

# CPAP Terminal Review

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# PROJECT OVERVIEW

“ **overall objective of the project:**

“ 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.

“ **scope,** The target group in this is composed of the MSMEs and economically active individuals in the region.

“ **planned outputs,** 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.

“ **financial summary/ budget per year**

“ 2006 = 153,282,891/=

“ 2007 = 128,681,608/=

“ 2008 = 245,406,108/=

“ 2009 = 183,999,515/=

# RESULTS/ ACHIEVEMENTS

- “ **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.
  - “ Four farmer groups of 338 pigeon peas farmers developed into commercial producer
  - “ Three Producer Associations developed to handle farmers produce and to effectively manage the market linkages.
  - “
- “ **Two market linkages were created**

# RESULTS/ ACHIEVEMENTS

- “ AUPPCS was linked to Lira Produce Buyers Association through whom they were are to sell 7000 kilograms of Pigeon peas to a Kampala Based Business group.
- “ NBKCS has been 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.** 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.**
- “ **22 participants** from Masindi and Buliisa District underwent a credit and delinquency management training. 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.** These SACCO 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.

# RESULTS/ ACHIEVEMENTS

- “ **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.*

# RESULTS/ ACHIEVEMENTS

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” 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.

# RESULTS/ ACHIEVEMENTS

- “ 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, Tuliamwe 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, Tuliamwe Budongo . 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.

# RESULTS/ ACHIEVEMENTS

- " 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*** . 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.

# IMPLEMENTATION CHALLENGES and ISSUES

- “ 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.

# IMPLEMENTATION CHALLENGES and ISSUES

- “ 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 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

# KEY LESSONS LEARNED

- “ 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 savin gs, insurance, term deposits and training of members in personal financial management.
- “ Lango region as post conf lict 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.

# KEY LESSONS LEARNED

- “ 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 infrastructure and social fabrics have been destroyed as a result of armed conflict.

# RECOMMENDATIONS, FOLLOW UP ACTIONS

- “ Provide mentorship and training with practical guidelines to improve skills in financial management at enterprise level.

# RECOMMENDATIONS, FOLLOW UP ACTIONS

- “ 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.
  - . 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.
- “ Building, construction, plumbing, food processing, enterprise management and marketing, motor vehicle technologies, wiring,