



PROJECT REVIEW REPORT

Uganda

UNDAF Outcome:#1:	Increased opportunities, especially for the most vulnerable, to access and utilize quality basic services and realize sustainable employment, income generation and food security
Expected CP Outcome:	Enhanced performance and competitiveness of MSMEs and MFIs.
Expected CP Output:	Enhanced capacity of MFIs to deliver micro finance services
Implementing Partner:	Mid North Private Sector Development Company Ltd
Other Partners:	None
Brief description of the project, its objectives, etc	
<p>There are still high poverty levels in the mid northern region of Uganda characterized by lack of appropriate innovative skills and appropriate micro finance products by existing financial institutions, inability of MSMEs to operate in a vibrant, sustainable and competitive manner and low profitability of the MSMEs.</p> <p>The objective of this intervention is to enhance the capacity of the people to generate income by exploiting the agricultural potentials of the region, and be able to access support services for establishment of competitive MSMEs which can further improve on their income/wealth generating capacities and employment creation. The target group in this is composed of the MSMEs and economically active individuals in the region.</p>	

Programme period:	2006-2009	Total project funds for the whole period:	UGX 711,370, 122
Programme Component:	Poverty Reduction	Allocated resources:	
		• Regular UNDP	USD.....
Project Title:	Poverty Initiatives	• Other:	NIL.
Budget Code:	•	
Duration:	4 years		

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ACRONYMS

AWPs	Annual Work Plans
BOD	Board of Directors
BDS	Business Development Services
CBO	Community Based Organization
CCF	Country Cooperation Framework
CPAP	Country Programme Action Plan
CPD	Country Programme Document
CSO	Civil Society Organization
GoU	Government of Uganda
IPs	Implementing Partners
MFIs	Micro-Finance Institutions
MGDs	Millennium Development Goals
MSMEs	Micro, Small and Medium Enterprises
NGOs	Non-Governmental Organization
PEAP	Poverty Eradication Action Plan
SACCOs	Savings and Credit Cooperative Organizations
SMEs	Small and Medium Enterprises
MNPSDC	Mid North Private Sector Development Company Ltd
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme

EXECUTIVE SUMMARY

MNPSDC implemented CPAP from 2006 to 2009. The project contributed to the Government of Uganda Poverty Eradication Action Plan (PEAP) Pillar 2 of enhancing production, competitiveness and incomes. It also contributed to the outcome of United Nations Development Assistance Framework (UNDAF) and MDG 1 and 7. The project contributed to the achievement of Uganda's National development priority in terms of building capacity to reduce human poverty.

The main achievements over the duration of the project was business development services delivery for micro, small and medium enterprises in Lango and Masindi regions on the one part; and enhanced capacity of MFIs to deliver micro finance services on the other part.

Under the Business Development services for MSMEs, the main outputs included establishment of 3 marketing cooperatives, provision of skills on enterprise management and marketing, training on business planning and procurement of agro processing machinery for the cooperatives. For value addition, interest groups such as Nakasongola Bee Keepers Association, Apac Farmers association and Lango bee keepers association were identified and nurtured to form better business entities. In Masindi, four Multifunctional Platforms ie. Alimugonza, Kijunjubwa, Nyantonzi and Mutunda have been trained in enterprise management for better competition in the market. These entities were trained in group dynamics and have now been registered as producer cooperatives in their locations.

While under the enhanced capacity of MFIs the main outputs included training of SACCOs in governance, loans management and financial management using the One Book Accounting System developed under CPAP. Over the four year period, complete micro finance products and services were developed for 8 SACCOs. In Lango region the SACCOs which benefited included Barr, Chawente, Alutkot, Icheme Farmers SACCO. In Masindi, the SACCOs which benefited included: Tulihamwe Budongo, Masindi District Farmers Association MADFA while in Nakasongola District the SACCO which benefited from the support was Nakasongola Rural and Rwampanga SACCO. These SACCOs have become very competitive and have applied and received whole sale credit from Uganda Micro Finance Support Centre in Gulu and Hoima respectively. Other SACCOs also benefited from partial capacities.

Through these outputs, the project achieved its stated outputs in the region.

The main contributing factors to the project's progress included:

- MNPSDC developed sufficient capacity for project implementation such as training Board members staff of SACCOs, formation of cooperatives and Business Development services at MSE levels.
- The project was well received by all the intended stakeholders (Local institutions e.g. the district authorities, NGO's, and the civil society organizations in general. This is reflected in terms of capacity building, experience sharing, mobilization and creating partnership.
- This strategic partnership allowed the Project to develop joint efforts to achieve its objectives in an efficient manner.

The factors that supported this success were:

- The BOD of MNPSDC was supportive of the work plans and administration
- UNDP was a committed partner in the process
- UNPS presence attracted other partners like GTZ/ded, CARE, FAO to work with us.
- Local support by the District Local Governments and Resident District Commissioners added rapport.

The key implementation issues/challenges were:

- Lack of sufficient and more committed or predictable counterpart funding from other sources e.g. GoU, Development Partners and beneficiaries. This challenge was addressed through prudence and continuous resources mobilization to fill the identified gaps.
- Late disbursements of funds affected timely delivery of CPAP planned outputs (e.g. first quarter of 2006, second quarter 2008, and first and last quarter of 2009). This delay affected some of the planned activities. This challenge was addressed through adherence to quarterly work plans and UNDP handling funds release directly to MNPSDC instead of through ALD.
- In 2006 and early 2007, there were transition of people from IDPs to their traditional homes in the rural areas, hence loss of some beneficiaries who became difficult to trace their whereabouts. Another challenge associated with the transition was lack of resources to cater for the basic needs of a population on the move e.g. agricultural implements, inputs, transport and medical care. Other Development Partners such as FAO, UNICEF and World Food Program of the United Nations addressed some needs of the population. This was beyond CPAP and our scope.
- Many SACCOs were weak and it took long time to identify a good one. In this case, a Light Due Diligence tool was developed and applied for identification of SACCOs

The main lessons learned were:

- In order for the SACCOs to become agents of transformation in the rural areas, they should provide a wide range of financial services such as savings, insurance, term deposits and training of members in personal financial management.
- Lango region as post conflict area, require start - up capital in terms of equipment to create a market for agricultural products.
- Many farmers do not trust SACCOs and have resorted to Village Savings and Loans Associations which has proved to be more useful in meeting their micro needs than SACCOs.
- The majority of the rural producers still deprived of formal banking services for safe custody of their savings and accessing term borrowing for agricultural development and modernizations.
- It was noted that involving end-users in designing and developing their projects made them more committed and accountable for results and increased prospects for the project success.
- More long term financial resources commitment is a necessary and sufficient condition for rural development in regions where infrastructure and social fabrics have been destroyed as a result of armed conflict.

Our report is structured as follows background, project results summary, performance review, implementation strategy review, implementation issues, lessons learnt and financial utilisation summary.

I* *CONTEXT

1.1 **Background**

The project contributed to the Government of Uganda Poverty Eradication Action Plan (PEAP) Pillar 2 of enhancing production, competitiveness and incomes. It also contributed to the outcome of United Nations Development Assistance Framework (UNDAF) and MDG 1 and 7. The project contributed to the achievement of Uganda's National development priority in terms of building capacity to reduce human poverty. The project outcome built on the successes of the private sector development programmes under CCF I, and Income Generation and Sustainable Livelihoods under CCF II. It focused on reforms for MSMEs, MFIs, enterprise promotion of potential and existing enterprises.

The project outcome was "Enhanced capacity of MFIs to deliver microfinance services" resulted into (i) Development of financial products for SACCOs that met the needs of the SACCO members in Lango and Masindi region sub regions; (ii) Training of the Board of Directors and staffs of 10 SACCOs to effectively deliver microfinance services to their members (iii) Training 400 entrepreneurs "Micro Small Enterprises [MSEs]" on entrepreneurial skills and link them to SACCOs and MFIs for financial services/products.

The key partner in the project was Mid North Private Sector Development Company Ltd (MNPSDC). It is a member based non profit making organisation whose elected Board of Directors oversaw the project operations and provided policy and operational guidelines. The Board established the Management which was responsible for the overall co-ordination, day to day management and administration of project finances and monitoring and evaluation of project activities. The project used participatory approaches, which relied on involvement of beneficiaries in all stages of the project development and delivery.

Overall, the project implementation was satisfactory despite its complex nature. The implementation of the project activities was carried out in accordance with the planned management structure and all the activities were managed satisfactorily. CPAP contributed in developing micro-finance products in Lango and Masindi regions sub region and facilitated more than 2400 poor people to access credit without collateral through use and strengthening of SACCOs and MSMEs as conduits for delivering marketing services to the poor.

The project met its objectives and expectations in terms of capacity building and creating strategic relationships with SACCOs and MSMEs and local institutions in general. This strategic approach which was taken by CPAP enabled it to achieve its objectives in an efficient manner, minimizing financial resources requirements. Certainly, the level of partnership that the project MNPSDC has built at the institutional levels is highly significant, and it was one of the keys to its success.

II **PROJECT RESULTS SUMMARY**

a) **Business development services delivered to micro, small and medium enterprises**

With regard to support to MSMEs and farmers, training on farming as a business has resulted into more jobs creation and increased incomes for the trained farmers. This was due to improved bargaining powers of the farmers and value addition in the market. Specifically,

- 100 farmers had access to financial services thus improved farming businesses, incomes and family welfare. Each farmer has got average of Shs 300,000 with repayment rate of 100% due to the technical support to the MFI on the one hand and the farmers on the other hand., while making use of the improved linkages to other partners such as NAADs and District Local Government.
- Four farmer groups of 338 pigeon peas farmers developed into commercial producer groups and made "bankable" through the Personal Financial Mgt training. Use full linkages was

established with Lira Produce Dealers Association Ltd able to purchase farmers produce. A formal MoU was signed between the farmers and LPDA

- Three Producer Associations developed to handle farmers produce and to effectively manage the market linkages. These were Apac United Pigeon Pea Producers Association (AUPPA) in Apac for pigeon pea farmers and Nakasongola Bee Keepers Association (NBKA) in Nakasongola and Lango Bee Keepers Association (LABEA) for bee farmers. AUPPA is now registered as a cooperative called Apac United Peas Producers Cooperative Society (AUPPCS). NBKA was developed into a cooperative called Nakasongola Bee Keepers Cooperative Society (NBKCS). Through technical assistance provided by funding from CPAP, both AUPPCS and NBKCS now have a marketing and business plan. The executive members of both cooperatives have skills in group dynamics and development, governance and management of group enterprise. The marketing cooperatives serve as community learning points.
- NBKA is well equipped with a modern honey processing facility. During 2009, Lango Bee Keepers Association (LABEA) was formed and modern honey handling equipment was handed over to them for improved value addition. LABEA is transforming into a marketing cooperatives for honey to serve the production efforts of the members.

Two market linkages were created

- AUPPCS was linked to Lira Produce Buyers Association through whom they were able to sell 7000 kilograms of Pigeon peas to a Kampala Based Business group.
- NBKCS has been introduced to Honey Gate Way in Kampala for selling processed honey and honey products.

170 MSMEs (45 SACCOs, 30 CBOs, 50 MSMEs under energy for productive use and 55 Fruit Nursery Tree Growers) were equipped with improved financial records and business management skills:

- **8 SACCOs were trained on improved financial records systems.** These were drawn from SACCOs such as Starch Factory, Ipito Aweno Ipito Gweno, Anekapiri Iceme Farmers SACCO, ITAAO, Ojwina Pur & kwoc, and Moroto SACCO. The Management staff and board members of these SACCOs are now able to:
 - *Use the One Book Accounting System (OBAS) to track the overall financial position of their SACCOs.*
 - *Maintain subsidiary registers or ledgers and OBAS*
 - *Account to the different stakeholders especially members in time with reliable data.*
- **39 SACCOs were trained on effective credit management tools.** 17 from Lango region (Barr Rural, Oribcing, Ojwina Pur kede Kwoc, ITAAO, Apala Ipito Aweno Ox-Cultivators, Lira District Women SACCO, Alukot, Lira Female Teachers, Aloji, Batta, Ayago, Chawente, Iceme farmers, Nyoye Rac)
- **22 participants** from Masindi and Buliisa District underwent a credit and delinquency management training. These were drawn from SACCOs such as Tuliamu Budongo, MTC, Twimukyangane, Bujenje Rural Enterprise, Madfa, Pakanyi, Kiryandongo, Mutunda United Women, Masindi Teachers, Masindi Town Council, Karujubu Sub County, Buliisa Town Council, Buliisa Rural Enterprise, Seed Sowing, Garasoya Sacco, Weimukye, Masindi Sacco, Kyotamanya, Bweyale United Women, Ribe En Teko Sacco, Bridge of Development, Nyangahya Sub County, Kinyara Sugar Works. The Management and Board of these SACCOs are now able to:
 - *Conduct appraisal and approve loans professionally*
 - *Track and monitor the loans they have disbursed, categorize their loans basing on aging of past due*
 - *Measure and interpret the quality of their portfolio using portfolio at risk, and provide for loan loss provision*
- **4 SACCOs trained on business planning skills.** The Board of directors and Management of Anekapiri, Iceme, Moroto and Alutkot able to articulate the strategic direction. They have developed strategic business plans and are using them to market their SACCO to other partners like Micro Finance Support Centre Ltd (MSCL) based in Gulu.

- **30 CBOs underwent the Training of Trainers.** The acquired skills in personal financial management and are able to support both the business and general community to:
 - *Set household financial goals and make an informed spending decision basing on the household budget*
 - *Set Savings Goals, increase their savings, save for Emergencies and make a Household Savings Plan.*
 - *Manage the difference between their Money and Someone Else's Money, determine how much debt their can afford and take Control of their Debt*
- **50 MSMEs under three agriculture enterprises** namely sunflower, maize and livestock (Dairy farming) and the four Multifunctional Platforms (MFPs) in Masindi, viz, Mutunda MFP, Alimugonza MFP, Nyantonzi MFP and Kijununjubwa MFP were provided with necessary technical backstopping in setting up and Managing a legal community Enterprise. These rural MSMEs now:
 - *Know the key steps to take in order to register the Community enterprise under the one of the appropriate legal status (cooperative or company limited by guarantee)*
 - *Can tell a well governed and managed Community Enterprise by looking for policies and procedures, accountability indicators such as business plans, AGM and audited reports,*
 - *These MFPs were registered as cooperative societies, and their business plans developed for resources mobilisations.*
- A monitoring and evaluation framework was developed for the 20 SACCOs and the other beneficiaries were monitored
- 60 farmers groups were trained on records management focusing on farming as a business and personal financial management. In attendance was the proprietor of Boboka wine brewers.
- 55 Fruit Nursery Tree Growers under three groups now have the skills of carrying farming as a business. In addition the main wine processor called Boboka Wine Agents is now keeping Records Management skills and personal financial management

b) Enhanced capacity of MFIs to deliver micro finance services

- Three micro finance prototypes were developed namely:
 - crop production loan prototype for buying farm inputs; *Lon me Pur* (Agricultural Loan) and *Lon Medo Rwom* (agro rural credit facilities) were particularly adapted in Alutkot SACCO. These products were introduced to the other participating SACCOs.
 - Agro business assets facility for acquiring equipments for production or processing of the agricultural outputs &
 - *Jo Otego Investments* (Luo for preparing for old age) was a saving product for the future.

The impact of these micro finance products included:

- 647 rural people gained access to agro-rural related financial services as a result of rolling out *Jo Otego* investment savings product to three SACCOs under the project namely (Chawente, Barr, Tulihamwe Budongo)
- 152 grass roots people subscribed to the ***Jo Otego investments***- a long term savings product worth 42 million shillings. (30% female and 70% males) Alutkot - 67 members with 27 million, Barr - 50 members with 7.5 million, Chawente - 25 members with 3.5 million, Tulihamwe Budongo 6 10 members 4million. The ***Jotego Savings*** - (an investment product) for the old age prototype has been refined in Alutkot SACCO, Oyam District to take into account members' social security. It is in form of a life assurance which takes care of burial expenses in case of death; and 30% (of the balance on the account) compensation in case of total disability resulting from accident or sickness.

- 495 rural MSMEs (37% female, 56% male and 7% farmer groups) accessed agro-rural related credit facilities through a disbursement of Shs. 228.5 million with portfolio outstanding of Shs 148.1 million to 321 members as at 16th December 2008.
- 455 farmer and farmer groups accessed *Loan me Pur* worth Shs 188.5 million for farm operating expenses such as purchase of farm inputs weeding and land clearing
- **40 MSMEs accessed *Loan Medo Rwom* ó worth Shs 40.milliom and have acquired assets such as grinding mills and sesame processing machines, Solar panels as source of energy for productive uses such as mobile phone charging.**
- **800 farmers have accessed credit facilities:** During the period of CPAP project, the crop production prototype in Alutkot in Oyam District has been refined taking into consideration the gestation period, and loan amount based on the purpose, type of the crop together with the farmers cash-flows. Over 100 farmers accessed financial services. A total of loan portfolio of Shs587,265,025 was recorded by the end of 2007 by Alutkot which received technical assistance from MNPSDC. Other SACCOs are exhibiting similar trend of report, with increased membership enrolment during CPAP period.

III PERFORMANCE REVIEW

In progressing towards the CPAP outcome and output(s) the project has focused on developing micro finance products such as loans products, savings products and strengthening the internal governance capacities of the MFIs and MSEs.

(i) Overall progress towards the CPAP outcome and output(s)

Over the four year period, micro finance products were developed for SACCOs. In Lango region the SACCOs which benefited included Barr, Chawente, Alutkot, Icheme Farmers SACCO. In Masindi, the SACCOs which benefited included: Tulihamwe Budongo, Masindi District Farmers Association MADFA while in Nakasongola District the SACCO which benefited from the support was Nakasongola Rural and Rwampanga SACCO. These SACCOs have become very competitive and have applied and received whole sale credit from Uganda Micro Finance Support Centre in Gulu and Hoima respectively.

For value addition, interest groups such as Nakasongola Bee Keepers Association, Apac Farmers association and Lango bee keepers association were identified and nurtured to form better business entities. These associations were trained in group dynamics and have now been registered as producer cooperatives in their locations.

(ii) Capacity Development

Capacity building is a continuous work-in-progress at SACCOs with technical assistance from MNPSDC. The SACCOs are now able to maintain up to date financial records and provide timely and accurate information using the **One Book Accounting System (OBAS)** developed by MNPSDC with support from CPAP. They are now able to balance their books and generate a balance sheet on a daily basis & other reports monthly. This innovation has now been adopted by 20 SACCOs in Acholi and 8 in Teso sub-regions. Through strategic partnerships with GTZ, USAID LEAD and ded, MNPSDC has consequently established a pilot for client driven Data Service Centre (DSC), as well as a Pool of Trainers in the Mid-North region. The goal of the project is to set up a self-sustaining Data Service Centre at MNPSDC which will operate on a cost recovery basis, financed by revenues being generated from services provided to its clients. Thus, capacities of the small microfinance institutions (SACCOs and/or MFIs) in rural areas will be strengthened and MNPSDC would be able to generate reports for informing policy.

The MFIs capacities have been enhanced in terms of governance. They hold regular Annual General Meeting. They have business plans. These MFIs now have internal governance for use by the Board and Management staff to guide them in their day to day administration and loans management. They have better credit management procedures for the members and consequently have registered lower portfolio at risk.

Due to increased competitiveness, additional donors were attracted and provided software for computerisation of SACCO operations. A case in point was GTZ which provided MBWIN platform for Alutkot SACCO, Barr SACCO and Iceme Farmers SACCO. The MBWIN was integrated with OBAS which was developed by Mid North under CPAP.

A number of training manuals were designed according to capacity needs and potential of each community or involved group. These were obtained after several discussions at community level with the project officers who facilitated the process. This has great importance in the development process of these communities because they were able to define and identify their problems, needs and solutions by themselves.

Simple processing technologies were procured for the young cooperatives namely Nakasongola Bee Keepers Cooperatives and Lango Bee Keepers Association now have honey handling equipment. Apac Pigeon Peas Cooperative Society has a food processing mill for grinding grain. They were trained in food processing, handling and marketing.

(iii) Gender

The ultimate beneficiary of the CPAP project were the women who constitute the majority of the rural population. Due to cultural factors, most women do not come up voluntarily to participate in activities organised by SACCOs and MNPSDC. To address the shortfall, in all training programs women were targeted to participate through affirmative action. enterprise operated out of her home.

The value addition technologies procured under CPAP is meant to reduce the workload of the women who could walk for long distance to take their food stuff e.g. Maize, millet, sorghum and cassava for processing. In this way she would have more time to tend to domestic labour needs.

(iv) Human Rights

The project empowered the beneficiaries in planning and selection of enterprises which affect their livelihoods. In applying from and MFI loan facilities, a beneficiary was allowed to chose a loan product which addresses his/her needs e.g. school fees, crop production loans, consumption loans. MFI products was beneficial in financing their own businesses. These products benefited people who would otherwise be unable to borrow money from commercial banks usually located far away in towns.

(v) Contribution to direct and indirect beneficiaries

The highest proportion of the support went to agriculture which is the backbone of Uganda's economy. Over 400 MSMEs owners and farmers benefited from the training programs, Four Multifunctional Platforms in Masindi namely Mutunda, Nyantonzi, Alimugonza and Kijunjubwa were supported. Three producer cooperatives were formed and encouraging members to produce more honey and grain for processing at their own centres.

Due to improved governance and competitiveness of the SACCOs, there is increased savings and loan utilisations by members and of recent the Village Savings and Loans Associations. Due to increased income and higher consumption, there is improved education for children and improved quality of life in the rural areas as compared to 4 years ago when most of the population were in Internally Displaced Peoples Camps especially for Lango sub region.

(vi) Communication and publicity

MNPSDC utilized the media to disseminate vital information about the financial products that were developed *Loan me pur* and *loan medo rwom* (Agricultural loan prototypes) for buying farm inputs. The types of media that was used are:

- Newspapers: These ranged from national newspapers such as New Vision to regional tabloids e.g Rupiny
- Radio: There were 5 talk shows on local radios focusing on MNPSDC activities in relation to CPAP.
- Website: <http://midnorthpsdc.org/> was useful to disseminate the key success stories to researchers and on line readers.
- Partnership with other stakeholders such as UCSCU for popularising the consumer finance education through seminars and workshops for SACCO leaders for onward transmission to the members and general public.

IMPLEMENTATION STRATEGY REVIEW

(i) Sustainability

All interventions (development of financial products, capacity building) that the project has delivered is underpinned by the sustainability aspect. In ensuring the gains under CPAP, we continue to provide support on a cost recovery basis. Building on the success under CPAP whereby MNPSDC has organisational memory and a useful list of consultants and associate trainers, we have established a SACCO Data Service Centre with financial support from GTZ/ded and USAID LEAD project which provided grants for technical training, purchase of equipment and MBWIN software. The DSC is an established back office which use MBWIN developed by FAO. The DSC have developed further data capture from SACCOs using standard forms for membership characteristics, savings, loans and shares. The services of the DSC shall be on a cost recovery basis after the pilot phase. It is project that 25 SACCOs shall be serviced at the DSC within the next 2 years. The Interventions under CPAP shall be linked to the DSC in terms of continuous training and skills in using the OBAs and interpretation of information generated at the DSC.

(ii) Participatory/consultative processes

In planning the implementation for the project period 2006-2010, consultations were carried out with all stakeholders, notably the local government, NAADS, MFSC. In all cases the project endeavoured to ensure that the implementation partners stayed and operated at the front end in delivering outputs. In respect to community level actions, consultations were made with the BOD of the recipient SACCOs. At present, MoUs have been prepared for SACCOs and MSMEs.

(iii) Quality of partnerships

The partnerships SACCOs and MSEs has moved to a sound footing during the years in review. As a result of the successes registered under CPAP, new partnerships with other development actors have emerged.

- GTZ working hand in hand is providing advisory services in agricultural lending in Lira and the surrounding areas. Together with USAID LEAD, they have joined MNPSDC to computerise the SACCOs through the establishment of Data Service Centre at Mid North Offices. Besides, CARE International in Uganda is working towards making savings by rural savings and loans associations are made better and stronger. To date over 300,000,000/= have been saved and over 400,000,000/= have been loaned, with over 99.9% repayment rates have been recorded.
- The Local government especially the sub county administration where the SACCOS are located have recognised the contribution of UNDP and MNPSDC in poverty reduction in their areas of operations.
- The Food and Agricultural Organisation of the United Nations (FAO) have recognised the capacities of MNPSDC and have used our services in reaching out the Farmers Field Schools under their project of restoring rural livelihoods.

- The International Labour Organisation has recognised MNPSDC as a Centre of Excellence in the provision of cooperative and financial services to the underserved rural areas of Uganda.

(iv) Timely delivery of outputs

Most outputs of the project have been delivered in time despite the project being subjected in a halt in 2009 instead of ending in 2010 because of the transformation of PEAP into National Development Plan in 2008/2009.

IV IMPLEMENTATION ISSUES

Issue/Factor Identified	Affected Implementation areas	Causes	Recommendations/Way Forward
1. Slow response by identified partners (BDS)	Partnership formation and linkages	Proposed partner's operational procedures (some of them requiring consultations with their Head Offices)	<ul style="list-style-type: none"> Continued dialogue and negotiations for a win-win-win scenario
2. Financial facilitation for beneficiaries & Local govt extension workers (BDS)	Training workshops	Most people are used to handouts by the other NGOs.	<ul style="list-style-type: none"> Gradual process of sensitization of the beneficiaries. Services should continue on demand driven basis
3. Low & slow rates of production by farmers;	Meeting market requirements	Lack of productive capacity, at times beneficiary negative attitudes towards work & gender imbalance (e.g pigeon peas regarded as a woman's crop).	<ul style="list-style-type: none"> Market linkages & market information. Promotion of live success stories
4. Low quality products;	Meeting market requirements	Inappropriate technologies	<ul style="list-style-type: none"> Market linkages & market information. Promotion of success stories
5. Lack of seed capital for agri lending by model MFIs	Loanable funds for testing loan product prototype developed for testing	Lack of own funds by the MFIs & also fear of the unknown (possible loss bad debts)	<ul style="list-style-type: none"> Better business planning and Improved Partnership linkages e.g with MFSC Ltd
6. Continued IDP camp life by beneficiaries & elements of insecurity	Dissemination of the sheanut technology to mainly IDP population	Fear of insecurity	<ul style="list-style-type: none"> OPM should work towards better disaster preparedness. A warning system be put in place to avert disasters
7. Late release of funds for quarter four	Timeframe	Process of release of the funds between MFPED and UNDP was long. Later it, there was a lot of improvement when ALD was restructured and UNDP handled the grants transfers to IP.	<ul style="list-style-type: none"> Project mode of financing should continue.

8. Changes in BOD	Policy guidance	Difference between BOD members	<ul style="list-style-type: none">• Training of new BOD should continue
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V. LESSONS LEARNED

Project Description and Key Lessons-Learned	
Key project successes	<p>What worked well</p> <ul style="list-style-type: none"> • MNPSDC developed sufficient capacity for project implementation such as training Board members staff of SACCOs, formation of cooperatives and Business Development services at MSE levels. • The project was well received by all the intended stakeholders (Local institutions e.g. the district authorities, NGO's, and the civil society organizations in general. This is reflected in terms of capacity building, experience sharing, mobilization and creating partnership. • This strategic partnership allowed the Project to develop joint efforts to achieve its objectives in an efficient manner. <p>What factors supported this success:</p> <ul style="list-style-type: none"> • The BOD of MNPSDC was supportive of the work plans and administration • UNDP was a committed partner in the process • Its presence attracted other partners like GTZ/ded, CARE, FAO to work with us. • Local support by the District Local Governments and Resident District Commissioners added rapport.
Project shortcomings and solutions	<p>The major factors that affected the implementation of the project include:</p> <ul style="list-style-type: none"> • Lack of sufficient and more committed or predictable counterpart funding from other sources e.g. GoU, Development Partners and beneficiaries. This challenge was addressed through prudence and continuous resources mobilization to fill the identified gaps. • Late disbursements of funds affected timely delivery of CPAP planned outputs (e.g. first quarter of 2006, second quarter 2008, and first and last quarter of 2009). This delay affected some of the planned activities. This challenge was addressed through adherence to quarterly work plans and UNDP handling funds release directly to MNPSDC instead of through ALD. • In 2006 and early 2007, there were transition of people from IDPs to the their traditional homes in the rural areas, hence loss of some beneficiaries who became difficult to trace their whereabouts. Another challenge associated with the transition was lack of resources to cater for the basic needs of a population on the move e.g. agricultural implements, inputs, transport and medical care. Other Development Partners such as FAO, UNICEF and World Food Programme of the United Nations addressed some needs of the population. This was beyond CPAP and our scope. • Many SACCOs were weak and it took long time to identify a good one. In this case, a Light Due Diligence tool was developed and applied for identification of SACCOs
Lessons learned	<ul style="list-style-type: none"> • In order for the SACCOs to become agents of transformation in the rural areas, they should be provide a wide range of financial services such as savings, insurance, term deposits and training of members in personal financial management.

	<ul style="list-style-type: none"> • Lango region as post conflict area, require start - up capital in terms of equipment to create a market for agricultural products. • Many farmers do not trust SACCOs and have resorted to Village Savings and Loans Associations which has proved to be more useful in meeting their micro needs than SACCOs. • The majority of the rural producers still deprived of formal banking services for safe custody of their savings and accessing term borrowing for agricultural development and modernizations. • It was noted that involving end-users in designing and developing their projects made them more committed and accountable for results and increased prospects for the project success. • More long term financial resources commitment is a necessary and sufficient condition for rural development in regions where infrastructure and social fabrics have been destroyed as a result of armed conflict.
<p>Follow-up Actions</p>	<p>A brief record of decisions and conclusions related to follow up actions:</p> <ul style="list-style-type: none"> • Provide mentorship and training with practical guidelines to improve skills in financial management at enterprise level. • The Mid North Region is emerging from a prolonged conflict era. Actions that promote peace and good neighborliness is required for a peace driven economy e.g. <ul style="list-style-type: none"> ○ rural electrification, construction of all weather roads because a good road attracts economic activities, ○ provision of potable water to address the causes of water borne diseases, ○ Vocationalisation of skills required by the private sector to solve unemployment e.g. <ul style="list-style-type: none"> ▪ Building, construction, plumbing, food processing, enterprise management and marketing, motor vehicle technologies, wiring,

VI. FINANCIAL STATUS AND UTILISATION

Financial Summary

UNDP FUNDS RELEASES AND EXPENDITURE TO DATE 2009											
	RECEIVED Ugx				EXPENDITURES (UGX)						
DONOR	2006	2007	2008	2009	2006	2007	2008	2009 expenditure	Total i.e prior to 2009+2009	Balance of funds (US\$ i.e Received - total Exp)	
e.g UNDP TRAC FUND	153 282 891	128 681 608	245 406 108	183 999 515	145 226 970	139 136 869	245 490 657	183 978 801	713 833 297		
Commulative Total	153 282 891	281 964 499	527 370 607	711 370 122	145 226 970	284 363 839	529 854 496	713 833 297		- 2 463 175	

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