

## **Uganda**

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### **Project for Financial Inclusion in Rural Areas**

#### **Mid-term Review**

#### **Main report and appendices**

Mission Dates:

Document Date: 15/08/2018

Project No. 1100001630

East and Southern Africa Division  
Programme Management Department

## Abbreviations and Acronyms

Abbreviations and acronyms APSEDEC Acholi Private Sector Development Company Limited AWPB Annual Work Plan and Budget CCA Canadian Cooperative Association CFF Central Financing Facility COMVIS Community Vision Uganda CREAM Community Organization for Rural Enterprise Activity Management CSCG Community Savings and Credit Group/s DCO District Commercial Officer FSD Financial Services Department (of MFPED) GoU Government of the Republic of Uganda FURA Foundation for Urban and Rural Advancement HIV-AIDS Human immune. virus infection and acq. immune def. syndrome IFMS Integrated Financial Management System IIRC International Institute of Rural Reconstruction KM Knowledge Management KPSDC Karamoja Private Sector Development Company M&E Monitoring and Evaluation MFI Microfinance Institution MFPED Ministry of Finance, Planning and Economic Development MNPSDC Mid North Private Sector Development Company Ltd MIS Management Information System MoU Memorandum of Understanding MTIC Ministry of Trade, Industry & Commerce PROFIRA Project for Financial Inclusion in Rural Areas READ Rural Efforts for Action in Development UCCK Uganda Cooperative College Kigumba UCSCU Uganda Cooperative Savings and Credit Union UMRA Uganda Microfinance Regulatory Authority

## A. Project Overview

Region:	East and Southern Africa Division	Project at Risk Status:	Not at risk
Country:	Uganda	Environmental and Social Category:	B
Project Name:	Project for Financial Inclusion in Rural Areas	Climate Risk Classification:	3
Project Id:	1100001630	Executing Institution:	not available yet
Project Type:	Credit and Financial Services	Implementing Institutions:	not available yet
CPM:	Lakshmi Moola		
Project Director:	Lance Kashugyera		
Project Area:	National		

Approval Date	19/09/2013	Last audit receipt	06/01/2018
Signing Date	24/11/2014	Date of Last SIS Mission	01/06/2018
Entry into Force Date	24/11/2014	Number of SIS Missions	8
Available for Disbursement Date	30/11/2014	Number of extensions	0
First Disbursement Date	04/03/2015	Effectiveness lag	14 months
MTR Date	14/05/2018		
Original Completion Date	31/12/2021		
Current Completion Date	31/12/2021		
Financial Closure	not available yet		

## Project total financing

<b>IFAD Financing breakdown</b>	IFAD	\$29,000,343
<b>Domestic Financing breakdown</b>	Beneficiaries	\$1,443,223
	National Government	\$4,934,821
<b>Co-financing breakdown,</b>		
<b>Project total financing</b>		<b>\$35,378,387</b>

## Current Mission

Mission Dates:

Days in the field:

Mission composition:

Field sites visited:

## B. Overall Assessment

Key SIS Indicator #1	Ø	Rating	Key SIS Indicator #2	Ø	Rating
Likelihood of Achieving the Development Objective		5	Assessment of the Overall Implementation Performance		5

<b>Effectiveness and Developmental Focus</b>	<b>5</b>	<b>Project Management</b>	<b>4</b>
Effectiveness	5	Quality of Project Management	5
Targeting and Outreach	5	Knowledge Management	4
Gender equality & women's participation	6	Value for Money	4
Agricultural Productivity	N/A	Coherence between AWPB and Implementation	3
Nutrition	N/A	Performance of M&E System	4
Adaptation to Climate Change	4	Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)	

<b>Sustainability and Scaling-up</b>	<b>4</b>	<b>Financial Management and Execution</b>	<b>5</b>
Institutions and Policy Engagement	4	Acceptable Disbursement Rate	4
Partnership-building	5	Quality of Financial Management	5
Human and Social Capital and Empowerment	5	Quality and Timeliness of Audit	5
Quality of Beneficiary Participation	3	Counterparts Funds	4
Responsiveness of Service Providers	5	Compliance with Loan Covenants	6
Environment and Natural Resource Management	3	Procurement	5
Exit Strategy	4		
Potential for Scaling-up	4		

<b>Relevance</b>
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## C. Mission Objectives and Key Conclusions

### Background and Main Objective of the Mission

The Project for Financial Inclusion in Rural Areas (PROFIRA) entered into force in November 2014. The implementation of PROFIRA has now reached the Mid-Term Review (MTR) stage. The MTR provided an opportunity to: (i) fundamentally revisit design features in line with performance – achievements and challenges in the present country and development contexts to meet development objectives; (ii) review the effectiveness and efficiency of the programme management, organizational structure and its service delivery modalities in relations to existing challenges and outcomes; (iii) assess the performance of the implementation agencies and benefiting SACCOs and CSCGs; (iv) identify what interventions would yield greater results for the SACCO component (iv) identify innovative products and processes that need either up-scaling or replication and develop feasible framework for knowledge capitalization and sharing; (v) place emphasis tangibly on programme sustainability and exit strategies; and (vi) agree with the GoU and implementation partners on new strategic directions (or re-focusing) for improved service delivery for the programme to achieve its development objectives.

From 14 May to 1 June 2018, a team of experts worked with the Government and IFAD to assess the implementation status of the project and key challenges at this key point in its implementation. In the field, the team reviewed the project operations in the districts of Moroto, Abim, Nakapiripirit, Bukedea, Mbale, Manafwa, Mayuge and Bugiri. In Kampala, the MTR team met and interacted with several project stakeholders, including the Permanent Secretary and Secretary to the Treasury, Ministry of Finance, the Permanent Secretary, Ministry of Cooperatives, Minister for Microfinance, the Director for Debt and Cash Management and the Commissioner for Financial Services in the MFPED; the Commissioner for Cooperative Development, Ministry of Trade, Industry and Commerce (MTIC); other officials from MFPED and MTIC, the Board and staff of UCSCU and the Uganda Microfinance Regulatory Authority (UMRA) and other relevant stakeholders from the sector, including the service providers selected for the provision of training services to SACCOs and CSCGs. The wrap-up meeting was held in the MFPED on 1 June 2018. The MTR team would like to thank the GoU and all other partners for their collaboration and support.

### Key Mission Agreements and Conclusions

PROFIRA has made solid progress with the implementation of the programme since its inception in 2014. The programme relevance and its key strategies remain valid also for the remaining three years of implementation. All the necessary systems and procedures to support the achievement of the project outputs and outcomes are in place. Disbursement, at around 50% at the mid-term, is satisfactory for a rural finance project. The projections made during this MTR indicate that all financial resources allocated for PROFIRA, including the IFAD loan and grant, will be fully utilised by the time the project closes.

While the overall performance of the project is satisfactory, some PROFIRA-supported activities face constraints that have an adverse impact on the achievement of project outcomes and the targets on effectiveness, efficiency and sustainability. All these constraints, however, are surmountable, and their resolution would lead to a higher performance levels by project-end. In the view of the MTR, what is needed at this juncture is decisive action on a few key issues, including the following:

- Refocus all further SP-conducted training during the remaining contract years to (a) provide intensive technical assistance to Category B SACCOs to address their critical risk and (b) maximize gains to project growth targets by working through Category A and B SACCOs. Related to this, negotiate with the SPs to reallocate resources accordingly within the framework of the existing contracts.
- Support the weaker Category C SACCOs as appropriate and for that purpose, revise and extend the MOUs with MTIC and UCCK accordingly. Furthermore, extend the MOU with UCSCU through 2018/19 to allow for disbursement of the remaining grant amount and completion of the TA by CCA.
- Finalise all Phase 2 service provider contracts of Component 2 on CSCGs by September 2018. In the remaining PROFIRA years, when operating with CSCG, give particular focus to innovative activities that directly lead to higher level of financial intermediation for the group members.

Overall, the implementation results of the first half of the PROFIRA project period build a good foundation for reaching in the remaining years all the project targets and even surpassing them in some activities. The next GoU/IFAD Supervision and Technical Support mission is planned for late October – early November 2018. By then, the early results from the implementation of the above listed changes in the PROFIRA approach and focus should be visible, as well as the results from other changes and amendments agreed on during the MTR and documented in this report.

## D. Overview and Project Progress

### Component 1 – SACCO strengthening and sustainability

#### *Sub-Component 1.1 - SACCO Strengthening*

**PROFIRA Training for SACCOs.** This sub-component works with SACCOs that were identified from 2013 census data as not yet sustainable but with the potential to become financially strong and sustainable institutions capable of increasing their outreach to rural populations. Capacity-building is delivered through training in credit and default management (CDM) to all selected SACCOs by two contracted service SPs and a package of six further training modules by four SPs for those with lower financial sustainability indicators.

At MTR, the implementation is generally on track, with 80% of planned core training completed within the first two years of the three-year contracts with SPs. Growth trends collected for nine months following completion of the first round of full training modules are strongly positive and indicate that targets will be met for growth in members, capital, savings and loan portfolios. Case studies of 38 selected SACCOs show evidence of improved financial management, internal controls, product development, and member participation – especially in response to financial literacy training.

Nevertheless, the positive results have been concentrated in less than half of the SACCOs being supported. More alarming are the signs of significant deterioration in the performance of the supported SACCOs since the 2013 census data used for selection. The PMU launched an exercise to identify the extent to which PROFIRA-supported SACCOs were affected by one or more of four critical risks identified by SPs as adversely affecting SACCO operations:

- Persistent default, with PAR above 20% and as high as 100% in some, often involving Board members
- Poor governance, including failure to have audits and annual general meetings (AGMs), as mandated by the Cooperatives Act, and conflict between Board and management
- Fraud, often involving embezzlement by managers or Board members
- Unfeasible business volumes, with fewer than 10 transactions daily and often suspension of saving and loan repayment by members concerned with the above issues.

The investigation found out that 17% of the SACCOs had no major problem (Category A), 31% (“Category B”) had one risk factor, and 52% of PROFIRA-supported SACCOs were found to be affected by two or more of these critical risks (“Category C”). The better performing Categories A and B had a total of 218 PROFIRA-supported SACCOs while the weakest Category C included 235 SACCOs.

The MTR team considered a proposal to investigate further the extent to which SACCOs in the weakest Category C were dormant or still operating and what would be required for them to recover to the point where they could benefit from further training. However, the investigation results indicated that for most SACCOs in Category C, there was little chance that PROFIRA’s capacity building interventions could turn these SACCOs around, particularly within the available funding and within the year remaining in the SP contracts. The possibility of additional funding to be able to address the Category C problems over a longer time was raised, but the Government indicated that no further funding for the purpose would be requested from IFAD. Therefore, after discussions with the Government, it was decided to refocus all further SP-conducted training during the remaining contract year to (a) provide intensive technical assistance to Category B SACCOs to address their critical risk and (b) maximize gains to project growth targets by working through Category A and B SACCOs. While major benefits are expected from this co-operation with better performing SACCOs, the MTR recommends that PROFIRA will also work in a proactive way and mainly through MTIC and UCCK with the weaker Category C SACCOs to address their specific problems.

**Upgrading MIS Systems.** Support to upgrading MIS systems is intended to increase efficiency and help SACCOs prepare for licensing, when good MIS systems will be essential to comply with reporting requirements. SACCOs with existing MIS systems and over 1,000 members were invited to apply for PROFIRA support, if they were prepared to share 30% of the cost. Grants were approved for 52 SACCOs, of which 16 “Basic” (training and licensing for one location), 12 “Extended” (including branches and associated hardware), and 24 “Networking” (including inter-branch connectivity and mobile money integration). After some delays, implementation of this action is now progressing, especially as the disbursement procedures of the MIS Grant have been resolved in a manner that disbursement of the PROFIRA contribution will be made directly to the MIS suppliers contingent upon certification by the beneficiary SACCOs that each performance benchmark has been made satisfactorily.

**Uganda Cooperative College Kigumba (UCCK).** The objective of PROFIRA’s partnership with UCCK is to underpin the delivery of capacity-building services to SACCOs through quality assurance, training-of-trainers (TOT), orienting District Commercial Officers (DCOs), and building a cadre of qualified SACCO managers, all to support continued SACCO sustainability beyond the end of the project. By the MTR, UCCK successfully delivered the activities set forth in the original MOU. During the October 2017 mission, UCCK was encouraged to propose a further MOU, on the assumption that supplementary funds would be obtained from IFAD. However, the Government has decided not to seek further funds, and the partnership with UCCK during the remaining PROFIRA years must be funded within the existing project budget.

#### *Sub-Component 1.2 – Developing a SACCO Union*

The objective of Sub-component 1.2 is to strengthen UCSCU as an autonomous, sustainable apex body representing and serving the SACCO sector. UCSCU has an important role to play in supporting the SACCO sector beyond the end of PROFIRA and facilitating the transition of SACCOs to licensed status. PROFIRA is providing a grant of USD 1 million to

fill the budget gap for UCSCU to implement its 5-year strategic plan toward sustainability, with USD 250,000 for complementary technical assistance (TA) provided through the Canadian Cooperative Association (CCA).

At PROFIRA mid-term, UCSCU is making reasonable progress toward implementing its strategic plan and budget, as revised in February 2017, although the process has been slower than planned. Introduction of performance contracts has helped change the UCSCU culture and reorient staff toward achieving institutional goals. Although operational self-sufficiency (at 67% as of March 2018) and the operating deficit are slightly behind targets, UCSCU hopes that the usual surge in membership during the last quarter will enable the targets to be achieved. Despite the substantial progress made, limited income from member support and Central Financing Facility may make it difficult to achieve the original target of 100% OSS for 2018/19 without cost-cutting and substantial additional revenue generation.

TA from CCA has continued to be highly appreciated and targeted toward addressing specific issues such as performance-based management; drafting a Member Services Charter; training staff in bookkeeping, auditing and other areas; and review of projections and strategic planning. The frequency of visits was reduced in order to extend the TA through 2019 and reduce the risk of over-dependence on external assistance. The focus of a planned visit in June 2018 is on positioning UCSCU to be a technical service provider to SACCOs in the process of complying with licensing requirements under the Tier 4 MFI Act.

## **Component 2 – Community Based Financial Services**

### *Sub-component 2.1 – Establishment of new CSCGs*

With Sub-component 2.1, PROFIRA will contract service providers (SPs) to form approximately 15,000 new community savings and credit groups (CSCGs) with around 375,000 members, over the seven-year project period, broadly using the VSLA methodology. The four three-year Service Provider (SP) contracts for the sub-component for Phase 1 were signed in April 2016 and aim at establishment of a total of 7,500 new CSCGs with 187,500 members in the target regions. The progress towards this target at the mid-term of contract implementation has been commendable. Table 2 below shows the progress in the establishment of the new CSCGs in the four target regions in which Sub-component 2.1 is implemented.

**Table 2: Progress on Establishment of New CSCGs by Region (End of April 2018)**

<b>Region</b>	<b>Service Provider</b>	<b>No. of CSCGs Planned for Period</b>	<b>No. of Established CSCGs</b>	<b>Number of Members in New CSCGs</b>
Eastern	Care with UWESO	1,875	1,935	55,470
Mid-North	MNPCDC & APCDC	1,575	1,805	52,501
West Nile	FURA & CREAM	1,425	1,471	43,316
North-East	Care with KPCDC	750	751	20,766
<b>Total</b>		<b>5,625</b>	<b>5,962</b>	<b>172,053</b>

At the time of MTR, the achieved results substantially exceed the agreed targets set for the period. By the end of April 2018, a total of 5,962 new CSCGs were operational, which exceeds the target by 5.9%. At the same time the membership in these groups has reached 172,053, which exceeds the target by 31,428 members, or by 22.4%. The value of total savings in these CSCGs at the end of April 2018 was US\$ 8.9 billion (USD 2.4 million), with the loan balance roughly at the same level.

Concerning the quality of the newly established groups, the presentation of evidence at this relatively early stage of implementation is more complex. However, based on reports by the SPs and observations in the field during monitoring visits, the group ownership and cohesion in the PROFIRA groups are high. Testimonies by individual members, collected by SPs and PROFIRA, point out to (a) the positive impacts of group membership on willingness to save for purpose, (b) better economic planning and management of household finances and (c) increased participation in various types of income generating activities (IGAs). More information on the impact side is expected to emerge from household surveys to be organised by PROFIRA.

Against this picture of good performance, issues have recently emerged that may complicate the implementation of two Phase 1 contracts of Sub-component 2.1 during their last year of activities. These concern relatively small financial management issues between the consortium partners. The MTR urges the consortium partners to soonest solve these management issues within the partnerships. If this does not happen, PROFIRA would need to open official discussions

with the lead contractor, as defined in the relevant clauses of these performance-based contracts.

#### Sub-component 2.2 – CSCGs Strengthening, Innovation and Partnerships

With Sub-component 2.2, the operations of approximately 3,000 mature CSCGs (75,000 members) will be further developed through focused training, innovations and linkages, to facilitate for more advanced financial inclusion. As was the case with Sub-component 2.1, the quantitative design targets the outreach targets set for Sub-component 2.2 have been clearly exceeded. As the process of recruiting mature groups for this PROFIRA support has in practice been completed, the above results largely reflect also the final “quantitative” result for the Phase 1 implementation. In each region, the number of CSCGs supported under the PROFIRA contracts exceeds the targets, on average by 9.2%. The average membership in the groups is even higher than in Sub-component 2.1, at 29 members per group. Together, these issues mean that the number of members reached by Sub-component 2.2 is already 47,559, which is 26.8% more than the target set for the whole Phase 1 implementation.

On separate activities with the mature CSCGs, the results from Sub-component 2.2 so far largely follow the targets set in the SP contracts and subsequent regional implementation plans. While the targets in registration of CSCGs, carry-over of funds and financial literacy has been surpassed, the achievements in linkages and advanced BDS are slightly below the targeted figures. In the view of the MTR, while the outreach and activity achievements are commendable, there is still room for a more focus activity approach under Sub-component 2.2 during the remaining years of PROFIRA implementation. PROFIRA monitoring visits and this mission’s field visit confirm the large demand for services to develop the operations of the already existing mature SCGs. This situation will be reflected in the allocation of Component 2 resources under Phase 2.

Concerning the remaining three years, the PROFIRA Completion Date is 31 December 2021, by which date all the payments to Service Providers have to be made. Therefore, the last feasible contract signing date for the round two contracts of Component 2 is September 2018.

As the Component 2 results are rated very satisfactory, it has been agreed that implementation will continue largely using the same basic strategies and approaches during the second half of PROFIRA. However, some adjustments in the implementation model and approaches are required. The most important ones of these proposed/agreed adjustments include: These include: (a) sharpening the implementation focus towards more directly savings, credit and banking-related topics, (b) strengthening of innovations especially in linkage and carry over operations, (c) increased focus on sustainability of CSCGs after PROFIRA closes, (d) strengthening by PROFIRA of the management of SP consortium contracts and (e) the recommendation for comprehensive documentation of the successful PROFIRA CSCG approach and its global distribution through global channels/media. In total, the MTR estimates that by the end of PROFIRA implementation period, Component 2 will have reached around 480,000 households.

#### *Sub-component 3.1 – Policy, regulatory and institutional environment*

Sub-component 3.1, PROFIRA was designed to provide interim support to draft the Tier 4 legislation as a basis for establishing the Uganda Microfinance Regulatory Authority (UMRA). With that support, (a) benchmarking visits to other countries were undertaken, (b) the Tier 4 MFIs and Money Lenders Act (No. 18 of 2016) was drafted and passed by Parliament and (c) UMRA has been set up. In this regard, PROFIRA’s direct support for establishing the policy/regulatory environment has achieved the intended result.

PROFIRA design anticipated that MTIC would face challenges with respect both to cleaning up the SACCO sector/registers and to assisting SACCOs in overcoming critical risks that would otherwise lead to dormancy or collapse. To this end, the PMU signed an MOU with MTIC that provides support for improving data collection and management, facilitating both liquidation and “turnaround” activities (such as external audits and SGMs), and engaging SACCO forums and networks to disseminate information. Because of the large number of poorly performing or dormant SACCOs, a great deal of work assumed for MTIC under this sub-component remains still incomplete. - Having achieved the objectives of passing the Tier 4 MFIs Act and setting up UMRA, PROFIRA’s principal role in the coming three years with respect to the regulatory environment is to continue strengthening SACCOs to be able to become licensed and to comply with the relevant regulatory requirements.



## E. Project implementation

### a. Development Effectiveness

#### Effectiveness and Developmental Focus

Effectiveness

Rating: 5

Previous rating: 4

#### Justification of rating

Overall, the project is reaching its assumed outputs well. When operating with community savings and credit groups, the results clearly exceed the targets. The membership in new groups exceeds the periodical target by 22.4% and in mature groups, by 26.8%. There is also early evidence that very encouraging outcome and impact level results are emerging from Component 2 activities. The policy sub-component has reached both its main targets: The Tier 4 Law has been passed and UMRA has become operational. Component 1, operating with SACCOs, the results are more complex, because of half of the supported SACCOs face serious performance problems and may not be capable to deliver on outcomes and impact. As discussed, this calls for a major re-focus towards better performing SACCOs.

#### Log-Frame Analysis & Main Issues of Effectiveness

Although, the project experienced some start-up delays, the project is on track to reach the set objective, outcomes and outputs. The targets for institutions supported as well as households benefitting look like they will be met by project completion. Due to the peculiar nature of the SACCO sector in Uganda, it was decided to focus on 211 SACCOs in the remaining project timeframe, to ensure some sort of sustainability.

#### Development Focus

Targeting and Outreach

Rating: 5

Previous rating: 4

#### Justification of rating

The project beneficiaries correspond to a set of targeting criteria as defined in the project design document based on a combination of geographical and direct targeting. In the SACCO sector, direct targeting was employed after a census in 2013 identified the SACCOs that have the best potential for sustainability. In CSCG operations, all the activities were limited to the four poorest regions of the country. Within these regions, a careful mapping was carried out to focus the operations to poorer districts, sub-counties and villages. The approach, using the VSLA model, is also "self-targeting", as the small amounts of monthly savings and group loans are attractive particularly to the poorer segments of rural communities.

#### Main issues

Concerning the outreach (and also effectiveness results so far achieved), a number of issues complicate the analysis of the SACCO support operations. In general, as discussed above, the reporting from the supported SACCOs has various gaps. In addition, the comparisons are made difficult because the numbers of baseline SACCOs and the reporting SACCOs are different, which significantly complicates the interpretation of the data. The baseline figures were based on 453 SACCOs with 717,000 members. The target to be reached by mid-term was around 954,000 members. The current ORMS result indicate 683,000 members in the reporting SACCOs, which is well below the mid-term target. Clearly, particularly with the re-focus of Sub-component 1.1, there is a need to (a) agree what to consider as a realistic baseline for SACCO support, (b) adjust targets accordingly and (c) collect the future reports/results only from those SACCOs that are still operational and supported under the PROFIRA umbrella. If the successful SACCOs branch out actively and market their services in a proactive manner, the PROFIRA management expects that most of the original outreach targets can still be reached by working together with the better performing Category A and B SACCOs.

In Component 2, the outreach results of the first half of the PROFIRA implementation period are well documented and indicate very positive developments. The Phase 1 contracts to establish new CSCGs have been operational for two of the three years, and the contracts to support mature CSCGs for about half of their 3-year period. As indicated in Chapter III above, at the time of MTR, the achieved results substantially exceed the agreed targets set for the period. By the end of April 2018, under Sub-component 2.1 support, a total of 5,962 new CSCGs were operational, which exceeds the target by 5.9%. At the same time the membership in these groups has reached 172,053, which exceeds the target by 31,428 members, or by 22.4%. Concerning the different regions, the targets for new CSCG establishment have been exceeded in all regions. In the best performing region, Mid-North, the full Phase 1 target of engaging 52,500 members in new CSCGs was reached after two years of implementation, instead of the planned three.

Under Sub-component 2.2 support, the quantitative design outreach targets have been clearly exceeded. In each of the five regions, the number of CSCGs supported under the PROFIRA contracts exceeds the targets, on average by 9.2%. At

the same time the number of members reached by Sub-component 2.2 is already 47,559, which is 26.8% more than the target set for the whole Phase 1 implementation. These results on Component 2 implementation auger well for the reaching the total PROFIRA target of some 500,000 rural households with CSCG support.

<b>Gender equality &amp; women's participation</b>	<b>Rating: 6</b>	<b>Previous rating: 4</b>
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#### **Justification of rating**

Explicit targets were set at the design at the inclusion of women in the supported institutions. The target was set at 30% for the SACCOs and at 70% for the CSCGs. So far, in the supported SACCOs, the women's participation in the supported SACCOs is 31% which just meets the target. For the whole Component 2, the share of both women and youth in the CSCGs exceeds the design targets. The share of women in the groups at the end of April 2018 was 75% (target 70%). The target levels were reached throughout the 4 regions in both sub-components.

#### **Main issues**

As another type of gender balance indicator, the Cooperatives Act mandates that at least a third of SACCO Board members must be women. Indications in the periodical reports from SACCOs are that in PROFIRA-supported SACCOs this is minimum limit is generally observed and often exceeded. Furthermore, as an innovative feature, the FURA/CREAM consortium in West Nile includes in its training of new CSCGs the Gender Action Learning System (GALS) approach. This method emphasises the gender-balanced road to economic development goals and the role of gender justice in economic interventions. Other regions are interested in including the GALS model in their CSCG promotion approach.

<b>Agricultural Productivity</b>	<b>Rating: N/A</b>	<b>Previous rating: 4</b>
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<b>Nutrition</b>	<b>Rating: N/A</b>
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<b>Adaptation to Climate Change</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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#### **Justification of rating**

At mid-term, PROFIRA-supported investments and activities financed through SACCOs and CSCGs have had no perceived negative effect on climate change. On the positive side, the PROFIRA support to adaptation to climate change results mainly through its activities that aim through financial inclusion to improve the incomes of the rural population and to diversify their income generating activities. In that sense most of the approaches and activities of PROFIRA are at the core of the global, IFAD-supported "no-regret" approach to climate change adaptation, with its focus on improving the overall income and asset base of smallholders, thereby building adaptive capacity in rural households to deal with the existing and predicted effects of the climate change.

## **b. Sustainability and Scaling up**

<b>Institutions and Policy Engagement</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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#### **Justification of rating**

In supporting the development and passage of the Tier 4 Act and the establishment of UMRA, PROFIRA has facilitated improved cooperation between MOFPED and MTIC and contributed to the development of the policy and legislation in MFI sector. Further, PROFIRA has helped strengthen many institutions that support the SACCO sector, in particular the Department of Cooperative Development, UCSCU and UCCK. Under Component 2, PROFIRA and the contracted SPs have worked closely with institutions of the local government. With the large-scale of the supported operations (well over 200,000 households directly supported by the MTR), the local leaders and government officers in the implementation area are today much better informed of the potential of the VSLA/CSCG method in financial inclusion.

<b>Partnership-building</b>	<b>Rating: 5</b>
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#### **Justification of rating**

PROFIRA's direct partnerships with UCCK and UCSCU have contributed significantly to strengthening of both institutions, which are important for sustaining benefits of project interventions. PROFIRA has also indirectly supported UCSCU and the Association of Microfinance Institutions of Uganda (AMFIU), who are implementing partners in PROFIRA's capacity building programmes with the SACCOs. In general, the capacities of local service providers have been strengthened

through their interactions with UCCK and the project. The same applies to the implementing partnerships under Component 2, in which the CSCG implementation approach has been wholly based on partnerships with private sector institutions.

### **Main issues**

A special kind of partnership has been formed between PROFIRA, the BoU and the Component 2 SPs. The BoU, which is coordinating financial literacy operations in Uganda, trains the trainers of all the SPs on the topic. These trainers then pass the messages to all the community-level staff of the SPs, which use their new skills when interacting with the CSCGs. This partnership has clearly improved the effectiveness of the financial literacy operations with the savings and credit groups.

<b>Human and Social Capital and Empowerment</b>	<b>Rating: 5</b>	<b>Previous rating: 4</b>
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### **Justification of rating**

In SACCO support, the results of PROFIRA efforts to boost human and social capital and empowerment can be considered mixed. In better performing SACCOs, a stronger rural financier can act as a major empowerment tool and add to the social capital of the communities. However, as half of the supported SACCOs face problems such as poor governance, fraud and wilful default, can have an adverse impact not only on the members who lose their savings but on the overall economic dynamism of the community. Under Component 2, however, the PROFIRA CSCGs appear to clearly raise the self-respect of individual group members and help to build up social capital within communities, especially among women. This can be valuable for the future development of these communities and their low-income households.

<b>Quality of Beneficiary Participation</b>	<b>Rating: 3</b>	<b>Previous rating: 4</b>
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### **Justification of rating**

CSCGs operations are based on deep consultations in the villages. Consequently, despite the high targets, the SPs report that it has been easy to recruit members to the groups, including women, the poor and the youth. When the groups have been formed, the number of drop-outs from the CSCG has been low. Furthermore, after the first share-outs, practically all the groups have immediately reformed for the next cycle, which is a good indicator for the commitment and seriousness of the members in both new and mature CSCGs. At the same time, the implementation of SACCO support has been supply-driven, with little member participation. This factor probably explains much of the high failure rate of the SACCOs.

<b>Responsiveness of Service Providers</b>	<b>Rating: 5</b>	<b>Previous rating: 4</b>
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### **Justification of rating**

The professionalism of the contracted SPs has been crucial to the successful implementation of PROFIRA. Training of SACCOs has heavily relied on professional SPs. SPs have also been proactively in raising issues on the effectiveness of training in weak SACCOs and have participated in the process of assessing their relative strengths and weaknesses. In CSCG operations, the responsiveness and importance of SPs has been even more critical. In the first biddings for Component 2 contract, practically all the best known VSLA operators in Uganda and the region expressed their interest in partnerships with PROFIRA. For Phase 2, over 40 institutions participated in bidding to support new and mature CSCGs in 2018-2021. In a developing country environment, these can be regarded as very high figures.

### **Main issues**

It is important to note that under PROFIRA, delivering capacity-building through contracted SPs to SACCOs has clearly contributed to strengthening the capacities of local SPs, which was lacking in the predecessor project (RFSP). UCCK was engaged by the project to support this process by working with the SPs to develop standardized training, as well providing training-of-trainers in financial literacy. The same has happened in the CSCG operations. As a good sign, instead of forming consortiums with an international lead agent, the local institutions are under Phase 2 of Component 2 increasingly sending in independent bids for PROFIRA contracts. This is a positive development and also one of the institutional development targets included in the PROFIRA Component 2 design.

As a negative development, intra-consortium problems have recently emerged in some Component 2 contracts, due to lack of clear rules between the lead contracting agent and the sub-contractors. These require urgent actions by the PMU and the SPs to correct the situation, before it start to have impact on service delivery.

**Justification of rating**

PROFIRA, a standalone rural finance project, is for IFAD a Category B project which did not require an ECS Impact Assessment. There are no reports that loans from SACCOs and CSCGs have had any perceived negative effect on conserving natural resources. On the positive side, various CSCG training sessions include environment-related topics and campaigns. More importantly, as indicated above, most of the project activities are a core part of the global, IFAD-supported “no-regret” approach to climate change adaptation, with its focus on improving the overall income and asset base of smallholders, thereby building adaptive capacity in rural households to deal with the existing and predicted effects of the climate change.

**Exit Strategy****Rating: 4****Justification of rating**

The whole PROFIRA training effort aims at SACCO profitability and sustainability. Reflecting this, for the remaining 3 PROFIRA years the SP-supported training activities will focus on SACCOs with a fair chance of long-term sustainability. Grant support to UCSCU has been explicitly targeted to achieving 100% operational self-sufficiency by the time the grant ends in 2018/19., although achieving this result remains challenging. The VSLA/CSCG model has various in-built elements that support the sustainability of CSCGs after the donor/SP support ends. PROFIRA and the interviewed SPs expect that with the intensive PROFIRA capacity building methods supported by the village agents and CSCG networks, over 85% of the supported CSCGs will survive for many years after the PROFIRA support expires.

**Main issues**

The high failure rate of the supported SACCOs of course has an impact on the exit strategy. Category C SACCOs require special assistance, to be provided mainly by MTIC and UCCK. Post-project, the overall strategy for exit is to train District Commercial Officers (DCOs) and Community Development Officers (CDOs) as financial literacy trainers, as well as in other skills such as internal audit, so that they can continue to pass on this knowledge and service SACCOs in their communities., UCSCU has explicitly recognized the need for a “post-PROFIRA” strategy, which it will work on with support from the TA consultants.

**Potential for Scaling-up****Rating: 4****Previous rating: 4****Justification of rating**

A PROFIRA type of intervention for SACCO and CSCG support requires large amounts of external funding for capacity building/SP contracts. It is unlikely that such funding will be readily available in the near future, even for the very successful parts of Component 2 activities. Firstly, Government informed the MTR that it does not any more borrow externally for capacity building for financial sector operations of this type, which affect both the SACCO and CSCG operations. Secondly, the manner the SACCOs in Uganda have emerged at least partly through government/political actions tends to reduce grant-based donor support to the SACCO sub-sector.

**Main issues**

At MTR, the promising results of Component 2 implementation would indicate that opportunities for major scaling up of the PROFIRA model of VSLA development are obvious. The model could play a crucial role in the efforts to substantially increase rural financial inclusion and the overall inclusion of large numbers of rural people more efficiently to the market economy. During the PROFIRA implementation, it has become clear that there is still plenty of room in Uganda both for the establishment of new CSCGs and for the support to develop mature groups to new levels of operations.

Whether this will happen is likely to depend on the availability of funding: the PROFIRA model, to be efficient and successful, requires relatively large amounts of Government/donor funds to cover the implementation costs, particularly the costs related to the contracts of the private service providers.

**c. Project Management****Quality of Project Management****Rating: 5****Previous rating: 5****Justification of rating**

The PMU is fully staffed with competent professionals in all key areas with minimal staff turnover in the first half of implementation. All necessary management systems in PROFIRA are in place and function properly. The Project Oversight Committee (POC) meets twice a year as per its ToR. In 2018, the POC has met once. As the POC plays a

crucial coordinating role in Tier IV policies and in the roll out of the financial inclusion strategy, it is critically important that its meetings follow a regular schedule.

### **Main issues**

The MTR notes that with the 2nd phase of the CSCG component being rolled out, additional staff resources will be needed in the CSCG unit to support the implementation and particularly contract management. Therefore, since the SACCO component is being downscaled, it was agreed that the SACCO Development Officer will support the CSCG unit 50% of his time.

<b>Knowledge Management</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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### **Justification of rating**

A learning and communication strategy was elaborated at PROFIRA design which articulates the linkages between KM activities, M&E and project performance. A review of the strategy is being undertaken to respond to emerging issues in the implementation. The M&E and KM team is well staffed. Given the project's key strategic positioning in contributing to the development of the sector in Uganda, it is important that key lessons emerging from the project are adequately captured and disseminated to the wider public.

### **Main issues**

Although efforts have been made to share progress on the impact of the interventions, there still exists gaps in linking M&E and KM to capture and disseminate key technical and policy level knowledge topics in both the SACCO and CSCG sectors, to improve the potential for scaling up.

The PMU has worked with press media - New Vision to collect and share impact stories from the beneficiaries of the project. It has also held a media induction workshop with the media industry to create a basis for appropriate PROFIRA publicity. The website and social media accounts (Facebook and Twitter) share updates on key activities undertaken by the project.

<b>Value for Money</b>	<b>Rating: 4</b>
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### **Justification of rating**

To receive best value for the IFAD/GoU investment, the whole implementation approach of the project was largely based on effective use of private sector SPs. Competitive tendering has been used in all project contracting. All contracts have been issued performance-linked and benchmarked to hold the SPs accountable for delivery of the stipulated outputs but also for the agreed impact, as stipulated in contracts. However, while the CSCG operations have clearly produced high value for money, the poor performance/failure of half of supported SACCOs lowers the rating.

### **Main issues**

#### **Value for Money Review**

The selection of a private service provider-based implementation method largely aimed at doing things in a professional manner and reaching targets with least waste of time, money and other resources. In SACCO support under Component 1, by the mid-term the contracted SPs have generally reached their output targets on trainings completed and members trained according to the agreed time schedules. The contract prices have also been within the limits agreed at the design. This could indicate good efficiency. However, at the same time, as discussed above, over 50% of the SACCOs that have received PROFIRA training support are facing major performance problems or become dormant. Therefore, the training provided to these SACCOs is likely to achieve very little positive outcomes or impact, which radically reduces the "real" efficiency of the training operations. With the re-focused approach agreed for the remaining three years of SACCO support, a better actual efficiency is expected from Sub-component 1.1 activities.

During the project design, the financial resources for Component 2 were allocated based on the projection of contact prices for the Service Providers to reach one member of a new (Sub-component 2.1) or a mature (Sub-component 2.2) CSCG. These contact prices were established based on actual prices in similar operations in Uganda and elsewhere in the region. Consequently, the contact price per member for the establishment of a new CSCG was budgeted at USD 20. For the more demanding operations of Sub-component 2.2 with mature groups, the contact price was budgeted at USD 40.

Under Sub-component 2.1, the average contact price in the signed contracts under Phase 1 was USD 17.9, which is well below the projected level. With the higher than expected average group size of 27, the final contact price of Phase 1 is likely to settle around USD 16. This is a very acceptable value-for-money indicator for a sub-component that has met or exceeded all its quantitative development targets.



For Sub-component 2.2, which involves higher personnel and logistical costs, the signed contracts were more expensive than was projected at design. The average contract price was USD 52.9, well above the budgeted USD 40. One factor behind this was the addition, due to a Government request, of the fifth region with 26 districts and three SPs, which increased the unit costs of the operations. It should, however, be noted that due to higher CSCG numbers and their higher than expected size, the number of supported CSCG members is around 27% of the PROFIRA target. Therefore, the actual contact price per member is likely to settle very close to the USD 40 that was budgeted for the Phase 1 operations of Sub-component 2.2. In summary, as the effectiveness/output targets of Component 2 have been either reached and exceeded and as positive outcomes appear to be emerging from CSCG operations, there is reason to expect that by the end of PROFIRA period, the assessments will indicate a good overall efficiency level from Component 2 implementation.

#### Coherence between AWPB and Implementation

Rating: 3

Previous rating: 4

#### Justification of rating

Execution of AWPB 2017/18 stands at 8% at end of October. This may seem low after four months of implementation, but it is mainly attributed to the batching of payments for the contracts for service providers. AWPB execution is reasonably expected to 'jump' to 28% by the end of the second quarter. Implementation is overall on target. Previous years' experience is regularly used in elaboration of new AWPBs

#### Performance of M&E System

Rating: 4

Previous rating: 4

#### Justification of rating

The project M&E system is in place and functional. The M&E matrix/plan, clarifying performance indicators and methods and the frequency of data collection and reporting, is being implemented. The logframe has been retrofitted with the new IFAD core indicators and updated during the MTR. The project annual reports provide a good overview of activities planned and executed in the year, progress towards achieving goals and challenges faced in implementation. The PMU uses data generated in the M&E to adapt the delivery of interventions to achieve project objectives. A higher rating could have possible with more effective field monitoring and validation.

#### M&E System Review

The MIS for the CSCG component is fully operational and functioning well. SPs, trained in the mobile platform of the SAVIX, are able to update the key indicators of the groups in real time for the PMU. The MIS for the SACCO component requires the PMU to enter the information received from SPs in their quarterly reports. This part of the MIS is also limited in terms of analysis tools available to the PMU, which would be critical for generating all the required reports. All service providers report on data that is sex and age disaggregated.

It was noted that SPs in the SACCO component are not fully complying to their reporting requirements as stipulated in their contracts. It is important for the PMU to work on a sound data processing and validation plan to review reports received from SPs before approving payments. This validation plan should include a beneficiary feedback process to ensure that the voices of the target group are heard and included in the decision-making process.

#### Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)

Rating:

## d. Financial Management & Execution

#### Disbursement by financier

Type	Name	Current Amount	Disbursed Amount	Actual Rate
Domestic Financing breakdown	Beneficiaries	\$1,443,223		
	National Government	\$4,934,821	\$442,000	9.0%

#### Acceptable Disbursement Rate

Rating: 4

Previous rating: 3

## Justification of rating

Automated rating based on IFAD disbursement data

## Main issues

By MTR, disbursement performance has been satisfactory at 50%, through 14 Withdrawal Applications (WAs). Rural Finance Projects in IFAD would be expected to have disbursed at least 48% by the end of their third disbursement year. PROFIRA has exceeded this expected disbursement profile, although marginally. Therefore, it scores a satisfactory rating at MTR. IFAD has cumulatively disbursed slightly over USD 13 million on the IFAD loan, plus USD 0.747 million out of the CCA grant (74.8%). The project entered into force on 24 Nov 2014 and so counted as being in its fourth year by the end of the mission (May/June 2018) with a consequential drop in scoring to moderately satisfactory (4).

In terms of actual expenditures, the project started off from a low note as big procurements were on-going in the first year of implementation. FY 2017/18 is showing a low expenditure posting as Component 1 starts to wind-down and Component 2 service providers were yet to invoice. By Financial Year end, the expenditures are expected to improve but will certainly not reach the 2016/17 performance level. The build-up of the cumulative expenditure posted was as follows over the past three years.

## Fiduciary Aspects

### Quality of Financial Management

Rating: 5

Previous rating: 5

## Justification of rating

The PMU is well staffed with two professionally qualified accountants and two support staff. The financial control environment is strong with well inbuilt segregation of duties. Bank reconciliations are done in an appropriate manner and the depth of in-house management accounting is commendable. The PMU has continued to use Pastel to prepare project-specific reports, due to existing limitations with project reporting through the Integrated Financial Management System (IFMS). It is, therefore, expected that in the post-MTR period, both Pastel Evolution (for Project Accounting) and IFMS (for disbursement) will continue to be operated in parallel.

## Main issues

On the internal control side, the project scores highly as affirmed by the MTR team checks below. A complete Financial Management Assessment Questionnaire (FMAQ) at MTR has been completed. Some of the key areas assessed in the FMAQ are summarised below:

Selected financial control area	Compliance status	Remarks
Budget controls	√	Well done within Pastel and IFMS. IFMS can block a payment which has no budget provision. This happened in the first year of project implementation even when the project had liquidity in the Bank of Uganda.
SOE spot check (Record keeping)	√	Very well done thanks to the dedicated finance support staff who diligently files the transaction supporting documents in a chronological and well referenced order. Even though MTR is not a conventional supervision mission, a Financial Review could not be completed without an SOE spot check. This was done on WA 14 and documented in a detailed SOE review worksheet. 52% of the expenditure were sampled, verified and found fully supported.
Segregation of duties	√	Very strong, and IFMS enforces these functions. For a payment to go through it must be signed off online by the Procurement Manager, the Finance and Administration Manager and the Project Manager. The users who are the technical contract managers originate the payment.
Bank reconciliations	√	Promptly done on a monthly basis using Pastel.

Accounting standards and Financial reporting	√	IPSAS cash basis compliant with additional voluntary disclosures in the financial statements. Pastel is enabling the required in-depth financial reporting.
Internal audit	√	Was outsourced to a professional CPA firm. Monthly reports are provided to management. Management takes appropriate actions to internal audit recommendations.
External audit	√	IFAD Financial Management Division (FMD) has rated the audits done by a CPA firm appointed by the Office of Auditor General as highly satisfactory.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Financial Management &amp; Execution</b>		
<b>Operate in post-MTR period both Pastel Evolution (for Project Accounting) and IFMS (for disbursement) in parallel.</b>	PMU	08/2018

#### Quality and Timeliness of Audit

**Rating: 5**

**Previous rating: 4**

#### Justification of rating

The audited financial statements were acceptable to IFAD

#### Main issues

The PROFIRA Financial Statements for the year-ended 30 June 2017 were again audited by the private auditor TMK & Co, Certified Public Accountant on behalf of OAG General of Uganda. The financial statements were prepared according to IPSAS cash basis and audited according to International Standards on Auditing, both standards being fully accepted by IFAD.

The auditor provided unqualified opinions on the Financial Statements and the Designated Account, but this year did not specifically provide assurance on the Statements of Expenditure. The Financial Statements were again very informative, with receipts and payments disclosed by expense category, project components and financier. The notes to the Financial Statements provided a lot of useful information although, as last year, there was no comparison with budget estimates. The beneficiaries' contribution to the project under Component 1 is shown as zero to date, which should be verified to ensure that in future years this is being captured adequately in the financial system and reported on accordingly. We were not expecting the IFAD grant to the Canadian Cooperative Association (CCA) to have been included within the scope of the financial statements and recommend that it be excluded from the 2018 set as it is not under the control of the Project Management and it is somewhat confusing: the receipt of funds is shown but not the payments or the closing bank balance.

The auditors provided a Management Letter in which a few issues were raised but none related directly to financial management. Management's response had been incorporated and all prior year's recommendations have been implemented. We were pleased to see the very detailed audit observations that demonstrated the mobility and coverage of the auditor.

#### Counterparts Funds

**Rating: 4**

**Previous rating: 5**

#### Justification of rating

By MTR, the GoU has cumulatively contributed USD 0.425 million, representing a low 9% of design target. This is because some service providers claim that their services are VAT exempt supplies and their bids/contracts are generally silent on the treatment of VAT. This is seen as an issue between them and URA. This explains the apparent low GoU counterpart funds contribution. However, this has not affected project implementation and IFAD loan funds have not been used to finance taxes. Government has continued to service its counterpart contribution for taxes as and when they have fallen due. In addition, government has provided office space and additional staff costs to help with the implementation of PROFIRA activities.

#### Main issues

The rating of 4 reflects the fact that VAT exemptions have not been taken into consideration in the figures and nor have the in-kind contributions for office space and additional staff costs for support to PROFIRA activities..



<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Financial Management &amp; Execution</b>		
<b>Improve on capture of any taxes waived/exempted on the project including the other counterpart contributions such as office rent.</b>	PMU	08/2018

#### **Compliance with Loan Covenants**

**Rating: 6**

**Previous rating: 5**

#### **Justification of rating**

The project has continued to comply with all loan covenants.

#### **Procurement**

#### **Procurement**

**Rating: 5**

**Previous rating: 4**

#### **Justification of rating**

The project has in place a full-fledged PDU and a project-specific Contracts Committee. The PDU is well staffed with two procurement professionals. In April 2018, IFAD fielded a mission to review procurement aspects in the Uganda portfolio. For PROFIRA, the result was largely positive but pointed out areas of improvement including (i) constantly updating the procurement plan and (ii) improvement in clerical filing. In terms of contract management, the key tools are in place (Contract Monitoring Forms and contract registers). PDU participates in payment approval which is mandatory in GoU's IFMS, thereby taking care of payment milestones in respective contracts.

#### **Procurement Review**

An important MTR decision was to limit direct support to SACCOs that have a low chance of succeeding (Category C SACCOs) and to focus on SACCOs with a higher chance of sustainability (Category A and B). In the process this necessitates a reallocation of funds between and outside contracts (adding or reducing contract sum in some cases).

## F. Relevance

Relevance

Rating:

## G. Agreed Actions

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
<b>Financial Management &amp; Execution</b>		
Operate in post-MTR period both Pastel Evolution (for Project Accounting) and IFMS (for disbursement) in parallel.	PMU	08/2018
Improve on capture of any taxes waived/exempted on the project including the other counterpart contributions such as office rent.	PMU	08/2018

# Project for Financial Inclusion in Rural Areas

## Logical Framework

Results Hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
Outreach	1.a Corresponding number of households reached							M&E data (Results Framework) Service Provider Reports	Annual	M&E and KM Manager	A dynamic economy that allows for investment in enterprises and other income generating activities. Condicive Tier 4 Regulatory Framework.
	Households	300000	525000	750000	859168	859168	114.6				
	Non-women-headed households										
	Women-headed households										
	1 Persons receiving services promoted or supported by the project							M&E data (Results Framework) Service Provider Reports	Annual	M&E and KM Manager	
	Males	150000	262500	375000	349338	349338	93.2				
	Total number of persons receiving services	300000	525000	750000	859168	859168	114.6				
	Young	45000	78750	112500	217370	217370	193.2				
	Females	150000	262500	375000	509830	509830	136.0				
	1.b Estimated corresponding total number of households members							"M&E data (Results Framework) Service Provider Reports "	Annual	M&E and KM Manager	
	Household members	1800000	3150000	4500000	5155008	5155008	114.6				

<b>Goal</b> Increased income, improved food security and reduced vulnerability in rural areas	% of the rural poor in the selected project intervention areas with improvements in assets ownership index and food security at project completion							Household Level Baseline Mid-term Review Impact Study Project Completion Study	Completion	Project Manager	(A ) Political stability
	Percent of the rural poor	0		20							
	Prevalence of child malnutrition in rural households (data disaggregated by gender) at project completion							Household Level Baseline Mid-term Review Impact Study Project Completion Study	Completion		
	height for age	18.2		14.6							
	weight for age	14.1		11.3							
	weight for height	4		3.2							
	Improved Women's Empowerment in Agriculture Index (WEAI)							Household Level Baseline Mid-term Review Impact Study Project Completion Study			
	WAEI										

<b>Objective</b> Sustainably increase the access to and use of financial services by the rural poor	1.1.5 Persons in rural areas accessing financial services							M&E Data (Results Framework) Service Provider Reports	Annual	M&E and KM Manager	Supported FSPs sustainably provide quality and user-friendly financial services
	Women in rural areas accessing financial services - credit	337065			146008	146008					
	Men in rural areas accessing financial services - savings	380094			199967	199967					

	Men in rural areas accessing financial services - credit	380094			100045	100045					
	Women in rural areas accessing financial services - savings	337065			291836	291836					
Outcome Outcome 1: Sustainably increase the access to and use of financial services by the rural poor through SACCOs	Members of project supported SACCOs that actively save increasing amounts and repay SACCO loans							"M&E data (Results Framework) Service Provider Reports UCSCU Annual Report"	Annual	M&E and KM Manager	"(A) Dynamic economy creates opportunities for investment in enterprises and other income generating activities (A ) Conducive Tier 4 regulation passed (R) MTIC not able to provide effective regulation/support to SACCOs (R ) Self Help Group policy paper allows injection of external government financing into community savings and credit groups (R) Project supported SACCOs not able to attain financial sustainability (R) Failure of UCSCU to attain operational sustainability after five years undermines conducive environment for SACCOs"
	Female	23.8	30	30	31	31	103.3				
	Youth		15	15	8	8	53.3				
	Number of people	717159	954539	1270491	683457	683457	53.8				
	1.1.6 Financial service providers supported in delivering outreach strategies, financial products and services to rural areas							"M&E data (Results Framework) Service Provider Reports UCSCU Annual Report"	Annual	M&E and KM Manager	
	Service providers			500	480	480	96.0				
	% of project supported SACCOs that offer at least 2 savings and 3 loan products to their members							"M&E data (Results Framework) Service Provider Reports UCSCU Annual Report"	Annual	M&E and KM Manager	
	Percent of SACCOs	97.8	100	100	100	100	100.0				

Total Share Capital in supported SACCOs (UG Shs million)							"M&E data (Results Framework) Service Provider Reports UCSCU Annual Report"	Annual	M&E and KM Manager
Total Share Capital in supported SACCOs (UG Shs million)	60472	80823	107576	73505	73505	68.3			
Total savings in supported SACCOs (UG Shs million)							"M&E data (Results Framework) Service Provider Reports UCSCU Annual Report"	Annual	M&E and KM Manager
Total savings in supported SACCOs (UG Shs million)	90425	120870	160878	114517	114517	71.2			
Total loan portfolio in supported SACCOs (UG Shs million)							"M&E data (Results Framework) Service Provider Reports UCSCU Annual Report"	Annual	M&E and KM Manager
Total loan portfolio in supported SACCOs (UG Shs million)	151180	201936	268777	191318	191318	71.2			
1.2.7 Partner financial services providers with operational self- sufficiency above 100%							"M&E data (Results Framework) Service Provider Reports UCSCU Annual Report"	Annual	M&E and KM Manager
Percentage	85.9	100	100	57	57	57.0			
1.2.6 Partner financial service providers with portfolio-at-risk ≥30 days below 5%							"M&E data (Results Framework) Service Provider Reports UCSCU Annual Report"	Annual	"M&E data (Results Framework) Service Provider Reports UCSCU Annual Report"
Percentage				13	13				

	UCSCU has sustainability of operating income, covering 100% of operating expenses by PY5						"M&E data (Results Framework) Service Provider Reports UCSCU Annual Report"	Annual	"M&E data (Results Framework) Service Provider Reports UCSCU Annual Report"		
	% of operating expenses covered by UCSCU	31	75	100	67	67	67.0				
Output Output 1.1 Potential of existing SACCOs to establish sustainable operations enhanced	Number of existing strong and intermediate SACCOs trained in six thematic areas addressing needs over the project implementation period.						"M&E data Service Provider Reports Consolidated Report from SACCO Development Unit"	Annual	M&E and KM Manager	Adequate allocation and timely release of funds	
	Number of SACCOs provided with continuous technical assistance		210	350	330	330					94.3
	Number of SACCOs provided with refresher training in the six thematic areas		100	350	0	0					0.0
	Number of SACCOs trained in six thematic areas on demand		350	350	330	330					94.3
	All targeted beneficiary SACCOs (500+) are trained in credit and default management over the project implementation period.						"M&E data Service Provider Reports Consolidated Report from SACCO Development Unit"	Annual	M&E and KM Manager		
	Number of SACCOs trained in credit and default management		500	500	361	361					72.2

	Number of SACCOs provided with refresher training in credit and default management		150	500	0	0	0.0							
	Number of SACCOs provided with continuous technical assistance		330	500	361	361	72.2							
	Number of existing strong and intermediate SACCOs facilitated to automate their Management Information Systems (MIS) over the project period.											"M&E data Service Provider Reports Consolidated Report from SACCO Development Unit"	Annual	"M&E data Service Provider Reports Consolidated Report from SACCO Development Unit"
	Number of SACCOs		50	150										
	Number of software		60	100	52	52	52.0							
<b>Output</b> Output 1.2 UCSCU enabled/facilitated to develop into a sustainable SACCO Union	UCSCU provided with financial support in form of performance-based incentives, which will fund the annual operating loss as specified in the UCSCU Strategic Plan over a period of five (5) years of the project period.							UCSCU Progress Reports	Annual	M&E and KM Manager	Adequate allocation and timely release of funds			
	Financial Support provided to UCSCU to fund its annual operating loss (in Uganda Shillings)	1176000000	3429096517	3429096517	3187574418	3187574418	93.0							
<b>Outcome</b> Outcome 2: Sustainably increase the access to and use of financial services by the rural poor through CSCGs	Members of newly created CSCGs actively save in groups with increasing amounts of weekly savings and annual pay-outs in each annual cycle							"M&E data (Results Framework) Service Provider Reports UCSCU Annual Report"	Annual	M&E and KM Manager	Adequate allocation and timely release of funds			
	% of female members in the newly established CSCGs		131250		75	75								



	Number of members in the newly established CSCGs		187500	375000	172878	172878	46.1			
	% of youth members in the newly established CSCGs		56250		34	34				
	1.1.6 Financial service providers supported in delivering outreach strategies, financial products and services to rural areas							"M&E data (Results Framework) Service Provider Reports UCSCU Annual Report"	Annual	M&E and KM Manager
	Service providers		7500	15000	5991	5991	39.9			
	Members of mature CSCGs that have access to improved financial services and have availed themselves at least one such service (credit, savings or insurance)							% of youth members in the supported mature CSCGs	Annual	M&E and KM Manager
	Number of members in the supported mature CSCGs		187500	375000	2833	2833	0.8			
	% of female members in the supported mature CSCGs		70	70	72	72	102.9			
	% of youth members in the supported mature CSCGs		15	15	34	34	226.7			
	1.1.6 Financial service providers supported in delivering outreach strategies, financial products and services to rural areas							"M&E data (Results Framework) Service Provider Reports UCSCU Annual Report"	Annual	M&E and KM Manager
	Number of mature CSCGS		1500	3000	990	990	33.0			

	Cumulative savings in newly established CSCGs (UG Shs million)						Cumulative savings in newly established CSCGs (UG Shs million)	Annual	M&E and KM Manager	
	Cumulative savings in newly established CSCGs (UG Shs million)				8835	8835				
	Cumulative loan value in newly established CSCGs (UG Shs million)						Cumulative savings in newly established CSCGs (UG Shs million)	Annual	M&E and KM Manager	
	Cumulative loan value in newly established CSCGs (UG Shs million)				8132	8132				
	Cumulative savings in supported mature CSCGs (UG Shs million)						Cumulative savings in newly established CSCGs (UG Shs million)	Annual	M&E and KM Manager	
	Cumulative savings in supported mature CSCGs (UG Shs million)				2693	2693				
	Cumulative loan value in supported mature CSCGs (UG Shs million)						Cumulative savings in newly established CSCGs (UG Shs million)	Annual	M&E and KM Manager	
	Cumulative loan value in supported mature CSCGs (UG Shs million)				2441	2441				
	% of CSCGs formed are operational after 3 years.						FSD progress reports			
	% of operational CSCGs		80	80						
Output Output 2.1 CSCGs established	1.1.7 Persons in rural areas trained in financial literacy and/or use of financial products and services						M&E data Service Provider Reports Consolidated Report from CSCG Support Unit	Annual	M&E and KM Manager	Adequate allocation and timely release of funds
	Males		131250	262500						
	Females									

	Number of members in established CSCGs trained in basic business skill development modules							M&E data Service Provider Reports Consolidated Report from CSCG Support Unit	Annual	M&E and KM Manager	
	Members trained in business skill development modules		131250	262500	63749	63749	24.3				
<b>Output</b> Output 2.2 Mature CSCGs assisted to expand their operations	Provided focused training and promoted innovations, linkages and partnerships amongst mature CSCGs over the project period.							M&E data Service Provider Reports Consolidated Report from CSCG Support Unit	Annual	M&E and KM Manager	Adequate allocation and timely release of funds
	Number of members in mature CSCGs trained in advanced financial literacy modules		37500	75000	28333	28333	37.8				
	Number of members in established CSCGs trained in advanced business skill development modules							M&E data Service Provider Reports Consolidated Report from CSCG Support Unit	Annual	M&E and KM Manager	
	Number of members in mature CSCGs trained in advanced business skill development modules		37500	75000	28333	28333	37.8				
<b>Outcome</b> Outcome 3: Contributed to the creation of a conducive environment for the development of inclusive financial services in rural areas	Policy 3 Number of existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment							FSD progress reports			The proposed institutions fail to plan and take advantage of the support they are eligible for under the project in a timely manner
	Number of existing laws and egulations approved		1	1	0	1	100.0				

## **Uganda**

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### **Project for Financial Inclusion in Rural Areas**

#### **Mid-term Review**

#### **Appendix 1: Financial: actual financial performance; by financier by component and disbursements by category**

Mission Dates:

Document Date: 15/08/2018

Project No. 1100001630

East and Southern Africa Division  
Programme Management Department

# Appendix 1: Financial: actual financial performance; by financier by component and disbursements by category

**Table 1A: Financial performance by financier (USD'000) cumulative to 30 April 2018**

Financier	Appraisal	Actual	% Actual
IFAD Loan	29,000	13,352	46
Government	4,935	425	9
IFAD grant	1,000	748	75
CCA/WOCCU	250	-	-
Beneficiaries	1,443	-	-
<b>Total</b>	<b>36,628</b>	<b>14,525</b>	<b>40</b>

a/ while in SDR terms, disbursement is at 50% in USD terms it is at 46% due to the effect of the SDR/USD depreciation over the past three years.

**Table 1B: Financial performance by financier by component (USD '000) cumulative to 30 April 2018**

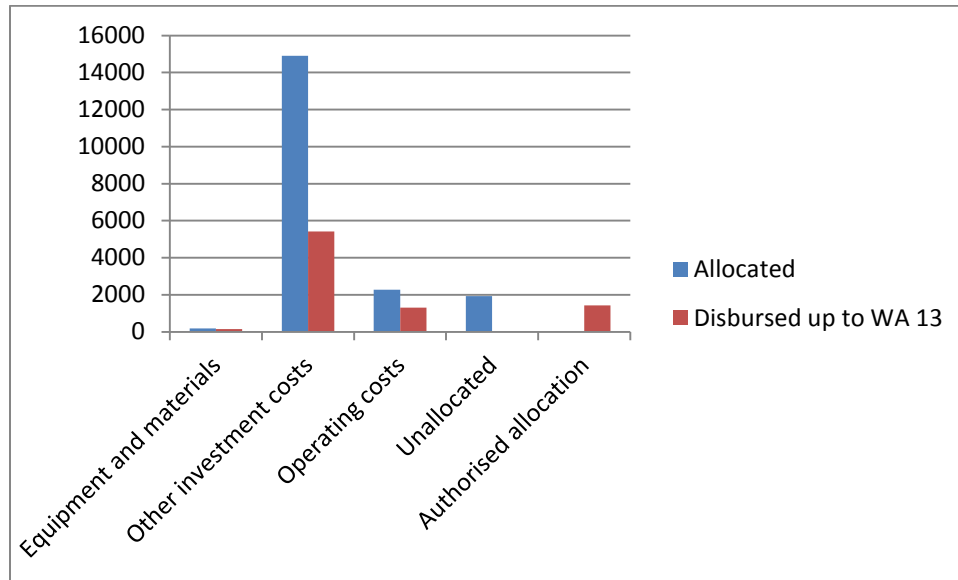
Component	IFAD loan/ a			GoU			IFAD grant			CCA/WOCCU			Beneficiaries			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
<b>A. SACCO strengthening and sustainability</b>																		
1.1 SACCO strengthening	9,110	3,796	42	1,774	1,00	0.06	-	-	-	-	-	-	1,443	-	-	12,327	3,797	30.8
1.2 Developing a sustinsble SACCO Union	1,258	1,257	100	208	-	-	1,000	335	34%	250	-	-	-	-	-	2,716	1,593	58.6
<b>Sub-total</b>	<b>10,368</b>	<b>5,053</b>	<b>49</b>	<b>1,982</b>	<b>1,00</b>	<b>0.05</b>	<b>1,000</b>	<b>335</b>	<b>34%</b>	<b>250</b>	<b>-</b>	<b>-</b>	<b>1,443</b>	<b>-</b>	<b>-</b>	<b>15,043</b>	<b>5,390</b>	<b>35.8</b>
<b>2. Community based financial services</b>																		
2.1 Establishment of new community savings and credit group	8,132	1,927	24	1,346	-	-	-	-	-	-	-	-	-	-	-	9,478	1,927	20.3
2.2 CSCG Strengthening,innovations and partnerships	3,823	838	22	633	-	-	-	-	-	-	-	-	-	-	-	4,456	838	18.8
<b>Sub-total</b>	<b>11,955</b>	<b>2,765</b>	<b>23</b>	<b>1,979</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,934</b>	<b>2,765</b>	<b>19.8</b>
<b>3. Policy and institutional support and project management</b>																		
3.1 Policy,regulatory and institutional enviroment	1,786	1,043	58	372	6	1.61	-	-	-	-	-	-	-	-	-	2,158	1,049	48.6
3.2 Project management	4,891	2,314	47	602	418	69.44	-	-	-	-	-	-	-	-	-	5,493	2,732	49.7
<b>Sub-total</b>	<b>6,677</b>	<b>3,357</b>	<b>50</b>	<b>974</b>	<b>424</b>	<b>42.92</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,651</b>	<b>3,775</b>	<b>49.3</b>
<b>Total</b>	<b>29,000</b>	<b>11,175</b>	<b>39</b>	<b>4,935</b>	<b>425</b>	<b>8.61</b>	<b>1,000</b>	<b>335</b>	<b>34%</b>	<b>250</b>	<b>-</b>	<b>-</b>	<b>1,443</b>	<b>-</b>	<b>-</b>	<b>36,628</b>	<b>11,935</b>	<b>32.6</b>
Initial advance (Unspent)		2,177		-	-	-		413								-	2,590	
<b>Grant total</b>	<b>29,000</b>	<b>13,352</b>	<b>46</b>	<b>4,935</b>	<b>425</b>	<b>9</b>	<b>1,000</b>	<b>748</b>	<b>75</b>	<b>250</b>	<b>-</b>	<b>-</b>	<b>1,443</b>	<b>-</b>	<b>-</b>	<b>36,628</b>	<b>14,525</b>	<b>40</b>

a/ while in SDR terms, disbursement is at 50% in USD terms it is at 46% due to the effect of the SDR/USD depreciation over the past three years.

**Table 1C: IFAD loan disbursements (SDR, as at 30 April 2018)**

Code	Category description	Allocated	Disbursed up to WA 13	% Disbursed up to WA13	WA- In progress (WA 14)	Projected loan utilization	Projected loan utilization (%)	Projected available balance
123202	Equipment and materials	190	145	76%	0	145	76%	45
123203	Other investment costs	14,910	5,412	36%	430	5,842	39%	9,068
123204	Operating costs	2,270	1,304	57%	93	1,397	62%	873
123205	Unallocated	1,930	-	0	0	-	0%	1,930
	<b>Total</b>	<b>19,300</b>	<b>6,861</b>	<b>36%</b>	<b>523</b>	<b>7,384</b>	<b>38%</b>	<b>11,916</b>
270001	Authorised allocation	0	2,173	-		2,173		(2,173)
	<b>Total</b>	<b>19,300</b>	<b>9,034</b>	<b>47%</b>	<b>523</b>	<b>9,557</b>	<b>50%</b>	<b>9,743</b>

**Figure 1: IFAD loan disbursement, comparisons between original and revised allocations and actual disbursement by category**



## Revised Costs for Post MTR period

1. There is still a remaining balance of UGX 61.5 billion (USD16.4 million) for the next three-years of PROFIRA operations (the post-MTR period). The utilisation of this existing balance of UGX 61.46 billion in the post-MTR period is planned as follows, based on the post MTR cost tables. A reallocation of funds is agreed as part of the way forward. The impact on schedule 2 to the financing agreement is also illustrated in the reallocation table also below. In the post MTR period, IFAD will finance an equivalent of USD 16.4 million comprising of (a) funds still held by the Fund and (b) bank balances in country at Bank of Uganda. The summary financing plan is presented below component-wise and category-wise.

### Post- MTR allocation of available balances by component

Uganda  
Project for Financial Inclusion in Rural Areas (PROFIRA)- Post MTR  
Components by Financiers

	(UGX Million)						(USD '000)					
	GoU		IFAD		Total		GoU		IFAD		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>A. SACCO strengthening and sustainability</b>												
SACCO Strengthening	-	-	17,941	100.0	17,941	28.5	-	-	4,784	100.0	4,784	28.5
Developing a SACCO Union	-	-	241	100.0	241	0.4	-	-	64	100.0	64	0.4
<b>Subtotal</b>	-	-	18,182	100.0	18,182	28.9	-	-	4,848	100.0	4,848	28.9
<b>B. Community Based Financial Services</b>												
Establishment of new CSCGs	-	-	20,324	100.0	20,324	32.3	-	-	5,420	100.0	5,420	32.3
CSCGs Strengthening, Innovation and Partnerships	-	-	12,407	100.0	12,407	19.7	-	-	3,309	100.0	3,309	19.7
<b>Subtotal</b>	-	-	32,731	100.0	32,731	51.9	-	-	8,728	100.0	8,728	51.9
<b>C. Policy and Institutional Support and Project Management</b>												
Policy, regulatory and institutional environment	-	-	794	100.0	794	1.3	-	-	212	100.0	212	1.3
Project management	1,576	13.9	9,729	86.1	11,304	17.9	420	13.9	2,594	86.1	3,014	17.9
<b>Subtotal</b>	1,576	13.0	10,523	87.0	12,099	19.2	420	13.0	2,806	87.0	3,226	19.2
<b>Total PROJECT COSTS</b>	1,576	2.5	61,436	97.5	63,011	100.0	420	2.5	16,383	97.5	16,803	100.0

### Post- MTR allocation of available balances by cost category

Uganda  
Project for Financial Inclusion in Rural Areas  
Expenditure Accounts by Financiers

	(UGX Million)						(USD '000)					
	GoU		IFAD		Total		GoU		IFAD		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>I. Investment Costs</b>												
A. Equipment and Materials	-	-	-	-	-	-	-	-	-	-	-	-
B. Other Investment Costs	162	0.3	54,498	99.7	54,660	86.7	43	0.3	14,533	99.7	14,576	86.7
<b>Total Investment Costs</b>	162	0.3	54,498	99.7	54,660	86.7	43	0.3	14,533	99.7	14,576	86.7
<b>II. Recurrent Costs</b>												
A. Operating costs	1,414	16.9	6,938	83.1	8,351	13.3	377	16.9	1,850	83.1	2,227	13.3
<b>Total Recurrent Costs</b>	1,414	16.9	6,938	83.1	8,351	13.3	377	16.9	1,850	83.1	2,227	13.3
<b>Total PROJECT COSTS</b>	1,576	2.5	61,436	97.5	63,011	100.0	420	2.5	16,383	97.5	16,803	100.0

2. *Reallocation of Funds.* A reallocation of funds of SDR 1.37 million from *the unallocated category* to operating costs category of SDR 0.4 million and SDR 0.97 million to other investment costs is agreed on between IFAD and GoU as part of the MTR. This is justified given the SDR/USD depreciation. The reallocation will be required to meet project closure costs from this category reallocation.

### Reallocation working table

	A	B	C	D	E	F
Category	Original allocation (SDR)	Disbursed amount to date (SDR) including WA 14	Disbursement progress to date (%) = B/A*100	Proposed Allocation	Difference (SDR) = D-A	Category weight after proposed reallocation (%) = D/Total amount *100
I. Equipment and Materials	190,000	145,259	76	190,000	0	1%
II. Other Investment costs	14,910,000	5,842,444	39	15,880,000	970,000	82%
III. Operating costs	2,270,000	1,396,317	62	2,670,000	400,000	14%
Unallocated	1,930,000	0	0	560,000	-1,370,000	3%
Authorised allocation		2,173,615	0			
<b>Total</b>	<b>19,300,000</b>	<b>9,557,634</b>	<b>50</b>	<b>19,300,000</b>	<b>0</b>	

# Summary Post-MTR cost Tables

## Summary Cost Table by Components- Post MTR

Uganda

Project for Financial Inclusion in Rural Areas (PROFIRA)- Post MTR

Components Project Cost Summary

	(UGX Million)			(USD '000)			%	% Total
	Local	Foreign	Total	Local	Foreign	Total	Foreign Exchange	Base Costs
<b>A. SACCO strengthening and sustainability</b>								
SACCO Strengthening	16,865	1,076	17,941	4,497	287	4,784	6	28
Developing a SACCO Union	241	-	241	64	-	64	-	-
<b>Subtotal</b>	<b>17,106</b>	<b>1,076</b>	<b>18,182</b>	<b>4,562</b>	<b>287</b>	<b>4,848</b>	<b>6</b>	<b>29</b>
<b>B. Community Based Financial Services</b>								
Establishment of new CSCGs	20,324	-	20,324	5,420	-	5,420	-	32
CSCGs Strengthening, Innovation and Partnerships	12,407	-	12,407	3,309	-	3,309	-	20
<b>Subtotal</b>	<b>32,731</b>	<b>-</b>	<b>32,731</b>	<b>8,728</b>	<b>-</b>	<b>8,728</b>	<b>-</b>	<b>52</b>
<b>C. Policy and Institutional Support and Project Management</b>								
Policy, regulatory and institutional environment	794	-	794	212	-	212	-	1
Project management	11,034	270	11,304	2,942	72	3,014	2	18
<b>Subtotal</b>	<b>11,829</b>	<b>270</b>	<b>12,099</b>	<b>3,154</b>	<b>72</b>	<b>3,226</b>	<b>2</b>	<b>19</b>
<b>Total BASELINE COSTS</b>	<b>61,665</b>	<b>1,346</b>	<b>63,011</b>	<b>16,444</b>	<b>359</b>	<b>16,803</b>	<b>2</b>	<b>100</b>

## Summary Cost Table by disbursement category- Post MTR

Uganda

Project for Financial Inclusion in Rural Areas

Expenditure Accounts Project Cost Summary

	(UGX Million)			(USD '000)			%	% Total
	Local	Foreign	Total	Local	Foreign	Total	Foreign Exchange	Base Costs
<b>I. Investment Costs</b>								
A. Equipment and Materials	-	-	-	-	-	-	-	-
B. Other Investment Costs	53,314	1,346	54,660	14,217	359	14,576	2	87
<b>Total Investment Costs</b>	<b>53,314</b>	<b>1,346</b>	<b>54,660</b>	<b>14,217</b>	<b>359</b>	<b>14,576</b>	<b>2</b>	<b>87</b>
<b>II. Recurrent Costs</b>								
A. Operating costs	8,351	-	8,351	2,227	-	2,227	-	13
<b>Total Recurrent Costs</b>	<b>8,351</b>	<b>-</b>	<b>8,351</b>	<b>2,227</b>	<b>-</b>	<b>2,227</b>	<b>-</b>	<b>13</b>
<b>Total BASELINE COSTS</b>	<b>61,665</b>	<b>1,346</b>	<b>63,011</b>	<b>16,444</b>	<b>359</b>	<b>16,803</b>	<b>2</b>	<b>100</b>

## Disbursement accounts by components

Uganda

Project for Financial Inclusion in Rural Areas (PROFIRA)- Post MTR

Expenditure Accounts by Components - Totals Including Contingencies

(3X Million)

Project for Financial Inclusion in Rural Areas (PROFIRA)- Post MTR penditure Accounts by Components - Totals Including Contingencies 3X Million)	Policy and Institutional Support and Project Management							
	SACCO strengthening and sustainability		Community Based Financial Services		Policy, regulatory and institutional environment		Project management	Total
	SACCO Strengthening	Developing a SACCO Union	Establishment of new CSCGs	CSCGs Strengthening, Innovation and Partnerships				
Investment Costs								
A. Equipment and Materials	-	-	-	-	-	-	-	-
B. Other Investment Costs	17,941	241	20,324	12,407	794	2,953		54,660
total Investment Costs	17,941	241	20,324	12,407	794	2,953		54,660
Recurrent Costs								
A. Operating costs	-	-	-	-	-		8,351	8,351
total Recurrent Costs	-	-	-	-	-		8,351	8,351
total PROJECT COSTS	17,941	241	20,324	12,407	794		11,304	63,011
Taxes		-	-	-	-		162	162
Foreign Exchange	1,076	-	-	-	-		270	1,346



## Detailed Cost Tables

### Sub-component 1.1 SACCO Strengthening

Uganda

Project for Financial Inclusion in Rural Areas (PROFIRA)- Post MTR

Table 1.1. SACCO Strengthening

#### Detailed Costs

	UGX Millions	USD'000
<b>I. Investment Costs</b>		
A. SACCO strengthening- Existing contracts after recommended adjustments	6,811	1,816
B. UCCK	1,225	327
C. Special Audits & SGMs for Category B	800	213
D. Payments to DCOs	2,112	563
E. MIS Grant to SACCOs	2,952	787
F. Special Case Financial Literacy supplementary refresher trainings	235	63
G. Technical assistance for Category B SACCOs to overcome critical risks	3,807	1,015
<b>Total</b>	<b>17,941</b>	<b>4,784</b>

### Sub-component 1.2 Developing a Sustainable SACCO Union

Uganda

Project for Financial Inclusion in Rural Areas (PROFIRA)- Post MTR

Table 1.2. Developing a sustainable SACCO union

#### Detailed Costs

	UGX' million	USD'000
<b>I. Investment Costs</b>		
A. SACCO strengthening- Existing contracts after recommended adjustments	241	64
<b>Total</b>	<b>241</b>	<b>64</b>

### Sub-component 2.1 Establishment of new community savings and credit groups

Uganda

Project for Financial Inclusion in Rural Areas (PROFIRA)- Post MTR

Table 2.1. Establishment of new community based savings and credit groups

#### Detailed Costs

	UGX' Million	USD'000
<b>I. Investment Costs</b>		
A. Existing contracts	4,136	1,103
B. Phase 2 contracts	16,188	4,317
<b>Total</b>	<b>20,324</b>	<b>5,420</b>

## Sub-component 2.2 CSCG Strengthening, Innovation and Partnerships

Uganda

Project for Financial Inclusion in Rural Areas (PROFIRA)- Post MTR

Table 2.2. CSCG Strengthening, Innovation and Partnerships

### Detailed Costs

	UGX' Millions	USD'000
<b>I. Investment Costs</b>		
A. Existing contracts	3,828	1,021
B. Phase 2 contracts	8,579	2,288
<b>Total</b>	12,407	3,309

## Sub-component 3.1 Policy, regulatory and Institutional environment

Uganda

Project for Financial Inclusion in Rural Areas (PROFIRA)- Post MTR

Table 3.1. Policy, regulatory and Institutional environment

### Detailed Costs

	UGX' Million	USD'000
<b>I. Investment Costs</b>		
A. MTIC	794	212
<b>Total</b>	794	212

## Sub-component 3.2 Project Management

Uganda

Rural Areas (PROFIRA)- Post MTR

Table 3.2. Project management

### Detailed Costs

	Unit	Quantities					Unit Cost (UGX '000)	Base Cost (USD '000)					Total
		2017/18	2018/19	2019/20	2020/21	2021/22	Total	2017/18	2018/19	2019/20	2020/21	2021/22	Total
<b>I. Investment Costs</b>													
A. Key studies, M&E and other field based activities by PMU	Ls							387	-	-	-	-	387
B. External audits	Per Year	1	1	1	1	1	5	50,000	13	13	13	13	67
C. Internal audits	Per month	2	12	12	12	12	50	13,000	7	42	42	42	173
D. Closure Activities	Ls							-	-	-	-	160	160
<b>Total Investment Costs</b>								408	55	55	55	215	787
<b>II. Recurrent Costs</b>													
<b>A. Staff salaries</b>													
Project Manager	Per months	2	12	12	12	6	44	14,500	8	46	46	46	170
Finance and Administration Manager	Per months	2	12	12	12	6	44	9,667	5	31	31	31	113
Procurement & Contracts Manager	Per months	2	12	12	12	6	44	8,539	5	27	27	27	100
Community Based Financial Ser Manager	Per months	2	12	12	12	6	44	8,539	5	27	27	27	100
Monitoring & Evaluation and KM Manager	Per months	2	12	12	12	6	44	8,539	5	27	27	27	100
Finance Officer	Per months	2	12	12	12	6	44	5,961	3	19	19	19	70
Project Support Officer - Finance	Per months	2	12	12	12	6	44	5,961	3	19	19	19	70
SACCO Development Officer	Per months	2	12	12	12	6	44	5,961	3	19	19	19	70
Knowledge and Communication Officer	Per months	2	12	12	12	6	44	5,961	3	19	19	19	70
Administration and Logistics Officer	Per months	2	12	12	12	6	44	5,961	3	19	19	19	70
Front Desk Assistant/Receptionist	Per months	2	12	12	12	6	44	1,933	1	6	6	6	23
Driver	Per months	2	12	12	12	6	44	1,289	1	4	4	4	15
Driver	Per months	2	12	12	12	6	44	1,289	1	4	4	4	15
SACCO Development Manager	Per months	2	12	12	12	6	44	8,539	5	27	27	27	100
15% Gratuity contribution	Per months	2	12	12	12	6	44	13,896	7	44	44	44	163
NSSF 10% Contribution	Per months	2	12	12	12	6	44	10,654	6	34	34	34	125
<b>Subtotal</b>								63	375	375	375	188	1,375
<b>B. PMU operating Costs</b>													
IFAD financed	Ls							20	120	120	120	120	500
PMU office rent	per month	2	12	12	12	6	44	30,000	16	96	96	96	352
<b>Subtotal</b>								36	216	216	216	168	852
<b>Total Recurrent Costs</b>								99	591	591	591	356	2,227
<b>Total</b>								506	646	646	646	570	3,014

## **Uganda**

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### **Project for Financial Inclusion in Rural Areas**

#### **Mid-term Review**

### **Appendix 2: Physical progress measured against AWP&B**

Mission Dates:

Document Date: 15/08/2018

Project No. 1100001630

East and Southern Africa Division  
Programme Management Department

Appendix 2.

Not applicable

## **Uganda**

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### **Project for Financial Inclusion in Rural Areas**

#### **Mid-term Review**

### **Appendix 3: Compliance with legal covenants: status of implementation**

Mission Dates:

Document Date: 15/08/2018

Project No. 1100001630

East and Southern Africa Division  
Programme Management Department

Appendix 3.

Not applicable