

# **AUDITED PROJECT FINANCIAL STATEMENTS**

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Project N°: 1100001630

IFAD Loan N°: 2000000236 / L-I--900-

Period covered: 01/07/2018 – 30/06/2019

## **Project for Financial Inclusion in Rural Areas (PROFIRA)**

Prepared by: Office of the Auditor General

Received on: 19/12/2019

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TELEPHONE

General Lines: +256 - 41 - 7336000  
Auditor General: +256 - 41 - 7336004 Sec.

FAX: +256 - 41 - 4345674  
Email: info@oag.go.ug  
Website: www.oag.go.ug



THE REPUBLIC OF UGANDA

OFFICE OF  
THE AUDITOR GENERAL  
APOLLO KAGWA ROAD,  
PLOT 2C,  
P.O. Box 7083,  
KAMPALA.

*VISION: "To be an effective and efficient Supreme Audit Institution (SAI) in promoting effective public accountability"*

*MISSION: "To Audit and report to Parliament and thereby make an effective contribution to improving public accountability and value for Money Spent"*

IN ANY CORRESPONDENCE ON

THIS SUBJECT PLEASE QUOTE NO:.....**FIIT.376/380/02/19**

10<sup>th</sup> December, 2019

The Accounting Officer  
Project for Financial Inclusion in Rural Areas (PROFIRA)  
**Kampala**

**REPORT OF THE AUDITOR GENERAL ON FINANCIAL STATEMENTS OF THE PROJECT  
FOR FINANCIAL INCLUSION IN RURAL AREAS (PROFIRA) FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2019**

I am enclosing herewith a report which I have already sent to the Speaker in terms of Article 163 (4) of the Constitution.

John F. S. Muwanga  
**AUDITOR GENERAL**

- Copy to:
- The Permanent Secretary/ Secretary to the Treasury  
Ministry of Finance, Planning and Economic Development
  - " The Manager Finance and Administration, Project for Financial Inclusion in Rural  
Areas (PROFIRA)
  - "  The IFAD
  - " The Project Manager, Project for Financial Inclusion in Rural Areas (PROFIRA)
  - " M/S MTC Associates, Certified Public Accountants

**OFFICE OF THE AUDITOR GENERAL**



**THE REPUBLIC OF UGANDA**

**REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF  
THE PROJECT FOR FINANCIAL INCLUSION IN RURAL AREAS (PROFIRA) FOR THE  
YEAR ENDED 30<sup>TH</sup> JUNE 2019**

**OFFICE OF THE AUDITOR GENERAL  
KAMPALA, UGANDA**

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## FINANCIAL STATEMENTS

## **LIST OF ACRONYMS**

<b>ACRONYM</b>	<b>MEANING</b>
<b>AWPB</b>	Annual Work Plan and Budget
<b>CSCGs</b>	Community Savings and Credit Groups
<b>FYR</b>	Financial Year
<b>GoU</b>	Government of Uganda
<b>IASB</b>	International Accounting Standards Board
<b>IESBA</b>	International Ethics Standards Board for Accountants
<b>IFAD</b>	International Fund for Agricultural Development
<b>ISAs</b>	International Standards on Auditing
<b>LST</b>	Local Service Tax
<b>M &amp; E</b>	Monitoring and Evaluation
<b>MIS</b>	Management Information System
<b>MoFPED</b>	Ministry of Finance, Planning and Economic Development
<b>NAA</b>	National Audit Act
<b>PMU</b>	Project Management Unit
<b>PROFIRA</b>	Project for Financial Inclusion in Rural Areas
<b>SACCOs</b>	Savings and Credit Cooperatives Organisations
<b>UCA</b>	Uganda Cooperative Alliance
<b>UCSCU</b>	Uganda Cooperatives, Savings and Credit Union
<b>UGX</b>	Uganda Shillings

**REPORT OF THE AUDITOR GENERAL ON THE AUDIT OF FINANCIAL STATEMENTS OF  
PROJECT FOR FINANCIAL INCLUSION IN RURAL AREAS (PROFIRA) IFAD LOAN I-  
900-UG FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2019**

**THE RT. HON. SPEAKER OF PARLIAMENT**

**Opinion**

I have audited the accompanying financial statements of Project for Financial Inclusion in Rural Areas (PROFIRA) for the financial year ended 30<sup>th</sup> June 2019, which comprise the Statement of Receipts and Expenditure, Statement of Special Account Activity, Statement of Special Account Reconciliation, Withdrawal Applications submitted and notes to the project financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements for PROFIRA for the year ended 30<sup>th</sup> June 2019 are prepared, in all material respects, in accordance with the terms of the loan agreement and in conformity with the basis of accounting described in Note 1 of the financial statements.

**Basis for Opinion**

I conducted my audit in accordance with International Standards on Auditing (ISAs) and the IFAD Guidelines for Project Audits. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Project in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independent requirements applicable to performing audits in Uganda. I have fulfilled my other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of Project for Financial Inclusion in Rural Areas. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period.

I have determined that there are no key audit matters to communicate in my report.

**Other Information**

The Project Management Unit is responsible for the other information. The other information comprises the information included in the Project Background and description, statement of the Accounting Officer and project management responsibilities, but does not include the financial statements and my auditors' opinion thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.



In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### **Responsibilities of Project Management for the Financial Statements**

The Project Management Unit (PMU) is responsible for the preparation and fair presentation of these financial statements in accordance with the terms of the loan agreement and in conformity with the basis of accounting described in Note 1 of the financial statements. This responsibility includes: designing, implementing and maintaining such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the Project Management Unit (PMU) is responsible for assessing the project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the project management either intend to liquidate the project or to cease operations, or have no realistic alternative but to do so.

### **Auditor General's Responsibilities for the audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users, taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Project Management Unit's (PMU) use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant

doubt on the Project's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Project Management Unit (PMU) regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Project Management Unit (PMU) with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the Project Management Unit (PMU), I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Reporting Responsibilities**

In accordance with Section 19 (1) of the National Audit Act (NAA) 2008, I report to you, based on my work described on the audit of Financial Statements, that;

- I have obtained all the information and explanations, which to be the best of my knowledge and belief were necessary for the purpose of the audit;
- In my opinion, proper books of account have been kept by the PROFIRA, so far as appears from my examination of those books;
- The activities, financial transactions and information reflected in the financial statements that have come to my notice during the audit, are in all material respects, in compliance with the authorities which govern them.

### **REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION AND FUNDING AGREEMENT**

In accordance with Section 13 of the NAAA 2008, I have the responsibility to report material findings on the compliance of Project Management with specific matters in key legislations and Funding Agreement. I performed procedures to identify findings in this regard, but not to gather evidence to express assurance.



The material findings in respect of compliance criteria for the applicable subject matters are as follows;

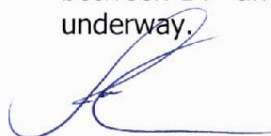
- **Delayed Linkage of mature CSCGs to formal Financial Institutions**

Field visits revealed that four mature Community Saving and Credit Groups (CSCGs) from Northern Uganda were still not linked to formal Financial Institutions for credit and savings services, implying that funds are still kept at home. This exposes the funds to theft and denies the groups the much needed financial services ranging from saving, credit and financial advice. Interaction with some CSCGs revealed that they are not yet linked to financial services for fear of having their savings taxed by Government.

In response management explained that there are efforts to negotiate with financial institutions to provide tailor made services for mature CSCGs. In addition, CSCGs training on linkage banking is also being undertaken. I await the outcome of the management efforts in this regard.

- **Irregular use of Loan Funds**

It was observed that contrary to the terms of the Funding Agreement, loan funds worth **UGX.29,494,239** were used to pay for taxes without approval from the funder. This contravenes the project agreement terms and may attract penalties from the funder. Management explained that the transactions related to payments made to suppliers between 14<sup>th</sup> and 30<sup>th</sup> June 2019 and preparations to have these moneys refunded were underway.



John F.S. Muwanga  
**AUDITOR GENERAL**  
**KAMPALA**  
10<sup>th</sup> December, 2019

**REPORT OF THE AUDITOR GENERAL ON THE SPECIAL ACCOUNT RECONCILIATION  
STATEMENT OF THE PROJECT FOR FINANCIAL INCLUSION IN RURAL AREAS  
(PROFIRA) IFAD LOAN I-900-UG FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2019**

**Opinion**

I have audited the accompanying Special Account Reconciliation Statement of the Project for Financial Inclusion in Rural Areas (PROFIRA) IFAD Loan I-900-UG for the year ended 30<sup>th</sup> June, 2019.

In my opinion the Project management complied in all material respects with loan rules and procedures and the Special Account Reconciliation Statement for the Project for Financial Inclusion in Rural Areas (PROFIRA) IFAD Loan I-900-UG presents fairly in all material respects the accounts transactions and the closing balances as at 30<sup>th</sup> June, 2019.

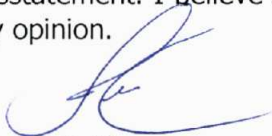
**Management Responsibility for the Special Account Statement**

Project management is responsible for preparation of the Special Account Reconciliation statement and its fair presentation in accordance with the requirements of the Government of Uganda regulations, and loan (IFAD) guidelines. Management is also responsible for designing and implementing internal controls relevant to the preparation of the special account statement that is free from material misrepresentation, whether due to fraud or error and selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

My responsibility is to express an opinion on the Special Account Reconciliation statement based on my audit.

I conducted my audit in accordance with International Standards on Auditing (ISAs) and IFAD guidelines. Those standards and the loan guidelines require that I plan and perform the audit to obtain reasonable assurance about whether the special account statement is free from material misstatement. I believe that the audit evidence I have obtained provides a reasonable basis for my opinion.

  
John F.S. Muwanga  
**AUDITOR GENERAL**  
**KAMPALA**  
10<sup>th</sup> December, 2019





**GOVERNMENT OF THE REPUBLIC OF UGANDA**  
**MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT**  
**PROJECT FOR FINANCIAL INCLUSION IN RURAL AREAS (PROFIRA)**

**IFAD LOAN I-900-UG**

**AUDIT REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEARENDED**  
**30 JUNE 2019**

**MTC ASSOCIATES**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
MTC House, Plot 11, Gloucester Avenue  
P. O. Box 8995  
Kampala.  
Telephone +256414347062  
Email: [associatesmtc@gmail.com](mailto:associatesmtc@gmail.com)

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## ACRONYMS AND ABBREVIATIONS

ABTs	Advanced Business skills Trainings
AGM	Annual General Meeting
AMFIU	Association for Microfinance Institutions in Uganda
AWPB	Annual Work Plan and Budget
BOU	Bank of Uganda
C & D	Credit & Default
CARE	Care International Uganda
CBTs	Community Based Trainers
CC	Contracts Committee
CCA	Canadian Cooperative Association
CCF	Central Finance Facility
CDOs	Community Development Officers
CEO	Chief Executive Officer
COMVIS	Community Vision Uganda
CPA	Certified Public Accountant
CPU	Central Processing Unit
CREAM	Community Organisation for Rural Enterprise Activity Management
CSCGs	Community Savings and Credit Groups
CSR	Corporate Social Responsibility
DCD	Department of Cooperatives Development
DCDOs	District Community Development Officers
DCOs	District Commercial Officers
DLGs	District Local Governments
EOI	Expression of Interest
ERP	Enterprise Resource Planning
FAM	Finance and Administration Manager
FFIs	Formal Financial Institutions
FL&DM	Financial Literacy & Deposit Mobilization
FSD	Financial Services Department
FURA	Foundation for Urban & Rural Advancement
FY	Financial year
GIZ	Germany Technical Cooperation

PROJECT FOR FINANCIAL INCLUSION IN RURAL AREAS  
IFAD LOAN I-900-UG  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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GOU	Government of Uganda
HIV/AIDS	Acquired Immune Deficiency Syndrome
IEC	Information Education & Communication
IFAD	International Fund for Agricultural Development
IFMS	Integrated Financial Management System
IGAs	Income Generating Activities
IIRR	International Institute of Rural Reconstruction
IPSAS	International Public Sector Accounting Standards
ISAs	International Standards on Auditing
KPSDC	Karamoja Private Sector Development Centre
LAMP	Lead Advisory & Mentorship Team
LPO	Local Purchase Order
M & E	Monitoring & Evaluation
MDIs	Micro Finance Deposit Taking Institutions
MFI	Micro Finance Institutions
MFPED	Ministry of Finance, Planning and Economic Development
MIS	Management Information Systems
MOU	Memorandum of Understanding
MTIC	Ministry of Trade, Industry and Cooperatives
PDU	Procurement and Disposal Unit
PIM	Project Implementation Manual
PMU	Project Management Unit
PROFIRA	Project for Financial Inclusion in Rural Areas
PSDC	Private Sector Development Companies
READ	Rural Efforts for Action in Development
RFP	Request for Proposal
SACCA	Savings and Credit Cooperative Association
SACCOs	Savings and Credit Cooperative Organizations
SAVIX	Savings Group Information Exchange
SDR	Special Drawing Right
SEPSPEL	South Eastern Private Sector Promotion Enterprise Ltd
SG	Solicitor General
SOE	Statement of Expenditure
SPs	Service Providers

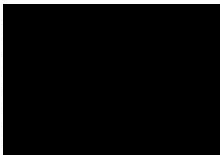
PROJECT FOR FINANCIAL INCLUSION IN RURAL AREAS  
IFAD LOAN I-900-UG  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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SUPCO	Supervisory Committee
TA	Technical Assistance
TNA	Training Needs Assessment
TORs	Terms of Reference
TOT	Training of Trainers
UCA	Uganda Cooperative Alliance
UCCK	Uganda Cooperative College Kigumba
UCSCU	Uganda Cooperative Savings and Credit Union
UGX	Uganda Shilling
UMRA	Uganda Microfinance Regulatory Authority
UPS	Uninterrupted Power Supply
USD	United States Dollar
UWESO	Uganda Women's Efforts to Save Orphans
WA	Withdrawal Application

## PROJECT BACKGROUND AND DESCRIPTION

### Summary of project information

<b>PROJECT TITLE</b>	Project for Financial Inclusion in Rural Areas	
<b>LOCATION</b>	Crusader House, Plot 3, Portal Avenue P.O Box 27733 Kampala, Uganda	
<b>BENEFICIARIES</b>	The project is located in all districts of Uganda	
<b>LEAD PROJECT AGENCY</b>	Ministry of Finance, Planning and Economic Development P.O. Box 8147 Kampala, Uganda Tel: 256-414-234700 Fax: 256-414-230163	
<b>PRINCIPAL BANKERS</b>		
<b>AUDITORS</b>	Office of the Auditor General Plot 2/4, Apollo Kaggwa Road P.O Box 7083 Kampala, Uganda	
<b>DELEGATED AUDITORS</b>	MTC ASSOCIATES Plot 11, MTC House Gloucester Avenue P.O.Box 8995 Kampala, Uganda	
<b>FINANCING</b>	IFAD -SDR	19,300,000
	GOU- SDR	3,284,000
	IFAD Grant-SDR	665,000
	CCA-SDR	166,000
	Beneficiaries-SDR	<u>960,000</u>
	<b>Total</b>	<b><u>24,375,000</u></b>



## IFAD LOAN INFORMATION

<b>Loan Number:</b>	I-900-UG
<b>Loan Amount:</b>	SDR19,300,000
<b>Date of Loan Signature:</b>	24 <sup>th</sup> November 2014
<b>Effectiveness Date</b>	24 <sup>th</sup> November 2014
<b>Original Completion Date</b>	31 <sup>st</sup> December 2021
<b>Extension</b>	
<b>Current Completion Date</b>	31 <sup>st</sup> December 2021
<b>Current Closing Date</b>	30 <sup>th</sup> June 2022

### The Financial Resources

The total project cost is SDR24,375,000

### Project Description

PROFIRA was designed in 2013 in a partnership between IFAD and GOU. In September 2013, IFAD approved a loan of USD 29 million and a grant of USD 1 million in support of this project. The project was approved by Parliament of Uganda at the end of September 2014. The project was declared effective on the 24<sup>th</sup> of November, 2014.

The seven (7) year project will build on the successes of the IFAD-financed Rural Financial Services Programme (RFSP) and facilitate the strengthening of some 500 Savings and Credit Cooperative Organisations (SACCOs) to enable them to become sound and financially sustainable organizations that can provide their communities with a range of services – directly benefiting approximately 225,000 households. This initiative will be complemented by support to transform the union of SACCOs (i.e. Uganda Cooperative Savings and Credit Union - UCSCU) into a financially sustainable body and by policy initiatives to create a conducive environment for SACCOs. The support for the establishment of 15,000 Community Savings and Credit Groups (CSCGs), and strengthening of a further 3,000 CSCGs - involving some 375 000 people in total; will focus on the poorest areas of the country where few savings and credit groups have been established. This will provide households in these areas with the first important step into the rural economy and a means to finance micro-business initiatives and meet pressing household expenses.

The project focuses on the large portion of the rural population that has little or no access to financial services and on two rural institutions that have successfully demonstrated that sound and appropriate financial services can be provided to even the poorest members of rural communities: Savings and Credit Cooperative Organizations (SACCOs) and Community Savings and Credit Groups (CSCGs).

Project implementation and administration was done by the Project Management Unit (PMU) under the Ministry of Finance Planning and Economic Development.



## Project Objectives

The **overall goal** to which the project will contribute is *increased income, improved food security and reduced vulnerability in rural areas*. The **project development objective** is to *sustainably increase the access to and usage of financial services by the rural population*.

The project is focusing on the large portion of the rural population that has little or no access to financial services through two rural institutions that have successfully demonstrated that sound and appropriate financial services can be provided to even the poorest members of rural communities. The afore-mentioned rural institutions are Savings and Credit Cooperatives (SACCOs), and Community Savings and Credit Groups (CSCGs). The Project components are:-

- Component 1:** SACCO strengthening and sustainability, which includes (i) SACCO Strengthening; and (ii) Developing a sustainable SACCO Union.
- Component 2:** Community Based Financial Services, which entails (i) Establishment of new CSCGs; and (ii) Strengthening existing CSCGs through Innovations and Partnerships.
- Component 3:** Policy and Institutional Support and Project Management which includes (i) provision of a conducive policy, regulatory and institutional environment for the microfinance industry; and (ii) project management.

## Implementation Arrangements

Project oversight, management and implementation is provided by the following institutions:

**Table 1: Key Players in the Project, their Roles and Responsibilities**

Key Player	Roles and Responsibilities
I. Ministry of Finance, Planning and Economic Development (MFPED) <sup>1</sup> ;	<ul style="list-style-type: none"> <li>- Borrower</li> <li>- Provide general policy directions for the project</li> <li>- Coordinates with other relevant Ministries</li> <li>- Chairs the Project Oversight Committee (POC)</li> <li>- Reforming and improving the overall policy and regulatory framework for financial inclusion</li> </ul>
II. Project Oversight Committee (POC)	<ul style="list-style-type: none"> <li>- Overseeing project planning</li> <li>- Reviewing implementation progress and impact</li> <li>- Provide high level advice to address key issues raised by project management</li> </ul>
III. Project Management	<ul style="list-style-type: none"> <li>- Established by MFPED to handle project management and administrative aspects</li> </ul>

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<sup>1</sup>The Department for Financial Services (FSD) is the focal point within MFPED for project implementation.

PROJECT FOR FINANCIAL INCLUSION IN RURAL AREAS  
IFAD LOAN I-900-UG  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Unit (PMU)	-	Responsible for financial management, procurement, monitoring and evaluation, and knowledge management
IV. Other institutions (partners and service providers)	-	Contribute to the overall implementation and ensuring that PROFIRA achieves its objectives. These include Bank of Uganda (BoU), the Department of Cooperative Development (Ministry of Trade, Industry and Cooperatives – MTIC), Uganda Cooperative College Kigumba (UCCK), District Commercial Officers (DCOs), and Community Development Officers (CDOs).

Government of Uganda through the Ministry of Finance, Planning and Economic Development (MFPED) has entered into MOUs with the Uganda Cooperative Saving and Credit Union (UCSCU); the Ministry of Trade, Industry and Cooperatives (MTIC); as well as the Uganda Cooperative College Kigumba (UCCK) for implementation of the Project.

The project has also signed contracts with competitively-selected service providers to implement activities including training and technical backstopping to SACCOs and CSCGs. The contracted parties include:

**Table 2: Contracted Service Providers by Regional Coverage**

<b>Financial Institution</b>	<b>Type of Support</b>	<b>Contracted Service Provider</b>	<b>Region</b>
SACCOs	i. Technical Assistance in six thematic areas	Uganda Cooperative Alliance (UCA)	Western
		Uganda Cooperative Savings and Credit Union (UCSCU)	Central
		Association for Microfinance in Uganda (AMFIU)	Northern
		Best Africa	Eastern
CSCGs	ii. Technical Assistance in credit and default management	Friends Consult Limited	Eastern and Northern
		DEMIS Consults Limited	Central and Western
	i. Establishment of CSCGs	<b>Phase 1 Implementation (9 Contracts)</b>	
		Care International Uganda & Uganda Women's Efforts to Save Orphans	Eastern
		Care International Uganda & Karamoja Private Sector Development Center Limited	North Eastern (Karamoja)
		Foundation for Urban & Rural Advancement (FURA) & Community Organization for Rural Enterprise Activity Management (CREAM)	West Nile
		Mid North and Acholi Private Sector Development Companies	Mid-North (Acholi and Lango)
			Eastern
		South Eastern Private Sector Promotion Enterprise Ltd (SEPSPEL)	Eastern
		South Eastern Private Sector Promotion Enterprise Ltd (SEPSPEL) & Karamoja Private Sector Development Center Limited	North Eastern (Karamoja)

		International Institute of Rural Reconstruction in consortium with Caritas-Gulu	Mid-North (Acholi and Lango)
		Care International in Uganda	West Nile
		Foundation for Urban & Rural Advancement (FURA), Rural Efforts for Action in Development (READ) & Community Vision Uganda (COMVIS)	Region 5 (Rwenzori, Busoga and Central)
CSCGs	i. Establishment of CSCGs	<b>Phase 2 Implementation (8 Contracts)</b> South Eastern Private Sector Promotion Enterprise Ltd (SEPSPEL)&Teso Private Sector Development Centre (TESOPS)	Eastern
		West Nile Private Sector Development Promotion Centre limited	West Nile
		Mid North and Acholi Private Sector Development Companies	Mid-North (Acholi and Lango)
		International Institute of Rural Reconstruction in consortium with Arid-land Development Programme (ADP)	North Eastern (Karamoja)
	ii. Strengthening of Mature CSCGs	Uganda Women's Efforts to Save Orphans&Community Vision Uganda	Eastern
		Community Organization for Rural Enterprise Activity Management (CREAM)	West Nile
		International Institute of Rural Reconstruction in consortium with Acholi Private Sector Development Companies	Mid North (Acholi and Lango)
		Karamoja Private Sector Development Centre Limited & Rural Efforts for Action in Development (READ)	North East (Karamoja)

### The Context of Reporting

PROFIRA is now in its 5<sup>th</sup> year of project implementation with only 2 years remaining. The Annual Report for FY 2019/20 has been prepared through reviewing progress on the project implementation to-date, with emphasis on reporting progress with respect to implementation of the AWP&B for FY 2018/19. The PMU consulted key stakeholders (namely;- Financial Services Department – MFPED, Department of Cooperatives – MTIC, Uganda Cooperative College Kigumba (UCCCK), Uganda Cooperative Savings and Credit Union (UCSCU) and Canadian Co-operative Association (CCA) in drafting this Report. The project has incorporated actions and recommendations from the agreed actions of the November 2018, and May 2019 Implementation Support Missions fielded by IFAD & GoU.

The report has been logically prepared in such a manner that it presents: -

- I. The background to the project, objectives, components and implementation arrangements.



- II. Progress on implementation of the AWP&B for the FY 2018/19 by component.  
In addition, the report attempts to capture key activities undertaken beyond June, 2019.
- III. Planned activities (by component) for the FY 2019/20.
- IV. Project results.
- V. Lessons.

## **PROGRESS MADE BY COMPONENT**

The component comprises of two sub-components which aim at providing a financially sound and well managed savings and credit cooperative system in Uganda.

### **Component 1 – SACCO Strengthening and Sustainability**

#### ***I. Sub-Component 1.1 – SACCO Strengthening***

The sub-component works with stronger and intermediate SACCOs that have the potential to establish sustainable operations; in order to improve management, governance, accountability and performance, thereby expand membership.

Support to SACCOs was initially categorized into 3 broad areas: (1) Training in six modules targeting 350 SACCOs; The six thematic modules include (i) Financial Literacy and Deposit Mobilization (FL&DM), (ii) SACCO Governance, (iii) Business Development Skills, (iv) Savings and Other Product Development/Refinement, (v) Finance Management, and (vi) Strategic Planning; (2) Training in credit and default management targeting the above SACCOs; and (3) Support for MIS to benefit strong viable SACCOs through a pilot grant.

The project contracted six different Service Providers (SPs) to deliver training, technical assistance as well as MIS to SACCOs as afore-mentioned. The contracted service providers (SPs) for the training interventions are listed in Table 2 in the previous section. PROFIRA signed memoranda of understanding (MOU) with 453 SACCOs. The SPs collaborated well with each other and with the Uganda Cooperative College Kigumba (UCCCK) in preparing and delivering harmonized training modules to beneficiary SACCOs. Specific activities undertaken by the already contracted service providers include: -

- 1. Delivery of Training** – As presented in Table 3, at the time of amending the contracts, the average overall performance for trainings in Six Modules as contracted was at a completion rate of 89.4%, while for Credit and Default Management stood at 96%. The contracts for provision of trainings in six modules were set to end in May 2019, but these were extended by six months (i.e. new end date is 30<sup>th</sup> November, 2019). Whereas, the contracts for provision of trainings in credit and default management will end in February 2020 for DEMIS Consult Limited, and March 2020 for Friends Consult Limited.

**Table 3: Trainings Undertaken by Service Providers – Project Performance (Targets vs. Actuals)**

No	Training Area	Consolidated				Overall Performance of the Contracts		
		Year 1 <sup>2</sup>		Year 2 <sup>3</sup>		Target	Actual	%
		Target	Actual	Target	Actual			
1	Financial Literacy	128	125	202	308	330	308	93%
2	Governance	99	102	208	241	330	241	73%
3	Business Skills Development	30	30	300	284	330	284	86%
4	Financial Management	294	312	36	355	330	355	108%
5	Strategic Planning	79	79	251	278	330	278	84%
6	Savings and Other Products Development	134	136	196	304	330	304	92%
7	Credit and Default Management	339	251	114	184	453	435	96%

**Source:** Contracted Service Providers Reports

<sup>2</sup> Whereas, on average Year 1 implies: – Implementation Year 1 (June 2016-May 2017)

<sup>3</sup> Whereas, on average Year 2 implies: – Implementation Year 2 (June 2017-May 2018)

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**Table 4: Trainings Undertaken by respective Service Providers (Targets vs. Actuals)**

No	Training Area	AMFIU				BEST AFRICA				UCA				UCSCU				Consolidated				Overall Project Performance in Training of Six Modules		
		Year 1		Year 2		Year 1		Year 2		Year 1		Year 2		Year 1		Year 2		Year 1		Year 2				
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	%
1	Financial Literacy	20	18	65	52		0	89	78	25	24	48	65	83	83		113	128	125	202	308	330	308	93.3%
2	Governance	10	10	75	45	89	92		92		0	73	74		0	60	30	99	102	208	241	330	241	73.0%
3	Business Skills Development		0	85	43		0	89	90		0	73	73	30	30	53	78	30	30	300	284	330	284	86.1%
4	Financial Management	49	49	36	92	89	106		106	73	74		74	83	83		83	294	312	36	355	330	355	107.6%
5	Strategic Planning	49	49	36	95		0	89	49	30	30	43	79		0	83	55	79	79	251	278	330	278	84.2%
6	Savings and Other Products Development																							
		74	74	11	85		0	89	65	60	62	13	75		0	83	79	134	136	196	304	330	304	92.1%
																								89.4%

No	Training Area	DEMIS - LOT 1				DEMIS - LOT 2				FRIENDS - LOT 3				FRIENDS - LOT 4				Consolidated				Overall Training Performance in Credit & Default Management		
		Year 1		Year 2		Year 1		Year 2		Year 1		Year 2		Year 1		Year 2		Year 1		Year 2				
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	%
1	Credit and Default Management	75	39	64	92	90	38	50	92	89	89	0	0	85	85	0	0	339	251	114	184	453	435	96%

Source: Contracted Service Providers Reports



- 2. Emerging Positive trends and lessons from the Trainings** - The trainings are highly appreciated and SPs reported that financial literacy and savings mobilization training was particularly showing quick results impacting on SACCO membership and deposit mobilization following the training. The PMU is working with SPs to document some of the anecdotes to showcase the positive effects that capacity building has had on SACCO performance.
- 3. Post MTR Approach to Training** –The PMU and the SPs developed a scorecard basing on the four factors that negatively impacted trainings including: (i) Fraud; (ii) Malfunctioning Boards ;( iii) Low Business Volumes; and (iv) Default. SACCOs were subjected to a triage aimed at establishing the extent to which the SACCOs were being affected by these challenges. As a result, the SACCOs were Categorized as below: -
- Category A - SACCOs faced with all the four problems – 77 SACCOs (17%)
  - Category B - SACCOs faced with one of the four problems – 141 SACCOs (31%)
  - Category C - SACCOs faced with two or more of the four problems – 235 SACCOs (52%)

Post MTR, the SPs have since put more emphasis on refresher trainings for Category A and B SACCOs as well as customized on-site TA to address the challenges prevalent among Category B SACCOs. The PMU developed an implementation Plan for Category C SACCOs, and is proactively working with MTIC and UCCK to address the challenges on a case by case basis.

- 4. Category A & B SACCOs**—In line with the afore-mentioned post MTR approach, the Service Providers (SPs) have adjusted the services to focus on Category A & B SACCOs and this has required amendments in existing contracts to address the following changes: - i) Reclassification of SACCOs – See Table 5 below; ii) Changes in the Schedule of Deliverables; iii) Changes in contract amounts for two out of the eight contracts; and iv) a six months extension to accommodate delays arising from the negotiation and adjustments. The specific activities in the amended contracts for Category A and B SACCOs will focus on: i) Refresher Trainings on all modules already delivered; ii) Customized TA to address specific challenges faced by SACCOs; and iii) Expanded Financial Literacy and Cooperative Education within communities where SACCOs operate. A summery schedule of re-casted Post MTR activities for each Service provider is presented in Table 6, the PMU has negotiated and agreed with the service providers, and has secured all the needed approvals of the proposed amendments. Pending activities will be expedited during the last 6 months of the contract extension.

**Table 5: – Changes in Number of Targeted SACCOs by Service Provider**

No	Name of Service Provider	Contract Amount	No. of SACCOs	Balance Amount in Contract	New Focus (Cat A&B) No. of SACCOs
		3,485,819,120	83	1,202,823,602	53
		3,777,413,774	73	982,022,610	52
		4,031,773,500	89	1,290,167,520	45
		3,975,490,000	85	1,093,259,750	17
		1,763,599,624	139	382,701,095	72
		1,777,379,820	140	395,889,574	83
		657,302,162	89	164,694,811	45
		591,198,695	85	136,071,340	17

**Source:** PMU Accounts Section and SACCO Categorization Reports / Work Sessions with SPs.

- Category C SACCOs** – In line with the recommendations of the MTR, the project has been working in a proactive way with UCCK and DCOs to address the specific problems of Category C SACCOs. The support provided to Category C SACCOs includes: - (a) investigative audits, (b) arrangement of Special General Meetings, and (c) designing individual turnaround plans and strategies for SACCOs and assisting the SACCOs to implement them. During the FY 2018/19 a total of 108 Category C SACCOs have benefited from this joint intervention. Specifically, UCCK conducted Financial Literacy Training at 16 Category C SACCO in North, Karamoja and Rwenzori Sub-Regions aimed at promoting cooperative education and financial literacy among the communities; the remaining 92 SACCO have been entirely serviced by DCOs, out of which: - 39 Category C SACCOs were assisted to undertake Audits between March and Dec 2018 by either External Audit firms and or DCOs (Lists attached); 27 out of the 39 targeted SACCOs successfully convened their AGMs by June 2019.
- Emerging Positive trends and lessons from Revised Post-MTR Approach** – The performance of the SACCO component is presented in *the Operational Results Management System (presented as a separate attachment to this Annual Report)*. Key emerging lessons from the Service Provider Led interventions in Category A & B SACCOs is that on-site TA is very critical for improved performance of SACCOs. The shift in focus by SPs from workshop training to on-site TA has proved to be more effective in getting SACCOs to adopt best practices in their operations. In particular Service Providers have helped SACCOs to update and implement their manuals and policies as well as update and adhere to the implementation of their respective strategic business plans. It is envisaged that the improved performance of the targeted 218 Category A and B SACCOs will provide UMRA with a critical mass of suitable candidates for regulation which is consistent with the envisaged project exit as per project design.

The Category C intervention has generated some positive results in terms of: - i) reviving operations of dormant SACCOs; ii) restoring confidence among members in SACCOs where AGMs were conducted and fresh Boards with a renewed mandate elected into office; iii) New and Existing Member mobilization and re-orientation. As at November 2018, reports from a total of 103 Category C SACCOs indicated a total membership of 138,251 members registering and average membership of 1,342 per SACCO. The PMU through the DCOs shall continue monitoring the performance of these SACCOs undergoing revival. The lessons learnt in the revival process indicate that a concerted effort involving local leadership and communities is key



to restoration of confidence among members. However, a key lesson is that revival interventions especially Financial Literacy Training are very costly and require a sustained approach. During the FY, the PMU worked with UCCK to provide TOTs in Financial Literacy to some DCOs, SPs and therefore directly provides FL training at the SACCO level in order to equip the UCCK-trained trainers with practical on-site experience in delivering the FL module to the final beneficiaries. It is envisaged that the UCCK – trained trainers such as DCOs working with contracted service providers shall provide a good exit strategy for the Category C intervention project.

- 7. Provision of Management Information Systems (MIS) Support** – The MIS support is benefitting SACCOs that have become strong, sustainable and are serving at least 1,000 fully paid up and active members. The support is intended to enhance the effectiveness and efficiency of the SACCOs operations by building, expanding and strengthening their MIS at Head Offices and at the Branches. MIS will further strengthen the SACCO's internal controls and reduce incidences of fraud, and also enable the SACCOs to generate timely reports.

The Project provides MIS Grants to a number of strong SACCOs at three different levels: -

- i. **Level 1 - “Basic”** – This is for SACCOs that have a single outlet. Details include: -
  - Provision of License Fees for the Software for One Year for the SACCO
  - Training of Staff & Board in MIS Usage
- ii. **Level 2 - “Advanced Basic”** - This is for mature SACCOs with more than one Branch, but with some of its Branches not yet computerized. The support is aimed at enabling the SACCO to computerize all the Branches. The support includes: -
  - Installation of Software at all the SACCO Branches that are not yet connected
  - Provision of Software License Fees for all Branches for One Year
  - Provision of Hardware (Computers, UPS, Printers, Internet Routers Etc.)
  - Training of Staff & Board in MIS Usage
- iii. **Level 3 - “Networking”** – This will benefit more mature SACCOs that seek to have all their branches interconnected and their systems fully integrated with platforms for Mobile Money and also for other regulated financial institutions. The support will enable the SACCO Members transact with their SACCO through ATMs and Mobile Money Agents.
  - Software installation and update at all SACCO Branches
  - Payment of all associated Software License Fees for One Year
  - Support for Inter-Branch Connectivity fees
  - Provision of Hardware (Computers, UPS, Printers, Internet Routers Etc.)
  - Training of Staff & Board in MIS Usage

- Support for full financial integration with Mobile Money Platforms
- Training of SACCO Members in transacting using their Mobile Phones

The PMU received 52 MIS-Grant applications (Basic, Expanded Basic and Networking). These applications were reviewed and approved by Grant Selection Committee (GSC) and also approval by the Ministry of Finance, Planning and Economic Development. It is envisaged that the computer hardware and software to be provided will make it possible for the SACCOs to expand their outreach and support branch networks to the neighbouring areas. MIS systems will make it possible for the SACCOs to report to the regulator UMRA in an appropriate manner.

**8. Progress in MIS-Grant Implementation** – Implementation of the MIS Grant has commenced and as per grant agreements signed with SACCOs, the SACCOS are expected to contribute 30% towards the grant, while the project contributes 70% of the grant. Letters of Engagement were signed with five (5) MIS Developers. In this regard, initial implementation has started with payment of one-year license fees for 37 SACCOs so far especially in the advanced basic and networking category under the five MIS Developers, listed below: -

- i) Crystal Clear Solutions/Loan Performer (1 SACCO);
- ii) Future Link Technologies/Savings Plus (10 SACCOs);
- iii) Sigma Data & Computers / Finance Solutions (16 SACCOs);
- iv) Ensibuuko Technologies Limited/MOBIS Software (6 SACCOs); and
- v) Bloom Technologies Limited/Microsoft Banker for Windows MBWIN Software (4 SACCOs).

The licenses for the 37 SACCOs have since been renewed for one year and the MIS vendors have commenced Phase II of implementation that includes supply and installation of associated hardware, set up of local and wide area networks. Phase III shall mainly involve training of users and mobile money campaigns depending on the grant packages per SACCO.

#### **Planned activities for the FY 2019/20**

It is envisaged that support for SACCOs will continue as per activities planned below: -

##### **Activities for Category A & B SACCOs**

- 1) Undertaking refresher trainings for the Category A and B SACCOs as per the revised contracts with the SPs over the remaining period.
- 2) Facilitating forums in which Category A & B SACCOs interfaces with the Regulator (UMRA) to initiate dialogue necessary to educate SACCOs on the licensing and reporting requirements of the Tier 4 Microfinance Institutions and Money Lenders Act, 2016.
- 3) Providing on-site TA support for the supported SACCOs.

**Table 6: – Activities and Number of Targeted SACCOs by Service Provider**

Activities for Category A & B SACCOs	Targets by Service Provider					
- Refresher Training in Six Thematic Areas	53	52	45	17	-	-
- Refresher Training in C&D Management	-	-	-	-	62	156
- Customised TA Interventions to Address Specific Issues Category B	27	38	33	17	-	26
- Financial Literacy & Cooperative Education for Members	27	38	33	17	-	26
- Review Final Reports and Close Contracts	1	1	1	1	1	1

**Activities for Category C SACCOs**

- 1) Work with MTIC, DCOs and SPs to undertake special and investigative audits in SACCOs whose operations have been affected by fraud and establish the current financial position.
- 2) Work with SPs and MTIC in convening special/extra ordinary general meetings to among others present the special audit reports to members and provide guidance necessary for SACCOs to reconstitute their governance boards and managers
- 3) Assist the Category C SACCOs in implementing strategic SACCO revival activities.
- 4) In partnership with UCKK and MTIC undertake financial literacy and cooperative education training for members and potential members

**Table 7: – Activities for Category CSACCOs over the Period**

Activities for Category C SACCOs	Targets per Quarter				
	Q1	Q2	Q3	Q4	Total
- Financial Literacy and Cooperative Education for SACCO Members	30	30	30	30	120
- Conduct Special General Meetings	25	25	25	25	100
- Conduct Special Audits	25	25	25	25	100
- Planning and TA for Category C SACCOs	1	1	1	1	4
- Refresher Training / TOT - Financial Literacy	1	1	1	1	4

**Table 8: – MIS Support**

Support to MIS	Targeted SACCOs by MIS Vendor					
	CCS	FLTL	SDCL	ETL	BTL	TOTAL
- Provide Support for MIS	1	10	16	6	4	37

**Note: - MIS Vendor / Software**

CCS - Crystal Clear Solutions Ltd - Loan Performer Software



**FLTL** - Future Link Technologies Ltd - Savings Plus Software / MSACCO Mobile Money

**SDCL** - Sigma Data & Computers Ltd - Finance Solutions Software

**ETL** - Ensibuuko Technologies Ltd - MOBIS Software

**BTL** - Bloom Technologies Ltd - Microsoft Banker for Windows MBWIN Software

**MIS Support Includes New Branch Installations & Inter Branch Connectivity & Single Branch Upgrades.** Specific items funded include: -

1. License Renewals
2. Hard Ware (Computers; Printers; UPS; Servers; Racks; Network Boosters)
3. Training of Users (Board, Staff, SUPCO)
4. Setting up of Local Area Networks (LAN)
5. Setting up Wide Area Networks (WAN)
6. Mobile Money Promotional Campaigns
7. Fees to Third Parties e. Mobile Network Operators; Interswitch, etc.
8. Windows Operating Systems; Software and Anti-Virus
9. Vendor Implementation / Professional Fees

**Furthermore, the PMU will: -**

- 1) Hold technical backstopping and monitoring at field level to provide backstopping support that is necessary to re-orient SPs approach to the post-MTR approach that focuses on Customized TA for management and Board; FL Training for members with a major focus on Cat B SACCOs.
- 2) Undertake a physical progress validation exercise to ascertain and document what support the SACCOs have received before the contracts with the service providers are concluded.
- 3) Undertake Completion Review Meetings and workshops with the contracted service providers, and guide SPs to compile end of contract reports.
- 4) Package all the training manuals and curriculums developed and used during contract implementation.
- 5) Undertake Field validation exercises for SP contracts before advancing final payment.

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

Uganda Cooperative Savings and Credit Union (UCSCU) was supported under PROFIRA to strengthen it as an autonomous, sustainable apex body specifically representing and serving the SACCO sector.

Government entered into an MOU with UCSCU for provision of financial incentives to support the implementation of its 5-year business plan. The project has provided financial incentives intended to fill deficit gaps and assist UCSCU in the implementation of its strategic framework towards full sustainability. In addition, IFAD and the Canadian Cooperative Association (CCA) entered into a co-financing agreement to provide Technical Assistance through sub component 1.3 of the “Project for Financial Inclusion in Rural Areas” (PROFIRA) for developing a sustainable SACCO Union. The co-financing agreement consists of a grant of USD 1 million provided by IFAD and consulting services of USD 250,000 provided by CCA.

### **A/ Long & Short Term Technical Assistance through CCA – Sub-component 1.3**

Subcomponent 1.3 was intended to support the creation of an enabling institutional environment for the development of the Savings and Credit Co-operative (SACCO) movement in Uganda. The ultimate target group is the same as the ultimate target group of PROFIRA, it involves both future and existing member SACCO members who need a better and wider range of services that respond to their needs, constraints and aspirations.

The technical assistance program is providing advice and recommendations to the Board of Directors of UCSCU and mentor the Chief Executive Officer and the management team, supplemented by specific technical assistance as and when required. It is the responsibility of UCSCUs Board of Directors will ensure that agreed upon actions are implemented by UCSCU management.

Key expected outputs of the Technical Assistance provided to UCSCU by CCA were to help UCSCU to realize the following:

- i. UCSCU having achieved operational self-sufficiency by the end of the Year 2019 be able to cover 100% of its operational expenditure;
- ii. Business and performance focused culture instilled in UCSCU with strengthened brand and sales management;
- iii. Roles of the Board and Management clearly delineated;
- iv. UCSCU's core services, such as the Central Finance Facility;
- v. Internal audit service capacity strengthened.

The Technical Assistance program was initially conceived for a period of 42 months from June 2015 to December 2018 with the heaviest inputs planned in year one, stabilizing in years two and 3 and declining the final six months. By year end 2017 it was becoming apparent that UCUSCUs ability to absorb and act on technical assistance was not meeting expectations and it is anticipated that the duration of the



technical assistance program would be extended by 6 to 12 months to June or December 2019. At the September 2018 Annual General Meeting the membership returned only one sitting member of the Board and one sitting member of the Supervisory Committee. This signalled an opportunity for positive change but also a need to repeat some of the previous technical assistance activities to support the new board to address UCSCU's challenges.

Within 4 months of its election, the Board of Directors demonstrated its commitment to turning around UCSCU's fortunes by taking the bold step of restructuring staff resulting in a reduction from 34 to 17 people. The Savings Bank Foundation for International Co-operation (SBFIC) is assisting the Board with a job evaluation to support the re-organization.

Staff restructuring as well as changing requirements from PROFIRA to release UGX241M withheld in year 1 of the technical assistance program required a recast of the Strategic Plan that was begun in October 2018. The new plan is required to have targets specifically for the use of those funds over the next three years to trigger their release. Senior staff were actively engaged in the restructuring of the plan and were encouraged to think through opportunities for efficiencies as they identified activities that had budgetary impacts. The Board reviewed the plan and set priorities sending clear signals to the CEO that the priority is revenue generation and securing UCSCU's reputation.

UCSCU showed an upward trend on OSS achievement in the first eight months of the fiscal year but this improvement is based on very low expenditure on activities that will build the organizations capacity and is not a sustainable achievement. It is important that management reviews and resolves budget variances not as line items but as having impact across the budget and on the strategic plan.

UCSCU is showing progress on attracting larger, stronger SACCOs, this is essential to UCSCU's future for both providing financial and intellectual resources to UCSCU. UCSCU organized a SACCO Managers forum in Kampala that was attended by about 50 people from both Central and Western Districts. The forum was intended for Kampala only by the attendance from the Western District demonstrates the demand for these kinds of services. The forum also functions as a pilot for a chapter system as a means of getting SACCOs more engaged with UCSCU.

CCA provided a four-day Financial Management seminar for Field Staff to improve their capacity and relevance to SACCOs. A performance-based classification system was introduced to enable staff to identify opportunities for training and service provision to SACCOs.

In light of the recent changes and the short time remaining, the TA approach shifted back from trigger based missions to four scheduled missions. April, August, September/ October and finally in March 2020. IFAD expressed the desire for a learning event, sponsored by PROFIRA to be an activity of the final input in March 2020. During the remaining period of the TA Grant, the advisors will also support UCSCU to address the inadequacy of their MIS system and operationalize the plan tagged to the UGX

241 million of deficit financing that was withheld in the first year of PROFIRA. Performance on the Indicators agreed upon for the CDF grant is attached as **Annex 2**.

#### **B/ Financial Incentives to Implement Business Plan through PROFIRA PMU**

Since entry into force of the UCSCU MOU with Government of Uganda, the project has disbursed the performance incentive to the tune of Uganda Shillings **3,244,620,418** in line with the respective forecast of UCSCU. The total grant support is **UGX 3,485,819,120** the outstanding undisbursed grant is Uganda Shillings **241,522,108<sup>4</sup>**. The MTR recommended that UCSCU's MOU be extended through **2018/19** to allow for full disbursement of the grant amount and completion of the Technical Assistance by CCA. The November 2018 Implementation Support Mission noted that extension of the technical assistance contract through 2019 will provide several opportunities for the new Board to seek advice and training from the technical experts. Table 9 summarizes UCSCU's performance against the targets set under PROFIRA.

**Table 9: Summary of Progress against UCSCU-PROFIRA Targets for the FY 2018/19**

No	Indicators	Target FY 2017/18	Actual July 2017- June 2018	Target FY 2018/19	Actual July 2018 - June 2019
1	No of Active SACCOs	680	490	680	553
2	No of SACCOs paying Annual Dues	300	169	300	159
3	No of SACCOs paying other statutory obligation	200	50	200	26
4	Operating self-sufficiency level (OSS)	69%	56%	100	87%
5	Linkages/partnership made for new products and services to generate income	2	4	1	1
6	New products and services introduced	2	1	1	1
7	Updated strategic and business plan and its effectiveness	1	1	1	1
8	At least reporting at all levels	4	4	4	4
9	Documentations on learning outcome	1	1	1	1
10	No of SACCOs actively participating in CFF	150	38	150	41
11	Savings deposits	200M	239.9M	500,000,00	363,102,923
12	Loans granted	200M	160M	600,000,000	250M

<sup>4</sup> Figures extracted from UCUSCU Activity and Financial Report for the period ending 30<sup>th</sup> June, 2018.



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13	Amount delinquent	40 Millions	0	0	40,866,670
14	% of loans delinquent	5%	0	0	16.3%

\*\*\*\*Exclusive of the old portfolio being written off

### Plans for FY 2019/20

The Union formally wrote to PMU requesting for the release of the outstanding grant funds of Uganda Shillings **241,522,108**, indicating that the funds shall be used to: i) procure a management Information System to handle t

he union member transactions; and ii) to contribute towards member development services. In addition, the Union developed a Plan for Enhancement of Member Services and Patronage in UCSCU which is available. Table 10 shows the proposed plans for use of the afore-mentioned undisbursed funds.

**Table 10: Proposed Investment of the PROFIRA Grant of UGX 241,522,108**

	Particulars	Amount (Ug. Shs)	Remarks
1	Membership development	121,522,108	This will enable the Union to attract, retain and grow a quality membership able to meet their obligations in time
2.	Management Information System (MIS)	120,000,000	Effective member services require more efficient and robust MIS to serve our members. This will enable the Union to improve reporting and communication between UCSCU & its members and generating relevant information to support lobby and advocacy activities. It will also enable UCSCU to support its members in regulatory compliance. Greater use of Data analytics is critical to enable more advanced personalization of services and facilitating digital engagement and e-governance. The MIS will also enable online joining and payment of Annual dues and other service fees.
	<b>Total</b>	<b>241,522,108</b>	We propose that MIS support should be a one-off payment and 12.5% quarterly releases triggered by agreed upon performance indicators during the two years (2019/20&2020/21)

## Component 2 – Community Based Financial Services

The aim of the second component is to contribute to alleviation of rural poverty by facilitating the establishment of community based inclusive financial services in the poorer areas thus, focusing in four sub-regions in Uganda. The sub-regions include (i) North East (Karamoja), (ii) Mid-North (Acholi and Lango), (iii) West Nile and (iv) Eastern while sub-component 2.2 will focus on five lots, comprising of the afore-mentioned sub-regions, plus another Lot covering selected areas of the country, where mature CSCGs exist.

### *I. Sub-Component 2.1 – Establishment of new CSCGs*

Overall this sub-component targets to support 14,500<sup>5</sup> new CSCGs (benefitting 362,500 members) to be formed in the 4 afore-mentioned sub-regions that are considered to be the poorest in Uganda. The sub-regions were divided into lots; - Lot 1 (North East-Karamoja), Lot 2 (Mid north-Acholi and Lango), Lot 3 (West Nile), and Lot 4 (Eastern Region). The targeted number of CSCGs to be established in each lots/sub-region was based on the population density and the poverty levels in those areas.

For effective implementation, the targets have been broken down into 2 phases with each phase running for a period of 3 years. The first phase has a target 7,500 new CSCGs (187,500 members) being established in the 4 afore-mentioned lots; while the second phase has 7,000 new CSCGs (175,000 members) being established. The distribution of targets for Phase 2 establishment of CSCGs in each Region is provided in Table 11.

**Table 11: Regional Distribution of CSCGs to be Established (Phase II- Last 3 years)**

	<b>Total No. of CSCGs to be supported</b>
Lot 1 - North East(Karamoja)	500
Lot 2 - West Nile	1,500
Lot 3 - Mid-North (Acholi and Lango)	2,500
Lot 4 – Eastern	2,500
<b>TOTAL</b>	<b>7,000</b>

Specific activities that have been undertaken by the PMU in the period under review:

- 1. Progress Review Meetings.** Progress review meetings were held with the service providers to assess the extent to which the targets and the objectives of the assignment had been met, as well as allow the SPs to share experiences and lessons learnt during implementation.
- 2. Contracting of Service Providers for Phase 2.** Contracts for the Phase 2 service providers were signed on 20<sup>th</sup> November, 2018.

<sup>5</sup> This is the revised project target after the MTR exercise.



- 3. Inception Workshop for Phase 2 Service Providers.** The inception workshop was held in December, 2018. The workshop was aimed at educating the SPs on PROFIRA Key Management functionalities (i.e. Financial Management, M&E and Knowledge Management, Contract Management, as well as component specific management).

Specific activities that have been undertaken by the SPs under this sub-component during the FY 2018/19 are:

- 1. Community Mobilization, Training and Establishment of CSCGs.** Mobilization of communities, training and actual establishment of CSCGs was concluded in the period under review. Table 11 summarises progress in establishment of CSCGs, as well as a summary on the financial performance of the established Community Savings and Credit Groups across the 4 regions. A total of 7,648 CSCGs had been established as at 9<sup>th</sup> July, 2019, which was well over the targeted 7,500 CSCGs for Phase 1 implementation. Total membership stood at 220,339 of which 76% are women and 34% are youth (*see Table 12*). Female and youth participation were also above the project targets.
- 2. Backstopping and support supervision.** Service Providers conducted regular backstopping and support supervision visits to the established CSCGs throughout the period to ensure quality in implementation and verify adherence of the CSCGs to the principles and practices of Community Savings and Credit Groups. The main issues arising from the backstopping exercises were (i) the need for continuous monitoring and mentoring of CSCGs especially for the ones still in the first cycle (ii) The need to further support CSCGs that are nearing stage of action audit (iii) the need for close collaboration with the district officials.
- 3. Financial Literacy and Business Skills Training for CSCG members;** the established CSCGs under the project have also undergone training in business skills and financial literacy.
- 4. Mapping and Selection of Phase 2 Areas of Operation.** Phase 2 Service Providers have concluded some preparatory activities including mapping areas of operation, finalizing recruitment of field staff, undertaking procurements, and conducting District entry meetings.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

**Table 12: Summary on CSCGs Established in each of the Region and Financial Indicators as at 9<sup>th</sup> July, 2019**

<u>Region</u>	<u>Current Members</u>	<u>Men</u>	<u>Women</u>	<u>Youth</u>	<u>No. of Groups</u>	<u>Cumulative Value of Savings</u>	<u>No. of Loans Outstanding</u>	<u>Value of Loans Outstanding</u>
CARE & UWESO	72,847	17,067	55,780	21,067	2,542	4,478,088,252	28,140	3,154,016,699
Mid-North PSDC and Acholi PSDC	61,803	14,832	46,971	17,793	2,133	3,363,509,100	33,736	2,827,777,876
CARE & KPSDC	28,079	8,824	19,255	17,219	1,006	1,608,925,900	9,263	949,860,300
FURA & CREAM	57,610	13,180	44,430	19,408	1,967	4,510,788,832	36,366	3,895,249,100
<b>TOTAL</b>	<b>220,339</b>	<b>53,903</b>	<b>166,436</b>	<b>75,487</b>	<b>7,648</b>	<b>13,961,312,084</b>	<b>107,505</b>	<b>10,826,903,975</b>

Percentage (%)	24	76	34
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Source: SAVIX MIS as at 9<sup>th</sup> July, 2019

Notes:

- Phase 1 implementation of the project targeted establishment of 7,500 CSCGs. The project established 7,648 CSCGs i.e. 148 CSCGs over and above the desired target.
- Female and youth participation is registered at 76% and 34%. Which is over and above the targeted 70% and 15% respectively.
- Savings mobilized and the outstanding loans disbursed by the CSCGs supported by CARE & KPSDC are much lower than the rest of the regions because very few groups are supported i.e. only 1,006 CSCGs; also, there is very low economic activity in the region compared to the other regions. Investment opportunities are lower.

**In the FY 2019/20, the following activities will be undertaken by the Service Providers in conjunction with the PMU:**

**Phase 1 Closure Activities**

- 1) Undertake Completion Review Meetings with the contracted service providers for Phase 1, and work with SPs to compile end of contract reports.
- 2) Document evidence on established CSCGs (produce a CSCG Directory).
- 3) Produce a database of the Village Agents identified by each service provider to continue providing support to the CSCGs.
- 4) Package all the training manuals developed and used during contract implementation.
- 5) Validate the existence and quality of Phase 1 groups before final payment is made on those contracts.
- 6) Hold regional closure workshops for phase 1 contracts.

**Phase 2 Contract Monitoring Activities**

- 7) Undertake Knowledge Management and Learning Reflection Meetings with service providers and key stakeholders for Phase 2.
- 8) Conduct routine technical backstopping and monitoring of Service Providers and the supported CSCGs; and hold annual progress reviews with service providers to assess progress and effectiveness of planned activities under Phase 2.
- 9) Quarterly and annual progress reviews.

**Plans for FY 2019/20 at Service Provider Level – Phase 2**

**Table 13: CSCGs to be established in each of the regions during FY 2019/20**

<u>N o</u>	<u>Name Service Providers</u>	<u>Region</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total No. Of CSCGs</u>
1		Mid-North	0	200	300	400	900
2		North East	0	72	72	72	216
3		Eastern	0	350	400	400	1,150
4		West Nile	0	350	400	400	1,150
TOTAL			-	972	1,172	1,272	3,416

***II. Sub-Component 2.2 – CSCG Strengthening, Innovations and Partnerships***



The sub-component complements sub-component of establishment of groups and opens up opportunities for more mature and dynamic CSCGs, which have established a sound and stable membership, to develop ways through which to expand their operations within the microfinance arena. Service Providers (SPs) develop advanced models to support mature CSCGs and actively link them to formal Microfinance Institutions (MFIs), Microfinance Deposit Taking Institutions (MDIs) and Commercial Banks. The Service Providers develop models for CSCG training in business development and advanced financial literacy. Through linkage operations with various banks, CSCG members in linked groups will access much larger loans than is possible merely with the basic CSCG models.

Activities under this sub component are implemented in two (2) phases of 3 years each. It is planned that 1,500 groups will be strengthened in phase one i.e. 40% in year one, 50% in year two and 10% in year three as summarized in Table 8. The distribution of groups per lot/region is presented below:

**Table 14: Regional Distribution of CSCGs to be Strengthened (Phase I - First 3 years)**

	<b>Total No. of CSCGs to be supported (3 years)</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
		<b>40%</b>	<b>50%</b>	<b>10%</b>
Lot 1 - North East	300	120	150	30
Lot 2 - West Nile	300	120	150	30
Lot 3 - Mid-North	300	120	150	30
Lot 4 – Eastern	300	120	150	30
Lot 5 – Other Regions <sup>6</sup>	300	120	150	30
	<b>1,500</b>	<b>600</b>	<b>750</b>	<b>150</b>

1,750<sup>7</sup> groups will be strengthened in phase 2, with the following distribution:

**Table 15: Regional Distribution of CSCGs to be Strengthened (Phase II- Last 3 years)**

	<b>Total No. of CSCGs to be supported</b>
Lot 1 - North East	550
Lot 2 - West Nile	400
Lot 3 - Mid-North	400
Lot 4 – Eastern	400
	<b>1,750</b>

Specific activities that have been undertaken under this sub-component during the FY 2018/19 are:

- 1. Contracting of Service Providers for Phase Two (2).** Contracts were signed with service providers in December, 2018. Service Providers are currently undertaking preparatory activities

<sup>7</sup> This will increase the targeted mature groups to be supported from 3,000 to 3,250 as revised at MTR.



including but not limited to mapping areas of operation, finalizing recruitment of field staff, undertaking procurements, selecting and profiling CSCGs for support, undertaking a Technical Needs Assessment for each CSCG to be supported, as well as conducting District entry meetings.

2. **Support towards strengthening of mature CSCGs.**Phase 1 Contract implementation is on schedule with only Lot 5 lagging behind schedule, the rest of the service providers are in the final year of the contract period. Targets are being met. Evidence of activities geared around expanding the financial operations of the CSCGs such as linkages to Formal Financial Institutions, carry-overs, has been evident.

**Table 16: Cumulative Progress in Sub-component 2.2 Activities**

Region	Registration		Linkages		Carry-Over		Financial Literacy		Advanced BDS	
	Planned	Achieved	Planned	Achieved	Planned	Achieved	Planned	Achieved	Planned	Achieved
<b>Eastern</b>	300	304	240	219	30	63	6500	7,374	6,400	6,435
<b>Mid-North</b>	300	221	200	120	50	78	7,500	9,011	7,500	9,022
<b>West Nile</b>	300	310	249	249	N/A	N/A	7,500	7,645	7,500	7,872
<b>North-East</b>	300	300	33	46	25	35	1,800	2,407	2,500	2,592
<b>Lot/Region 5</b>	100	162	40	43	5	2	2,500	4,386	1150	2,044
<b>Total</b>	<b>1300</b>	<b>1297</b>	<b>762</b>	<b>677</b>	<b>110</b>	<b>178</b>	<b>25800</b>	<b>30,823</b>	<b>25,050</b>	<b>27,965</b>

*Table 17 on the next page summarises performance of supported mature groups.*

**Table 17: Summary on Mature CSCGs in each of the Regions and Financial Performance as at 9<sup>th</sup> July, 2019**

No	Region	Current Members	Men	Women	Youth	No. of Groups	Cumulative Value of Savings	No. of Loans Outstanding	Value of Loans Outstanding
1	SEPSPEL	10,488	3,479	7,009	2,289	363	1,449,910,360	6,692	1,150,113,230
2	IIRR CARITAS (MIDNORTH MATURE)	9,100	2,683	6,417	2,949	309	1,312,332,875	3,582	516,486,280
3	CARE & WINEPS	9,819	2,391	7,428	2,101	338	2,039,751,800	4,696	1,002,428,100
4	LOT 5	10,163	2,879	7,284	1,876	348	1,474,867,600	3,789	901,111,150
5	KPSDPC/SEPSPEL (KARAMOJA)	8,568	2,839	5,729	4,017	301	1,225,967,000	3,839	934,538,060
	<b>TOTAL</b>	<b>48,138</b>	<b>14,271</b>	<b>33,867</b>	<b>13,232</b>	<b>1,659</b>	<b>7,502,829,635</b>	<b>22,598</b>	<b>4,504,676,820</b>
	Percentage (%)		30	70	27				

Source: SAVIX MIS as at 9<sup>th</sup> July, 2019

**In the FY 2019/20, the following activities will be undertaken by the Service Providers in conjunction with the PMU:**

**Phase 1 Closure Activities**

- 1) Verification of Strengthening Support activities undertaken in Lot/Region 5.
- 2) Undertake Completion Review Meetings with the contracted service providers for Phase 1, and work with SPs to compile end of contract reports.
- 3) Document evidence on supported mature CSCGs (produce a CSCG Directory).
- 4) Package all the training manuals developed and used during contract implementation for future use.
- 5) Field validations for existence and quality of CSCGs for all Phase 1 contracts before final payments are made.

- 6) Hold regional closure workshops for phase 1 contracts.

**Phase 2 Contract Monitoring Activities**

- 7) Undertake Knowledge Management and Learning Reflection Meetings with service providers and key stakeholders for Phase 2.
- 8) Conduct routine technical backstopping and monitoring of Service Providers and the supported CSCGs; and hold annual progress reviews with service providers to assess progress and effectiveness of planned activities under Phase 2.
- 9) Undertake interactive/working sessions with Formal Financial Institutions (FFIs) and Business Development Service (BDS) service providers in order to enhance successful linkages.
- 10) Conduct a TOT for contracted SPs to harmonise approaches for Linkage Banking and Carry-over Savings innovations.
- 11) Quarterly and annual progress reviews.

**Note:** Planned activities and targets for 2.2 SPs vary greatly. They are outlined in their respective schedules attached to their contracts. Annex3 provides plans for each SP for the FY 2019/20.



### **Component 3 - Policy and Institutional Support and Project Management**

Component three involves the support to the policy and institutional environment for community-based financial institutions, as well as the resources for the management of the project.

#### **Sub-component 3.1 - Policy, Regulatory and Institutional Environment**

This sub-component seeks to provide a conducive policy and institutional environment for community-based financial institutions. To achieve this, the sub-component is providing financial literacy, coordination and information flow within the rural finance sector and improved effective regulation for SACCOs by working with key responsible institutions: (i) the Department for Financial Services of the MFPED - supporting the overall strategic and coordination framework of the project; (ii) the Uganda Microfinance Regulatory Authority – responsible for furthering and operationalizing the Tier 4 regulation; (iii) Department of Cooperative Development of MTIC - by strengthening of non-prudential and prudential regulations for SACCOs; and (iv) Bank of Uganda and Uganda Cooperative College Kigumba- for implementation of the financial literacy strategy.

##### **A.1 Policy and Regulatory Environment**

In order to achieve the Ministry's mandate, the Financial Services Department (FSD) provides a central coordination point for all financial services. The Tier 4 Microfinance Institutions and Moneylenders Act, 2016 is now effective.

The Uganda Microfinance Regulatory Authority (UMRA) is now operational. The Board is fully constituted, and interim management in place.

Bank of Uganda (BOU) and the Uganda Microfinance Regulatory Authority (UMRA) have proactively engaged SACCO organizations in discussions and revision of draft regulations, as well as in informing members about the regulatory process. The SACCOs' regulations were finalized and submitted to the Ministry of Finance, Planning and Economic Development for the final review. BOU has identified large SACCOs that exceed the benchmarks for paid-up capital or savings. Many of these SACCOs are likely to have difficulty meeting reporting and prudential requirements of the new Act. PROFIRA will provide support to UMRA to interact with these SACCOs. Currently, UMRA is finalizing the reporting templates that will be used by all SACCOs. The templates will be shared with both MIS Vendors and the SACCOs.

The Moneylenders and Non-Deposit Taking Microfinance Institutions (MFIs) Regulations were completed and gazetted.

Under the Policy and Regulatory sub-component, the following key activities have been supported to-date.



- i. Support to drafting of the Tier 4 Microfinance Bill, 2015. PROFIRA supported the entire process of drafting the Tier 4 Microfinance Bill, 2015 until the bill was passed by Parliament and assented by the President on July 5, 2016 into, the current Tier 4 Microfinance Institutions and Moneylenders Act, 2016. The Act is now effective. The Uganda Microfinance Regulatory Authority (UMRA) operationalization is also finalized. The Board is fully constituted and interim management put in place and licensing procedures finalized.
- ii. Support to Boulder Microfinance Training –Turin, Italy; IFAD through PROFIRA sponsored twelve government officials from MoFPED, BoU, ULRC, FPC and MTIC to attend the 22<sup>nd</sup> and 23<sup>rd</sup> Boulder Microfinance Training (MT). The purpose of the training was to gain deeper understanding on the key regulatory affairs and policies relating to the latest global perspectives of Microfinance sector, gain a broader perspective, learn best practices in the microfinance industry, network and broaden the professional network, and brainstorm with other industry professionals and find solutions to pressing issues.
- iii. Benchmarking/ study visits: Ghana and Kenya: PROFIRA sponsored the Technical working Group to learn about the operations of the vibrant microfinance sectors and the existing regulatory and supervisory frameworks in these countries. The team comprised of members from the MoFPED, Justice, Law Reform Commission, Parliament, PROFIRA and BOU. Lessons learnt were incorporated in the approved Tier 4 Microfinance Institutions and Moneylenders Act, 2016 and the drafting process of the regulations that will operationalize the Act.
- iv. Support to the Technical Working Group to draft drafting of the Tier 4 Microfinance Institutions Regulations that will operationalize the Act. The Moneylenders and Non-Deposit taking Microfinance regulations have been completed and gazette. The SACCOs regulations have also been finalized and submitted to the Ministry for final review.
- v. Support to regional sensitization meetings countrywide on the provisions of the Tier 4 Microfinance Institutions and Moneylenders Act, 2016 and accompanying regulations. Eight regional sensitisation workshops have been held in Arua, Gulu, Mbale, Masaka, Mbarara, Bushenyi, Kabale and Kabarole. Other dissemination workshops have been planned for the FY 2018/19.
- vi. Support to SACCOs census and validation exercise to identify potential candidates for regulation under the prescribed clauses in the Tier 4 Microfinance Institutions and Moneylenders Act, 2016. PROFIRA funded the SACCOs census, and the database generated will guide the Authority to select the best SACCOs for licensing and regulation.

**In FY 2019/20:**

PROFIRA's main role in supporting passage of the Tier 4 Act and establishment of UMRA was completed. Going forward, UMRA will fully budget for its activities.

## **A2. Monitoring and Regulation of SACCOs by the Ministry of Trade, Industry and Cooperatives**

PROFIRA is supporting the Department of Cooperatives Development (DCD) within the Ministry of Trade Industry and Cooperatives (MTIC) to enhance its capacity to promote, regulate and monitor the SACCO sector, including undertaking non-prudential regulation of SACCOs consistent with the Tier IV Regulation. The Cooperative Department is being supported to carry out its mandate of registering and monitoring SACCOs and enforcing their compliance with minimum requirements of conducting Annual External Audits and Annual General Meetings (AGM). MTIC is providing additional assistance to SACCOs which are undergoing challenges in governance and/or management that cannot readily be addressed through training and have been identified for turnaround support.

The MFPED signed an MOU with the Ministry of Trade, Industry and Cooperatives (MTIC). The MOU outlines key action areas for the DCD, namely: -

1. Maintaining, backup and updating of the National Registry and database of SACCOs;
2. Facilitation of MTIC Staff and District Commercial Officers (DCOs) to verify the status of SACCOs and to intervene in turnaround efforts. They are also required to undertake liquidation of SACCOs which are non-functional;
3. Facilitating Regional and District Forums of SACCOs to share knowledge and information about regulatory requirements and identify areas of common interest for the benefit for SACCOs.

MTIC has continued to maintain and update the SACCO Database through the District Commercial Officers (DCOs) who are facilitated by the Project. The November IFAD-GOU Implementation Support Mission envisaged that MTIC, together with DCOs and UCCK, will pilot an integrated approach of dealing with SACCOs with both operational and compliance issues, as part of rolling out the licensing and regulatory system for these institutions.

### **Plans for FY 2019/20**

The project will continue to fund the outstanding activities agreed upon in the existing MOU.

## **A3. Other Partnerships**

### **a) Uganda Cooperative College – Kigumba (UCCK)**

The MFPED signed the first MOU with the Uganda Cooperative College Kigumba (UCCK). Some of the deliverables of UCCK under the first MOU were:

- (i) Lead a technical committee to review, update and endorse the SACCO training materials/curriculum developed by contracted service providers for SACCO training under PROFIRA.



- (ii) Provision of TOT on SACCO principles, governance and management to SACCO Management and Staff supplemented by refresher training.
- (iii) Provide training in internal audit to all DCOs in the country.
- (iv) Provision of certificate and diploma courses to at least 100 SACCO Managers and Staff of PROFIRA selected SACCO beneficiaries (at least 40% of which had to be female).

The following deliverables were attained by UCCK under the first MOU:

- (i) Reviewing, updating and endorsing the SACCO training materials/curriculum.

UCCK established a working committee that reviewed training materials. The committee was comprised of technical staff from the college as well as service providers. The committee received and reviewed training materials for the seven thematic areas in partnership with the contracted service providers. The committee continuously monitored progress in the delivery of the trainings and provided feedback to the trainers through working sessions in conjunction with MTIC and the PMU at region level. UCCK has shared all the seven curriculums with the PMU, namely Business Development Skills; Financial Literacy; SACCO Governance; Product Development; Strategic Management; Financial Management; and Credit & Default Management.

- (ii) Provision of TOT on SACCO principles, governance and management.

The training was aimed at orienting the DCOs towards PROFIRA, providing general knowledge in the Six Thematic Areas and in Credit & Default Management on one hand, while providing UCCK had opportunity to assess the technical needs of DCOs in preparation for the more comprehensive Audit Training. The training enhanced the DCOs performance at their respective work places. A total of 122 DCOs were trained as per the table below:

**Table 18: - Number DCOs that Received TOT on SACCO Principles, Governance and Management**

SN.	DATE	NUMBER OF DCOS TRAINED
1	3 <sup>RD</sup> – 7 <sup>TH</sup> OCTOBER 2016	33
2	16 <sup>TH</sup> – 21 <sup>ST</sup> OCTOBER 2016	28
3	13 <sup>TH</sup> – 18 <sup>TH</sup> NOVEMBER 2016	30
4	26 <sup>TH</sup> – 31 <sup>ST</sup> MARCH 2017	31
	<b>TOTAL</b>	<b>122</b>

The Key Thematic Areas covered included the following:

- a) Basics of co-operatives.
- b) Fundamentals of SACCOs.
- c) Leadership in cooperatives.
- d) Capacity building in SACCOs.
- e) Thinking as a skill for SACCO's growth.
- f) Transaction analysis (improving on communication skills in a SACCO).
- g) Fundamentals of financial management in cooperatives.



- h) Key tools in ensuring effective financial management in cooperatives.
- i) Understanding how financial statements are generated.
- j) Conflicts and conflict management in cooperatives.
- k) Habits of highly effective people.

(iii) Provision of training in internal audit to all DCOs in the country.

This training helped the DCOs to acquire capacity to deal with some audit issues within their docket. A total of 102 DCOs were trained and certified in internal audit as follows:

**Table 19: - Number DCOs that Received Training in Internal Audit**

SN.	DATE	NUMBER TRAINED
1	7 <sup>TH</sup> - 12TH MAY 2017	29
2	14 <sup>TH</sup> -19TH MAY 2017	25
3	21ST- 26TH MAY 2017	18
4	9TH -14TH JULY 2017	30
<b>TOTAL</b>		<b>102</b>

The detailed report indicates that the training covered the following areas:

- Introduction to Cooperative Audit.
- Planning the audit.
- Routine checking and vouching.
- Vouching ledgers.
- Vouching cash and trading transactions.
- Audit of Statement of Comprehensive Income.
- Audit of Statement of Financial Position.
- Audit report and the management letter.

(iv) Provision of certificate and diploma courses to SACCO Managers and Staff.

UCCK was given responsibility to train at least one hundred (100) selected SACCOs management staff from beneficiary SACCOS on a certified tailor-made course on SACCO and Microfinance Management both at certificate and diploma level courses. The course adequately equips participants with required knowledge, skills and

**This is a modularized course offered at two levels;**

**Level One: - Certificate in SACCO and Microfinance management (CSMF).**

This is the first level of the program and its was attended by both Certificate and Diploma candidates in SACCO and Microfinance management, the face to face sessions for the following ten (10) modules was covered and computer practical's covered in October, 2017 and final examinations in November, 2017 at the regional centres. These modules include;

- Fundamentals of SACCO and Microfinance.
- Savings and Credit Methodologies for SACCOs and MFIs.
- Microfinance and SACCOs Regulatory and Supervisory Framework
- Financial Accounting for SACCOs and MFIs
- Economics of Microfinance.
- Management Information Systems for SACCOs and MFIs
- Governance and Management of SACCOs and MFIs.
- Customer Service and Retention.
- Fundamentals of Entrepreneurship for SACCOs and MFIs
- Fundamentals of Financial Management in Cooperatives

**Leven Two: - Diploma in SACCO and microfinance Management (DSMF).**

The second level was covered in the second face of the program for those candidates who were enrolled for Diploma in SACCO and microfinance Management (DSMF). During this level, six (6) modules were covered which will include.

- Human Resource Management for SACCO and MFIs.
- Taxation
- Entrepreneurship and Business Planning.
- Marketing and New Product Development.
- Financial Management

competences to manage SACCOS and microfinance institutions, as well as developing new products. The purpose of this training was to improve the performance of the SACCO managers, board members, SUPCO, loans officers and SACCO management staff. A total of 93 trainees underwent and completed the training as per the table below:

**Table 20: - Number SACCO Managers and Staff that Benefited from Certificate & Diploma courses**

	STUDY CENTER	NUMBER TRAINED
1	Kampala	18
2	Mbarara	25
3	Mbale	25
4	Kigumba	14
5	Gulu	11
	<b>TOTAL</b>	<b>93</b>

**b) Partnership with Bank of Uganda for Financial Literacy**

The project together with BOU worked out modality for implementation of the National Financial Literacy Strategy, and the operationalization of financial literacy activities especially with respect to customise Financial Literacy Materials for Information Education and Communication (IEC). A programme was produced for BoU to conduct Training of Trainers (TOT) for the PMU staff, service providers, DCOs and CDOs. In turn they would educate the members to SACCOs and CSCGs.

PROFIRA has facilitated UCK to conduct numerous training for DCOs, SACCO Staff and Management as well as PROFIRA Service Providers. These trainings were held at the UCK Campus in Kigumba and in other instances at satellite locations that the college has in the different parts of the country. In light of the aforementioned partnership with UCK, and for purposes of sustainability of the project intervention, ease of replication for greater outreach and impact.

In light of the above, BOU in conjunction with UCK with support from PROFIRA, conducted Financial Literacy Training of Trainers at UCK main campus aimed at building the capacity of the participants in financial literacy as well as adult training techniques. A total of 172 participants attended these trainings covering six lots and included participants drawn from service providers (77), DCOs (40), District Community Development Officers (27), UCK staff (17), FSD (2), and PROFIRA staff (11). These trainings were conducted by BOU master and certified trainers, with management oversight and quality control provided by BOU staff.

As part of widening financial literacy training in the country the college will engage in training women leaders. A pilot scheme in this regard was initiated with participants drawn from the visionary women entrepreneurs' of Uganda comprising of women leaders. The main goal of the pilot training was to strengthen behaviours that lead to increased understanding and knowledge of financial concepts, usage of financial services as well as investing and planning for old age/retirement. table below summarizes the number of people so far trained under this pilot programme;



**Table 21: - Summary on FL Trainings Undertaken in the Pilot Programme**

Date of Training	Training center	Total participants	Female participants	Type of Participants (e.g. school children, farmers, employees)	Length of the training
18 <sup>TH</sup> -22 <sup>ND</sup> DEC. 2017	KF - Kyotera District	75	43	Farmers, Entrepreneurs and employees	5 days (one week)
15 <sup>th</sup> -19 <sup>th</sup> JAN. 2018	KF- Kyotera District	90	47	Farmers, Entrepreneurs and employees	5 days (one week)
28 <sup>th</sup> Mar. 2018	Kati-Kati Recreational facility	29	29	Hon. Members of Parliament	1 day
7 <sup>th</sup> -11 <sup>th</sup> May	KF - Kyotera District	100	37	Entrepreneurs	5 days (one week)
11 <sup>TH</sup> -15 <sup>TH</sup> JUNE 2018	Uganda North America Youth Development Association MUTUNDWE KAMPALA	105	80	Entrepreneurs	5 days (one week)

#### Plans for FY 2019/20

Under the new MOU UCKK will undertake the following activities:

- Review and Update further the Content of Training Materials, Technical Content and provide technical input into the scheduled trainings, quarterly review and reflection meetings.
- Provide certificate courses to an additional 20 SACCO Category B SACCO Managers/Staff.
- Undertake TOT in Financial Literacy to at least 500 potential trainers who will deliver FL training in the communities of SACCOs.
- Providing training to 60 DCOs in SACCO internal Audit targeting the newly established districts.



**1.1.1 Sub-component 3.2 – Project Management**

This sub-component covers General Project Management and Administration; Procurement; Monitoring, Evaluation & Knowledge Management; and Financial Management.

**Project Implementation Support/Supervision Missions**

In the period under review, two implementation support missions for PROFIRA were fielded by IFAD. One was from the 5th to the 13th of November 2018. The second was fielded from the 20th to the 27th of May 2019 to follow up on progress of last implementation support mission of November 2018 focusing particularly on assessing: i) Progress of implementation of changes of Service Providers (SPs) contract modalities under SACCO capacity building component; ii) UCSCU progress towards sustainability; iii) Progress on the phase 2 activities of the CSCGs; iv) progress in the drafting of the AWPB for 2019/20.

**Project Administration**

**A/ Human Resource Management**

- 1) All Project staff have running contracts.
- 2) **Staff salaries;** - All staff salaries are being paid monthly and will continue to receive adjusted for inflation salaries as per the contracts.
- 3) **Staff Welfare;** All staff and their families have been provided with medical insurance services. The contract with International Air Ambulance (IAA) will expire in September, 2019. The staff are also covered under Group Personal Accident (GPA), which embeds the statutory Workers Compensation Act provisions. The insurance policy will expire in October 2019.
- 4) **Staff Training, Conferences/Seminars and Retreats;** - Trainings were as per the approved training plan and carried out as and when they fell due. Some staff benefit especially from IFAD organised thematic workshops and from Continued Professional Development (CPDs) seminars/workshops.

**B/ Facilities for Project Implementation**

- 1) **Office Furniture, Fittings and Equipment;** - The project is well equipped with the necessary furniture, fittings and equipment. However, some equipment is getting obsolete and furniture worn-out. Replacements are needed as and when necessary to sustain the project to the end.
- 2) **Motor Vehicles;** - The Project has Four (4) vehicles that are still in sound condition.
- 3) **Office Premises;** - The Ministry of Finance Planning and Economic Development is working on the renewal of Tenancy Agreement for the office premises at Crusader House, 3 Portal Avenue for the period up to January 2020.

### **Plans for FY 2019/20:**

For the period 2019/20, the Project intends to complete replacement of some office equipment & furniture notably the Photocopier, desktop computers and laptop computers plus office furniture - cupboards. The Project will also provide Insurance Cover (Medical and GPA) for Project Staff and Project Assets (Vehicles and Equipment)

### **Procurement**

During the period under review, the following key undertakings can be highlighted:

- i. **Support to the PDU by IFAD:** - The IFAD country office provided technical support in a timely way to the PDU in a bid to enhance pace of procurements resulting in the signing of the remaining major contracts.
- ii. **Procurement planning and implementation:** - The detailed Procurement Plans for the FYs 2018/2019 was approved. PDU has also facilitated Contract Management Meetings with the various stakeholders to ensure smooth contract implementation and management. A detailed procurement status report is attached as **Annex 4**. The highlights of procurements under the various components is as follows:

### **Status of Procurement and Contract Management**

#### **COMPONENT 1: SACCO STRENGTHENING AND SUSTAINABILITY**

- *Component 1: Amendment to Contracts of Service providers for training SACCOS in key areas of financial literacy, governance, business development, financial management, savings and other product development, and strategic planning in Central, Western, Eastern and Northern Uganda and : Amendment to Contracts of Service providers for training SACCOS in Credit and Default Management in Central, Western, Eastern and Northern Uganda*

IFAD has reviewed the proposed contract amendments for all the SPs under the SACCO component. The amendments include among other things, extension of end period by at least 6 months, re-alignment of the schedule of deliverables and payment plan. These amendments and time extensions will attract no extra cost. This is in line with the recommendations of the MTR and of the November 2018 Supervision Mission requiring working with only sustainable and potentially sustainable SACCOS. IFAD gave its No Objection for the amendments to be affected. Four contract amendments were also cleared by Solicitor General's Office. Two are yet to be cleared by the same office.

#### **COMPONENT 2: COMMUNITY BASED FINANCIAL SERVICES**

- *Sub Component 2.1: Establishment of Community Savings and Credit Groups in Eastern, Midmonth, Northeast and West Nile sub regions*



Phase 1 Contract implementation is in its final stages. All service providers have met their targets and are in compiling end of contract reports. Currently, the project is undertaking a verification exercise of the existence and quality of the established CSCGs during Phase 1 of implementation.

➤ ***Sub Component 2.2: Procurement of service providers for strengthening, innovations and partnerships for mature Community Savings and Credit Groups (CSCGs) in Eastern, Midmonth, North-East and West Nile sub regions***

Phase 1 Contract implementation is moving on well. Apart from Lot/Region 5, the rest of the Service Providers are in the final year of the contract period Targets have been attained as planned. There is evidence of activities geared around expanding the financial operations of the CSCGs such as linkages to Formal Financial Institutions (FFIs), and carry-over of savings have been undertaken.

Phase 2: Service Providers have completed preparatory activities including mapping areas of operation, finalizing recruitment of field staff, undertaking procurements, selecting and profiling CSCGs for support. They are also winding up with undertaking Technical Needs Assessment (TNA) for each CSCG to be supported and well as conducting District entry meetings. Rolling out of support to the selected CSCGs will then proceed.

## **Monitoring & Evaluation and Knowledge Management**

In order to promote establishment and implementation of learning-based Monitoring and Evaluation System - the **M&E, Communications** and **Knowledge Management** functions have been integrated into all the project components and various management functions.

Progress on the following specific M&E, KM and Communication activities planned for the FY 2017/18 is provided as follows:

- i. **Implementation of a Communication and Learning Strategy;*** - The following activities were undertaken:
  - The project produced and distributed widely mini-field story magazines featuring success stories of SACCO and Community Savings and Credits Groups' beneficiaries, and also produced a video documentary highlighting the impact of the project interventions in SACCOs and CSCGs across the country. The documentary has been shared in working forums.
  - The review of the Communication and Learning Strategy to align it to the current needs of the project was done. The Communication and Learning Strategy proposed usage of a variety of channels for communication and facilitating learning in the project.
  - The project participated in the National Agricultural Show from the 12th – 19th of July, 2019. It used the opportunity to further educate people about the project and its mandate, as well as sharing its contribution to the rural financial industry.



ii. **Operationalization of the M&E Management Information Systems (MIS); -**

- The development of the SACCO M&E MIS was completed and operationalization of the system is on-going.
- Performance monitoring of CSCGs, and validation of service provider performance, is critical for performance to be tracked at group level, in addition to aggregate data. Technical support was acquired through sole sourcing of the services of VSL Associates Ltd which set up system interfaces and trained the PMU and service providers. The vendor/developer completed installation and setup of the system at all the relevant locations and a training of users was undertaken. The system is online and it is operational. The system is also fully operational.
- In December, 2018, the lead consultant for VSL Associates facilitated the setup of databases and trained users for all the service providers that were contracted under Phase II of Component 2.
- In March, PMU provided hands-on refresher training in usage of the SAVIX MIS; capturing and entry of quality data; as well as interpretation of reports generated by the SAVIX system.

iii. **Compiling Progress Reports and AWP&B;** - The final AWP&B for FY 2018/19 incorporating recommendations from the MTR, as well as comments from IFAD was submitted on the 15<sup>th</sup> of August, 2018. The Annual Report for FY 2017/18 was submitted on the 28<sup>th</sup> of September, 2018. The Semi-Annual Report of FY 2018/19 was submitted on the 14<sup>th</sup> of February, 2019. This AWP&B FY 2019/20 is being submitted in line with the provisions of the Loan Agreement.

iv. **M&E Working and Backstopping Activities;** - the M&E Unit has participated in monitoring and reviewing progress of the activities of the CSCG component, through its representation on the Oversight and Supervision Committee.

v. **M&E Studies;** - the project is currently concluding a study for testing the success of key CSCG innovations (Linkage banking and Carry-over savings approach) in the regions of West Nile and Mid-North.

**Plans for the FY 19/20:**

- i. With respect to communication and knowledge management, the following key channels were proposed in the strategy and these have been considered in the planning for FY 2019/20:-
  - Radio; - mainly through talk shows and spot messages to educate the masses on the SACCOs and CSCGs.

- TV; - taking advantage of free airtime offered by UBC and NBS TV Stations. The project will air testimonies from project beneficiaries especially on the impact of project activities on their livelihoods.
- I.E.C Materials; - including updating the project brochure, production of pressboard and pull-up/backdrop banners, as well as production of documentaries.
- Media activities; - the project will organize guided field tours and educational workshops for the media and policy makers.
- Print media; - regularly document success stories on project interventions and impact in newspapers and magazines.
- Social Media and Website; - regularly update the website and social media platforms with real time information.
- Internal Documentation; - collate all the project information products and materials produced by the service providers and project partners, donors and the Project Management Team, and establish an e-repository.

**The detailed activities on communication for fostering learning in the project areas are outlined in Annex5.**

- i. Operationalization of the M&E MIS, and the Savings Group MIS (SAVIX).
  - The service provider who set up the system (i.e. ORATEC Limited) is to be single sourced to update the system to ensure that all modules are functional and operational.
  - The project will make a three-year subscription to VSL Associates and Software Group to continue to host and maintain the Savings Group MIS on the SAVIX Platform.
  - The project will also continuous update of SG MIS with data from Phase 1 supported CSCGs through use of the Village Agent approach.
- ii. Facilitating feedback sessions and reflection forums with service providers for the two key investment components.
- iii. Undertaking field-based validation M&E exercises.
- iv. Undertaking specific M&E Studies; - The following CSCG related studies are proposed to be undertaken, namely;
  - Effect of Financial Literacy trainings on household money management.
  - Effectiveness of self-reliant approach of the project (least inputs) on group management, group dynamics and sustainability.

- Testing the success of key innovations (Linkage banking and Carry-over savings approach).

**SACCO Study; - The effect of training and technical assistance on Performance of SACCOs by category**

- v. Facilitating the planning and reporting processes for the project.
- vi. Documenting lessons of implementation and capture stories from project beneficiaries.
- vii. Mapping areas of PROFIRA interventions.

**PROJECT RESULTS**

**Targets and Emerging Results**

**A. Project Relevance**

☐ **Contribution to the Financial Industry (Institutional Approach)** – The Project has provided support and business to:

- Rural Based & Community Owned Financial Institutions i.e. SACCOs & CSCGs
- Apex Institutions i.e. UCSCU, AMFIU
- Home-grown (local) institutions – CREAM, SEPSPEL, FURA, READ, COMVIS, Mid-North & Acholi PSDCs
- Policy & Regulatory Framework i.e. facilitated the enacting of the Tier 4 Microfinance and Money Lenders Act 2016, as well as the Uganda Microfinance Regulatory Authority (UMRA)

☐ **Right Targeting** – the Project is targeting: -

- The Poor – as shown by the financial performance of SACCO & CSCG members

	<b>FINANCIAL VALUES PER MEMBER (April 2019)</b>	
	<b>SACCOs</b>	<b>CSCGs</b>
Share Capital	122,584	78,798
Value of Savings	172,199	78,798
Outstanding Loans	334,668	58,621

- The Vulnerable People (Women and Youth) – as shown in the Table below.

<b>Institution</b>	<b>Vulnerable People</b>	<b>Target</b>	<b>Actual – April 2019</b>
<b>1. SACCOs</b>	<b>Women</b>	30%	30%
	<b>Youth</b>	15%	11%
<b>2. CSCGs</b>	<b>Women</b>	70%	73%
	<b>Youth</b>	15%	31%



**B. Project Effectiveness** - The Project has a Three-Pronged Development Objective, i.e.

1. Increasing Outreach
2. Increasing Usage of Financial Services
3. Ensuring Sustainable Access to Financial Services

☐ Evidence of Increased Outreach – see the following Table.

Indicator	Baseline 2015	End of April 2019	End Target 2021
1. Households receiving project services	300,000	865,495	750,000
2. Estimated corresponding number of total households members (num of HHs* average of HHs members in Uganda)	1,800,000	5,192,970	4,500,000

☐ Evidence of Increased Usage of Financial Services– see the following Table.

Components	Indicator	Baseline 2016	End of April 2019	End Target 2021
SACCO Component	▪ Members of project supported SACCOs that actively save increasing amounts and repay SACCO loans	241,053	596,904	541,053
	▪ Number of SACCOs	-	453	218
	▪ Total Share Capital (UG Shs million)	16,546	73,171	26,029
	▪ Total Savings (UG Shs million)	35,686	102,786	55,672
	▪ Total Loan portfolio (UG Shs million)	51,319	199,765	80,058
CSCG Component	▪ Members of new CSCGS that actively save in increasing amounts of weekly savings and annual pay-outs in each annual cycle	0	220,352	362,500
	▪ Number of new CSCGS	-	7,650	14,500
	▪ Cumulative savings for newly established CSCGs (UG Shs million)	0	13,977	
	▪ Cumulative loan value for newly established CSCGs (UG Shs million)	0	10,845	
	▪ Members of mature CSCGS	0	48,239	81,250
	▪ Number of Mature CSCGs	-	1,663	3,250
	▪ Cumulative savings (UG Shs million)	0	7,188	
	▪ Cumulative loan value (UG Shs million)	0	4,899	

**C. Project Efficiency– this can**

☐ Cost for reaching a Member – Cost per Member

Type of Institution	Target (Cost/Member) – USD	Actual (Cost/Member)- USD
SACCOs	-	6.37
New CSCGs	20	11.83
Mature CSCGs	40	22.01

☐ Return on Savings

Type of Institution	Project Performance	Global Performance
New CSCGs	21.70%	23.60%
Mature CSCGs	20.90%	23.60%

- Statistics show that the cost for reaching a member is very low in SACCOs, and also much lower than predicted at design for CSCGs.
- The Return on Savings is slightly lower for the project compared to global performance.

**D. Project Sustainability**

☐ Level of Sustainability of Supported Financial Institutions

Components	Indicator	Baseline 2015	End of April 2019	End Target 2021
SACCO Component	▪ 1.2.7 Percentage of partner financial service providers with operational self-sufficiency above 100% by project end	85.90%	60%	90%
	▪ 1.2.6 Percentage of partner financial service providers with PAR ≥ 30 days below 5%		3%	
CSCG Component	▪ % of CSCGs formed are operational after 3 years.	-	N/A	80%

**☐ Sustainability Measures Put in Place by the Project**

- For CSCG Interventions – The Village Agents (VAs) approach, where trained community members volunteer to continue providing technical support to CSCGs at a very minimal cost covered by the CSCGs.
  
- For SACCO Interventions – The project has provided support to existing Government semi-autonomous Institutions (i.e. UCCK, MTIC, and UMRA); Government Officials(i.e. DCOs); and Private Apex Institutions(i.e. UCSCU) to continue providing specific support to SACCOs.



## LESSONS LEARNT

- 1) **The Success of the CSCG Approach** - the effectiveness and efficiency of using CSCGs as an instrument of financial inclusion in remote areas has been demonstrated. It is expected that in the remaining years of implementation, the positive impact of the CSCGs on members' household incomes and asset holding will also be clearly shown. The project is going to embark on conducting annual outcome surveys to document emerging impacts on households.
- 2) **Complexity of SACCO Operations in Uganda** - during the implementation of the project, the complexities of operating with Ugandan SACCOs to extend sustainable financial services to rural areas have again been demonstrated. Intensive capacity building support has worked and led to results only in around 50% of the supported SACCOs. The rest are facing serious operational problems, and many have practically collapsed and become dormant.
- 3) **Independence of SACCOs** - the global and regional experience shows that rural SACCOs work only if they are genuinely based on member demand and operate a savings-first approach. With most rural SACCOs in Uganda, this is not the case. Most SACCOs in rural sub-counties have been established with strong government support, including injections of on-lending capital to the new SACCOs. This supply-led approach has led to a situation, in which various types of institutional weaknesses make the SACCOs very fragile. The PROFIRA experience would indicate that the structural problems of these SACCOs are so serious that PROFIRA-type of capacity building support **alone** cannot solve them.
- 4) **Need for Providing the Right Support** – the findings during the MTR process led to a GoU-supported decision to focus the PROFIRA training support to the better-performing half of the targeted SACCOs. These are SACCOs that were ready for the type of capacity building support that PROFIRA provides. It has also been noted that there is need for flexibility in delivery i.e. sequencing & scheduling of training in order to address needs.
- 5) **Project Implementation through Multiple Service Providers** - these bring on board a combination of skills and competencies, and promote cross institutional learning.

## STATEMENT OF ACCOUNTING OFFICER AND PROJECT MANAGEMENT RESPONSIBILITIES

The IFAD guidelines for annual financial reporting of IFAD financed activities require management to prepare financial statements which give a true and fair view of the sources and application of funds for the financial year in accordance with the project accounting policies.

Management accepts the responsibility for the financial statements set out on **pages 50 to 60**, which have been prepared using appropriate accounting policies in conformity with the loan agreement and in the manner required by the IFAD guidelines for financial reporting and auditing of IFAD financed activities. Management also accepts the responsibility for safeguarding the assets of the project against fraud and other irregularities. Management further accepts the responsibility for the maintenance of accounting records which have been used in the preparation of the financial statements as well as adequate systems of internal financial control.

Nothing has come to the attention of management to indicate that any breakdown in the functioning of these controls resulting in loss of project funds has occurred during the year.

Management accepts the responsibility that the project funds have been expended in accordance with the intended purposes as specified in the Project Loan Agreement.

  
.....  
**FINANCE AND ADMINISTRATION MANAGER**

Date..... 25/10/2019 .....

  
.....  
**PROJECT MANAGER**

Date..... 25/10/2019 .....

**STATEMENT OF RECEIPTS AND PAYMENTS (BY CATEGORY OF EXPENDITURE)**

	Notes	Year ended 30/06/2019 UGX	Year ended 30/06/2018 UGX	Cumulative to Date UGX
<b>Opening Balance</b>		4,619,579,430	1,882,019,936	-
<b>Prior Year Adjustment</b>				25,178,085
<b>FINANCING</b>				
<b>IFAD Credit</b>				
Initial Deposit				9,480,071,101
Replenishments to SA	4	16,907,168,186	17,250,744,218	53,641,577,911
Exchange Rate Differences	5	3,665,692	187,570,510	940,996,106
<b>Government Funds</b>	6	894,308,408	416,692,610	2,707,994,123
<b>Grantee Contributions</b>	7	679,297,395	-	679,297,395
<b>TOTAL FINANCING</b>		<b>23,104,019,111</b>	<b>19,737,027,274</b>	<b>67,475,114,721</b>
<b>PROJECT EXPENDITURES: (BY CATEGORY OF EXPENDITURES)</b>				
<b>IFAD CREDIT</b>				
Vehicles, Equipment and Materials	8	8,101,526	4,594,962	654,534,111
Other Investment Costs	9	13,943,426,931	12,945,907,877	50,453,281,154
Operating Costs	10	1,526,273,494	1,753,627,133	6,999,560,094
<b>Total IFAD Funds</b>		<b>15,477,801,951</b>	<b>14,704,129,972</b>	<b>58,107,375,359</b>
<b>Government Funds</b>				
Vehicles, Equipment and Materials		1,449,275	239,805	181,666,641
Other Investment Costs		100,051,187	49,477,262	330,680,748
Operating Costs		771,295,481	363,600,805	2,101,970,756
<b>Total GoU Funds</b>		<b>872,795,943</b>	<b>413,317,872</b>	<b>2,614,318,145</b>
<b>Grantee Contributions</b>				
Other Investment Costs		679,297,394		679,297,394
<b>TOTAL PROJECT EXPENDITURES</b>		<b>17,029,895,288</b>	<b>15,117,447,844</b>	<b>61,400,990,898</b>
<b>CLOSING BALANCE AS AT 30/06/2019</b>	3	<b>6,074,123,822</b>	<b>4,619,579,430</b>	<b>6,074,123,822</b>

The notes set out on pages 56-60 form an integral part of these financial statements. The financial statements on pages 50-60 were approved by management on 30/10/2019 and were signed by:

.....  
FINANCE AND ADMINISTRATION MANAGER

.....  
PROJECT MANAGER



**STATEMENT OF RECEIPTS AND PAYMENTS (BY COMPONENT OF EXPENDITURE)**

	Notes	Year ended 30/06/2019 UGX	Year ended 30/06/2018 UGX	Cumulative to Date UGX
<b>Opening Balance</b>		4,619,579,430	1,882,019,936	
<b>Prior Year Adjustment</b>			-	25,178,085
<b>FINANCING</b>				
<b>IFAD Credit</b>				
Initial Deposit		-	-	9,480,071,101
Replenishments to SA	4	169,071,681,86	17,250,744,218	53,641,577,911
Exchange Rate Differences	5	3,665,692	187,570,510	940,996,106
<b>Government Funds</b>	6	89,430,840,8	416,692,610	2,707,994,123
<b>Grantee Contributions</b>	7	67,929,739,5	-	67,929,739,5
<b>TOTAL FINANCING</b>		<b>23,104,019,111</b>	<b>19,737,027,274</b>	<b>67,475,114,721</b>
<b>PROJECT EXPENDITURES: (BY COMPONENTS)</b>				
<b>IFAD LOAN</b>				
SACCO Strengthening and Sustainability	11	5,434,827,333	6,735,180,454	22,299,938,392
Community Based Financial Services	12	7,810,283,355	4,785,073,672	21,456,331,487
Policy, Institutional Support and Project Management	13	2,232,691,262	3,183,875,846	14,351,105,479
<b>Total IFAD Funds</b>		<b>15,477,801,950</b>	<b>14,704,129,972</b>	<b>58,107,375,358</b>
<b>Government Funds</b>				
SACCO Strengthening and Sustainability		37,827,601	15,661,991	141,112,655
Community Based Financial Services			4,857,895	7,886,395
Policy, Institutional Support and Project Management		834,968,342	392,797,986	2,465,319,095
<b>Total GoU Funds</b>		<b>872,795,943</b>	<b>413,317,872</b>	<b>2,614,318,145</b>
<b>Grantee Contributions</b>				
SACCO Strengthening		67,929,739,5		67,929,739,5
<b>TOTAL PROJECT EXPENDITURE</b>		<b>17,029,895,288</b>	<b>15,117,447,844</b>	<b>61,400,990,898</b>
<b>CLOSING BALANCE AS AT 30/06/2019</b>	3	<b>6,074,123,822</b>	<b>4,619,579,430</b>	<b>6,074,123,822</b>

PROJECT FOR FINANCIAL INCLUSION IN RURAL AREAS  
IFAD LOAN I-900-UG  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

**STATEMENT OF COMPARISON OF ACTUAL AND BUDGET AMOUNTS**

	Notes	FINANCIAL YEAR 2018/2019 BUDGET UGX	ACTUAL UGX	VARIANCE
Opening Balance			4,619,579,430	
Prior Year Adjustments				
<b>FINANCING</b>				
<b>IFAD Credit</b>				
Initial Deposit				
Replenishments to SA	4	23,081,826,148	16,907,168,186	6,174,657,962
Exchange Rate Differences	5		3,665,692	(3,665,692)
<b>Government Funds</b>	6	902,753,730	894,308,408	8,445,322
<b>Grantee Contributions</b>	7	442,751,602	679,297,395	(236,545,793)
<b>TOTAL FINANCING</b>		<b>24,427,331,480</b>	<b>23,104,019,111</b>	<b>5,942,891,799</b>
<b>PROJECT EXPENDITURE: (BY COMPONENTS)</b>				
<b>IFAD LOAN</b>				
SACCO Strengthening & Sustainability	11	9,303,906,544	5,434,827,333	3,869,079,211
Community Based Services	12	10,606,009,936	7,810,283,355	2,795,726,581
Policy, Institutional Support & Management	13	3,171,909,668	2,232,691,262	939,218,406
<b>Total IFAD Funds</b>		<b>23,081,826,148</b>	<b>15,477,801,950</b>	<b>7,604,024,198</b>
<b>Government Funds</b>				
SACCO Strengthening & Sustainability		284,462,850	37,827,601	246,635,249
Community Based Services			-	-
Policy, Institutional Support & Management		618,290,880	834,968,342	(216,677,462)
<b>Total GoU Funds</b>		<b>902,753,730</b>	<b>872,795,943</b>	<b>29,957,787</b>
<b>Grantee Contributions</b>				
SACCO Strengthening		442,751,602	679,297,395	(236,545,793)
<b>TOTAL PROJECT EXPENDITURES</b>		<b>24,427,331,480</b>	<b>17,029,895,288</b>	<b>7,397,436,192</b>
<b>CLOSING BALANCE AS AT 30/06/2019</b>	3	-	<b>6,074,123,822</b>	

## STATEMENT OF SPECIAL ACCOUNT ACTIVITY

		USD	UGX	Ex Rate
<b>Opening balance as at 1st July 2018</b>		<b>815,664.32</b>	<b>3,042,289,241</b>	
<b>Add:</b>				
IFAD Replenishments				
Date	WA Number			
19/09/2018	15	1,715,391.70	6,398,119,424	3,729.83
22/11/2018	16	249,278.12	933,339,669	3,744.17
27/12/2018	17	1,971,049.65	7,290,577,577	3,698.83
31/05/2019	18	617,574.74	2,285,131,526	3,700.17
		5,368,958.53	19,949,457,436	3,715.70
Exchange Rate Differences:			3,665,692	
Bank Interest:				
<b>Total Receipts</b>		<b>5,368,958.53</b>	<b>19,953,123,128</b>	
<b>Less:</b>				
Transfers to Operations Account:				
Date	Reference			
31/08/2018	TRS023	2,000,000.00	7,488,340,000	3,744.17
20/12/2018	TRS024	700,000.00	2,589,181,000	3,698.83
5/4/2019	TRS025	1,500,000.00	5,550,255,000	3,700.17
Bank Charges		93.42	347,514	3,719.91
<b>Total Payments</b>		<b>4,200,093.42</b>	<b>15,628,123,514</b>	<b>3,720.90</b>
<b>Closing Special Account Balance as at June 2019</b>		<b>1,168,865.11</b>	<b>4,324,999,614</b>	<b>3,700.17</b>



## STATEMENT OF SPECIAL ACCOUNT RECONCILIATION

Account Number: [REDACTED]  
Bank: [REDACTED]  
Address: Plot 37/43  
P.O.Box 7120, Kampala, Uganda

	US \$
1 Initial Deposit	3,000,000.00
2 Less: Amounts Recovered by IFAD	
3 Outstanding Amounts Advanced	3,000,000.00
<b>Represented by:</b>	
4 Cash and Bank Balances as at 30th June 2019 (Bank Reconciliation)	
Special Account Reconciliation Balance	1,168,865.11
Operations Account Reconciliation Balance	333,398.28
<b>Sub-Total of 4</b>	1,502,263.39
5 Plus: Amounts claimed but not yet credited as at 30th June 2019	
Plus amounts withdrawn from the special account but not yet claimed	1,497,736.61
6 Less: Interest Earned	
7 Total Special Account Advance as at 30th June 2019	3,000,000.00
8 Explanation of any differences between line 3 and line 8	0.00

**WITHDRAWAL APPLICATIONS SUBMITTED BY CATEGORY OF EXPENDITURE**

Cat No	Vehicles, Equipment & Materials	Other Investment costs	Operating Costs	Initial Allocation	Total	Total
	1	2	3			
	USD	USD	USD	USD	USD	UGX
Withdrawal Applications credited to Special Account						
WA No						
15	893.28	1,604,932.98	109,565.44	-	1,715,391.70	6,398,119,424
16	-	127,816.10	121,462.02	-	249,278.12	933,339,669
17	-	1,871,755.64	99,294.01	-	1,971,049.65	7,290,577,577
18	-	492,159.27	125,415.47	-	617,574.74	2,285,131,526
Total	893.28	4,096,663.99	455,736.94	-	4,553,294.21	16,907,168,196
WA not yet credited to Special Account						
WA No						
19	2175.99	1,191,482.16	106,970.45	-	1,300,628.60	4,819,531,548

## **NOTES TO THE FINANCIAL STATEMENTS**

1. Financial Reporting under International Public Sector Accounting Standards (IPSAS)
2. Significant Accounting Policies
3. Cash, Bank and Fund balances
4. Replenishments to SA
5. Exchange rate differences
6. IFAD Grant to Canadian Cooperative Association (CCA)
7. Government Funds
8. Vehicles, Equipment and Materials
9. Other Investment Costs
10. Operating Costs
11. SACCO Strengthening and Sustainability
12. Community Based Financial Services
13. Policy, Institutional Support, and Project Management
14. Procurements



## **1 FINANCIAL REPORTING UNDER INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS)**

In accordance with International Public Sector Accounting Standards (IPSAS), notes to these financial statements are set out below:

- Present all information about the basis of preparation of the financial statements and the specific accounting policies selected and applied for significant transactions and other events, and
- Provide additional information which is not presented on the face of the financial statements but is necessary for a fair presentation of the project's cash receipts, cash payments, cash balances and other statements position.

## **2 SIGNIFICANT ACCOUNTING POLICIES**

The principle accounting policies adopted in the preparation of these financial statements are set out below:

### **A Basis of Preparation**

The financial statements have been prepared in accordance with IPSAS with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting.

### **B Cash Basis of Accounting**

The cash basis of accounting recognizes transactions and events only when cash is received or paid by the project.

### **C Foreign Currency Transactions**

Transactions in foreign currencies during the period are converted into Uganda Shillings (functional currency) at the average rate of all rates in a given month. Cash, bank and fund balances held in foreign currency are translated at the average rate of the last month of the year end. Any gains or losses on foreign currency transactions or balances are dealt with in the Statement of Receipts and Payments. The details relating to exchange differences are disclosed in note 5.

### 3 CASH, BANK AND FUND BALANCES

	Year ended 30/06/2019	Year ended 30/06/2017
	UGX	UGX
Special Account Bank Balance	4,324,999,614	3,042,289,251
Operations Account Bank Balance	1,233,630,306	1,537,307,568
Cash at hand	803,000	906,000
	<b>5,559,432,920</b>	<b>4,580,502,819</b>
Prior year adjustment	-	-
<b>Adjusted Opening Balance as at 01/07/2018</b>	<b>4,580,502,819</b>	<b>4,580,502,819</b>
VAT paid on invoices submitted by suppliers due to be refunded to Operations Account by GOU	29,494,239	38,071,186
Outstanding advance to contracted service provider due to be refunded	485,196,663	1,005,425
<b>Closing balance as at 30/06/2019</b>	<b>6,074,123,822</b>	<b>4,619,579,430</b>

### 4 REPLINISHMENTS TO THE SPECIAL ACCOUNT

The project is funded by the International Fund for Agriculture Development (IFAD) under the IFAD loan Agreement number I-900-UG dated 24<sup>th</sup> November 2014 and the Government of Uganda (GOU). The project draws funds for expenditure on the loan by furnishing IFAD with Statements of Expenditure (SOE) for funds previously disbursed. IFAD then replenishes the project Special Account with the funds requested for expenditure.

### 5 EXCHANGE RATE DIFFERENCES

This relates to exchange gains and losses arising from translation of United States Dollars into Uganda shillings for all income received from IFAD through the special account.

### 6 GOVERNMENT FUNDS

The activities of the Project for Financial Inclusion in Rural Areas are jointly funded by both IFAD and Government of Uganda. The government contribution is majorly used to fund any taxes arising on expenditures incurred using IFAD funds.

### 7 GRANTEE CONTRIBUTIONS

SACCOs that access a grant from PROFIRA for Management Information Systems support, are required to contribute 30% of the total grant required. These funds are contributed by the SACCO directly to the service provider providing the support.

### 8 VEHICLES, EQUIPMENT AND MATERIALS

This expense relates to funds incurred by the project on vehicles, equipment and materials purchased for use by the Project Management Unit (PMU). A list of fixed assets is attached as Annex 1.

## 9 OTHER INVESTMENT COSTS

This expense line relates to funds incurred by the project in form of investments in the project objectives.

## 10 OPERATING COSTS

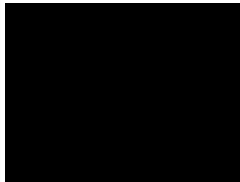
This expense relates to funds incurred in the day to day running of the project.

## 11 SACCO STRENGTHENING AND SUSTAINABILITY

This expense relates to all expenditure incurred as investment in promoting the development of SACCOs in Uganda, in line with project component 1.

The total budget for SACCO Strengthening and Sustainability activities was **Shs.10,131,120,996**. As at 30<sup>th</sup> June 2019, **Shs.6,151,952,329** had been utilized, representing a budget absorption of 61% under this component. The low budget absorption can be attributed to the extension of contract periods for completion of training in six thematic areas. In addition, SACCO MIS grants were also not fully disbursed to beneficiaries, due to delays in harmonizing MIS implementation arrangements. Contracted service providers for capacity building of beneficiary institutions were also not able to perform their contractual obligations in full, and as such, were paid less than the budgeted amounts. Funds budgeted to facilitate District Commercial Officers (DCOs) in the supervision of SACCOs and data collection were also not fully disbursed, because many DCOs did not provide the requisite reports to trigger off this disbursement.

The following amount remained committed as at 30 June 2019 through contracts signed with service providers:

Name of SP	Services offered	UGX
	Training SACCOs in Central Region	969,086,215
	Training SACCOs in Western Region	982,022,611
	Training SACCOs in Eastern Region	957,907,245
	Training SACCOs in Northern Region	<u>1,093,259,758</u>
		<u><b>4,002,275,829</b></u>



## 12 COMMUNITY BASED FINANCIAL SERVICES

This expenditure relates to funds spent by the project on promoting community based financial services in line with project component 2.

The total budget for support to community savings and credit groups, under component 2, was **Shs.10,606,009,936**. As at 30<sup>th</sup> June 2019, **Shs.7,810,283,355** had been utilized, representing a budget absorption of 74% under this component. The unspent balance is attributed to extension of the contract period to allow for verification of CSCGs established by service providers under the first phase. There was also a delay in completing the procurement of contracted service providers for phase II contracts.

The following amount had been committed as at 30 June 2019 through contracts signed with service providers:

Name of SP	Services offered	UGX
	Strengthening mature CSCGs in West Nile Region	226,204,284
	Strengthening mature CSCGs in Mid North Region	438,488,186
	Strengthening mature CSCGs in Eastern Region	383,018,714
	Strengthening mature CSCGs in N. Eastern Region	362,980,345
	Strengthening mature CSCGs in other Regions	753,210,724
	Establishing CSCGs in Eastern Region	648,000,000
	Establishing CSCGs in Karamoja Region	171,000,000
	Establishing CSCGs in West Nile Region	290,795,400
	Establishing CSCGs in Mid North Region	337,007,400
	Establishing mature CSCGs in Eastern Region (Phase II)	431,053,860
	Establishing mature CSCGs in West Nile Region (Phase II)	2,905,535,001
	Establishing mature CSCGs in Karamoja Region (Phase II)	981,701,125
	Establishing CSCGs in Mid North Region (Phase II)	4,254,707,340
	Strengthening mature CSCGs in Eastern Region (Phase II)	1,569,011,129
	Strengthening mature CSCGs in West Nile Region (Phase II)	1,729,871,616
	Strengthening mature CSCGs in N. Eastern Region (Phase II)	2,297,896,545
	Strengthening mature CSCGs in Mid North Region (Phase II)	1,725,515,129
		<b><u>22,505,996,798</u></b>

## 13 POLICY, INSTITUTIONAL SUPPORT, AND PROJECT MANAGEMENT

This relates to funds incurred by the project on investment on policy initiatives, supporting regulatory institutional development, and expenditure on management of the project.

# **ANNEXES**



**Annex 1: A list of Fixed Assets**

No	Asset Description	Engraved Code	Location	Condition	D.o Purchase	User Title	Initial Cost
1	Office Partitioning	Partitioning	Crusader House	Working	24/11/2014	PMU	13,879,956
2	Air Conditioners	PROFIRA/AC/001	BOARDROOM	Working	24/11/2014	BOARDROOM	3,691,433
3	Air Conditioners	PROFIRA/AC/002	BOARDROOM	Working	24/11/2014	BOARDROOM	3,691,433
4	Air Conditioners	PROFIRA/AC/003	ANDREW	Working	24/11/2014	ANDREW	3,691,433
5	Wooden Filing Cabinet	PROFIRA/BS/001	CBFSM	Working	27-04-18	CBFSM	800,000
6	Bookshelves	PROFIRA/BS/005	DAVIS	Working	27-04-18	FAM	1,500,000
7	Bookshelves	PROFIRA/BS/006	PCM	Working	27-04-18	PCM	1,500,000
8	Bookshelves	PROFIRA/BS/007	PCM	Working	27-04-18	PCM	1,500,000
9	High Open Cabinet	PROFIRA/BS/008	CBFSM	Working	27-04-18	CBFSM	1,271,186
10	Glass Door Cabinet	PROFIRA/BS/009	COLIN	Working	25-06-15	SDM	338,983
11	Filling Cabinet wooden	PROFIRA/CB/002	YUSUF	Working	15-06-16	KM&COMM	1,500,000
12	Filling Cabinet wooden	PROFIRA/CB/003	A2.9	Working	15-06-16	KM&COMM	1,500,000
13	Filling Cabinet wooden	PROFIRA/CB/004	A2.9	Working	15-06-16	KM&COMM	1,500,000
14	Coat Hungers	PROFIRA/CH/001	MICHAEL	Working	15-06-16	LAO	150,000



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15	Coat Hungers	PROFIRA/CH/002	A2.10	Working	15-06-16	PCM	150,000
16	Coat Hungers	PROFIRA/CH/003	A2.7	Working	15-06-16	SDO	150,000
17	Coat Hungers	PROFIRA/CH/004	ANDREW	Working	15-06-16	ANDREW	150,000
18	Coat Hungers	PROFIRA/CH/005	ROGER	Working	15-06-16	FOD	150,000
19	Visitors Chairs	PROFIRA/CHR/0	JACKIE	Working	27-04-18	CM/M&E	650,000
20	Visitors Chairs	PROFIRA/CHR/015	A2.10	Working	25-06-15	PCM	280,000
21	Swivel Chairs - High Back	PROFIRA/CHR/016	A2.10	Not Working	25-06-15	PCM	280,000
22	Visitors Chairs	PROFIRA/CHR/017	RECEPTION	Working	22-05-15	FOD	650,000
23	Visitors Chairs	PROFIRA/CHR/018	A2.8	Working	22-05-15	CBFSM	650,000
24	Swivel Chairs	PROFIRA/CHR/020	A2.8	Working	22-05-15	CBFSM	270,000
25	Visitors Chairs	PROFIRA/CHR/021	A2.10	Working	22-05-15	PCM	140,000
26	Visitors Chairs	PROFIRA/CHR/022	ANDREW	Working	22-05-15	ANDREW	140,000
27	Swivel Chairs	PROFIRA/CHR/024	STORE	Working	22-05-15	STORE	140,000
28	Swivel Chairs - High Back	PROFIRA/CHR/025	ANDREW	Working	25-06-15	ANDREW	280,000
29	Swivel Chairs	PROFIRA/CHR/026	STORE	Working	22-05-15	STORE	270,000
30	Visitors Chairs	PROFIRA/CHR/031	A2.8	Working	22-05-15	CBFSM	140,000
31	Conference Chairs	PROFIRA/CHR/041	A2.2	Working	08-06-16	BOARDROOM	

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							375,000
32	Conference Chairs	PROFIRA/CHR/042	A2.2	Working	08-06-16	BOARDROOM	375,000
33	Conference Chairs	PROFIRA/CHR/043	A2.2	Working	08-06-16	BOARDROOM	375,000
34	Conference Chairs	PROFIRA/CHR/044	A2.2	Working	08-06-16	BOARDROOM	375,000
35	Conference Chairs	PROFIRA/CHR/045	A2.2	Working	08-06-16	BOARDROOM	375,000
36	Conference Chairs	PROFIRA/CHR/046	A2.2	Working	08-06-16	BOARDROOM	375,000
37	Conference Chairs	PROFIRA/CHR/047	A2.2	Working	08-06-16	BOARDROOM	375,000
38	Conference Chairs	PROFIRA/CHR/048	A2.2	Working	08-06-16	BOARDROOM	375,000
39	Conference Chairs	PROFIRA/CHR/049	A2.2	Working	08-06-16	BOARDROOM	375,000
40	Conference Chairs	PROFIRA/CHR/050	A2.2	Working	08-06-16	BOARDROOM	375,000
41	Swivel Chair	PROFIRA/CHR/051	A2.5	Working	22-05-15	KM&COMM	850,000
42	High Black Chair	PROFIRA/CHR/053	KM&COMM	Working	22-05-15	KM&COMM	847,458
43	Conference Table	PROFIRA/CONFtbl/001	A2.2	Working	22-05-15	BOARDROOM	8,000,000
44	CPU	PROFIRA/CPU/001	A2.5	Working	16-06-16	KM&COMM	4,170,009
45	CPU	PROFIRA/CPU/002	A2.9	Working	16-06-16	KM&COMM	4,170,009
46	CPU	PROFIRA/CPU/003	A2.8	Working	16-06-16	CBFSM	4,170,009
47	CPU	PROFIRA/CPU/004	A2.7	Working	16-06-16	DAN	4,170,009
48	CPU	PROFIRA/CPU/005	ANDREW	Working	16-06-16	ANDREW	

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							4,170,009
49	CPU	PROFIRA/CPU/006	LAA	Working	16-06-16	LAA	4,170,009
50	CPU	PROFIRA/CPU/007	M&E-O	Working	16-06-16	M&E-O	2,685,400
51	Computer	PROFIRA/CPU/008/IFAD	MIS (SERVER)	Working	16-06-16	MIS (SERVER)	5,599,070
52	L Shaped Desk	PROFIRA/DSK/001	A2.10	Working	16-06-16	PCM	950,000
53	L Shaped Desk	PROFIRA/DSK/004	A2.8	Working	16-06-16	CBFSM	950,000
54	L Shaped Desk	PROFIRA/DSK/005	ANDREW	Working	16-06-16	ANDREW	950,000
55	Table	PROFIRA/DSK/006	ANDREW	Working	16-06-16		800,000
56	Workstation	PROFIRA/DSK/007	REGISTRY	Working	16-06-16	PA	650,000
57	Table	PROFIRA/DSK/008	REGISTRY	Working	16-06-16	PA	800,000
58	Metallic Filing Cabinet	PROFIRA/FC/002	ANDREW	Working	16-06-16	ANDREW	430,000
59	Bookshelves	PROFIRA/FC/003	ANDREW	Working	25-06-15	ANDREW	800,000
60	Hand Dryer	PROFIRA/HD/52	Wash Room	Working	24-11-2014	Wash Room	560,500
61	Hand Dryer	PROFIRA/HD/53	Wash Room	Working	24-11-2014	Wash Room	560,500
62	Hand Dryer	PROFIRA/HD/54	Wash Room	Working	24-11-2014	Wash Room	560,500
63	Hand Dryer	PROFIRA/HD/55	Wash Room	Working	24-11-2014	Wash Room	560,500
64	Projector Optoma	PROFIRA/IFAD/PROJ/001	LAA	Working	12-03-19	LAA	2,350,000



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65	Projector Optoma	PROFIRA/IFAD/PROJ/002	LAA	Working	12-03-19	LAA	2,530,000
66	Television Set	PROFIRA/IFAD/TV/001	BOARDROOM	Working	27-03-19	BOARDROOM	4,800,800
67	Laptop	PROFIRA/LAP/001	PCM	Working	16-06-16	PCM	6,018,506
68	Laptop	PROFIRA/LAP/002	COLIN	Working	16-06-16	SDM	6,018,506
69	Laptop	PROFIRA/LAP/003	DAVIS	Working	16-06-16	FAM	6,018,506
70	Laptop	PROFIRA/LAP/004	A2.7	Working	16-06-16	DAN	6,018,506
71	Laptop	PROFIRA/LAP/005	ROGER	Working	16-06-16	FO	6,018,506
72	Laptop	PROFIRA/LAP/006	A2.9	STOLEN	16-06-16	KM&COMM	6,018,506
73	Laptop	PROFIRA/LAP/007	A2.8	Working	16-06-16	CBFSM	6,018,506
74	Laptop	PROFIRA/LAP/008	COLIN	Working	16-06-16	SDM	6,018,506
75	Laptop	PROFIRA/LAP/009	LAA	Working	16-06-16	LAA	6,018,506
76	Laptop	PROFIRA/LAP/010	ANDREW	Working	16-06-16	ANDREW	6,018,506
77	Monitor	PROFIRA/MON/001	A2.5	Working	16-06-16	COM-O	532,615
78	Monitor	PROFIRA/MON/002	SERVER	Working	16-06-16	SERVER	532,615
79	Monitor	PROFIRA/MON/003	PM-SEC	Working	16-06-16	PM-SEC	532,615
80	Monitor	PROFIRA/MON/004	REGISTRY	Working	16-06-16	PA	532,615
81	Monitor	PROFIRA/MON/005	ANDREW	Working	16-06-16	ANDREW	532,615

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82	Monitor	PROFIRA/MON/006	LAA	Working	16-06-16	LAA	532,615
83	Monitor	PROFIRA/MON/007	M&E-O	Working	16-06-16	M&E-O	2,390,286
84	Monitor	PROFIRA/MON/007	YUSUF	Working	16-06-16	KM&COMM	2,390,286
85	Heavy Duty Photocopier	PROFIRA/PC/001	LOBBY	Not Working	16-06-16	LOBBY	30,547,776
86	HP Laserjet Printer	PROFIRA/PR/001	ANDREW	Working	03-09-15	ANDREW	1,200,000
87	Printer	PROFIRA/PRT/002	PSO-F	Working	12-06-17	PSO-F	960,000
88	Scanner	PROFIRA/SCAN/001	LAA	Working	16-06-16	LAA	4,671,137
89	Black Mesh Chair	PROFIRA/SEC CHR/001	FOD	Working	27-04-18	FOD	381,356
90	Medium Back Mesh Chair	PROFIRA/SEC CHR/002	LAA	Working	27-04-18	LAA	423,729
91	UPS	PROFIRA/UPS/001	A2.5	Working	06-04-17	KM&COMM	997,685
92	UPS	PROFIRA/UPS/002	MICHAEL	Working	06-04-17	LAO	997,685
93	UPS	PROFIRA/UPS/003	SERVER	Working	06-04-17	SERVER	997,685
94	UPS	PROFIRA/UPS/004	A2.9	Working	06-04-17	KM&COMM	997,685
95	UPS	PROFIRA/UPS/005	A2.8	Working	06-04-17	CBFSM	997,685
96	UPS	PROFIRA/UPS/006	SERVER	Not working	06-04-17		997,685
97	UPS	PROFIRA/UPS/007	A2.7	Working	06-04-17	DAN	997,685
98	UPS	PROFIRA/UPS/008			06-04-17		

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							997,685
99	UPS	PROFIRA/UPS/009	LAA	Working	06-04-17	LAA	997,685
100	UPS	PROFIRA/UPS/010	ROGER	Working	06-04-17	FO	997,685
101	UPS	PROFIRA/UPS/011	PSO-F	Working	06-04-17	PSO-F	1,085,000
102	UPS	PROFIRA/UPS/012	DAVIS	Working	06-04-17	FAM	1,085,000
103	UPS	PROFIRA/UPS/012	DAVIS	Working	06-04-17	FAM	1,085,000
104	UPS	PROFIRA/UPS/013	RECEPTION	Working	06-04-17	FOD	1,085,000
105	UPS	PROFIRA/UPS/014	REGESTRY	Working	06-04-17	PA	1,085,000
106	UPS	PROFIRA/UPS/015	PM-SEC	Working		PM-SEC	1,085,000
107	UPS	PROFIRA/UPS/017	PM	Working	14-12-17	PM	1,572,055
108	Water Dispensers	PROFIRA/WD/001	LOBBY	Working	24-11-2014	LOBBY	515,000
109	Water Dispensers	PROFIRA/WD/002	LOBBY	Working	24-11-2014	LOBBY	515,000
110	LANDCRUISER PRADO		CRUSADER HSE	Working	30-06-2016	SOLOMON	228,450,429
111	LANDCRUISER PRADO		CRUSADER HSE	Working	30-06-2016	KATWERE	228,460,424
112	MITUSIBISHI L 200		CRUSADER HSE	Working	30-06-2016	NELSON	147,846,470
	<b>TOTAL</b>						<b>836,200,752</b>