

Women and Youth Loan Fund Fact Sheet

| | Women and Youth Loan Fund |
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| Implementing partners | Cooperative Promotion Agency and the three Cooperatives' Savings and Credit Unions (COSACUs), namely Adera Densa, Rib and Tana |
| AgroBIG target locations | Selected kebeles in North Achefer, South Achefer, North Mecha, South Mecha, Bahir Dar Zuria, Dera, Fogera and Libo Kemkem woredas. |
| Eligible applicants | Women, youth (male and female, age 18 – 34 years), women's groups and youth groups, |
| Purpose | <p>The purpose of the Women and Youth Loan Fund (revolving fund) is to stimulate access to loans for working capital and investments in productive assets in farming and agribusiness that enable creation of decent jobs and improved sustainability and competitiveness. Specific purpose is as follows</p> <ul style="list-style-type: none"> • Women and women's groups to improve their farming, trading, processing, production, packaging, storage and distribution capacity. • Youth and youth groups: group enterprise activities in farm production services such as crop spraying and other services, retail trade in agro-inputs, etc.; • Introduce women and youth to a savings and credit culture; |
| Loan duration | Maximum 24 months. |
| Maximum loan size | 50,000 ETB (1,700 EUR). |
| Disbursement | Upfront. |
| Interest | Normal SACCO loan interest. |
| Collateral | Group collateral according to normal lending by SACCOs. |
| Applicant requirements | <ul style="list-style-type: none"> • 80% of the loan capital is allocated to women applicants, and remaining 20% for youth; • Applicants are members of SACCOs located in the Woredas where AgroBIG operates at the time of releasing the loan; |
| Procedures for channelling funds | <ul style="list-style-type: none"> • BoFEC signs separate agreements with the CPA and the three COSACUs; • Lending to women and youth is channelled from BoFEC to the respective COSACU upon request from PSU; • COSACUs then lend funds to primary SACCOs; • Credit appraisals are conducted according to SACCOs' normal procedures; • Loan conditions are according to SACCOs' normal loan conditions; |

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| | <ul style="list-style-type: none"> • SACCOs pay the COSACU an interest at 5% p.a. on the full amount of funds received; • Interest from loans is first used to cover possible loan losses and to cover operational costs of the Fund. |
| <p>Lending procedures</p> | <ul style="list-style-type: none"> • Qualifying SACCOs are selected based on the CPA's due diligence of their governance, management, previous performance in managing funds, size of membership and growth potential; • SACCOs issue loans at their normal annual interest rate and shall not charge any fees on top of this; • SACCOs lend to individual women and youth as well as to women and youth groups upon approved loan requests; • Membership is required. New members are eligible for loans without a waiting period; • SACCOs shall submit progress reports to respective COSACU, who shall then submit consolidated reports to PSU. Reporting templates are attached to the agreements between BoFEC and the COSACUs. |