



Mercy House Ministries,
P.O box 75132 clock tower,
www.mercyhouseministries.com
Email: mercyhouseug@gmail.com
Phone: +256783312860



FUNDING PROPOSAL

Project Title:

Freedom Development Agency
(Freedom Microfinance)

Submitted by:

Mercy House Ministries,
P.O box 75132 clock tower,
www.mercyhouseministries.com
Email: mercyhouseug@gmail.com
Phone: +256783312860

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CONTACT US:

UGANDA - Name and Contact: Dr. Gilbert Birungi,

Tel.+256783312860 (Send wave and world remit)

Email :mercyhouseug@gmail.com

Website:www.mercyhouseministries.com

Bank payments: Bank of Africa, Mercy house account (send wire) to
5088160010

USA - For The Love of Africa Ministries (USA partnership)

Name and contact: Momma Mary Linette,

Tel: +1(812)4306048

Email:marylinette1@hotmail.com

Website:forthe loveofafricaministries.org

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1. INTRODUCTION

Freedom Development Agency (Freedda), also known as **Freedom Microfinance**, is an initiative under **Mercy House Ministries** founded by Dr. Gilbert Birungi. The agency aims to uplift vulnerable communities—especially Christians in urban slum areas through microfinance, training, and spiritual empowerment.

FOREXAMPLE 1. A member, Sarah, a single mother from Namavundu, utilized a business start-up loan to establish a small retail shop. Through consistent savings and financial literacy training, Sarah has expanded her business and is now able to support her family and contribute to her community.

2. BACKGROUND AND CONTEXT

Mercy House Ministries operates in Kawempe North, a densely populated slum area in Kampala characterized by poverty, food insecurity, and broken family structures. Many residents, especially women and youth, lack access to basic resources. Lusanja, Kiteezi—nearby—was recently impacted by mudslides, further exacerbating hardships.

Traditional aid (rent, food handouts) has offered only short-term relief. **Freedda** seeks to provide **sustainable economic solutions** through **soft loans, skills training, and community savings models**.

3. VISION AND MISSION

(i) Vision:

A transformed Christian community, free from poverty and empowered to live productive, dignified lives.

(ii) Mission:

Ministering mercy, winning souls, and growing them into winners through spiritual, social, and economic empowerment.

“Through Freedda’s programs, members have not only improved their financial situations but have also experienced spiritual growth, leading to stronger community bonds and a collective drive towards prosperity”

4. OBJECTIVES OF THE PROJECT

- (i) Provide affordable microfinance services to low-income Christians and vulnerable residents.
- (ii) Promote small-scale business creation and job opportunities.
- (iii) Encourage sustainable group savings and financial discipline.
- (iv) Train church leaders, women, and youth in entrepreneurship and financial management.

Comments:

5. Loan Repayment Performance

Total Due: UGX 18,428,200

Total Paid: UGX 12,269,800

Collection Rate: 70%

Top Performing Months: **NOVEMBER**

Underperforming Month: **FEBRUARY AND APRIL**

6. Observations & Recommendations

- Recommendation: enhance repayment reminders via SMS.

7. Conclusion

FREEDA has shown strong loan growth and promising repayment trends over the eight-month period. Continued client engagement, improved monitoring, and adaptive lending strategies will further improve performance.

Prepared by:

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Wakwale Sharon
Credit Manager,
Freedom Development Agency

Approved by;

.....
Tadeo Mubangizi,
Chairperson Management Committee,
Freedom Development Agency.

5. JUSTIFICATION FOR THE PROJECT

Conventional banks remain inaccessible to most people in the targeted communities due to high interest rates, strict collateral demands, and bureaucratic procedures. Freedom Development Agency offers a solution with soft loans, affordable interest rates (as low as 5%), and faith-based financial training. The initiative bridges the spiritual and economic gap, providing holistic support that sustains transformation

6. CURRENT ACHIEVEMENTS

- In just 8 months of operation, Freeda has registered 530 active members. These include:
 - 5 women groups (each with 20 women)
 - 3 men groups (each with 15 men)
 - 5 youth groups (each with 30 youth)
 - 3 pastors' groups (each with 20 pastors)These groups meet monthly, save collectively, and share development goals. All Mercy House branch churches and pastors are registered under Freeda's vision.

7. OUR LOAN MODEL AND IMPACT STORIES

Freedom Microfinance operates on a low-interest, community-sensitive model.

Individual Loan (UGX 1,000,000): 5% monthly interest = UGX 50,000/month.

Group Loan (UGX 5,000,000): Shared among members, repaid at 5% interest = UGX 250,000/month.

Impact Stories.

Pastor Julius, Kampala: Borrowed UGX 4,000,000 and acquired land near his church—now escaping rent dependence.

Norman, Missions Coordinator: Borrowed UGX 2,000,000 and invested in goat and pig rearing, expecting high returns soon.

8. SERVICES OFFERED BY FREEDOM DEVELOPMENT AGENCY

- Agricultural Loans
- Business Start-up Loans
- School Fees Loans
- Asset Financing (Land and Housing)
- Savings and Insurance Services
- Financial Literacy and Education

- Business Training and Mentorships

9. TARGET POPULATION

Our services are directed to;

- Widows
- School dropout girls
- Single mothers
- Slum youth/ unemployed graduates
- Market vendors
- Pastors and church leaders
- Hustling men and women across all age brackets

10. STRATEGIC PLAN FOR EXPANSION

Freedom Microfinance envisions establishing 5 regional branches across Uganda in 4 years—Eastern, Western, Northern, Central, and West Nile. Each branch will replicate the Kampala model with localized leadership, training, and loan services.

11. OUR NEED (When we are able to get this support, we will hit our goals to elevate poverty from our target people)

**Total Requested Funding:
UGX 60,000,000 (USD 16,437)**

	CATEGORY	AMOUNT (UGX)	USD
1	Capital for Loan Disbursement	35,000,000	9,589
2	Insurance Coverage for Loans	10,000,000	2,739
3	Strategic Bank Partnerships	15,000,000	4,109
4	Total	60,000,000	16,437

12. SUSTAINABILITY STRATEGY

- **Loan revolving fund** ensures continuity
- **5% interest income** supports admin costs
- **Mandatory savings** from members build a capital base
- **Bank partnerships and donor support** increase stability
- **Ongoing training** promotes high repayment and business success

13. MONITORING AND EVALUATION

A dedicated team will:

Freedom Development Agency

Loans Report: October 2024 – May 2025

Reporting Period: October 31, 2024 – May 29, 2025

Prepared by: wakwale Sharon

Date: May 30, 2025

1. Overview

This report presents an overview of the loan disbursement, repayment performance, portfolio quality, and key trends at FREEDA from October 2024 to May 2025. The data covers active clients, loan amounts, collections, delinquencies, and operational observations.

2. Loan Portfolio Summary

Month	No. of Loans Disbursed	Total Amount Disbursed (UGX)	Total Repaid (UGX)	Outstanding Balance (UGX)
October 2024	00	00	00	00
November 2024	04	910,000	910,000	00
December 2024	05	5,285,000	3,114,000	2,171,000
January 2025	03	4,000,000	2,350,000	1,650,000
February 2025	04	6,462,500	2,071,500	4,391,000
March 2025	09	4,982,500	2,208,800	2,773,700
April 2025	07	6,625,500	1,615,500	5,010,000
May 2025	05	2,432,500	00	2,432,500
TOTAL	36	30,698,000	12,269,800	18,428,200

3. Loan Categories by Type

Loan Type	Number of Loans	% of Total	Disbursed Amount (UGX)
Business Loans	36	83%	30,698,000

4. Portfolio at Risk (PAR)

PAR > 30 days: UGX 8,031,600

PAR Ratio: 26%



- Track loan performance and repayment
- Conduct regular audits
- Collect feedback from beneficiaries
- Report monthly to donors and stakeholders

Key indicators.

- Loan repayment rate
- Business survival rate
- Growth in group savings
- Poverty alleviation outcomes

14. CALL TO PARTNERS

We invite **individuals, churches, NGOs, and Partners** to join us in bringing lasting financial freedom to the underserved. Your partnership will help us:

- Expand lending
- Train more entrepreneurs
- Spread spiritual and economic empowerment

Together, we can turn mercy into measurable impact.

16. CONCLUSION

Freeda's approach integrates faith and finance to uplift entire communities from poverty. With your support, we can scale this proven model and empower thousands more. Together, let's be the hands of mercy in action.

17. APPENDICES

- Group savings report
- Photographs of activities and beneficiaries

PICTURES SHOWING BENEFICIARIES

