



Uganda Venture: A Sustainable Microcredit Initiative

It was a milestone worthy of celebration for Uganda Venture, a social enterprise based in Halifax, Canada, with a mission to help rural communities in the east Africa nation of Uganda. The nonprofit organization took a step into the unknown by piloting a microcredit service in its operation in the Mpigi District of Uganda. The organization launched a microcredit program in May 2013 that aimed to help Ugandan entrepreneurs improve their economic conditions and elevate poverty in their region. Fadi Al Qassar, managing director of Uganda Venture, was reviewing a policy proposal devised for the launch of the microcredit initiative to assess the current situation in Uganda.

The project had gained local traction as loans were extended to Ugandans in the business and agriculture sectors. Yet, six months after its launch, Al Qassar could not help but contemplate its prospects and whether it would be sustainable as a stand-alone initiative for Uganda Venture. Preparing for the one-year project review, he needed to address such challenges to determine if the project would continue and, if so, ensure its smooth continuation and support. With a client base entirely focused on five villages in the Mpigi District, he wondered if it would be feasible to extend the initiative to other villages or other Ugandan districts. Should Uganda Venture focus on the rural regions or urban areas such as the city of Kampala? Based on initial industry research, Al Qassar knew there was a wide host of microfinance institutions (MFIs) with established presences and strong market share in the country. What about partnering with these MFIs? Is Uganda Venture better off offering a microcredit initiative on its own or being a partner with existing MFIs who had the knowledge and capital already in place? In addition, Al Qassar needed to devise a business model for the initiative that would not cannibalize the existing economic initiatives of the locals.

All these tactical questions pertained to the main premise of the coming annual review of the pilot-test program. Al Qassar needed to think long-term for the best approach in creating a sustainable business model that supported the organization's social mission. With many other pressing projects, such as fundraising efforts and the annual stakeholders trip, he wanted to ensure that the microcredit initiative received the appropriate research and resources for its success.



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