guarantee to repay the loan in case of default. Income accruing from loans is disbursed in the form of dividends at the end of the year.[10] In sum, the FSA model is similar to the group methodology developed by the Grameen Bank in Bangladesh based on peer self-selection and peer pressure to reduce transaction costs.

Some of the challenges to FSAs in Kenya include rising insecurity in rural areas (bank and transport robberies), the high costs of money transportation to banks due to poor road infrastructure, the inadequacy of the policy framework to spur the growth of rural financial services, the risk in case of collapse of the village banks to members, the lack of local management skills, the reliance on donor support, and the high interest rate on loans.[11] Although FSAs and SACCOs have faced similar problems, FSAs have generally

[7] Carlton et al., 2001.
[8] *Ibid.*
[9] Kibaara, 2006.
[10] *Ibid.*
[11] *Ibid.*

performed much better because of their different institutional set-up, business-oriented approach, better management structure, and technical assistance.[12]

1.1.3.3. ROSCAs and other group banking schemes

Virtually every adult in East Africa belongs to a 'merry-go-round' (called *tantines* in French). The exact functioning may vary, but a merry-go-round is usually composed of less than 20 members who contribute a specified amount of money regularly. Members vote on who is to be given a lump sum amount, or each member receives the money in turn. The merry-go-rounds are most common with women mainly for the purposes of buying household items, but are less appropriate for the purchase of agricultural inputs.[13]

Rotating savings and credit associations (ROSCAs) are an advanced version of the merry-go-round where the members contribute a monthly share and disburse loans to members, but also charge interest rates. Some ROSCAs in Kenya are institutionalized enough to own land and buildings.[14] Their proximity and flexibility make them very attractive to rural savers and borrowers; however, these informal schemes are also susceptible to fraud and dishonesty, and they do not provide the liquidity that farmers need for agriculture.[15]

Table 1: Share of Ugandans served by type of financial service provider and depth of outreach

Tier	Type	Share of population served (%)	Number of institutions	Depth of rural outreach
I	Commercial banks	16%	16 *But only 3 with microfinance clients: Centenary, Stanbic, Barclays*	**Low:** Serving mainly the major towns and trading centres
II	Credit institutions	Included in above	4 *But only 2 with microfinance clients: CMF and PostBank*	**Low:** Serving mainly Kampala and very few regional towns
III	Microfinance deposit-taking institutions (MDIs)	2%	4 *Uganda Finance Trust Ltd, PRIDE Uganda, FINCA Uganda, Equity Bank (Uganda)*	**Medium:** Serving Kampala, cities, rural towns and trading centres
IV	Tier 4 MFIs and NGOs	1%	> 600	**High:** Serving cities, towns and rural trading centres
	Savings and credit cooperatives (SACCOs)	2%	> 600 are active	**High:** Serving towns and rural areas, including very remote rural villages
	Other member-based associations: ASCAs, ROSCAs and VSLAs	17%	Not counted	**Very High:** Operating in rural areas where no formal institutions serve
	Population unserved	*62%*	--	--

Sources: AMFIU 2008; FinScope Uganda Study, 2007.

In grey shade: institutions specifically focused on microfinance.

[12] Carlton et al., 2001.
[13] Kibaara, 2006.
[14] *Ibid.*
[15] Carlton et al., 2001.

Table 2: Products and services offered by type of financial service provider in Uganda and relevant regulation

Tier	Type	Typical products and services	Relevant regulation
I	**Commercial banks** *MFIs using the public's money*	– Normal banking products – Wholesale lending to MDIs and other MFIs	Supervised by BoU under Financial Institutions Act 2004
II	**Credit institutions** *MFIs using the public's money*	– Various loan and savings products – Wholesale lending to MFIs and SACCOs	Supervised by BoU under Financial Institutions Act 2004
III	**Microfinance deposit-taking institutions (MDIs)** *MFIs using the public's money*	– Group and individual loans and savings – Money transfer	Supervised by BoU under Microfinance Deposit-taking Institutions Act 2003
IV	**Tier 4 MFIs and NGOs** *MFIs using other people's money*	– Group and individual loans – No savings	Unsupervised, registered under Companies Act or under NGO statue
	Savings and credit cooperatives (SACCOs) *MFIs using members' money*	– Loans (business, salary, school fees, group loans) – Savings (ordinary and fixed deposit)	Unsupervised, registered under Cooperative Societies Statute 1991
	Other member-based associations: **ASCAs, ROSCAs and VSLAs** *MFIs using members' money*	– Savings and loans to members	Informal

Source: AMFIU 2008.

In grey shade: institutions specifically focused on microfinance.

1.2. Networks

There are a number of networks or associations of MFIs at a national level, as well as at an international level. These networks were created to lobby governments on regulations, to mobilize donor funding or technical assistance, and to streamline practices (such as interest rates), and implement knowledge management. To provide some clarity among these different networks, the Consultative Group to Assist the Poor (CGAP) and the Small Enterprise Education and Promotion (SEEP) Network have developed a Network Support Organization Profile. A list of networks is available on the SEEP website: www.seepnetwork.org

A major network in Uganda is the Association of Microfinance Institutions of Uganda (AMFIU), with over 100 member institutions. Since its creation in 1997 it has played a major role in the coordination of interventions in the microfinance sector, the dissemination of information, the promotion of sound practices and in lobbying the Government for appropriate regulations. An alliance and union also exist specifically for the cooperatives and SACCOs in Uganda.

1.3. Technical service providers

Since the late 1990s donors have progressively moved away from providing grants towards strengthening the institutional capacities of microfinance providers. A number of national as well as international institutions specializing in the provision of capacity development services have since been formed. These include the Center for Microfinance in Uganda (created by PRESTO, a USAID-project) and the international Microsave organization. They often specialize in training MFI managers and some even offer training materials online.

1.4. Donor programmes

Donor programmes are in part engaged in the provision of wholesale funds to microfinance providers (e.g. grants or concessionary loans), but increasingly focus on funding MFI training in management, refinement of delivery methodologies, and the development of new products. Some technical assistance programmes specialize in providing support to governments on the regulation and development of microfinance providers, and others support networks and forums to share best practices and establish standards. Finally, some also provide financial awareness and financial capacity programmes for the clients of MFIs. A complete list of the past and current programmes in Uganda is documented by AMFIU (2008). Key players in Uganda include USAID, the European Commission (EU), DANIDA, NORAD, GTZ, SNV, DFID and UNDP.

1.5. Investment funds

As donors move away from providing funds to microfinance providers, these increasingly seek capital for their loan operations from the international capital markets. Socially minded investment funds include the Acumen Fund, Grassroots Business Fund, Root Capital, Triodos Microfinance Fund, Oxfam Novib Fund, and Verde Ventures. Foundations that also provide regular sources of funds include the Rockefeller Foundation, Skoll Foundation, Bill & Melinda Gates Foundation. MIX Market provides a list of such funds and foundations: www.mixmarket.org

1.6. Rating agencies

There are a number of web-based agencies with the objective of providing transparency to the practices of the microfinance sector, including MIX Market, Planet Rating, MicroRate, and MFTransparency. These list MFIs and provide data such as the volume of deposits, savings and assets; the number of borrowers, depositors and staff; the costs of operations and size of loans; etc. MFTransparency furthermore provides information on the interest rates charged by MFIs: www.mftransparency.org

2. Current trends

The microfinance sector is continuing to evolve and expand in East Africa as it adapts to donor pressures, client demands, government regulations and competition. These developments are both positive and negative for women engaged in the coffee sector.

Credit and savings providers are becoming more professional

Starting in the late 1990s microfinance providers in many countries in East Africa went through stages of professionalization with the support and trainings supplied by donors. This emphasis on capacity building is in part a response to the failure of a number of institutions in the past, and the continued threat to the sector (and clients) posed by incompetence and corruption. Presently the MFIs are in the process of being integrated into the formal financial sector – regulations specific to MFIs have been passed in a number of countries to mitigate the risk posed by the expansion of MFIs and to standardize the quality of services. The more 'mature' MFIs have also adopted codes of best practices, including a maximum level for interest rates.

Commercial banks have entered the microfinance sector

A few commercial banks in East Africa have adopted the lessons learned from the MFIs and NGOs, and are now also targeting microfinance clients as well. In Uganda three of the 16 banks offer microfinance services: Centenary, Stanbic and Barclays Bank. The resulting competition in urban areas drives down interest rates, promotes the diversification of products, and pushes MFIs to expand into rural areas.

Competition and new technology is driving outreach of credit and savings services

As the coverage in urban areas becomes dense, formal MFIs are now increasingly extending into rural areas to reach new clients. Moreover, the adoption of mobile banking technology (including mobile teller machines) is also facilitating this expansion. However, the process is relatively slow and many remote areas will continue not to be covered. Moreover, the donors' pressure for MFIs to be financially sustainable may be counteracting this trend by forcing them to abandon their poverty alleviation objectives and focus on middle- and high-income earners.[16]

Microfinance providers are increasingly sourcing funds from the money market

In-line with the goals of financial sustainability, and in order not to distort the market, donors have moved away from providing grants or concessionary loans to MFIs. Today MFIs increasingly source lending capital from commercial loans, specialized microfinance wholesale funders, or from the wider money market and equity financiers. Client savings have also become an increasingly important chunk of the lending capital for MFIs licensed to collect and intermediate deposits. In Uganda the savings held by the four microdeposit institutions (MDIs) almost tripled between 2004 (before licensing) and 2008. While these trends may appear positive, some authors have argued that the donors' redirection of subsidy funds to the institutional development of MFIs, rather than the loan portfolios, suffocates access to credit for MFIs in rural areas that are unable to secure commercially conditioned capital.[17]

[16] Lakwo, 2010.
[17] *Ibid.*

Section IV Savings and credit for women in coffee

This section gives an indication of the coverage of financial services for women engaged in the coffee sector, as well as an insight into the challenges that explain the limited coverage of this group. Possible interventions to improve the access to savings and credit schemes for women engaged in the coffee sector are indicated.

1. Coverage of financial services

Specific data on the coverage by credit and savings services of women engaged in coffee does not exist; however, the following indicators allow an approximation of the limited access these women have to such services.

- **The coverage of saving and credit schemes remains limited**

Most people in East Africa do not save or borrow from any of the microfinance sources mentioned in Section III. According to the survey performed by FinScope in Uganda, 47% of the rural population claiming to borrow were doing so from shops, wholesalers or agro-vets. The percentage borrowing from banks, MDIs and credit institutions (7%), SACCOs (4%), and MFIs (4%) was much smaller. Similarly, most Ugandans also do not save with commercial banks or informal institutions. In fact, as many as 74% of the persons surveyed in rural areas save their money in a secret place, according to the FinScope 2007 study.

Table 3: Sources of borrowing by gender and setting, Uganda

Source of credit	Rural (%)	Urban (%)	Male (%)	Female (%)
Shops, wholesalers, agro-vets	47	48	47	46
Family members, friends	21	23	24	20
Schools, hospitals, clinics	20	19	19	21
Informal groups	12	9	11	1
Commercial banks, MDIs, credit institutions	7	8	10	4
SACCO	4	3	6	2
MFI	4	1	3	4
Moneylenders	1	2	2	1

Source: FinScope Uganda, 2007.

Table 4: Mechanisms for saving by gender and setting, Uganda

Source of credit	Rural (%)	Urban (%)	Male (%)	Female (%)
Secret place	74	60	68	73
Informal groups	29	24	26	29
Formal financial institutions	17	36	27	17
SACCO	4	3	5	3
MFI	4	2	3	4
NSSF (National Social Security Fund)	2	1	2	1
Other	18	18	18	19

Source: FinScope Uganda, 2007.

- **Microfinance continues to be urban biased**

Despite what is commonly believed, microfinance predominantly targets urban populations. An assessment in Uganda in 2000 estimated that only 20% of the MFI clientele was rural. The high population density and higher level of education of the clients makes microfinance an easier and less costly service to provide in urban areas. Conversely, the lack of a 'critical mass', the inaccessibility and lack of infrastructure makes providing financial services to rural populations particularly difficult. According to the 2007 FinScope study, 48% of the urban population is 'financially served' by formal or informal institutions (including banks), compared to only 35% in rural areas. Some authors have argued that the dual goals of rural coverage and financial self-sustainability for microfinance institutions may not always be reconcilable in sub-Saharan Africa because of low population densities (unlike in Asia), scarce economic fabric and poor infrastructure.[18]

Table 5: Share of Ugandans in rural and urban areas served by type of financial service provider

Of total respondents	Rural (%)	Urban (%)
Banks	12	28
Informal groups (except ASCAs)	12	6
ASCAs	5	6
MDIs	2	3
SACCOs	2	2
MFIs	1	1
VSLAs	1	1
Credit Institutions	0	1
Population 'unserved'	*65*	*52*

Source: FinScope Uganda Study, 2007.

- **Much of microcredit is for commercial and trade activities, not agriculture.**

Much of microcredit is allocated to commercial and trade activities, and very little to agriculture. For example, it was estimated that only 14% of MFI loans were allocated for agricultural activities in Uganda (crop production 9%, animal husbandry 4% and agro-processing 1%).[19] Indeed, motivated by profits and risks reduction, MFIs favour financing high-turn over and high-yielding commercial activities (e.g. the purchase and resale of merchandise).

Table 6: Share of MFI credit borrowers by economic activity in Uganda

Economic activity (sector)	Share or MFI credit (%)
Commerce	72
Service	11
Crop production	9
Animal husbandry	4
Manufacturing	3
Agro-processing	1
TOTAL	100

Source: MOFPED, 2003, from a survey of MFIS in two sub-counties per each of the 56 districts of Uganda.

- **Financial products are generally not geared towards agriculture and agribusiness**

The savings and credit products of MFIs are generally not very diverse and not appropriate for agricultural activities. Farmers engaged in agriculture need loans that last several months to purchase inputs; and may need loans for several years to finance the investment in a new field of coffee or equipment. Moreover, given the seasonality of agricultural income, farmers require consumption loans. However, the repayment schedules of many microfinance providers require loan reimbursement to begin shortly after the loan was issued. With the exception of the commodity-based financial cooperatives (e.g. SACCOs), MFIs are far from evolving to serve the agricultural sector.

---

[18] Sherief, 2003; Lakwo, 2010.
[19] MOFPED, 2003.

- **Microfinance providers for women are generally informal**

Accumulated savings and credit associations (ASCAs) or village savings and loan associations (VSLAs), also referred to as village banks, generally serve more women than men in East Africa. Finally, many NGO-like MFIs target women specifically for a number of reasons, including the fact that women are more reliable borrowers and generally contribute more to the health and education of children in low-income households. Conversely, formal banks serve many more men than women. In Uganda, for example, only 11% of women were served by banks compared to 21% of men surveyed.

Table 7: Share of men and women in Uganda served by type of financial service provider

Of total respondents	Male (%)	Female (%)
Banks	21	11
Informal groups (except ASCAs)	11	10
ASCAs	4	6
MDIs	1	2
SACCOs	3	2
MFIs	1	1
VSLAs	1	1
Credit institutions	0	0
Population unserved	58	66

Source: FinScope Uganda Study, 2007.

- **The volume of credit for women is smaller than for men**

Some studies note that while the number of women served by MFIs is equal to or greater than the number of men, women generally remain smaller borrowers than men and also have more difficulty 'graduating' to larger MFIs that require collateral.[20]

Table 8: Number of women borrowers at Uganda's top MFIs

Name	Gross loan portfolio (US$ millions rounded)	Number of active borrowers	Total women borrowers	Women borrowers of total
BRAC − Uganda	13.0	103 489	102 409	99%
Centenary Bank	186.6	109 277	NA	−
Equity Uganda	46.6	58 011	NA	−
Finance Trust	14.8	20 175	14 122	70%
FINCA − Uganda	12.7	45 135	29 802	66%
Micro Enterprise Development Network (MED-Net)	1.6	7 833	2 240	29%
Micro Uganda Ltd (MUL)	1.4	1 515	561	37%
Opportunity Uganda	8.1	19 761	11 066	56%
PRIDE − Uganda	25.4	60 276	24 919	41%
Uganda Agency for Development Ltd (UGAFODE)	3.4	5 967	2 308	39%

Source: mixmarket.org for 2009.

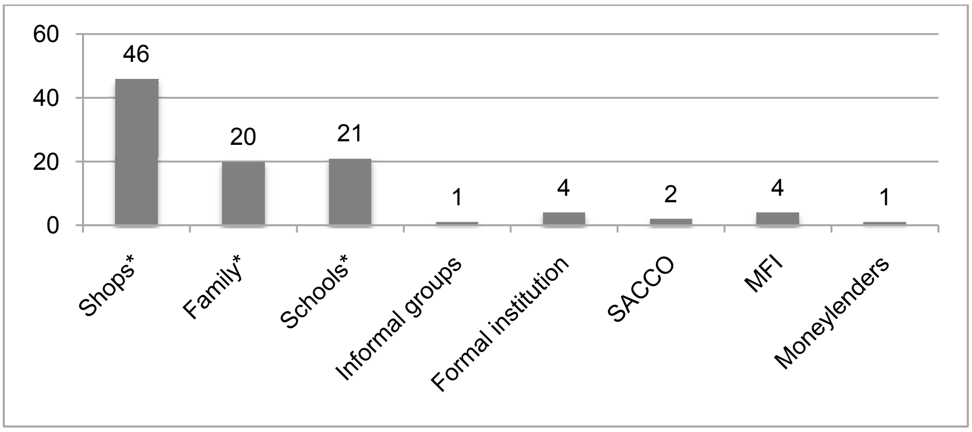
In sum: most women save and borrow outside of microfinance providers

[20] Ssemogerere 2004.

As can be deduced from the indicators above, the women engaged in coffee that have access to financial services are generally served by informal groups such as ASCAs and VSLAs. These savings and loan schemes are, however, generally not adapted to the financial needs of agricultural producers. Commodity-based financial cooperatives (e.g. SACCOs) generally serve twice as many men as women. In sum, most women are not served by any of the formal or informal microfinance providers, but continue to save in secret hiding places, and are constrained to borrow from shops, agricultural input wholesalers or agro-vets.

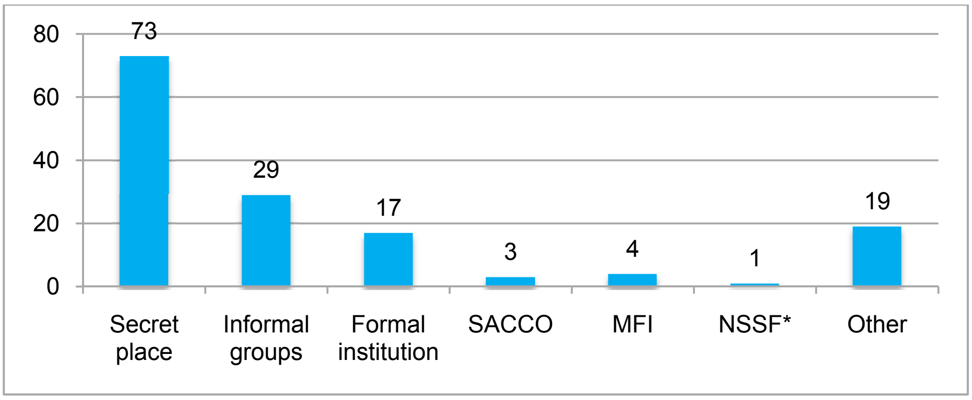
An exception to the rule is the Bukonzo Joint Cooperative Micro Finance Society Ltd in Uganda. It is one of the only institutions that specifically targets women engaged in coffee production and post-harvest treatment. It works to establish VSLAs in local villages in the Kasese District and educates women on managing their coffee businesses.

Figure 1: Sources of credit used by women in Uganda (%)



Source: FinScope Uganda, 2007.
* Shops: shops, wholesaler, agro-vets; Family: family and friends; Schools: schools, clinics, hospitals.

Figure 2: Savings mechanisms used by women in Uganda (%)



Source: FinScope Uganda, 2007.
* National Social Security Fund.

2. Main obstacles

Although microfinance has grown quickly in the last twenty years, most of the population in East Africa does not yet have access to credit and savings services. Even in Uganda, cited as one of the countries with the largest microfinance industry in East Africa, only 38% of Ugandans have access to financial services (of 21% accessing formal and 17% informal financial services).[21] According to AMIFU barriers to

[21] FinScope, 2007.

access financial services for the low-income rural groups (including women engaged in coffee production) include the following:

- **Difficulty in accessing service points**

The branch network of the formal and regulated institutions is limited in rural areas for a number of reasons, including lack of basic infrastructure in remote rural areas, and the lack of a critical mass to sustain delivery of services. The time and transportation costs borne by rural farmers to access financial services are important disincentives.

> ***Overcoming obstacles***
>
> Opportunity International and Equity Bank have used bank tellers mounted on vehicles to bring financial services closer to rural populations in Uganda and Kenya. These vehicles rotate between villages on a periodic basis, thereby facilitating access to a greater number of clients at minimal costs to the institutions.

- **Self-exclusion**

Illiteracy, extreme poverty and lack of financial awareness continue to be factors that discourage rural farmers from accessing financial services. Discomfort from the perceived sophistication of the institutions and the inability to speak the financial language is still cited as reasons for why rural farmers do not access formal institutions in Uganda.

> ***Overcoming obstacles***
>
> NGOs and NGO-like MFIs have taken deliberate steps to make banking easily understandable and less intimidating to populations previously unfamiliar with the industry. These institutions play a vital role in preparing rural populations to access more formal banking services. Additionally, banks also now have financial literacy programmes to encourage new clients (e.g. Barclay's Bank in Uganda).
>
> Mobile phone-based cash transfer services have also served as stepping-stones to introduce populations to banking services and establish the required trust. A partnership between telecommunications provider MTN and the Grameen Foundation has developed 'village phones' with women groups in a number of countries in East Africa.

- **High costs of loans and savings accounts**

We often think loans from MFIs are cheap because they are geared for the poor. The paradox is that on average they are much higher than what commercial banks offer. According to a 2004 study in Uganda, average annual interest rates for MFIs range between 36% and 48%.[22] Similarly, in Kenya FSA borrowers pay interest rates ranging between 3% and 7% per month on a reducing balance, depending on the loan type, repayment and credit history.[23] Moreover, commercial banks and microfinance deposit-taking institutions often also charge a fee even for savings accounts. The high costs, or non-transparency and complexity of the fees, discourage low-income farmers from accessing savings and credit services.

> ***Overcoming obstacles***
>
> A number of existing and widespread mechanisms reduce the costs of providing financial services on a small scale. The group-lending model, for example, reduces the costs of screening clients (through group-selection of participants) and of pursuing loan recovery (through peer-pressure). Technologies such as mobile banking have also further reduced the costs of administering loans. Moreover, new regulations to allow certain credit providers to intermediate deposits should also make credit cheaper. Pressure on service providers through competition, transparency, and the adoption of national industry standards contribute to drive efficiency.

[22] Ssemogerere 2004.

[23] Kibaara, 2008.

- **Extreme poverty**

The high vulnerability of extremely poor rural populations to sickness and crop failure make certain credit services inappropriate for them. Without safety nets farmers cannot take on the burden of debt. Group-lending schemes and the shame of debt may exasperate the problem.

> ***Overcoming obstacles***
>
> FINCA has developed a model integrating health insurance with credit services. Drought insurance has also been experimented within parts of Africa.

- **Unsuitability of financial products**

The main financial service of MFIs continues to be microcredit for which the repayment schedule begins shortly after the loan was issued. This is unsuitable for farm activities where revenues start to come in only months after the inputs were purchased (or years later, in the case of new coffee plantations). Credit providers are unwilling to extend repayment schedules because these make recovering loans more difficult and risky.

> ***Overcoming obstacles***
>
> Voucher and guarantee systems in Kenya and Uganda have reduced the loan-recovery risk for agricultural loans that are by necessity relatively large and long-term. These schemes generally create a link between finance providers and agricultural input resellers to provide loans in-kind (i.e. in the form of agricultural inputs); credit providers are thereby assured that the loan is not diverted to other uses. By additionally linking with coffee buyers, finance providers may be further guaranteed that the loan will be repaid through deductions from the coffee sales. Farmer groups or cooperatives are often integrated into these models to administer the loans and collect coffee for marketing. For example, the stockists guarantee system in Western Kenya links rural input providers with banks; and the voucher-based model links SACCOs, input suppliers and produce buyers. Both have had important successes, but also require time and coordination to build up the necessary synergies and trust. (**Source:** Kibaara, 2006)
>
> The Kenya Women's Finance Trust has pioneered sector specific loan products for fish, dairy and greenhouse vegetable production. Café Africa in Uganda is also creating synergies between coffee producers and banks to develop new financial products.
>
> The Financial Alliance for Sustainable Trade (FAST), also links financial institutions, commodity buyers and producers to facilitate access to agriculture credit.

3. Main opportunities

In view of the obstacles cited above, and according to reports by AMFIU and others, the potential areas of interventions to increase the access of women engaged in the coffee sector to financial services include the following:

- **Promoting the outreach of MFIs to remote rural areas**

According to AMFIU, potential intervention areas for donors to facilitate the outreach of MFIs to remote rural areas include subsidies to the establishment of branches in rural areas and pro-poor wholesale lending to MFIs. In addition, donors can assist in the development of service delivery models that would enable MFIs to serve rural clients sustainably at affordable service costs. The recently established national committees and chapters of the International Women's Coffee Alliance (IWCA) in East Africa could also serve as a platform to create links between financial institutions and women coffee producers.

- **Promoting the development of financial services suitable to smallholder farmers**

Many of the financial services and products currently offered are not appropriate to the financial service needs of farmers. These needs include appropriate savings mechanisms for lump revenues, investment and consumption credit, long- and short-term credit, in-kind credit in the form of good quality agricultural inputs, emergency loans, drought and health insurance, and market hedging. Some donors are already working with financial service providers and rural producer organizations to develop and test these products.

- **Strengthening banking and entrepreneurial skills**

Training in financial literacy, business skills, credit norms and procedures, and savings discipline are necessary to prepare rural clients to access financial services. Some might even argue that producers need to first learn to consider their coffee farms as businesses (e.g. through record-keeping and cost-revenue calculations) before they can be eligible for an agricultural loan. Business capacities are also an integral part of evolving from subsistence to modern agriculture.

- **Linking savings and credit services with microinsurance**

The vulnerability of rural smallholder producers is such that taking on an agricultural loan may be too risky without complementary insurance. Health and drought insurance services should be further expanded in parallel with the expansion of credit and savings services. Insurance may be particularly relevant for women clients because of their role in supporting the costs for the children's schooling, health and nutrition.

- **Creating links between member-owned organizations and formal institutions**

Formal microfinance institutions will not be able to reach the most remote areas in the near future, and a prime source of credit for communities in these areas will continue to be village or community banks that use the capital collected by members for lending. However, many of these do not have sufficient capital for agricultural loans. Linkages between these groups and commercial banks could increase the size, scope and sustainability of the former. In Kenya, certain MFIs oversee the management of some SACCOs at a fee that is paid from the interest.[24] In Uganda, legislation is also being developed for the integration of rural finance into the formal financial system: the legislation would facilitate the access of SACCO members to more formal financial institutions.

- **Supporting national rural finance networks**

National networks or associations of MFIs play a crucial role in promoting the adoption of good practices, bringing transparency to the sector, and lobbying the government for proper regulation. Moreover, the linkage through networks of more and less mature organizations contributes to strengthen the capacity of the latter. AMFIU furthermore argues that support to associations to create and implement local rating systems of MFIs based on international rating standards would increase transparency in a sector characterized by a multitude of generally small and opaque institutions. Moreover, in most countries the necessary regulation for village banks is yet to be developed.

- **Supporting the development and enforcement of appropriate financial service regulations**

The failure of institutions and the loss of savings in the past continue to discourage rural producers from fully trusting banks and cooperatives today. Village banks, cooperatives, and NGO-type MFIs that rely too much on a single leader (or a donor) are also perpetually at risk of failing. With the expansion of the microfinance sector, support to governments in the design and enforcement of appropriate financial service regulations may be necessary. German Technical Cooperation (GTZ) and others have assisted relevant ministries and the central bank in the design of regulation for the financial service sector in Uganda.

- **Creating links between financial service providers and the coffee industry**

Providing agricultural credit to smallholder farmers in cash is risky for banks because cash can easily be diverted to other needs. An alternative is to provide credit in kind (e.g. agricultural inputs). Rural shops often already provide credit to rural producers in the form of inputs, but are severally limited by their own access to capital. However, there are many examples where linkages between banks, large input suppliers, local retailers and farmers have created win-win situations for all parties. Some initiatives have also created wining triangles between buyers, farmers and banks that reduce the lending risks to banks, give farmers the credit necessary to increase production, and also benefit the buyer through increased volumes. On this note, it is important to mention that credit is already often provided by coffee buyers or 'informal' buyers' agents; the farmers' dependency on credit from these, however, may decrease their bargaining power when it comes to selling their coffee.

[24] Kaabira, 2006.

Section V Information resources

There is a vast amount of information available on microfinance on the Internet, including case studies, training manuals, MFI directories and performance ratings. This section provides links to some of the main internet-sites on the topic of microfinance as well as to sites specialized in rural finance or finance for women.

1. Information on microfinance

1.1. General industry information

- **The Consultative Group to Assist the Poor (CGAP)** is a policy and research centre dedicated to advancing financial access for the world's poor. It is housed at the World Bank and supported by over 30 development agencies and private foundations. CGAP provides market intelligence, promotes standards, develops innovative solutions and offers advisory services to governments, microfinance providers, donors and investors. http://www.cgap.org

- **The Microfinance Information Exchange (MIX),** founded by CGAP, is the leading business information provider dedicated to strengthening the microfinance sector. MIX runs an online standardized performance database of MFIs from all regions of the world. http://www.mixmarket.org

- **The Microfinance Gateway**, a product of the CGAP, features research and publications, original articles, organization and consultant profiles, and the latest industry announcements, news, events and job opportunities. http://www.microfinancegateway.org

- **MicroCapital** publishes The MicroCapital Monitor and other products offering specialized news and information on international microfinance. http://www.microcapital.org

- **The Social Performance Task Force (SPTF)** provides links and overviews of social performance assessment tools, including tools specific to MFIs. http://sptf.info

1.2. Institution ratings

- **Planet Rating** is a specialized microfinance rating agency. It gives a comprehensive performance and risk analysis profile of MFIs. In addition to evaluating MFIs, Planet Rating also evaluates funds that invest in microfinance, also called MIVs (microfinance investment vehicles). http://www.planetrating.com

- **MicroRate** was the first rating agency to specialize in the evaluation of microfinance institutions. MicroRate's evaluations allow lenders and investors to measure the risk and the return on investment in microfinance. http://microrate.com

- **MFTransparency** presents information on credit products and their prices for a number of MFIs and publishes country reports. http://www.mftransparency.org

1.3. Industry information specific to Africa and/or rural finance

- **IFADAfrica**, a programme of the International Fund for Agricultural Development (IFAD), offers a list of rural finance resource centres that are relevant to agricultural and rural development in sub-Saharan Africa. http://www.fidafrique.net

- **The Making Finance Work for Africa Partnership** is an information platform hosted at the African Development Bank. http://www.mfw4a.org

- **Microfinance Africa** is an online resource for news and information about the microfinance industry in Africa. http://microfinanceafrica.net

- **The African Rural and Agricultural Credit Association** is the association of central banks, commercial banks, and agricultural banks, microfinance institutions and national programmes dealing with agricultural and rural finance in Africa. http://www.afraca.org/

- **FinScope** is a national household survey focused on financial services needs and usage across the entire South and Southern African population. http://www.finscope.co.za

2. Training guides and best-practice resources

- **The Rural Finance Learning Center**, managed by the FAO, offers downloadable training materials for capacity building in the field of rural finance. http://www.ruralfinance.org/

- **The Rural Finance Network** hosts a virtual library of studies and training material in rural finance specific to eastern and southern Africa. http://www.ruralfinancenetwork.org/

- **Women's World Banking (WWB)**, a network of 40 microfinance institutions and banks in 28 countries worldwide, hosts a virtual library of publications and case studies. http://www.swwb.org/

- **CERISE,** a network on best practices in microfinance, offers downloadable guides on rural microfinance for value chain development. http://www.cerise-microfinance.org

- **The Small Enterprise Education and Promotion (SEEP) Network** offers downloadable microenterprise training materials also specifically for microfinance. http://www.seepnetwork.org

- **microLINKS (Microenterprise Learning Information and Knowledge Sharing)**, a service of the USAID microenterprise development programme, offers downloadable training materials for the development of financial services, including value-chain finance. www.microLINKS.org/fs

- **The Microfinance Management Institute (MFMI),** a US-based NGO, offers downloadable training material for MFIs capacity building. http://www.themfmi.org

- **The Global Development Research Center (GDRC)** hosts a virtual library on microfinance news and case studies. http://www.gdrc.org

Section VI Organization profiles

This section provides some detailed information on just a sample of the hundreds of MFIs in East Africa, as well as on a range of international organizations engaged in supporting MFIs. Unless otherwise mentioned, the information is sourced from the organizations' websites and interpreted by the authors.

Organization	Type	Outreach Africa	Outreach women	Relevance coffee
Argidius Foundation	Foundation, Swiss-based	Mali, Burkina Faso	♀	None
Bill & Melinda Gates Foundation (BMGF)	Foundation, USA-based	Initiatives all over Africa	♀ ♀	
BRAC	International NGO	Tanzania, U.R. of, Uganda, Sudan, Liberia, Sierra Leone	♀ ♀	
Bukonzo Joint Cooperative Micro Finance Society Ltd	Coffee cooperative	Uganda	♀ ♀	
Ecumenical Microfinance for Human Development (ECLOF)	NGO, Swiss-based	Cameroon, Ghana, Côte d'Ivoire, Kenya, Tanzania, U.R. of, Uganda, Zambia	♀	
Equity Bank (Uganda)	Microfinance bank	Uganda	♀	None or limited
Financial Alliance for Sustainable Trade (FAST)	International network	In several countries in Africa	♀	
FINCA Uganda	MFI, deposit-taking	Uganda	♀	None or limited
Foundation for Women (FFW)	NGO, USA-based	Liberia, Niger and Zambia	♀ ♀	
Grameen Foundation	Foundation, Bangladesh-based	In 12 countries in Africa	♀ ♀	None or limited
Kenya Women Finance Trust Limited (KWFT)	MFI, deposit-taking	Kenya	♀ ♀	None or limited
KIVA	NGO, USA-based	Partners in Tanzania, U.R. of, Rwanda, Uganda, Kenya	♀	
MicroLoan Foundation	NGO, UK-based	Malawi, Zambia, Mozambique, Namibia	♀ ♀	None or limited
Opportunity International	International NGO	In 10 countries in Africa	♀ ♀	
Plan International	International NGO	In 23 countries in Africa	♀ ♀	None or limited
Root Capital	Social investment fund	In 16 countries in Africa	♀	
TechnoServe (TNS)	NGO, USA-based	In 11 countries in Africa	♀	
Uganda Finance Trust Ltd	MFI, deposit-taking	Uganda	♀	
Women's Microfinance Initiative (WMI)	NGO, USA-based	Uganda, Kenya	♀ ♀	

Legend:

	Not specifically targeted at coffee, but the sector is a frequent beneficiary
	Specifically targeted at the coffee sector
♀	Not specifically targeted at women, but women are frequent beneficiaries
♀ ♀	Specifically targeted at women

1. Microfinance institutions

Name	**Bukonzo Joint Cooperative Micro Finance Society Ltd**
Description	A cooperative owned by its shareholders – 85% women − who currently operate 3,400 small farms in the Rwenzori Mountains region of Western Uganda, where they grow high-quality, organically grown, handpicked coffee.
URL	www.bukonzocoop.com
Head Office	Kyarumba town, Kasese district, Uganda
Size Indicator	Bukonzo Joint has 5,000 clients. Share purchases increased from UShs 18 million to UShs 240 million from 2005 to 2009. Deposits reached UShs 755 million in 2009, and Bukonzo Joint provided its members UShs 1,889 million in loans in 2009 (1 US$ = 2,350 UShs by mid-January 2011).
Approach	Bukonzo Joint maintains a model microfinance institution designed to enable members to improve their standard of living by developing, sustaining and expanding their own small businesses, predominantly coffee farming, and to actively participate in the social and economic development of Bukonzo County and Uganda. The Cooperative seeks to educate its members in the importance of individual and business savings, provides a safe, trusted place to deposit savings and earn interest (currently 6% annually), and offers agriculture and business loans. Services also include marketing its farmers' organic coffee and other agricultural products, and member training and skills development. Bukonzo Joint facilitates the establishment of village savings and loan associations through workshops, training, and by providing material support, such as lockable boxes and a meeting space at its headquarters.
Relevance to Women	♀ ♀ 85% of members are women.
Operations in Africa	Bukonzo Cooperative is based in Western Uganda
Relevance to Coffee	The main agricultural product of the members is coffee.

Name	**Equity Bank (Uganda)** (previously Uganda Microfinance Limited)
Description	Equity Bank Group purchased the Uganda Microfinance Limited (UML) in 2008. It continues to focus on microfinance. UML had led the development of innovative service mechanisms and mobilizing savings in Uganda.
URL	www.equitybank.co.ug
Head Office	Kampala, Uganda
Size Indicator	Number of active borrowers: 58,011 Number of depositors: 325,125 Average loan size: US$ 802 (**Source:** MIX Market, 2009).
Approach	Equity Bank has a variety of savings and loan products for individuals, groups and businesses (including SMEs). Mobile teller machines have allowed Equity Bank to expand its outreach.
Relevance to Women	♀
Operations in Africa	Uganda
Relevance to Coffee	None or limited

Name	**FINCA Uganda**
Description	FINCA Uganda, recently licensed as a deposit taking institution, offers a variety of savings and loan products.
URL	www.finca.org
Head Office	Kampala, Uganda
Size Indicator	Number of active borrowers: 45,135 Number of depositors: 78,249 Average loan balance per borrower: US$ 282 (**Source:** MIX Market, 2009). FINCA Uganda serves clients in 24 of the country's 69 districts.
Approach	FINCA Uganda offers three types of credit products, which include both individual and village banking loan products for rural, urban and peri-urban markets for working capital and business improvements and salary loans. It also offers four savings products, money transfer services, a home improvement loan product, and is developing a health insurance product.
Relevance to Women	♀ FINCA targets low-income clients
Operations in Africa	Other FINCA International supported local MFIs are in the Democratic Republic of the Congo, Malawi, the United Republic of Tanzania, Uganda and Zambia.
Relevance to Coffee	None or limited

Name	**Kenya Women Finance Trust Limited (KWFT)**
Description	KWFT, recently licenced as a deposit taking microfinance, offers a variety of savings, loans and insurance products.
URL	www.kwft.org
Head Office	Nairobi Kenya
Size Indicator	Number of active borrowers: 334,188 Number of depositors: 334,188 Average loan balance per borrower: US$ 401(**Source:** MIX Market, 2009) KWFT serves 400,000 women in Kenya through 202 outlets across the country.
Approach	KWFT offers a variety of services, including savings, educational and emergency loans, business loan products, agricultural loans products (fish, dairy and greenhouse), and clean energy products. The affiliated Kenya Women Holding NGO provides complementary training services for women.
Relevance to Women	♀ ♀ KWFT solely serves women clients
Operations in Africa	Kenya
Relevance to Coffee	None or limited

Name	**Uganda Finance Trust Ltd** (previously Uganda Women's Finance Trust)
Description	Uganda Finance Trust Ltd opened as an MFI already in 1984. The company is licensed and regulated by the Bank of Uganda as a microdeposit taking institution (MDI).
URL	www.financetrust.co.ug
Head Office	Kampala, Uganda
Size Indicator	Number of active borrowers: 20,175 Number of depositors: 122,225 Average loan balance per borrower: US$ 731 (**Source:** MIX Market, 2009) The company has one of the largest branch networks in Uganda with 26 interconnected branches strategically positioned all over the country and serves over 140,000 customers.

Approach	The company offers a variety of savings and loan solutions including business loans, salary loans, school fees loans, savings accounts, fixed deposits and a money transfer service.
Relevance to Women	♀ The company grew out of the Uganda Women's Finance Trust and continues to serve large numbers of women
Operations in Africa	Uganda
Relevance to Coffee	None or limited

2. NGOs

Name	**BRAC**
Description	BRAC is an international NGO that aims to empower people and communities in situations of poverty, illiteracy, disease and social injustice.
URL	www.brac.net
Head Office	Dhaka, Bangladesh
Size Indicator	BRAC is the largest southern NGO, reaching more than 110 million people with development interventions in Asia and Africa. Its operations in Uganda: Number of active borrowers: 103,489 Number of depositors: 103,489 Average loan balance per borrower: US$ 125 (**Source:** MIX Market, 2009)
Approach	Centre of BRAC's approach are village organizations (VOs), each with 30 to 40 women members – which are set up to provide social support and microfinance services. These village organizations meet weekly, distribute loans, collect repayments and saving contributions, and raise awareness of the social, legal and personal issues that affect the everyday lives of poor women.
Relevance to Women	♀ ♀ More than 98% of BRAC's over 7 million borrowers and savers worldwide are women.
Operations in Africa	Helping 117,000 households in the United Republic of Tanzania and Uganda. BRAC Uganda began operations in 2006.
Relevance to Coffee	

Name	**Ecumenical Microfinance for Human Development (ECLOF)**
Description	ECLOF is an NGO with the principle objective of providing fair credit for human development and sustainable communities.
URL	www.eclof.org/
Head Office	International Secretariat in Geneva, Switzerland
Size Indicator	ECLOF now works through national ECLOFs in thirty countries, and has over 100,000 active clients with an outstanding loan portfolio of US$ 22 million.
Approach	ECLOF offers fair terms of credit through supportive local networks.
Relevance to Women	♀
Operations in Africa	Cameroon, Ghana, Côte d'Ivoire, Kenya, the United Republic of Tanzania, Uganda, Zambia
Relevance to Coffee	ECLOF has given loans to allow coffee farmers to store coffee.

Name	**KIVA**
Description	Kiva is an NGO that connects micro-entrepreneurs in developing countries and private lenders across the world through a website.
URL	www.kiva.org
Head Office	San Francisco, California, United States of America
Size Indicator	Kiva works with 125 local MFIs (field partners) in 57 countries. The total value of loans made through Kiva is US$ 186 million. The total number of entrepreneurs who have received a loan through Kiva is 482,131. The average loan amount is US$ 381. (**Source:** Kiva website, January 2011)
Approach	KIVA partners disburse the loans to entrepreneurs according to their conditions; the KIVA website serves to raise money from private lenders.
Relevance to Women	81 % of loan beneficiaries are women
Operations in Africa	Partners in the United Republic of Tanzania, Rwanda, Uganda, Kenya
Relevance to Coffee	

Name	**Opportunity International**
Description	An international NGO network with the mission to empower people in developing countries with microfinance – small loans, savings, microinsurance – that can better provide potential for themselves and their families.
URL	www.opportunity.org/
Head Office	Oxford, United Kingdom
Size Indicator	The MFIs that make up Opportunity International operate in more than 20 countries with 2 million clients.
Approach	Opportunity International provides financial products with a focus on rural outreach strategies (mobile bank tellers) and group lending.
Relevance to Women	84% of clients are women
Operations in Africa	Democratic Republic of the Congo, Ghana, Kenya, Malawi, Mozambique, Rwanda, South Africa, the United Republic of Tanzania, Zambia, Zimbabwe.
Relevance to Coffee	Opportunity support credit schemes in the coffee sector in East Africa.

Name	**Plan International**
Description	An international NGO that promotes child rights end child poverty. Plan is one of the oldest and largest children's development organizations in the world, present in 48 developing countries across Africa, Asia and the America's promoting child rights.
URL	www.plan-international.org/
Head Office	Surrey, United Kingdom
Size Indicator	Plan works with more than 3,500,000 families and their communities each year.
Approach	Through small loans and saving schemes, Plan's programmes offer assistance to the very poor with a special emphasis on women.
Relevance to Women	Plan promotes microfinance schemes with a special emphasis on women.
Operations in Africa	Present in 23 African countries
Relevance to Coffee	None or limited

Name	**TechnoServe (TNS)**
Description	NGO based in Washington DC that helps entrepreneurial women and men in developing countries build businesses that create incomes, opportunity and economic growth for their families and communities.
URL	www.technoserve.org/
Head Office	Washington, DC, United States of America
Size Indicator	Over the past four decades, TechnoServe's work has led to the launch or expansion of thousands of businesses and transformed the lives of millions of people.
Approach	TechnoServe helps small business produce higher value products, leading an increase in jobs and incomes, and access financing. TNS promotes the business sectors through entrepreneurship programmes
Relevance to Women	 Women are a frequent target group
Operations in Africa	Present in Rwanda, Uganda, the United Republic of Tanzania, Ethiopia, Kenya, South Africa, Mozambique, Zambia, Côte d'Ivoire, Ghana, Benin
Relevance to Coffee	 TechnoServe has a regional East Africa coffee project.

Name	**Women's Microfinance Initiative (WMI)**
Description	WMI is a non-profit organization founded by a network of professional women in the United States.
URL	www.wmionline.org
Head Office	Bethesda, Maryland, United States of America
Size Indicator	As of October 2010, WMI has issued nearly 1,700 loans to women in more than 100 villages.
Approach	WMI operates in over 100 villages in Uganda and Kenya through 7 hub locations. WMI partners with village-level women's groups who administer the loan programme in each hub.
Relevance to Women	 In Uganda the WMI loan programme is run entirely by local village women
Operations in Africa	WMI focuses its efforts in rural Uganda and Kenya.
Relevance to Coffee	None or limited

3. Foundations

Name	**Argidius – A Cofra Foundation**
Description	A foundation that funds microfinance, business development and entrepreneurial education projects
URL	www.argidius.com
Head Office	Zurich, Switzerland
Size Indicator	Argidius Foundation has a budget of several million US$ that is used to fund projects and organizations.
Approach	The Argidius Foundation works in close collaboration with microfinance investment vehicles. It provides microfinance services, business development technical assistance, and entrepreneurial education.
Relevance to Women	
Operations in Africa	Mali and Burkina Faso
Relevance to Coffee	None

Name	**Bill & Melinda Gates Foundation (BMGF)**
Description	A foundation with a focus on improving the health of individuals and giving them the opportunity to lift themselves out of extreme poverty.
URL	www.gatesfoundation.org
Head Office	Seattle, Washington, United States of America
Size Indicator	BMGF is the largest foundation in the world with an endowment of US$ 36 billion. Internationally, the foundation supports work in more than 100 countries.
Approach	To promote savings and credit schemes in developing countries BMGF has made grants to the Alliance for Social Inclusion, Opportunity International and the Consultative Group to Assist the Poor (CGAP). Additional initiatives supported by BMGF include: – Financing Healthier Lives and The Global Expansion project: Integrates microfinance and health education with the objective of reaching 540,000 clients through partnerships with 90 MFIs in 18 countries. – Global Development Programme: Aims to increase productivity and incomes of farmers, and promote microfinance, particularly *savings accounts* accessible for the poor throughout the developing world. – The Microcredit Summit Campaign (of RESULTS Educational Fund): The second phase of the campaign (2006 – 2015) aims to reach 175 million of the world's poorest families, in particular women, through credit and other business or financial services.
Relevance to Women	Women are a frequent target group.
Operations in Africa	Initiatives all over Africa
Relevance to Coffee	The foundation funds the TechnoServe East Africa Regional Coffee Programme.

Name	**Foundation for Women (FFW)**
Description	An NGO that provides women with the funds and proper tools for a successful business endeavour.
URL	www.foundationforwomen.org
Head Office	San Diego, California, United States of America
Size Indicator	Since 1997 FFW has positively impacted more than a million women − and their families − by funding microcredit programmes in India, Zambia, Niger, San Diego and Liberia.
Approach	Foundation for Women specializes in women-led community development and women's economic empowerment benefitting entire families and communities. The organization provides job skills training, business development and management education and microfinance, and other links to credit.
Relevance to Women	Foundation for Women works principally with women between the ages of 22 and 50. The operation in Liberia has provided small loans averaging US$ 100 to over 1,000 women.
Operations in Africa	The Foundation for Women's microcredit schemes has worked successfully in Liberia, Niger and Zambia.
Relevance to Coffee	

Name	**Grameen Foundation**
Description	A foundation with the mission to give poor people access to microfinance and technology to move themselves out of poverty.
URL	www.grameenfoundation.org
Head Office	Seattle and Washington DC, United States of America
Size Indicator	US$ 160 million in local currency has been leveraged to support microfinance programmes in 13 countries. The foundation's MFI partners have helped 9.4 million people.
Approach	Grameen Foundation supports local MFIs with technology and capital. In order to facilitate mobile banking, the Foundation and MTN Uganda launched the first village phone programme in sub-Saharan Africa, MTN Village Phone.
Relevance to Women	♀ ♀ Women are specifically targeted.
Operations in Africa	Cameroon, Ethiopia, Ghana, Kenya, Mali, Malawi, Nigeria, Rwanda, Senegal, South Africa, the United Republic of Tanzania, Uganda
Relevance to Coffee	None or limited

Name	**MicroLoan Foundation**
Description	A UK charity providing small loans, business training and guidance to women in sub-Saharan Africa.
URL	www.microloanfoundation.org.uk
Head Office	London, United Kingdom
Size Indicator	In Malawi (as an example): Number of active borrowers: 19,626 Number of depositors: 0 Average loan balance per borrower: US$ 68 (**Source:** MIX Market, 2009)
Approach	The charity provides loans to groups of 10-18 women. Each group has its business ideas appraised and receives eight training sessions covering topics such as bookkeeping and cash flow. All group members are required to save money as a source of security. Each woman receives her loan as a cheque and opens an account at a designated bank. Average loan duration is 4 months.
Relevance to Women	♀ ♀ Women are specifically targeted.
Operations in Africa	Malawi, Zambia, Mozambique, Namibia
Relevance to Coffee	None or limited

4. Social investment funds

Name	**Root Capital**
Description	A non-profit social investment fund that sponsors finance for grassroots businesses in rural areas of developing countries
URL	www.rootcapital.org/
Head Office	Cambridge, United States of America
Size Indicator	US$ 175 million in credit to 265 businesses in 30 countries throughout Latin America and Africa.

Approach	Root Capital provides capital, financial education, and market connections to small and growing businesses that are too small and risky for mainstream banks and too large for microfinance. For many loans, Root Capital use future sales contracts from companies (e.g. buyers of produce like Green Mountain Coffee Roasters, Marks & Spencer, Starbucks, and Whole Foods) as a form of collateral. When natural products are shipped, the buyer pays Root Capital directly for interest and principal payments.
Relevance to Women	
Operations in Africa	In Burkina Faso, Cameroon, Ethiopia, Ghana, Côte d'Ivoire, Kenya, Liberia, Mali, Malawi, Mozambique, Rwanda, South Africa, Swaziland, the United Republic of Tanzania, Uganda, Zambia
Relevance to Coffee	Root Capital finances coffee businesses in Ethiopia, Kenya, Malawi, Rwanda, the United Republic of Tanzania, Uganda, Zambia

5. Networks

Name	**Association of Microfinance Institutions of Uganda (AMFIU)**
Type	An umbrella organization of microfinance institutions in Uganda with the objective of enhancing the sustainable delivery of financial services by all microfinance institutions.
URL	www.amfiu.org.ug
Head Office	Kampala, Uganda
Size Indicator	117 microfinance institutions are members of the association
Approach	– Coordinating capacity building initiatives – Providing lobbying and advocacy services – Collecting, analysing, and disseminating information – Monitoring MFIs performance
Relevance to Women	Indirectly
Operations in Africa	Uganda
Relevance to Coffee	Indirectly

Name	**Financial Alliance for Sustainable Trade (FAST)**
Description	Non-profit association representing financial institutions and producers dedicated to bringing sustainable products to markets. The International Institute for Sustainable Development (IISD) leads FAST.
URL	www.fastinternational.org
Head Office	Montreal, Canada
Size Indicator	At the end of 2009, the alliance had 156 members.
Approach	FAST links financial institutions, commodity buyers and producers to facilitate the access of producers to credit. An online lending marketplace serves as a lending and information mechanism.
Relevance to Women	
Operations in Africa	FAST has a global reach.
Relevance to Coffee	FAST included the coffee sector in Africa from 2009.

Appendix The international coffee trade – ITC's Coffee Guide website

www.thecoffeeguide.org

The Coffee Guide website, www.thecoffeeguide.org is based on one of ITC's most demanded publications over time: ***Coffee – An exporter's guide***.

The website contains more than 500 continuously updated text boxes in 14 Chapters:

01 World coffee trade

02 The markets for coffee

03 Niche markets, environment and social aspects

04 Contracts

05 Logistics and insurance

06 E-Commerce and supply chain management

07 Arbitration

08 Futures markets

09 Hedging and other operations

10 Risk and the relation to trade credit

11 Coffee quality

12 Quality control issues

13 Climate change and the coffee industry

14 Training and the coffee industry

The website has an interactive and free Questions & Answers service, which has posted over 200 detailed answers to questions primarily from coffee producing countries.

The entire website is available in English – www.thecoffeeguide.org, French – www.leguideducafe.org and Spanish – www.laguiadelcafe.org. All use is free of charge.

Bibliography

AMFIU, 2008. Uganda Microfinance Industry Assessment.

Barnes, C., G. Gaille, R. Kibombo, 2001. *The impact of three microfinance programs in Uganda*. For the Assessing the Impact of Microenterprise Services (AIMS) Project, USAID.

Carlton, A., H. Manndorff, A. Obara, W. Reiter, E. Rhyne, 2001. *Microfinance in Uganda.* L&R Social Research (unpublished).

CGAP, 2004. *Uganda Microfinance Sector Effectiveness Review*. By Goodwin-Groen, R., T. Bruett and A. Latortue.

CGAP, 2006. *Uganda Country-Level Savings Assessment*. By Deshpande, R. and M. Pickens.

FinScope, 2007. Results of a National Survey on Access to Financial Services in Uganda. Produced for DFID's Financial Sector Deepening Uganda project.

IFAD, 2007. *Financing Coffee Farmers in Jimma Zone, Ethiopia: Challenges and Opportunities.* by Bastin, A. and N. Matteucci.

IFAD, 2009. *Gender and rural microfinance: Reaching and empowering women. Guide for practitioners*. By Mayoux, L. and M. Hartl.

ITC, 2008. *Women in Coffee – Employment and Ownership.* International Trade Forum. Issue 3-4. www.tradeforum.org

Kibaara, B., 2006. *Rural Financial Services in Kenya: What is Working and Why?* Tegemeo Institute of Agricultural Policy and Development.

Lakwo, A., 2006. *Microfinance, rural livelihoods, and women's empowerment in Uganda*. African Studies Centre Research Report 85 / 2006.

Matovu, D., 2006. *Microfinance and Poverty Alleviation in Uganda: a case study of Uganda Finance Trust (UFT)*. Master Thesis Africa and International Development Cooperation.

Sherief, S. *Scaling up Microfinance in Eastern and Western Africa with lessons from India*. Africa Economic Analysis.

Ssemogerere, G., 2004. *Agricultural Sector Credit and Structural Adjustment: Uganda's Experience Under SAPs 1990/91 – 1996/97; and Beyond, Into Poverty Reduction 1999/00 – 2003/04*. Paper prepared for the International Conference on the Agrarian Constraint and Poverty Reduction: Macro-economic Lessons for Africa.

World Bank, 1998. *A Framework for Regulating Microfinance Institutions*. By van Greuning, H. and J. Gallardo and B. Randhawa.

International Trade Centre

Street address
International Trade Centre
54-56 Rue de Montbrillant
1202 Geneva, Switzerland

P: +41 22 730 0111
F: +41 22 733 4439
E: itcreg@intracen.org
www.intracen.org

Postal address
International Trade Centre
Palais des Nations
1211 Geneva 10, Switzerland

The International Trade Centre (ITC) is the joint agency of the World Trade Organization and the United Nations.