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Government seeks Shs400b for microfinance

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IN SUMMARY

State minister for Microfinance says development of rural microfinance is important to the economy

SIRONKO- Government partnership with the International Fund for Agricultural Development is seeking a loan of Shs400 billion to inject in rural microfinance institutions to boost the fight against poverty.

The State minister for Microfinance, Ms Caroline Amali Okao, said the government is also planning to set up an agriculture bank to boost commercial farming in rural areas.

The minister made the revelation while addressing members of the Women's Microfinance Initiative in Buyobo Sub-county in Sironko District at the weekend.

The microfinance institution was started in 2008 by Ms Robyn Neitart, an American volunteer, with only 20 members and an initial capital of Shs300.000. But the institution now has about 3,200 members spread all over the Mt Elgon districts with capital of more than Shs900 million.

Ms Amali said the government will also build capacity for Saccos so that they grow and develop into formalised institutions.

The minister said the development of rural microfinance institutions was important to the economy and agriculture. **She said Women's Microfinance Initiative was one of the best microfinance institutions in the country.** Its savings attracted Post Bank to give them loans.

The Post Bank managing director, Mr Stephen Mukweli, urged residents to cultivate the culture of savings as a way of making them financially independent and also to make funds available for investment in the economy. *dmafabi@ug.nationmedia.com*