



Context and Rationale

In Uganda, a significant portion of the population remains unbanked, with the situation more pronounced in rural communities. Youth and young women face unique barriers to financial inclusion due to unstable incomes from menial work and the absence of collateral assets such as salary contracts or land. These barriers limit their access to credit and impede their long-term economic development. Over **87%** of rural women are excluded from formal financial services; among these, **62% are female youth under 35** (Yetu 2023).

About **83.5%** of Ugandans aged **15–29** work in informal, unstable jobs, with young women particularly disadvantaged by lack of collateral and distance from financial institutions. A 2021 survey shows 23% of women remain financially excluded, **87%** of whom live in rural areas, primarily due to lack of collateral, perceived high risk, and limited awareness. Cultural norms, asset inequities, and weaker financial literacy further reduce women's access to credit. (UDB, 2020)

The Ability Youth Initiative (Tayinu), through its 10-Year **ConstructAfrica Strategy**, envisions a future where **all Ugandan youth have equitable access to productive resources**, particularly capital. Capital is a critical enabler for youth to unlock entrepreneurship, innovation, and sustainable livelihoods.

Group financing has proven to be an effective pathway to mobilize capital resources in remote and under-served areas. It offers youth-friendly, accessible, and non-time-limited financial support. However, in rural communities, group financing structures face persistent challenges. Many groups lack strategic direction, while others struggle with weak leadership, inadequate financial security measures, inconsistent member commitment, and limited operational sustainability. These weaknesses undermine the effectiveness of group resource mobilization in driving socioeconomic transformation.

Government programs such as the **Parish Development Model (PDM)**, **Emyooga**, **Youth Livelihood Programme (YLP)**, and **Women Empowerment Initiatives** have been designed to localize resources and uplift citizens from poverty. Yet, they often encounter setbacks due to groups being short-lived, poorly organized, or unable to repay revolving resources effectively.

A study on Community-Based Savings Groups (CBSGs) in Eastern Uganda found serious challenges including lack of financial management training (19%), irregular attendance (22%), poor loan recovery (13%), plus interpersonal issues, fraud, and high registration costs. Another study documented that group leaders' low literacy and weak management skills pose significant risks to group sustainability. **Development partners equally seek proven approaches to strengthen community groups and ensure long-term impact.**

In an experiment involving external funds, savings groups demonstrated strong stewardship—no increase in default rates or reduction in local savings even while mobilizing more loans and payouts. The return on investment from external funding reached 40%, and there was no evidence of crowding out local savings. Equity Bank's group lending model, coupled with financial literacy, has empowered rural youth to access collateral-free loans from UGX 2–5 million and reinvest in ventures like agriculture, trading, poultry,

tailoring, and training programs. These interventions catalyzed significant individual and community transformation.

[Tayinu](#) brings tested experience in group-based financing. Through the **Tayinu Revolving Fund (TRF)**, university students and graduates are mobilized to save and invest collectively, pooling resources to meet personal career and development goals. Building on this, the **Tayinu Nigina Fund (TNF)** was successfully scaled to provide monthly asset-based financing, enabling young people to acquire productive assets that improve their livelihoods. These models demonstrate Tayinu's capacity to design and sustain innovative group financing mechanisms that foster youth ownership, accountability, and resilience.

To extend these lessons into rural contexts, Tayinu proposes a training intervention that will empower youth and women groups with the skills and tools to overcome the structural weaknesses of community-based financing.

The training will focus on:

- Group formation and formalization guided by due diligence checklists.
- Leadership and governance capacity -to ensure accountability, transparency, and active participation.
- Group-based risk management – strengthening internal controls and reducing exposure to financial and social risks.
- Monitoring and evaluation of group performance – equipping participants with practical tools for tracking progress.
- Stakeholder engagement and resource mobilization – connecting groups to government programs, financial institutions, and development partners.(Refugee Led Empowerment Initiatives)
- Adoption of best practices – drawing from successful community group models and Tayinu's own innovations.

Methodology

The curriculum is implemented using **highly participatory** and **learner-centered approaches** that ensure participants not only acquire knowledge but also translate it into practical skills and actions. Participants will be guided through a process to **feel, imagine, experience, and act**, enabling deeper engagement and retention.

Key methods will include but not limited to:

- Simulations and role plays -allowing participants to practice real-life decision-making, problem-solving, and leadership in a safe, reflective environment.
- Peer and group learning – fostering collaboration, shared learning, and inclusivity, while bridging differences in educational backgrounds among participants.
- Real-life scenarios and case studies – provoking critical thinking, sharpening analytical skills, and testing leadership and interpersonal competencies.
- Experiential learning activities – encouraging participants to draw from personal and group experiences to build confidence, creativity, and ownership.

This participatory approach enhances both **interpersonal and intrapersonal skill development** while ensuring that the training is practical, inclusive, and adaptable to the diverse realities faced by youth and women in rural Uganda.

Group formation and formalization guided by due diligence checklists.	<p>How do you come up with a group name</p> <p>How do you come up with a group vision ,goal set up clear objectives and group activities aligning.</p> <p>Where can your group be found</p> <p>How do you come up with an effective leadership structure</p> <p>How do you draft guidelines /policies/constitution</p> <p>What else is required by the government/stakeholders as evidence of a functioning group and how can they come up with such tools</p>	<p>The facilitator will guide participants to come up with clear tools .</p> <p>At individual level or group level ,participants will come up with a clear strategy for their groups/businesses</p> <p>Participants will have a checklist of due diligence requirements</p>
Performance Management	<p>How does the group plan and execute its work</p> <p>How does the group ensure members are motivated and working towards the same goal</p> <p>What are data driven tools that can be used to inform operational decisions or investment decisions</p> <p>What are pathways /mechanisms to resolve group based conflicts /risks and challenges</p>	<p>Facilitator will support participants to identify approaches to engage productively through a shared work planning ,role and responsibility delegation ,key performance indicators (results)</p> <p>Facilitator will guide participants on data informed decision making using tools that track performance of a group according to set goals and objectives e.g decisions to discontinue a business line because by the margin column ,its not performing</p> <p>Sentiments and grievances should be solved.Facilitator will take participants through common grievances and how such grievances can be resolved amicably or by law</p>
Stakeholders engagement and resource Mobilization	What key resources do groups need	Facilitator will guide groups to identify their operational needs

	<p>How does the group resource for its work</p> <p>What is available for groups and individuals from Government programs</p> <p>Other than Government poverty alleviation programs ,how do private business development partners commit to poverty reduction</p> <p>How can groups monetize</p> <p>How do groups work with diverse stakeholders</p>	<p>Participants will be supported to map financial support available from government and private sector</p> <p>Participants will be guided to monetize(create self sustaining revenue models with in their operations</p> <p>Participants will be guided on the influence interest curve and why stakeholders engagement /reporting is important</p> <p>Participants will be guided to identify stakeholders of interest and influence</p>
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