

Determinants Affecting the Repayment Performance of Revolving Loans Administered through the Uganda Women Entrepreneurship Programme in Kibaale District.

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ABSTRACT

The government created the Uganda Women Entrepreneurship Programme (UWEP) in 2015 to improve women's access to low finance and economic development via revolving loan programs. However, the program's 43% return rate threatens its viability. This study examined loan repayment characteristics in Kibaale District under UWEP, highlighting the necessity for early intervention. The research studied how firm finance, financial management training, loan diversion, monitoring, borrower attitude, and peer pressure affect loan repayment. An organised cross-sectional descriptive and explanatory research was conducted using qualitative and quantitative methods. This detailed strategy boosts result credibility. Data from UWEP recipients was collected via structured surveys, interviews, focus group discussions, and document reviews. The research evaluated qualitative responses using theme analysis and quantitative data using descriptive statistics and regression models. Researchers revealed that borrower mindset greatly influenced repayment. Due to political hyperbole and insufficient information, beneficiaries often regarded UWEP loans as government handouts, resulting in lax payback. Poor financial literacy and business management training left beneficiaries unprepared for firm management. Loans diverted to non-productive uses like house spending caused defaults. Poor supervision and infrequent monitoring by Community Development Officers further reduced responsibility. Cohesive groupings had high repayment rates, whereas weakly formed groups had high default rates. Repayment outcomes were better for non-agricultural businesses than agricultural ones, which were more impacted by market volatility and seasonality. The research found that UWEP loan repayment required more than money. Changing mindsets, institutional support, and choosing viable enterprises are key. The research recommends financial literacy training, depoliticising program implementation, enhancing monitoring systems, and leveraging digital technology to evaluate loan performance. Choose beneficiaries based on group cohesion and market feasibility to improve sustainability. Loan recovery and UWEP's long-term economic empowerment of women depend on these processes..

Keywords: Revolving loans, loan repayment, Uganda Women Entrepreneurship Programme (UWEP), women empowerment,.

1. INTRODUCTION:

A significant barrier to entry for many small-scale enterprises in developing countries is the availability of financing. In Uganda, where micro and small enterprises make up a significant amount of the GDP, there are a variety of programs that endeavour to encourage female entrepreneurs. One such initiative is the Uganda Women Entrepreneurship Programme (UWEP), which provides women with sustainable access to capital in the form of loans in order to empower them to launch their own enterprises and achieve economic autonomy.

Paying back and reusing revolving loans via UWEP may assist both new and existing businesses. In areas like Kibaale, where traditional loan options are few, these kinds of loans are lifesavers. The Kibaale District in western Uganda is mostly rural and relies on agriculture for its livelihood. Loans are hard to get by and maintain for women business owners in this area, limiting their expansion opportunities. Need to know what factors influence the repayment of these revolving loans if UWEP and similar

programs are to be successful. More women need to be able to repay their loans effectively for the effort to be sustainable in the long run. There are a few variables that could affect repayment behaviour, including socioeconomic position, borrower attributes, and the program's operational structure. To grow their businesses, small business owners, especially women in developing countries, need simple access to cash. The Uganda Women Entrepreneurship Programme (UWEP) is a large-scale initiative in Uganda that aims to empower women by providing them with access to revolving credit programs. Women may get their hands on capital to start or grow their businesses via this program. The plan is to put the money back into the program so that additional women may benefit. This research studied the variables that affect loan repayment under UWEP in Kibaale District, with a special emphasis on the current contextual components effecting rural microfinance management, specifically revolving loan program problems (Tran et al.,2024).

2. BACKGROUND:

Entrepreneurship by women has emerged as a potent tool in the fight against poverty, inequality between the sexes, and for more inclusive development on a global scale (World Bank, 2021). When more women start their own businesses, it benefits everyone: higher household income, more national productivity, and happier communities. But there are still systemic obstacles that women business owners confront; the most obvious of these is a lack of capital (OECD, 2019). This is particularly true in low- and middle-income nations. The goal of this study is to find out what makes the Uganda Women Entrepreneurship Programme (UWEP) revolving loan scheme work or not work, and then to suggest ways to make it better and increase the percentage of people who pay back their loans. There is still a large gender disparity in the use of formal financial services, even if this has improved globally (World Bank, 2017). While 48% of males in Sub-Saharan Africa have access to formal financial services, only 37% of women have. Several obstacles, including as collateral requirements, discrimination by financial institutions, gender stereotypes, low levels of education, and physical distance to banking infrastructure, contribute to the maintenance of this disparity (Demirgüç-Kunt et al., 2022). With these structural problems, the pressing need for reform is obvious. Ogundana (2021) notes that formal financial institutions in Africa often see women as borrowers with a greater risk profile, leading to smaller loans with higher interest rates. Many women engage in agriculture, small commerce, and home-based companies, which are part of the informal sector. These firms are known for having minimal capital investment, poor earnings, and limited development potential (Brush, 2019). Bullough et al. (2022) note that microfinance, community lending initiatives, and government-backed revolving loans are alternate types of financial inclusion that provide marginalised women hope. We have faith in these models because we know they can help those who really need it the most get access to funds. Governments and development organisations have responded to this void by launching initiatives specifically aimed at

neglected communities. Although microfinance organisations have had a lot of success, they've also been criticised for their profit-driven goals and excessive interest rates (Morduch, 2000). Conversely, more and more publicly supported projects that prioritise inclusion above profits are being launched by governments. The Grameen model in Bangladesh, the SHG-Bank Linkage Program in India, the Women's Development Package in Ethiopia, and the Uganda Women Entrepreneurship Programme (UWEP) are all examples of such initiatives. To alleviate poverty on a worldwide scale, it is essential to support women entrepreneurs. The ability to borrow money is crucial for women business owners. According to studies conducted by Brush (2019), Bullough (2022), and Cozarenco and Szafarz (2018), women borrowers in Africa and other regions encounter more stringent credit approval processes, higher interest rates, and lower loan limits when attempting to get funding for their enterprises from financial institutions. Women company owners are under-represented in formal loan application procedures, which limits their ability to do business (Wasiuzzaman & Nurdin, 2019). Banks in poor nations often use gender as a factor when determining a businesswoman's trustworthiness, pointing to superfluous cultural and social norms as an excuse (Ogundana, 2021). When people in developing nations have access to banking services, economic inequality decreases (Kim, 2015). The Sub-Saharan African region's financial inclusion is severely lacking and needs immediate action due to the wide gap that exists (Sha'ban, 2019; Ofori-Abebrese, 2020). The distance to the closest financial institution, high service charges, and a lack of financial resources are the main obstacles to financial inclusion in Africa (Ulwodi & Muriu, 2017).

3. THE PURPOSE OF THE RESEARCH:

To examine the variables that affect the repayment of revolving loans that are provided via the UWEP in the Kibaale District of Uganda. The primary goal of this study project is to carry out an examination into the socioeconomic, institutional, and loan-specific factors that have a substantial influence on the performance of revolving loans that are managed under the Uganda Women Entrepreneurship Programme in Kibaale District. The objective is to provide conclusions that will give a knowledge of the ways in which the efficacy and sustainability of a program may be enhanced.

4. RESEARCH QUESTIONS:

1. How does the type of enterprise financed by the revolving loan impact loan repayment?
2. How does training in Business Development and Financial Management affect loan repayment?
3. What is the effect of loan diversion on loan repayment?
4. What is the effect of loan supervision and monitoring on loan repayment?
5. What is the effect of the mindset (free money from the Government not to be repaid) on loan repayment?
6. What is the effect of peer pressure on loan repayment?

5. LITERATURE REVIEW:

This narrative literature review draws on previous studies on micro-finance and women's credit in Uganda and related contexts to examine the factors that influence the repayment of revolving micro-loans to women, such as those supplied by the Uganda Women Entrepreneurship Programme (UWEP) in the Kibale district. While there is a dearth of research specifically addressing UWEP in Kibale, there is a wealth of information on microcredit and women-led businesses in Uganda (and beyond) that may provide light on the factors that affect repayment. Many have defended women-only microloans on the grounds that they are more likely to repay their loans in a timely manner. The widespread belief that women pose lesser credit risks is supported by a worldwide study of 350 microfinance institutions (MFIs) from 70 countries. The study indicated that a larger number of female customers was connected with reduced portfolio risk, fewer loan write-offs, and provisioning. This benefit, however, is not consistent; rather, it appears to be more prevalent under specific institutional settings (e.g., regulated MFIs, individual-based lenders, and non-governmental organisations) than it is across all lending models (Mwanukizi et al.,2024).

Several studies in Uganda have looked at microfinance as it pertains to loans to women-owned businesses. Among the factors that contributed to women's high payback rates were a variety of factors, including group-lending, company type, training in business management, diversification of business operations, and careful follow-up by loan officers. This study was conducted in Tanzania, specifically among customers of a rural MFI instead of Uganda.

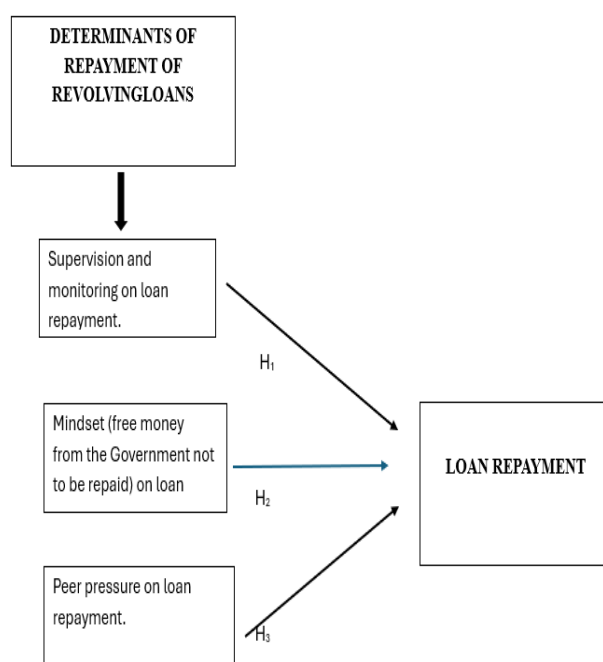
Repayment success is strongly correlated with the credit/loan design and institutional conditions. Research on a Kenyan women's credit scheme (Women Enterprise Fund, WEF) indicated that group-level variables (e.g., meeting and workshop frequency, group size) greatly affected loan default behaviour, but that individual borrower variables (e.g., age, marital status, household size, education level) did not. Just as social collateral (rather than traditional collateral) and credit terms were fundamental in urban Uganda (BRAC Uganda Ltd in Wakiso District), respondents in that study also reported low savings, high loan costs, and low business profitability, all of which limited the performance of some women-owned enterprises (Agarwal,2025).

Furthermore, data from Uganda as a whole indicates that external financial and infrastructure variables might impact the availability of loans and, therefore, the likelihood of repayment. As an example, research on the expansion of private sector credit in Uganda indicated that more people were able to get access to formal credit as mobile money services were more widely used, opening the door to financial intermediation for those who had never used a bank before.

However, microcredit's larger effects on company results and family welfare aren't always beneficial or constant. While firms owned by males in Uganda had significant improvements in earnings with the introduction of microcredit, cash grants, and training for micro-enterprises, those owned by women showed little or no immediate improvement in sales or profitability.

This indicates that whether or not women are able to repay loans depends on a number of factors, including the nature of the firm, the borrower's entrepreneurial abilities, the availability of suitable markets, and even gender-based limitations on how the loan is used. Past studies have shown that individual and institutional design aren't the only social and environmental elements at play. Recent research on microfinance loan default in Ghana shows that community norms, cultural values, and religious beliefs are social variables that substantially impact repayment behaviour. So, to summarise, the research indicates that repayment of micro-loans to women (like in a revolving fund) is influenced by a myriad of factors. These include the loan's structure and terms, the group's or community's collateral mechanism (such as meeting frequency, size of the group, and peer monitoring), the borrower's business type and managerial capacity, external enabling environments (such as financial infrastructure and markets), and broader social and community norms. These findings have important implications for UWEP in rural areas like Kibale, where the issue of loan repayment and the program's long-term success hinge on factors such as the program's design (group vs. individual), terms, follow-up, training and support services, and the local economic and social context. Yet, it would be naïve to assume that focussing on women guarantees payback or business development based on the contradictory findings (such as the instance when women-owned businesses failed to exhibit substantial revenue improvements despite microcredit). Loan design, social mechanisms (group solidarity, social enforcement), access to supporting infrastructure, and the viability of income-generating activities supported by the loan are more important than the borrower's gender when it comes to repayment performance under a women-oriented revolving loan scheme like UWEP (Viswanathan et al.,2025).

6. METHODS:



Independent Variable

7. DETERMINANTS OF REPAYMENT OF REVOLVING LOANS:

The UWEP uses the independent variable "Determinants of Repayment of Revolving Loans" to determine how many factors influence microcredit borrowers' behaviour with respect to their repayment obligations. At any point before or during the repayment process, external variables may affect the conditions of the loan. Factors such as the borrower's age, level of education, income, family size, and job stability are used to determine the loan repayment capacity. Many factors, including the kind of company, profitability, expertise, and market access, influence a loan-financed business's chances of survival and growth. Interest rates, loan amounts, grace periods, training, group lending models, monitoring frequency, and overall institutional aspects are important. The management and repayment of revolving loans are affected by a multitude of factors, such as financial acumen, self-control, and intrinsic drive (Mabasa, 2024).

Dependent Variable LOAN REPAYMENT

The goal is to evaluate the borrower's capacity to repay revolving loans according to the agreed upon schedule. In order to achieve complete repayment performance, the following conditions must be satisfied. The percentage of debt that has been repaid, the rates of repayment, the punctuality of installment payments, and the occurrence of defaults or delinquencies are all indicators of loan repayment. The revolving fund can keep accepting new borrowers and keeping the wheels turning since payments are being made on time. There are a lot of potential outcomes that might arise from late loan repayments, such as financial losses, inefficient credit programs, and postponed loan payments. One measure of microfinance programs' effectiveness in helping companies is the ability of such enterprises to repay their loans. This shows that the programs have helped promote disciplined financial management and long-term economic growth (Chimdessa, 2025).

“RELATIONSHIP BETWEEN SUPERVISION AND MONITORING ON LOAN REPAYMENT AND LOAN REPAYMENT” :

Beneficiaries' ability to repay loans in the Kibaale District are heavily impacted by the central management tasks of supervision and monitoring, which are part of the Uganda Women Entrepreneurship Programme. Beneficiaries of loans are more likely to get consistent direction, stick to agreed-upon business strategies, and put money where it's supposed to go when monitoring is effective. Programme officers may prevent loan default by staying in touch with groups on a regular basis and responding quickly to warning signals of commercial difficulties, financial mismanagement, or internal disputes. This ongoing monitoring ensures that debtors are held responsible and dedicated to fulfilling their repayment plans (Mapanje et al.,2023).

In addition to overseeing, monitoring keeps tabs on how sponsored projects are doing, evaluates key performance metrics, and checks whether group businesses make enough money to pay back their debts. Implementers of

the program may assess the feasibility of businesses, pinpoint areas where resources are lacking, and swiftly give assistance, such as training or renegotiating repayment arrangements, via systematic monitoring visits and progress evaluations. Furthermore, consistent oversight promotes openness in the loan utilisation process, prevents money diversion, and instills discipline in borrowers. By combining supervision and monitoring, we can create an atmosphere that promotes responsible borrowing, increases group cohesiveness, and improves financial literacy. Borrowers are more prone to mismanage funds or neglect repayment when these two components are weak, as seen by infrequent field visits, poor record-keeping, or insufficient feedback systems. To enhance the repayment performance of revolving loans under UWEP in Kibaale District, robust and regular supervision and monitoring are necessary. This would promote accountability, early issue discovery, and sustainable company development (Lwesya et al.,2023).

“H₀: There is no significant relationship between supervision and monitoring on loan repayment and loan repayment.”

“H₁: There is a significant relationship between supervision and monitoring on loan repayment and loan repayment.”

“RELATIONSHIP BETWEEN MINDSET (FREE MONEY FROM THE GOVERNMENT NOT TO BE REPAYED) ON LOAN AND LOAN REPAYMENT” :

Beneficiaries of the Uganda Women Entrepreneurship Programme in Kibaale District are less likely to return their loans because they believe that government-provided funds are "free money" that does not need repayment. The lack of accountability and dedication to repaying UWEP loans is a result of borrowers seeing these monies as grants instead than revolving loans. Because of this attitude, there is less of a push to meet the agreed-upon loan conditions, which increases the likelihood of late payments or even default. Many people's perspectives on government services are coloured by their experiences in the past, political statements that suggest entitlement, or false information that circulates within communities. Beneficiaries' ability to repay loans is reduced and the targeted businesses' performance is impaired when they internalise the belief that the government would not demand repayment. Businesses are much more likely to be careless with their money management and budgeting if they anticipate government loan forgiveness or leniency. On the other hand, when recipients know that UWEP funds are supposed to be used to help various women's organisations in the long run, they are more careful with their money and work harder to earn enough to pay them back on time. Building a culture of payback requires an appropriate orientation and ongoing sensitisation to assist people move from a state of reliance to one of accountability. Under UWEP in Kibaale District,

repayment results are improved when people act responsibly and are well-informed, but they are severely hindered when they think of government loans as free money (Nakanwagi et al.,2025).

“H₀: There is no significant relationship between mindset (free money from the government not to be repaid) on loan and loan repayment.”

“H₂: There is a significant relationship between mindset (free money from the government not to be repaid) on loan and loan repayment.”

“RELATIONSHIP BETWEEN PEER PRESSURE ON LOAN REPAYMENT AND LOAN REPAYMENT”:

Beneficiaries in Kibaale District of the Uganda Women Entrepreneurship Programme are heavily influenced by their peers when it comes to repaying loans. An individual's dedication to fulfilling payback commitments in group-based loan arrangements is significantly impacted by the attitudes, actions, and expectations of other members of the group. Paying back loans on time becomes more likely when there is positive peer pressure, which occurs when members of the group support one another, keep each other accountable, and urge one another to return the loans when due. The members are more likely to work together, hold each other accountable, and make loan servicing a top priority in this encouraging setting. But unfavourable peer pressure might make it harder to pay back loans. It just takes a few bad apples to normalise nonpayment, misappropriate cash, or skip out on group meetings for the rest of the membership to follow suit. The organisation may become lazy if powerful members think there will be no repercussions for defaulting, and they may even push others to do the same. Due to the communal nature of revolving loan arrangements, this kind of negative social impact has a multiplicative effect on group cohesiveness, trust, and default risk. So, peer pressure is a strong social variable that, depending on its operation within the group, may either enhance or diminish repayment performance. Repayment rates rise when group dynamics encourage self-control, teamwork, and common objectives. However, total payback performance drops when peer norms allow or even promote non-compliance. Thus, in the Kibaale District, peer pressure has a direct role in influencing how people think, act, and behave in relation to repaying UWEP loans(Adbi,2024).

“H₀: There is no significant relationship between peer pressure and loan repayment.”

“H₃: There is a significant relationship between peer pressure and loan repayment.”

Research Context:

This section describes the methods used to conduct the research. The study's limitations, demographic, sampling strategy, data collection techniques, instruments, data processing procedures, validity and reliability strategies, ethical considerations, and feasibility are all detailed in it. This study paradigm was selected by the researcher in Kibaale District, Uganda, to gather data that might be used for assessing the variables impacting the repayment of revolving loans offered by the Uganda Women Entrepreneurship Programme (UWEP). The study used a mixed-methods approach, combining qualitative and quantitative approaches, with a cross-sectional, descriptive, and explanatory research design to get the best possible results. A mixed-methods approach often outperforms qualitative or quantitative research alone, according to several.

Research Design: This research used quantitative and qualitative techniques in a mixed-methods strategy with a descriptive cross-sectional design. For studies that only need data collected at one moment in time from a statistically valid subset of the population, researchers may examine the correlation between variables and loan repayment habits using a cross-sectional design (Creswell & Creswell, 2018). To get a thorough grasp of the numerical patterns and contextual difficulties impacting loan repayment under UWEP, the mixed-methods methodology triangulated data sources.

Study Area: Research took place in the Kibaale District in central-western Uganda. Since July 2015, UWEP has been actively implemented across the district, which consists of twelve sub-counties and two town councils. District reports (MoGLSD, 2021) mention that Kibaale's diversified socio-economic mix, rural setting, and considerable loan recovery challenges under UWEP were deliberate selection criteria. Subsistence farming, small-scale commerce, and informal services are some of the local economic activities that provide a special setting in which to study the dynamics of women-led firms and the repayment of loans.

Study Population : The study population included women beneficiaries of UWEP loans in Kibaale District from July 1, 2015, to June 30, 2023, as well as Community Development Officers (CDOs), Sub-County Chiefs, and Town Clerks involved in UWEP implementation. Additional participants were local leaders in the district and the national UWEP Focal Person at the Ministry of Gender, Labour, and Social Development.

Participants: Population of study the total population of this study included 1,139 women in Kibaale District who had accessed revolving loans through UWEP via 117 women groups. Of this total, the study focused on 288 women selected from 96 women groups across the district.

8. RESULT:

TESTING HYPOTHESIS ONE:

This section explores the fourth objective of the study: to examine how supervision and monitoring by UWEP field officers and local government actors affect loan repayment behavior among beneficiaries in Kibaale District. The analysis focuses on visit frequency, the quality of follow-up support, responsiveness to challenges, and how these factors influence borrower discipline and repayment performance. The descriptive statistics for supervision and monitoring are first

presented in Section 4.6.1, followed by statistical tests of the hypothesis in Section 4.6.2. The results are shown in the following subsections.

Loan supervision and monitoring This was measured using five statements, and respondents were asked to respond to them with a five-point Likert scale ranging from 'strongly disagree' to 'strongly agree'. Table 1 shows the results obtained.

Table 1: Descriptive results about loan supervision and monitoring

Statements about loan supervision and monitoring	SD	D	NS	A	SA
1. I always receive visits to check on how I am using the business loan to ensure that I meet my business loan repayment obligations.	64 (22%)	88 (31%)	41 (14%)	45 (16%)	50 (17%)
2. I always receive visits to guide me on how I am using the business loan to ensure that I meet my business loan repayment obligations.	89 (31%)	60 (21%)	72 (25%)	67 (23%)	0 (0%)
3. I always receive communication on how I am handling my loan arrangements to meet my business loan repayment obligations.	64 (22%)	89 (31%)	21 (7%)	89 (31%)	25 (9%)
4. The way I am paying my business loan is constantly monitored to meet my business loan repayment obligations.	64 (22%)	88 (31%)	44 (15%)	67 (23%)	25 (9%)
5. I always receive reminders when my repayment day is approaching to meet my business loan repayment obligations.	64 (22%)	89 (31%)	22 (8%)	63 (22%)	50 (17%)

Note: SD = Strongly agree, D = Disagree, NS = Not sure, A = Agree and SA = Strongly agree

shows that for statement 1, the combined percentage of 'agree' and 'strongly agree' (16% + 17% = 33%) was lower than the combined percentage of 'strongly disagree' and 'disagree' (22% + 31% = 53%), while the percentage for 'not sure' was 14%. A similar trend applies to the other four statements. Therefore, the interpretation of these results is that about a third of the women who responded positively to the statements believed their loan supervision and monitoring were good, while roughly half of those who responded negatively thought their loan supervision and monitoring were poor. Additionally, between a fifth and a quarter of the women who responded with "not sure" indicated that their loan supervision and monitoring were fair.

Hypothesis four stated, "There is no effect of loan supervision and monitoring on loan repayment." A simple regression analysis was used to test this hypothesis, and the results are shown in Table .

Table 2: Effect of loan supervision and monitoring on loan repayment

Regression Statistics					
R	.009				
R Square	.000				
Adjusted R Square	-.003				
Standard Error	3.009				
Observations	288				
ANOVA statistics					
	df	SS	MS	F	Sig F
Regression	1	.2	.2	.02	.885

Residual	286	2589.8	9.1		
Total	287	2590.0			
Coefficients statistics					
	Coefficients	Standard Error	Beta	t Stat	P-value
Intercept	14.54	.42		34.79	.000
Loan supervision and monitoring	-.00	.03	-.01	.15	.885

Repayment of loans is only marginally related to the strength of the correlation between monitoring and supervision of loans ($R = 0.009$). A 1% increase in loan supervision and monitoring results in a -0.3% change in loan payback, according to the Adjusted R-Square (-0.003). Even though the Fisher's ratio was greater than the suggested critical significance threshold of .05. The ANOVA data reveal that it was not significant (Sig F = .885). The conclusion was that "There is no effect of loan supervision and monitoring on loan repayment." Therefore, the result was rejected and the null hypothesis was accepted. Hence, it was determined that modifications to loan supervision and monitoring had no effect on loan payback. Therefore, the findings of the coefficient or Beta did not need interpretation. A one-unit adjustment in loan monitoring had no influence on loan repayment, as shown by the coefficient result (-0.00), which indicates the effect magnitude. The positive sign of these coefficients did not need interpretation. Reports from sub-county development officials and UWEP focal people indicate that insufficient personnel and logistical assistance, particularly with regard to transportation, impeded efficient monitoring. We are required to monitor each group on a monthly basis, as one officer pointed out. Unfortunately, it's not possible due to the large number of duties and the fact that there is only one motorbike at the sub-county headquarters. Some organisations, particularly those in more rural places, went months without receiving any technical assistance because of this logistical limitation. "No one came, even though we needed help with marketing and bookkeeping," one recipient from Matala Sub-county recounted. Meetings were increasingly disregarded after a while. Focus group participants stressed that monitoring was about more than just enforcement; it was also about incentive. We don't joke around when the police come over. The loan is important, as shown. But members unwind if nobody checks in with them. - Kibaale Town Council, Group Leader. Schreiner (2003) argues that borrowers are more committed to repaying loans when they get feedback that someone cares about their performance, and these opinions are in line with that. When done in an interactive and instructive manner, supervision may serve as a tool for empowerment rather than just a compliance mechanism (CGAP, 2014). For debt recovery and company performance to be maintained, supervision and monitoring are vital. Loan supervision and monitoring considerably increased payback rates, according to the research. Payback schedule adherence was higher in groups who were visited often by district authorities and Community Development Officers (CDOs) compared to those that were visited less frequently. Higher default rates were associated with ineffective supervision, which is often the

result of insufficient resources and personnel. The significance of monitoring in mitigating information asymmetry and moral hazard is emphasised in credit risk and credit market theories, which are in line with this discovery (Stiglitz & Weiss, 1981). Efficiency in loan utilisation and discipline in repayment are guaranteed by proper monitoring. Borrowers may lose incentive to repay if they think default has no implications if monitoring is not in place. The philosophy of community engagement also provides useful insight. Arnstein's (1969) ladder of participation emphasises that communities are more likely to take responsibility and pride in their work when they are actively involved in monitoring. In Kibaale, payback rates were greater for groups who used 254 peer-monitoring methods as opposed to those that relied just on external supervision. This conclusion is backed by data from comparisons. According to MoGLSD (2020), loan recovery rates are substantially increased in Mukono District when UWEP groups are continuously followed up with. Similar to how rigorous monitoring is crucial to BRAC's worldwide success, field officials meet regularly to check for compliance (Rutherford, 2001). Community committees and government supervision work together in IFAD's rural microfinance initiatives in Kenya to keep repayment sustainability under check (IFAD, 2019).

This research also aimed to determine if and to what extent beneficiaries' mentalities and perspectives on UWEP loans influenced their repayment practices. The study's main objectives were to determine whether or not the participants saw the loans as grants, to clarify the repayment criteria, and to assess the impact of these factors on the participants' resolve to pay back the loans. People were polled on their perspectives on financial responsibility, whether they saw the loans as handouts or not, and their moral and contractual obligations to return. In Section 4.7.1, we see the mentality descriptive statistics, and in Section 4.7.2, we see the statistical tests of the hypothesis. The findings are then detailed in the sections that follow. In order to gauge this, eight statements were presented and respondents were given the option to "strongly disagree" or "strongly agree" on a five-point Likert scale. The collected findings are shown in the table.

Effect of Mindset on Loan Repayment

This research also aimed to determine if and to what extent beneficiaries' mentalities and perspectives on UWEP loans influenced their repayment practices. The study's main objectives were to determine whether or not the participants saw the loans as grants, to clarify the repayment criteria, and to assess the impact of these factors on the participants' resolve to pay back the loans. People were polled on their perspectives on financial responsibility, whether they saw the loans as handouts or not, and their moral and contractual obligations to return. In Section 4.7.1, we see the mentality descriptive statistics, and in Section 4.7.2, we see the statistical tests of the hypothesis. The findings are then detailed in the sections that follow.

Table3 : Descriptive results about mindset

Statements about mindset	SD	D	NS	A	SA
1. I perceive money received from the government as free money.	122 (42%)	56 (19%)	23 (8%)	65 (23%)	22 (8%)
2. I have not committed to paying loan money that I perceive as free money.	47 (16%)	89 (31%)	73 (25%)	79 (28%)	0 (0%)
3. Loans that are perceived as free money are an entitlement to me.	25 (9%)	129 (45%)	44 (15%)	68 (23%)	22 (8%)
4. I don't feel like paying loan money from the government because it is our money.	75 (26%)	56 (19%)	22 (8%)	113 (39%)	22 (8%)
5. I never postpone meeting my business loan repayment obligations.	67 (23%)	66 (23%)	0 (0%)	133 (46%)	22 (8%)
6. I am always good at resisting the temptation not to meet my business loan repayment obligations.	67 (23%)	60 (21%)	23 (8%)	138 (48%)	0 (0%)
7. I easily break habits of making personal spending with money for my business loan repayment obligations.	42 (15%)	50 (17%)	0 (0%)	196 (68%)	0 (0%)
8. I consider late business loan repayment as risky as failure to pay the business loan	42 (15%)	25 (9%)	0 (0%)	199 (68%)	22 (8%)

Note: SD = Strongly agree, D = Disagree, NS = Not sure, A = Agree and SA = Strongly agree

Statement 1 had a lower combined proportion of "agree" and "strongly agree" ($23\% + 8\% = 31\%$) than "strongly disagree" and "disagree" ($42\% + 19\% = 61\%$), with 8% marking the "not sure" category. The third and second assertions follow a similar pattern. In contrast, the percentages for "agree" and "strongly agree" were greater for propositions 4–8 than those for "strongly disagree," "disagree," and "not sure." Hence, these findings suggest that a favourable attitude towards loan repayment was shown by 28% to 76% of the women who gave a positive response to the comments. When asked about their attitude towards paying back loans, 24% to 61% of the women who gave unfavourable responses said they had a terrible mentality. On the other hand, several of the ladies who said they weren't sure really had a reasonable attitude about paying back their loans.

9. TESTING HYPOTHESIS TWO

Hypothesis five stated, "There is no effect of mindset (free money from the government not to be repaid) on loan repayment." A simple regression analysis was used to test this hypothesis, and the results are shown in Table (Isee Appendix 10, SPSS results).

Table 4: Effect of mindset on loan repayment

Regression Statistics					
R	.405				
R Square	.164				
Adjusted R Square	.161				
Standard Error	2.752				
Observations	288				
ANOVA statistics					
	df	SS	MS	F	Sig F
Regression	1	424.3	424.3	56.0	.000
Residual	286	2165.6	7.6		
Total	287	2590.0			
Coefficients statistics					
	Coefficients	Standard Error	Beta	t Stat	P-value
Intercept	10.97	.50		22.02	.000
Mindset	.15	.02	.41	7.49	.000

A moderate relationship between attitude towards loan

payback and repayment behaviour is shown by the regression coefficient result ($R = .405$). A 1% shift in perspective about debt payback results in a 16.1% shift in repayment behaviour, according to the Adjusted R-Square (.161). Despite being below the suggested critical threshold of .05. The ANOVA findings show that Fisher's ratio ($F = 56.0$) was significant ($\text{Sig } F = .000$). We may reject the null hypothesis, "There is no effect of mindset (free money from the government not to be repaid) on loan repayment," and accept the conclusion because of this. The results showed that a 16.1% shift in loan repayment occurred for every 1% change in attitude towards payback. A one-unit improvement in attitude towards loan payback resulted in a fifteen percent improvement in payments, as shown by the coefficient result (.15). A change in attitude towards loan repayment followed the same trend as the change in payback amount, according to the positive values of the beta result (.41) and the coefficient result (.15). Poorer repayment performance was likely caused by an unfavourable attitude towards loan payback. The flip side is that loan repayment results were better when people had an optimistic outlook on paying them back.

For this, we used a five-point Likert scale, with "strongly disagree" being the extreme opposite of "strongly agree," to assess five claims. The findings may be shown in Table

Effect of Peer Pressure on Loan Repayment:

This part addresses the sixth goal of the research, which is to examine the impact of peer pressure on loan repayment in the Kibaale District as it pertains to the Uganda Women Entrepreneurship Programme (UWEP). To better understand the impact of peer pressure on repayment behaviour, we looked at it through the lenses of group responsibility, social influence, mutual monitoring, and group unity. In Section 4.8.1, we provide the descriptive statistics for peer pressure. In Section 4.8.2, we test the hypothesis statistically. The findings are presented in the following sections.

Table5 : Descriptive results about peer pressure

Statements about peer pressure	SD	D	NS	A	SA
1. I am always reminded by my fellow colleagues to meet my business loan repayment obligations.	42 (15%)	92 (32%)	0 (0%)	112 (38%)	42 (15%)
2. I am always embarrassed by my fellow colleagues when I fail to meet my business loan repayment obligations.	42 (15%)	42 (15%)	50 (17%)	106 (36%)	48 (17%)
3. My peers always check on how I am using the business loan to ensure that I meet my business loan repayment obligations.	42 (15%)	89 (31%)	25 (9%)	109 (37%)	23 (8%)
4. My peers do not always check on how I am using the business loan to ensure that I meet my business loan repayment obligations.	17 (6%)	67 (23%)	91 (32%)	69 (24%)	44 (15%)
5. My peers always guide on how I am using the business loan to ensure that I meet my business loan repayment obligations.	42 (15%)	64 (22%)	72 (25%)	41 (14%)	69 (24%)

Note: SD = Strongly agree, D = Disagree, NS = Not sure, A = Agree and SA = Strongly agree

Testing hypothesis three

Hypothesis three stated, "There is no effect of loan diversion on loan repayment." A simple regression was used to test the hypothesis, and the results are shown in

Table (see Appendix 8 SPSS results).

Table6: Effect of peer pressure on loan repayment

Regression Statistics					
R	.225				
R Square	.051				
Adjusted R Square	.047				
Standard Error	2.932				
Observations	288				

ANOVA statistics					
	df	SS	MS	F	Sig F
Regression	1	131.4	131.4	15.3	.000
Residual	286	2458.5	8.6		
Total	287	2590.0			

Coefficients statistics					
	Coefficients	Standard Error	Beta	t Stat	P-value
Intercept	12.55	.52		23.94	.000
Peer pressure	.12	.03	.23	3.91	.000

Regression analysis shows a weak association between peer pressure and loan repayment ($R = .225$). The Adjusted R-Square (.047) indicates that for every 1% increase in peer pressure, there is a 4.7% rise in debt payback. While Fisher's ratio ($F = 15.3$) was statistically significant ($\text{Sig } F = .000$), it falls short of the recommended critical criterion of .05. This was shown by the results of the analysis of variance. Thus, the conclusion was accepted and the null hypothesis, which claimed that "There is no effect of peer pressure on loan repayment," was dropped. A 1% rise in peer pressure to repay debts results in a 4.7% increase in loan repayment rates, according to the research.

10. CONCLUSION:

This research found that a mix of institutional, socioeconomic, business-related, and community variables influence whether or not revolving loans from the Uganda Women Entrepreneurship Programme in Kibale District are repaid. Repayment is more than just a financial act; it is an ingrained social and economic process in the everyday lives of rural women entrepreneurs. This was made clear by the mixed-methods approach, which was able to record both the quantifiable patterns in repayment performance and the lived experiences of the women beneficiaries. The significance of loan features including loan amount, repayment terms, and distribution timeliness was supported by quantitative data. These factors affected the extent to which women could arrange their loan repayments to coincide with economic cycles and generate enough returns. Repayment capability is highly related to the socioeconomic stability of the family, which is supported by borrower characteristics such as education levels, variety of income sources, and household duties. Women who had more secure employment and more business acumen paid back loans more quickly.

The significance of social capital, community norms, and group dynamics was further shown by the qualitative results. Peer support, group cohesiveness, and social responsibility were frequently cited by women as factors that promoted regular repayment and decreased the probability of default. But obstacles such as a lack of business education, home pressures, and market access made it hard for them to keep their firms afloat, which affected their capacity to repay. The fact that some recipients resorted to using the funds for personal matters

rather than company exemplifies how business and family responsibilities sometimes overlap in rural areas. Taken together, these findings highlight that there is no single factor that determines repayment results under UWEP. Rather, they are the product of a complex web of relationships that includes program design, women's economic contexts, and the social systems in which they participate. Loan performance that is both effective and appropriate involves not just fair lending conditions but also continuous assistance via training, access to markets,

monitoring, and empowerment programs that build women's economic resilience. Finally, while UWEP has been a great tool for women in Kibale District to become involved in the economy, the program can only continue to pay off its loans if the lending institutions and the larger environment are both strengthened. To improve payback rates and ensure the program's long-term viability, it is best to use an integrated strategy that combines financial resources with capacity development and community-level assistance.

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