ANNUAL REPORT
For the year 2014/2015

Plot 47/49 Nkrumah Road
P.O. Box 2215, Kampala
Tel: 256 - 414- 258898/48; Fax: 256 414 258556
E-mail: ucainfocen@uca.co.ug
website: www.uca.co.ug

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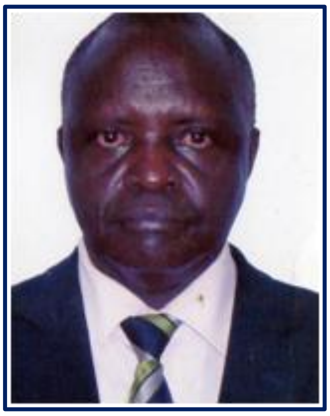
Chairman - UCA Board of Directors

Mrs. Beatrice Katsigazi
Vice Chairperson

Ms. Elizabeth Nsimadara
Treasurer



Mr. Patrick M. Netalisire
Board Member

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Board Member

Mr. Joseph Kitandwe
Commissioner for Cooperative Development

CHAIRMAN'S STATEMENT
SEPTEMBER 2015

Rev. Fr. George Angala, ***Chairman – UCA Board of Directors.***

On behalf of UCA Board and Management I would like to take this opportunity to welcome you to the 48th Annual general meeting at which we account to you the activities for the last financial and business year 2014/2015.

I wish to commend you my fellow co-operators for your active and commitment upholding the cooperative business in our various organizations across the country. I wish to thank you for your positive response to be part of our AGM today. The theme for the AGM highlights the new direction we should take in our cooperative movement that is, Agro processing through cooperatives; a must for Ugandan farmers prosperity.

Uganda Cooperative Alliance for quiet along time has been working towards creating structures that will enable the farmers through their cooperatives to be involved in Agro processing / value addition. We feel it is now appropriate that we move forward to together to exploit these opportunities. It has however been in the interest of UCA, that we together address most of the challenges that affect the small holders farmers in Uganda cooperative movement. There are a lot opportunities in the agricultural sector in Uganda if we can raise the capital for setting our own agro industries. Today I would invite everyone to look into the future of cooperative business that will be profitable and beneficial to our members.

i. **Unlocking innovation;** Innovation is very critical in empowering the cooperative movement to overcome the sustainability challenging, creating values for it's members and also it's business. It is important that we align our point of view towards such initiative in order to enable Co-operative become competitive and attractive. We must access the innovations in value addition and industrialisation; agro processing is one of the cooperative business that can empower people to overcome economic, political and social challenges. Co-operators, there is need for us as a matter of urgency to unlock innovation and unleash economic potential to transform the livelihood of the cooperative movement in our world today. In our cooperative business there is need for us to adopt new technology and agricultural machines for processing and storage.
ii. **Motivation;** Uganda cooperative alliance has continued partnership with various development partners and organisations such as we effect EAFF, VI Agro-forestry, CCA, CIC Co-operative insurance company, CLIF international, EFAD and GTZ. All these are to strengthen our cooperative organisation in-terms of capacity building to deliver service to our members and provide enabling environment for cooperative business.
iii. **Co-operative Identity;** a.coop domain name and global co-operative marque are symbol of the cooperative movement and our collective Identity; demonstrating our unity of purpose. The Co-operative are encourage to use the new vision identity, in order to help make people more aware of their options, when faced with choice between a Co-operative or investors or privately owned businesses and in order to complete their cooperative Identity. Since the cooperative mark was launched in November, 2013 very few African cooperatives including Uganda have applied and are using the mark. So we hereby encourage to apply for the Co-operative mark and get the domain in order to complete our cooperative identity making it easier for us to show our Co-operative difference.

iv. **Policy**; None compliance to Co-operative societies cap.II2 Co-operative society regulation 1992 a respective by law. We have received a notice from the Ministry of Trade Industry and Co-operative, that some of our Institutions are not complying to the Law and regulations and our own by-laws. This has caused many of our societies to disregards Co-operative principals and values.

v. **Housing Co-operatives;** For sustainability and improving the livelihood of our co-operators Uganda Co-operative Alliance with the support from one of its partners is to embark on promoting cooperatives that will provide their members with law cost housing. The housing cooperatives will mobilise, sensitise and organise their members. This project has started and it will commence fully towards the end of this year with the pilots in Northern Uganda – Lira town.

vi. **Consolidation**; Co-operators – our individual organisation should come together in order to pull resources together and enjoy economy of scale. There is also need to strengthen the current structures of our co-operative right from the Primary Society, ACES and unions

ACHIEVEMENTS

I would wish to highlights some achievement of Uganda Co-operative Alliance during the last business year.

i. We have continued to mobilise more new members to join our apex UCA organisation some of whom we had the privilege to welcome them this morning. This is a sign that our organisation is growing on strength.

ii. UCA hosted the CCA African Partners forum to celebrate our partnership.

iii. UCA participated in several meetings with EAFF. In order to strengthen our collaborations and partnership.

iv. Our organisation has been invited to many regional meetings and workshops during the years under review.

v. Our organisation organised meetings with ACEs to launched the process of establishing our subsidiary company.

vi. UCA where invited for International Co-operative day organised and hosted by our members organisation – In Kabale. Thank you for your active participation to celebrate our achievements.

In my speech I put forward our views to the government which I want to re-echo in this meeting.

i. To speed up the compensation of those Co-operatives that have lost their properties during the liberation wars.

ii. Speed up the process of establishing the Co-operative Bank.

iii. Speed up the process of enacting the revise Co-operative laws.

In conclusion I want to be grateful to you for your co-operation. I want to thank the general secretary and his theme for their wonderful performance which cannot be doubted by any of our stakeholders. To our development partners I would like wish to extend our sincere appreciation for your contribution and support to co-operators, which has enable us to develop our Co-operative organization.

I want to comment the government for their good will in providing security and support to our organization through the Ministry of trade, industry and co-operative development.

Thank you very much. I wish you fruitful deliberations.

Fr George

Rev. Fr. George Angala,
CHAIRMAN UCA.

Statement By Mr. Leonard Msemakweli

The General Secretary
Uganda Cooperative Alliance Ltd.

Cooperatives Have Regained Their Place

The issue of whether or not cooperatives are still relevant is now in the past and I am sure it will never arise again because we have proved their resilience. As I have said before, cooperatives reside in many people's hearts, irrespective of social class, and very difficult to kill. From my experience it is like a religion for many people. During my time as the General Secretary I have tried to show that cooperatives are not just for the marginalized but for everyone although they are even more critical for the survival of the marginalized. Most people truly feel good when they work together. The message UCA has been trying to convey is simple: You cannot develop disorganized masses. This message has now been received and I am sure our country is going to benefit from this change in mindset. Every meeting I have attended there is hunger and nostalgia for cooperatives from the bottom to the top of our society. That is what we at the UCA have spent all these years trying to achieve.

As our cooperative movement begins to re-emerge and in a very strong way, some of them will make mistakes as it happens in all business. This reminds me of our experience with SACCOs. The start was good but as they began to multiply, some people made mistakes and the SACCOs lost money but many others continued on the right path and have made a huge impact on people's lives. This is why we must avoid making blanket judgment about cooperatives. Their performance must be assessed individually. This is important otherwise we demoralize those who are performing well simply because they are being lumped together with non-performers. That is how people in the private sector are assessed and I ask myself why it should be different for cooperatives.

We are also excited to see that the leadership of other Farmers Organizations especially UNFFE are beginning to appreciate that we give better service to the farmers when we are united as a team. Our membership to EAFF has also contributed towards this change in mindset. That is how the concept of value chain will work and we know our small holder farmers cannot pull themselves out of poverty without being part of the value chain. That explains why those National organizations are now encouraging their members to form cooperatives because they have seen that cooperatives have advantage in offering business services. We are even moving further to make this practical by creating a consortium through which financial support to the sector can be channeled. We would like to give our thanks to General Saleh who spearheaded this through Operation Wealth Creation Programme. Actions speak louder than words. My view has always been that we must move closer if we want to give effective service. I am excited to see that this is happening during my time as the CEO of UCA. This is really a wonderful development for the agriculture sector.

On behalf of management, I extend my sincere thanks to our wonderful Board of Directors headed by Rev. Fr. George Angala to all our partners who have remained on our side, no matter what, to our Government for taking the right approach in promoting cooperatives by minimizing interference and to our royal staff who have continued to demonstrated a very high level of commitment and to my predecessor and Leaders Mesrs Charles Kabuga and Bernard Wolimbwa who initiated this cooperative struggle and have maintained their support wherever they are.

1.0 SECRETARIAT

ADVOCACY AND LOBBYING ACTIVITIES AND ACHIEVEMENTS

During the past year the Board and Management of the UCA have been involved in a series of advocacy and lobbying activities at both regional and national levels. The following are some of the major activities that have been undertaken.

Discussions on restoring the Cooperative Bank.

The continued difficulties of financing small holder agriculture using traditional commercial banks has given rise to justification for bringing back the cooperative bank which was wound up in 1998. Management has been pushing the idea at every opportunity and this is gaining a lot of support from Government circles and from civil society at large. The discussions have advanced to the point where the Ministry of Trade Industry and Cooperatives has prepared a cabinet paper which is due to be presented by the line Minster before the end of the year. UCA leadership has given its ideas on how this should be implemented to ensure that the ownership remains with the members of cooperatives.

Claims War losses.

Like the issue of the Cooperative Bank, discussions on war losses suffered by cooperatives during the NRA war of liberation have continued and the UCA leadership has continued to push for compensation. There are signs that Government has taken the message as the Prime Minister of Uganda, Hon. Dr. Ruhakana Rugunda as well as our line Minister, Hon. Amelia Kyambade have committed themselves to give the cooperators an answer.

The EAC Cooperative Societies Bill 2014

In a bid to improve the legislation and regulation of the cooperatives in Uganda and the larger East African Community region, the UCA participated in the drafting of a bill entitled ''the East African Societies Bill 2014'' which aims at improving cooperative standards across the region and enhancing the environment in which co-operators within the region can improve collaboration and exploit existing business opportunities. The bill was spearheaded by the Eastern Africa Farmers Federation and our very own Hon. Mike Sebalu, who was the private sponsor. UCA was the first to be involved in the discussions as a member of the Think Tank which was formed by East African Farmers Federation. As of now, the bill has sailed through all the mandatory hearing stages in the EALA and awaiting assent by the Heads of State of the 5 EAC countries. We are hopeful that the bill will be signed at the upcoming Heads of State Summit that will take place in Kampala later this year.

New Partnership with Government and Farmer Organisations

In an effort to improve service delivery to our cooperatives and the larger farming community, the UCA and UNDFFE have agreed to collaborate with Operation Wealth Creation/ National Agricultural Advisory starting with a 3-year budget frame. This partnership aims at developing long term and sustainable systems through which the farming community in the country can best be served. Because of the storm that the cooperative movement has weathered through in the last 20 years and survived, it has proved that it is still the most reliable and most effective channel for providing services to the communities at all levels of the value chain. This presents a good opportunity for UCA to collaborate closely with Farmers Organisations like UNFE to improve service delivery.

High Level Policy Dialogue Organised With UNDP and MTIC

As a result of the ever increasing relevance of the cooperative movement in the economic transformation of the country, a one day high level policy dialogue meeting was organised by the United Nation Development Programme (UNDP), Ministry of Trade Industry and Cooperatives (MTIC) and UCA. The one day meeting was attended by key stakeholders stakeholders in the sector and this presented an opportunity to discuss how the cooperatives can become an engine for economic transformation of the country. As a result of the meeting and earlier discussions with the UCA management, the UNDP has expressed its interest in moving forward with some of the proposals. The General Secretary was one of the main presenters together with academicians from Makerere University who had been hired by UNDP were the main presenters.

Meeting on National Budget Allocations to the Agricultural Sector

For the second year running, the UCA hosted a meeting attended by many other farmers' organisations and stakeholders in the sector to fully analyse the budget allocations in Uganda and the other 4 EAC countries. From this meeting, the organisation was able to identify possible entry and lobby spaces through which we can influence the next financial year's budget allocations.

UCA in Regional Trade Discussions.

As the regional integration begins to take shape, the management and board found it important that the UCA membership begins to identify possible entry points and also play a key role in the regional trade. Some of our staff members have been involved in the negotiations of the 22 EAC commodity standards and have been able to train some of the members on how to attain these standards. This has made it possible for some of our members to negotiate and sign trade contracts with companies in Kenya and Rwanda. This is only the beginning and we know that there are a lot more opportunities that we can harness from this integration process.

Strengthening Of Sisterhood With Key Global Cooperatives.

UCA continued to strengthen its relationship with the Korean National Agriculture Cooperative Federation. The federation which is ranked as one of the best cooperatives in the World extended a scholarship for a young Ugandan to study for 4 years in South Korea. It also donated a couple of brandy new agriculture machinery to the UCA. UCA leadership has been invited and hosted by NACF in Korea several times and the two have developed a special relationship.

Strengthening Collaboration With Locally Based Development Ngos.

Many NGOs continue to support our advocacy for a favorable government policy towards cooperatives. Some of the NGOs are even collaborating with the UCA to do actual work on the ground.

PROGRAMMES/PROJECTS.

CLIFF- Low Cost Housing Program: Management has completed negotiations with REALL, the main partner, for a programme which will deliver low cost housing to Uganda through the cooperative movement. Lira District has been selected to benefit from the first project but we hope to move to other Districts where we can find demand and affordable land. REALL has already supported UCA's capacity with a loan and this will continue for another year. REALL will also extend a loan to the UCA for construction on favorable terms. UCA and REALL are in the process of creating a holding Housing company which will in turn create special purpose vehicles to acquire and develop land and construct houses which will be sold to members on favorable terms. The holding company will also form a financing arm. The revenues from sales of houses will be revolved by the company within Uganda. In this partnership, UCA will be a majority shareholder with 51 percent whole REALL will own 49 percent. The idea is to create conditions for serving people who are cannot be reached by traditional housing providers and also bring in income to the investors and shareholders liker UCA and REALL.

Identification and acquisition of Agro-processing machinery: Management with the approval and support of the Board has managed to identify a partner who is prepared to support cooperative agro-processing through provision of machinery and loan financing. Consultations among the partners namely; UCA, GB Brands, and ACEs are ongoing to assess the requirements. This will be based on a new business model where the ACEs/unions and UCA will hold shares in the company which will operate the machinery. The plan is to make a start before the end of 2015.

PROGRESS MADE IN PLANNED REFORMS.

Formation of the Cooperative Insurance Company: UCA and UCSCU have teamed up with the Cooperative Insurance Company of Kenya to form a Ugandan Cooperative Insurance Company in Uganda. The company was registered sometime this year and started its operations. The Ugandan Cooperatives are welcome to invest in the company besides using it as a service provider. Cooperative Insurance Company of Kenya will be the majority shareholder with 51 percent while the Ugandan partners hold 49 percent.

Formation of Uganda National Commodity Exchange (UNCE).

A new commodity exchange was formed to replace the old one (UCE) which failed to take off due to its inability to mobilize adequate finance. UCA realized that the Ugandan farmers still need the exchange to get competitive markets. Accordingly, a new exchange by the names of UNCE was formed with provision for adequate financing. The shareholders include; UDC, Uganda Grain Council, UCA, UNFEE, UCF and UCFF.

Creation Of The Capacity Building Cooperative Union.

As part of the restructuring of the UCA, management has already transformed its training department into a registered cooperative society which will continue to provide high quality cooperative training on cost recovery basis. It will work under the guidance of the UCA and have access to all the highly experienced trainers of the UCA who cannot be retained on full term basis due to the short life of projects. This is expected to ensure continuity of quality cooperative training without donor funding and at the same time generate some income to the UCA. It will only carry out training.

All these initiatives reflect the reforms which have been undertaken under the new cooperative business model which puts sustainability at the center.

Projects Renewed.

Lake Victoria Basin project with VI and other partners: This was renewed for another one year.

New projects/ Partners -IFAD (Oil palm, simsim, sunflower and ground nuts for Northern Uganda.

Cooperative statistics: This is still on-going.

Future Plans.

- Collaboration with other partners to scale-up the ACE model (WORLD VISION has already come on board and working together to form ACES in Karamoja, Hoima and central Uganda)
- Explore opportunities for bringing in more youth into cooperatives by working with National Youth Council
- Negotiate for capital investment for cooperatives
- Strengthening collaboration with OWC/NAAADS
- Work on re-establishment of Co-op Bank.
- Mobilize co-operators into processing zones.

2.0 BACKGROUND TO THE UCA UNITS

(a) MICRO FINANCE UNIT

Introduction

The Micro Finance Unit is a UCA Department responsible for handling activities and interventions that promote and provide co-operative support services to financial service cooperatives (popularly known as Saving and Credit Co-operative Societies - SACCOs) in Uganda. The Unit mainly provides technical support services that benefit SACCO members, leaders (Boards and Supervisory Committee) and Management staff. The services also benefit regional Savings and Credit Cooperatives Unions (SACCO Unions). The Unit operates through head office staff (Unit Manager and Manager Capacity Building Services) that are supported by Microfinance Officers in all UCA's regional offices.

The Micro Finance Unit mobilizes, sensitizes and guides communities to form SACCOs. It then builds the technical capacities of SACCOs (members, leaders and management staff) to enable them provide easily accessible and affordable financial services to their members on a sustainable and self-help basis. It also conducts regular internal audit and supervision of SACCOs to ensure that they operate professionally, comply with sound SACCO standards and comply with their policies, byelaws and Co-operative Laws and Regulations so that they become safe, sound and sustainable financial services institutions.

The Microfinance Unit's main objective is to build Sustainable SACCOs that provide easily accessible and affordable financial services to underserved communities.

(b) AGRI BUSINESS UNIT (ABU)

Introduction

The Agri Business Unit (ABU) of UCA is responsible for handling the affairs of all co-operatives whose business is agricultural production, value addition and marketing including Enterprise based National Unions.

The Unit provides technical support services that benefit all production, value addition and marketing cooperatives members, boards, committees and management staff. The Unit is headed by ABU manager supported by marketing extension officers based at the head office and the regional offices. The unit is also supported by a partnership manager who links cooperatives to other appropriate support services (Resource, capacity building and business) from the private sectors and other agencies.

The ABU mobilizes, sensitizes and guides communities to form and manage the cooperatives. Through its support services to the production, value addition and marketing cooperatives, the department builds the technical capacities of the cooperators (members, leaders and management staff) to enable them provide quality services to their members on a sustainable basis. It also conducts regular internal audit and supervision of ACEs and RPOs to ensure that they operate professionally, comply with sound cooperatives business management practices.

2.1 INTEGRATED FINANCE AND AGRICULTURAL PRODUCTION INITIATIVE PROJECT (IFAPI) - MICROFINANCE COMPONENT

BACKGROUND

Integrated Finance and Agricultural Production Initiative (IFAPI) was a project supported by Canadian Cooperative Association (CCA) and German Development Cooperation (GTZ) operated in the Mid-west, West Nile and the Northern part of the Country aimed at improving the livelihoods of producers. The project ended in March 2015 and it covered 11 districts namely Masindi, Apac, Oyam, Lira, Kiryadongo, Nebbi, Zumbo, Arua, Maracha and Koboko.

The project had three different phases, the third and the last phase of the project started in January 2012 and ended in March 2015, it was a consolidation stage of the first two phases. The project enhanced and advocated for viable business activities like improved farming methods and modern trade and commerce among the local communities and made them economically active in production with reliable institutions to support them in production, marketing and financial services. In addition, the Project supported the communities to address some cross-cutting issues including gender, HIV/Aids as well as environment protection.

The project has empowered members of cooperative societies and enabled them attain good governance and self-control of their resources and maintain sound financial management of resources. Most of the SACCOs supported by the projects have contributed to the socio-economic development of their members as such many members are able to meet their basic needs with more ease.

The period under review was majorly concerned with end of project activities which included final project evaluation by external consultants, organization assessment using the DLA tool which was a follow up of the 2012 assessment done on participating cooperatives, final environment pilot project evaluation by CCA intern, and support to agricultural cooperatives to organize collective marketing function to their members. It was also a period of during which the leaders and staff of the Project supported SACCOs went for exposure visit to Moyo SACCO to share experience and learn from their achievements and challenges.

Achievements

Activities	Results
Exposure visit Moyo SACCO was selected for the visit because it is one of the biggest SACCOs in northern Uganda having started in 2003. By October 2014, the SACCO had two branches with a total membership of 8,322, Savings of Shs 5,746,365,579, Shares of Ug. shs 300,160,000 and loan portfolio of shs 5,746,365,579. Basing on the sixth principle of cooperative “Cooperation among Cooperative” IFAPI Project organized exposure visit for leaders and staff of seventeen Cooperatives drawn from Masindi, Lango, Nebbi & Koboko Sub-region to enable the members share experience and learn from Moyo SACCO. The visit took place 20th to 22nd November 2014. It started with a workshop during which the leaders and Management of Moyo SACCO including the former General Manager and founder member made presentation on a number of issues. The visit ended with tour of Moyo SACCO head office in Moyo town and branch office at Obongi. Members of visiting SACCOs expressed gratitude to UCA for organizing such an educative visit and to the leaders and Management of Moyo SACCO for sparing time to share experience including challenges and achievements. The members made commitment to put what they learnt into practice. Below is what transpired during the visit.	The SACCOs drew actions points and implemented some of the lessons learnt from Moyo SACCO. This resulted to increase in membership and financial resources of the majority of the SACCOs

(Left): *Participants pause for group photo after workshop at Moyo Multipurpose Centre* ***(Right):*** *Participants in a meeting with the leaders and management of Moyo SACCO during exchange visit*

(Left) *Moyo SACCO head office in Moyo Town,* ***(Right)*** *Moyo SACCO Branch office at Obongi*

Activity 2.2 Launch of youth savings clubs	***Result***
The much awaited launch of Youth Savings Clubs was done in October in all the participating schools which included Akalo S.S, Akalo Progressive, Akalo Comprehensive, Ikwera Girls and Aduku S.S, St. Margaret Primary School, and Fr. Guido nursery and Primary School. Some of the items delivered to the schools during the launch included sign posts and other posters to be put in the school compound.	The Clubs have continued to register increased in membership especially after the launch bringing the total membership to 2,097 comprising of 873 girls and1224 boys. In addition, different school Head Teachers expressed their support for the Clubs by allocating them plots of land within the schools for carrying out projects such as setting up tree and flower nurseries

Students of Ikwera Girls Secondary school during the launch of the youth savings club at the school

Activity **2.3 2014 Africa Partners Forum**	***Results***
UCA -IFAPI Project together with Canadian Cooperative Association (CCA) organized the Africa Partners Forum for partners of CCA. The forum took place from 8th to 15th November 2014 in Nebbi and was attended by a total of 41 members (5 Partners from Malawi with a Guest from Farmers Union of Malawi, 2 from Tanzania, 3 from Kenya, 3 from SEND Ghana, 3 from CUA Ghana, 4 from Rwanda, 9 from CCA and 15 from Uganda Cooperative Alliance). The members that attended the Forum included, Rev. Angala George- UCA Board Chairman ,Ms Jo-anne Ferguson- CCA Director and Mr. Leonard Msemakweli, UCA General Secretary among other dignitaries. The theme of the forum was; "Extracting Lessons Learned and Measuring Knowledge Transfer Impact". During the forum, all the Partners made presentations on various issues and the partners visited different enterprises supported by IFAPI Project. Some of the key areas visited include wet coffee processing, mushroom growing, wine processing and bottling, handcrafts production plus a few SACCOs. Below are some enterprises visited by the Partners.	*CCA and the rest of the partners thanked UCA for the contributions made towards improvements of the livelihood of the farmers supported by the project and the country as a whole. The partners from other countries appreciated the integrated approached promoted by UCA and promised to do the same in their countries /projects.*

Above (Left) Wine processing Centre / shop of Nyaravur RPO (right) left Ms Emma the Manager wine enterprise talking to Rev. Fr. Angala the Chairman Board UCA, next to Rev. Fr. Angala is ,Ms Jo-anne Ferguson, CCA Director.


Above (Left) Members of Nyaravur RPO and Dikiri Kabucan SACCO welcoming the partners: (Right) Partners attending the forum.


Above (left) *Mr. Msemakweli Leonard, UCA General Secretary looking at the coffee pulping machine of Erussi RPO.* ***Above (Right):*** *African's Forum participants listening to a member of the RPO explaining how they have been able to add value to their coffee through wet coffee processing which has enabled them increased their earnings.*


Above (Left) *wet coffee being washed* ***Above (Right)*** *wet coffee being dried*

Activity 2.4 Technical support by Canadian Coaches.	
During the period under review, the project organized for 6 Coaches from Canada visited six SACCOs to give the technical support. The Coaches have wealth of experience in either managing or governing credit Unions in Canada. The SACCOs visited by the Coaches are Dikiri Kabucan and Pakwach Town SACCO in Nebbi district, Akalo, SURENET, Loro Oyam and Ikwera SACCO in Lango Sub-region. Before the visit to the 6 SACCOs, the Coaches held meeting with IFAPI Microfinance team to understand the challenges facing each of the selected SACCOs to enable them develop the best strategies to use to support the SACCOs address the challenges.	At the end of the field visit, the Coaches held meeting with the leaders and management of the SACCOs visited during which they presented their findings and recommendations to improve areas of weaknesses. . As a result, the six SACCOs have registered considerable improvements in various areas win which they received technical support from the Coaches.

Left: *CCA Coaches meeting the leaders and staff of Ikwera SACCO* ***Right:*** *Coaches with UCA-IFAPI staff after the de-briefing meeting*

Activity 2.5 Evaluation of the Project	Result
The project intended to support growth and sustainability of 22 SACCOs through various interventions such as; Institutional Assessment of SACCOS using the Development Assessment Ladder, capacity strengthening in governance and management; mobilising and training members, setting operational guidelines and monitor compliance, logistical support to weak SACCOs, linkages to Data Services Centres to improve accuracy of reporting, Monitoring and supervision by UCA through Light Due Diligence LDD exercise, Computerisation of manual records using the Data Services Centre (DSC) supported by GIZ as UCA partner. To find out the outcome of the project, UCA together with CCA organize for external evaluation of the project	The evaluation revealed that there has been a steady increase of men and women registering with SACCOs savers, loan clients. Men and women membership and access to SACCO services is presented in Table 1 to 5 below. There have been deliberate efforts to increase membership and financial resources in SACCOs which have translated into increasing trend in membership of both women and men in SACCOs. The strategies used included study circles training on financial literacy, formation of VSLAs, YSCs and mobilization by Gender committees and Community based facilitators (CBF) s. This has led to increased access to financial services of members especially women

Conclusion

IFAPI Project has contributed to improved livelihood of small holder farmers in Uganda through increased production and productivity, improved income and access to financial services. The members have their own money safe in their SACCOs and are able to meet their financial needs including paying for medical services, school fees, construction of better houses, land, animal and meet their daily needs with more ease.

Annex 1

Table 1: Summary of the financial performance and position of IFAPI supported SACCOs from 1st July 2014 to 30th June 2015

Items	1-Jul-13	30-Jun-14	Increase	% increase
Membership	16,007	19,214	(8,492)	-53.1
Share Capital	741,700,900	900,515,600	158,814,700	21.4
Savings	2,744,130,061	2,499,656,469	(244,473,592)	-8.9
Loan Portfolio	2,685,274,848	3,129,021,857	443,747,009	16.5

Table 2: Membership growth from 1st July 2014 to 30th June 2015

Region	1-Jul-13	30-Jun-14	Increase	% increase
Masindi	829	**855**	26	3.1
Koboko	6,427	7,515	1,088	16.9
Nebbi & Zombo	5,812	7,316	1,504	25.9
Lira and Apac	2,939	3,528	589	20.0
Total	16,007	19,214	3,207	20.0

Table 3: Growth in share capital from 1st July 2014 to 30th June 2015

Region	1-Jul-14	30-Jun-15	Increase	% increase
Masindi	19,919,700	21,138,000	1,218,300	6.1
Koboko	419,370,000	508,707,000	89,337,000	21.3
Nebbi & Zombo	165,520,000	219,008,000	53,488,000	32.3
Lira and Apac	136,891,200	172,800,600	35,909,400	26.2
Total	741,700,900	900,515,600	158,814,700	21.4

Table 4: Growth in Savings deposit from 1st July 2014 to 30th June 2015

Region	1-Jul-14	30-Jun-15	Increase	% increase
Masindi	47,334,300	48,553,200	1,218,900	2.6
Koboko	1,964,904,940	1,694,509,304	(270,395,636)	-13.8
Nebbi & Zombo	468,083,802	374,541,817	(93,541,985)	-20.0
Lira and Apac	263,807,019	382,052,148	118,245,129	44.8
Total	2,744,130,061	2,499,656,469	(244,473,592)	-8.9

Table 5: Growth in Loan Portfolio from 1st July 2014 to 30th June 2015

Region	1-Jul-14	30-Jun-15	Increase	% increase
Masindi	41,980,300	52,563,800.0	10,583,500	25.2
Koboko	1,634,790,728	1,975,656,407.0	340,865,679	20.9
Nebbi & Zombo	623,739,233	531,273,000.0	(92,466,233)	-14.8
Lira and Apac	384,764,587	569,528,650.0	184,764,063	48.0
Total	2,685,274,848	3,129,021,857.0	443,747,009	16.5

AGRIBUSINESS UNIT COMPONENT OF THE PROJECT: PRODUCTION, MARKETING AND ENVIRONMENT

During the year the main interventions/activities were the normal capacity building of managers and leaders in financial management and preparation for the requirements for marketing cooperatives -ACEs since there were two marketing season for major produce in the region and follow-up and evaluation of the new piloted agricultural financing and rural saving mobilization methodology- the Farmer VSLAs (FVSLAs). Other interventions were coordination of environment pilot activities evaluation, and Development Ladder Assessment (DLA) assessment for those participating cooperatives that were assessed using the DLA tool in 2012 conducted by project staffs.

Result area 1: Farmer Village saving and loan associations (FVSLA):
The farmer VSLA methodology which was piloted in Nebbi, Lango and Arua regions has taken root and we hope to expand it to other regions in the future and also other projects as it works well for production saving mobilization and linkage to SACCOS. In the period under report the following is the data in regard to the performance of various associations using the methodology.

TABLE 1. FVSLA in Nebbi, Arua and Lira regions

FVSLAs	MEMBERSHIP		TOTAL M/SHIP	ORDINARY SAVING	PRODUCTION SAVING	WELFARE FUND
	M	F				
Nebbi 30	335	411	746	43,142,000	16,612,000	7,634,800
Arua 15	243	171	414	29,225,500	2,575,200	2,831,500
Lira 10	183	114	293	6,563,400	2,981,500	8,338,300
55	**761**	**969**	**1453**	**78,930,900**	**22,168,700**	**18,804,600**

An external assessment to establish the extent of relevance and impact of the methodology was also conducted with support from GIZ which will be used to inform future plans and intervention for improved implementation and scaling up.

Evaluation reports indicate that; Where the FVSLA members are engaged in common agricultural production activities, the concept has been more successful at improving their access to finance for production activities. The adaptation of the VSLA to FVSLAs has therefore been an effective way to organize farmers on one hand and resources to invest in farming on the other. And the report concluded that: ***The adaptation of the VSLA to FVSLAs has proved to be a good innovation and the most effective way to organize farmers and resources for farming in low income communities.***

Result area 2: VALUE ADDITION AND PRODUCE COLLECTIVE MARKETING

a. Value addition

The project during the year continued to promote and support value addition initiatives as a market access strategy for participating members with a focus on processing, major enterprises here under were rice hulling, (Dei and Wadelai) coffee pulping in Erusi- Nebbi ACE, honey cleaning and packaging for markets (Nebbi & Arua), cassava sales and grinding as a service to members and improved market access, and fruit wine processing, testing and promotion.

Table 2: Sales from value added products

Enterprise	Tons Bulked/ltrs	Sales/ turn over	Commission
Cassava	202	163,565,000	2,138,500
Coffee	61	393,900,000	7,878,000
Rice	92.1	261,490,000	6,418,900
Honey	15.8	14,875,000	270,000
Wine	1600ltrs	19,200,000	10,399,350
Total	1600ltrs of wine & 370ton of produce	853,030,000	27,104,750

For the fruit wine enterprise, the RPO continued to receive support from the field staffs in form of follow up visits, training in marketing and promotion, label development and printing, record keeping and analysis all aimed at ensuring that good quality wine is produced and marketed to provide viable alternative to members produce. So far samples taken to the government industrial research institute for testing in support to the development of the wine being produced by the cooperators into a fully certified brand and results show a good trend towards attaining the recommended parameters.

Other project supported value addition initiatives were monitored throughout the year. One of such initiatives is the solar dryer services at Bweyale ACE. The solar drier dried 3.6tons (mainly cassava, and maize) of produce earning up to 900,000 to the ACE for onward investing and providing member services.

Ludara women RPO Koboko district, were supported to access a cassava/millet mill and to date 5.6tons of cassava have been Milled for home consumption and marketing serving over 150 repeating clients while generating a net surplus of 567,000 Ug. Shilling.

b. **Commodity Marketing (ACE bulk marketing**)

In regard to support marketing and market access, project interventions were in areas of training marketing committees in bulk marketing organization, quality control and stores management linkage to buyers while emphasizing commission charging as a means to sustaining ACE collective marketing services.

The following is a presentation of performance of various participating cooperatives in marketing of various members produce during the year.

TABLE 2. Showing Performance Of Various Marketing Cooperatives In The Markets.

ENTREPRISE	ORGANISATIONS	PARTICIPATING FARMERS			VOLUMES (ton)	AMOUNT	COMMISION
BEANS		MALE	FEMALE	Total			
	VURRA	71	44	115	21.9	41,400,000	2,110,000
	AYIU(ARUA)	27	13	40	3.5	10,500,000	525,000
	NEBBI	231	84	315	142.2	170,520,000	3,410,400
	BOMIDO	10	9	19	7.3	10,950,000	195,000
		339	**150**	**489**	**174.9**	**233,370,000**	**6,240,400**
RICE							
	WADELAI	156	109	265	106	254,400,000	2,544,000
	DEI	154	92	246	110.5	265,200,000	2,652,000
	ITEKI OKILE	74	69	143	56	128,800,000	1,200,000
		384	**270**	**654**	**272.5**	**648,400,000**	**6,396,000**
MAIZE							
	BOMIDO	79	82	161	225	114,200,000	2,060,000
	NYAMAHASA	363	143	506	595	261,500,000	950,000
	DEI	138	79	217	136.4	70,002,000	774,240
	NEBBI	234	107	341	204.6	112,530,000	2,250,600
	DRANYA	31	52	83	17.1	17,100,000	855,000
		845	**463**	**1308**	**1178.1**	**575,332,000**	**6,889,840**
GNUTS							
	VURRA	61	80	141	67.4	121,600,000	2,792,000
	LOBULE	51	14	65	21	18,338,000	96,000
	LUDARA	110	-	110	4.9	4,165,000	208,000
		222	**94**	**316**	**93**	**144,103,000**	**3,096,000**
CASSAVA							
	VURRA	53	27	80	7.6	21,600,000	1,080,000
	LUDARA	66	4	70	2.5	17,500,000	875,000
	NEEBBI	210	185	395	226.2	139,284,000	1,725,340
	DEI	112	161	273	150	95,985,000	1,422,500
	WADELAI	115	130	245	166.1	1,05,356,000	1,595,960
	BWEYALE	23	10	33	3.6	2,880,000	280,000
		579	**517**	**1096**	**556**	**277,249,000**	**6,978,800**
HONEY							
	VURRA	7	5	12	2.4	21,600,000	1,080,000
	NEBBI	25	15	40	15.8	148,750,000	270,000
		32	**20**	**52**	**18**	**170,350,000**	**1,350,000**
SOYA							

	NEBBI	65	43	108	32.6	48,900,000	489,000
	DEI	72	40	112	33.4	50,100,000	501,000
	WADELAI	81	45	126	31.5	47,250,000	472,500
	AKOLODA	21	78	99	25.7	38,505,000	300,000
	BOMIDO	13	67	80	15.5	23,250,000	230,000
		252	**273**	**525**	**138.7**	**208,005,000**	**1,992,500**
SIMSIM							
	DEI	243	104	347	86.7	277,440,000	2,774,400
	NEBBI	291	167	458	114.4	366,080,000	3,660,800
	WADELAI	249	113	362	108.5	347,200,000	3,472,000
		783	**384**	**1167**	**309.6**	**990,720,000**	**9,907,200**
		GRAND TOTAL				**3,247,529,000**	**42,850,740**

PROJECT EVALUATION

Project evaluation was conducted between January and February 2015 by external consultants and it assessed the extent to which expected results in terms of outputs and outcomes were achieved, documented challenges, lessons learned and recommendations. The assessment was carried out by two external consultants using quantitative and qualitative methodologies. The assessment covered 6 components; indicator data, livelihood survey, gender update, training survey, environmental update and technical assistance evaluation.

The project envisaged five outputs three at cooperative level and two at member level. The outputs focused on governance, financial management and appropriate systems to meet member's needs while at member level the focus was on achieving livelihood and business enhancing skills and exposure to social and environmental issues.

The achieved outputs are directly linked to 5 immediate outcomes at same level merging into two intermediate outcomes and finally the ultimate outcome. The project sought to achieve the stated results at different levels mainly through technical support to leverage sustainability after its exit. The overall achievement of project results is 90%.

In line with output1 on training personnel in leadership 491 women and 643 men leaders from SACCOs, ACEs and RPOs were trained leading to high application of skills acquired at individual level averaging 96% of those trained, though the extent differed for different individuals with only 43-63% fully applying the training. The application at Coop level was at 77% for SACCOs and 54.5% ACEs based on DLA results.

On output 2 on appropriate systems in place at Coop level 278 women and 309 men were trained to better meet member needs resulting in high application of appropriate and gender sensitive knowledge, skills, processes and technologies at 72.2% male and 97% female staff fully applying the training,

On output 3 Coops trained in best practices, 399 women and 499 men and 38 Coops mainly SACCOs received financial training, however several trainings for managers and staff and Coops only moderately improved financial management at 50% based on Table functioning Coops and 26% based on all project Coops.

The output 4 participation in relevant livelihood and business enhancing skills did not directly translate into high RPO and member adoption rates for conservation farming proportionate to the numbers of farmers trained probably due to few demonstration plots established and low adoption targets.

The output 5 on increased knowledge and exposure to social and environmental issues, participation was high and outcome in terms of creation and use of community structure; study circles/VSLAs was proportionately high except for youth clubs whereby only 18were created out of 66 targeted and savings did not meet targets..

The immediate outcomes described above lead to sustainability of some institutions, 59% SACCOs providing easily accessible financial services to the communities; the membership increased by 476% women and 299% men; savings by 179%, average amount saved increased by 44.8% and savers by 23%.

Over all the intermediate outcomes as measured by sustainability of Coops and Knowledge and skills application and participation in leadership positions have been successfully achieved at 108%.

The operational self-sustainability of ACEs on the other hand, is not yet achieved although the number of members using their services namely bulking has increased by 236% and 184% for women and men respectively, value of cumulative sales over project period has increased by sales 79%, members are receiving added margins of up to15- 75% on maize and 44% on rice sold through their ACEs and saving up to 100% on a kilogram of Longe 10 Maize seed procured through the ACE.

The use of skills acquired in the project has positively impacted on the lives of 90% of members trained as reported in the training survey, the women's lives have dramatically changed through social and economic empowerment to the extent that there is drastic reduction in Gender Based Violence.

Though it is too early to measure the impact of environmental outputs, the results show that Tree Nurseries, Improved Cook Stoves and Conservation Farming have had an effect on employment of youth, women and increased income sources for members overall.

All the above results at different levels have led to improvement in livelihood of 77.6% of members of project Coops, 26,864 women and 26,936 men, giving 187% men and 230% women improvement as measured at baseline.

The major challenges were in the areas of governance and financial management as measured by DLA at Coop level over all. The other challenge was understaffing and low adoption rates. The major lessons are Coops should ensure that member engagement and loyalty is maintained at all times for collective decision making regarding business operations and, Create a diversity of financial services suited to gender needs so that poor women and men can be enabled to start income generating activities.

2.2 VECO FUNDED PROJECT

Background Of The Program

In 2009, UCA initiated a partnership with Vredeseilanden Country Office (VECO), a Belgian international development organization, as a strategy towards achieving their economic and social development objectives. Under the economic objective, UCA's responsibility is to ensure that farmers within VECO East Africa implementation areas are organized into Rural Producer Organizations (RPOs) at parish level, Area Cooperatives Enterprises (ACEs) and Savings and Credit Co-operatives (SACCOs) at Sub-County level to enable them access business development services, which would be difficult to achieve when farmers are on their own. UCA's mandate is to support the farmers organise into co-operatives, support them in establishment and strengthening of systems and prepare them to enter the open market. The program has two parts: The Belgian Survival Fund (BSF) which targets farmers in Bugiri, the greater Pallisa area and Directorate General of Development (DGD) project targeting Iganga, Kumi, Tororo and Busia Districts. The DGD project has two components, the pilot phase and Structural Change Agenda (SCA) phase.

The pilot component is where UCA supports FOs in the program areas to build the necessary capacity to participate in the produce market with a voice and muscle to enable farmer members achieve better incomes for their produce as well as reduce the transactional costs along the value-chains for the enterprises they are involved in. The SCA component is where UCA together with other partners, and VECO itself, share lessons learnt from the pilot phase and other good practices from other donor partners' works with FOs, with other stakeholders supporting smallholder farmers.

Program Objectives:

UCA has been partnering with VECO to achieve its economic objective of seeing sustainable agricultural market chains, preferably at local and regional level in which organized family farmers, male and female are successfully influencing the trade relationships (price, resources, power) and improving their income.

BELGIUM'S DIRECTORATE GENERAL FOR DEVELOPMENT COOPERATION (DGD) PROJECT

Basing on the success of the earlier project, the DGD project was renewed for another three years, effective June 2014. The new project is divided into two sub-projects;

ii) **Staple Sub-sector Development (SSD)** – This targets Doho Rice Scheme in Butaleja district, with an objective of assisting rice farmers in the scheme to ensure food security, better productivity and better access to markets so that incomes improve. It is also envisaged that supporting the scheme will go a long way in ensuring rice sovereignty in Uganda. The scheme covers an area of 1,500 hectares with targeted farmers totalling 4,500 males and females.

iii) **Inclusive Modern Markets (IMM)** – This is targeting horticultural farmers' organisations in Bududa, Kapchorwa and Tororo districts. Its objective is to support fresh fruits and vegetable farmers in those targeted FOs to have a better influence in the market for fresh fruits and vegetables, both on the local and regional markets.

The project is already underway although the preliminary stage we were responsible for was completed in June, 2015. It mainly involved supporting the organisations in mobilising more members, facilitate registration of both the marketing co-operatives and SACCOs, putting up the proper governance structures, financial and general management systems as a base on which services can be extended to members and business well-conducted in the FOs. We are awaiting the next phase of strengthening the systems to ensure efficiency and effective management in the FOs

The RPOs, ACEs and SACCOs targeted for the year 2014 are summarised in the table below.

District	Sub county	Targeted enterprises	Number of RPOs	Registered ACEs/Marketing cooperative.	Registered SACCOs
Butaleja	Mazimasa	Rice	11	1	1
Bududa	Bududa	Passion fruits, dairy, onions	32	1	1
Tororo	Rubongi	Passion fruits	9	1	1
	Kwapa	Onions	4	1	1
Kapchorwa	Tegeres	Passion fruits, onions, fresh beans	9	1	1
Total			38	5	5

One of the Buyer-Seller meetings organised by UCA,

Doho Irrigation Scheme Farmers' Co-operative Soc. packaging material for their rice

ACHIEVEMENTS FOR 2014/2015

<table>
<tr><th>Farmers' Organisation</th><th>Progress made</th></tr>
<tr><td>Doho irrigation scheme farmers' co-operative society (DIFACOS)</td><td>Supported establishment of a management and accounts system.
Facilitated procurement of a rice mill with a destoner component
Supported mobilisation of members from just over 200 in June 2014 to 574 by end of July, 2015.
DIFACOS has operational policies, new formulated vision and mission, business plan and strategic objectives
Facilitated registration of Doho Farmers SACCO, with total membership of 184, and mobilised savings of up to 11.6M by end of July</td></tr>
<tr><td>Tororo Fruit & Vegetable farmers' cooperative</td><td rowspan="3">All three FOs formally registered as co-operatives.
All have registered new members and formed more farmers groups in all parishes
All have management systems in place</td></tr>
<tr><td>Kwapa farmers' co-operative society</td></tr>
<tr><td>Sabiny Multi-purpose Agro-Commodity co-operative society limited</td></tr>
<tr><td>Bududa – Yetana ACE</td><td>Facilitated a special general meeting and overhaul of leadership
Worked with DCO, district leadership to mediate and settle all leadership wrangles in the ACE
Facilitated mobilisation activities in all 32 RPOs of the ACE
Supported formulation of vision, mission, operational policies and leaders' manual</td></tr>
</table>

STRUCTURAL CHANGE AGENDA

During the financial year 2014/2015:

1. UCA, VECO and UNFFE organised a workshop for sharing a study report on Smallholder Agricultural Finance models in Uganda. The objective of the workshop was to share with the key stakeholders the different successful models being used to provide smallholder farmers with agricultural financing.

2. UCA together with VECO, UNFFE and Agriprofocus network, organised and conducted a workshop during which the participants shared with other players in development work notably the private sector and government, the various aggregation models being used by smallholder farmers, especially in the horticulture subsector, to enhance collective action to access better markets for their produce.

BELGIUM SURVIVAL FUND (BSF) PROJECT

As mentioned earlier on, the BSF project is running until the end of 2015 but UCA's main mandate ended on 30 June 2015. The project targeted farmers' organisation in Bugiri and the greater Pallisa region. Three sub-counties were chosen for support and these are Nankoma in Bugiri, Kameke in Pallisa and Kagumu in Kibuku district. The aim of the project was to help participating farmers become food-secure, have more influence and control of the market and resources so that their incomes are boosted to ensure decent livelihoods. The major target enterprises are groundnuts, maize, sweet potatoes and cassava for food security and marketing.

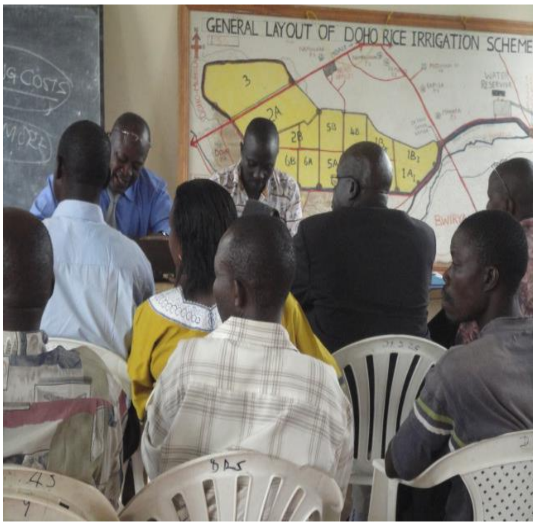
TARGET GROUP AND ENTERPRISES

WHAT?	2010-2015
Target Population	Direct beneficiaries:- (1500M,1500F) Estimated indirect beneficiaries: - (7500M, 7500F)
Target Groups	Cooperatives (**16 RPOs, 3 ACEs, 3 SACCOs**) Strategic Partners: VECO, District Farmers' Associations and District Commercial Officers of Bugiri & Pallisa.
Main Chain	Groundnut
Other Enterprises supported	Maize, Cassava, rice

RESULT INDICATORS

INDICATOR	PROGRESS/ ACHIEVEMENT SEPT, 2014	PROGRESS/ACHIEVEMENT JULY, 2015
3.1.1 Number of farmers who are members of registered cooperative associations	Total = 1,750; 1,225M, 525F (117 members per RPO)	Total = 1,930; 1,300M, 630F (128 members per RPO)
3.1.2 Cooperatives successful in accessing Agri-financing for members as per needs and requests of farmers.	• Membership = 677 • Share capital = 20,285,000 • Savings = shs26,509,415 • Borrowing=shs 33,320,300	• Membership = 824 • Share capital = 31,780,000 • Savings = 33, 909,415 • Borrowing = 52,790,100
3.1.4 Management Support.	The ACEs have functioning boards, production committees at RPO level, supervisory committees, marketing committees, a manager and a production officer. All ACEs have accounts both in the SACCOs and Centenary Bank. They have stores, offices and office equipment.	The ACEs have functioning boards, production committees at RPO level, supervisory committees, marketing committees, a manager and a production officer. All ACEs have accounts both in the SACCOs and Centenary Bank. They have stores, offices and office equipment.
3.1.5 Number of effective market	No groundnuts were marketed during the period because it was off-season.	• Kameke has been inspected by UBL in preparation for signing of a contract to supply 10T of High

linkages (volumes).	However, Kameke sold off the 12.5tons of chipped cassava that members had bulked in the previous seasons.	Quality Cassava Flour per month • Kameke sold up to 66T of cassava flour, and members were able to earn Ugx.700 per kg compared to Ugx.400 offered locally. • Kagumu ACE made their first sale of 55 bags of groundnuts, and 28 bags of chipped cassava. • The price offered for groundnuts in Kagumu was Ugx.105,000 compared to Ugx.90,000 offered locally.



Above and Below: Members undergoing co-operative education in Doho, Rubongi, Tororo and Sabiny Co-operative in Kapchorwa

AGRI-FINANCE PERFORMANCE AS AT 31st JULY 2015

District	Sub county	Targeted SACCO	Member Institutions (RPOs, VSLAs etc)	Individual membership		Youth membership		Share capital	Savings	Loan portfolio
				M	F	M	F	Shs	Shs	Shs
Pallisa	Kagumu	Kagumu Farmers	15	70	46	7	4	10,405,000	10,685,150	15,455,200
Pallisa	Kameke	Kameke Farmers'	11	78	43	13	7	9,320,000	6,432,710	9,587,500
Bugiri	Nankoma	Nankoma SACCO	18	243	116	32	18	22,465,000	23,333,650	34,539,700
Butaleja	Namplog oma	Doho farmers'	27	96	63	54	27	6,505,000	11,687,236	8,868,500
Kapchorwa	Tegeres	Sabinyi	1	27	34	7	11	780,000	757,000	586,600
Bududa	Bududa	Bududa Yetana	20	63	28	23	10	1,130,000	910,000	1,140,000
Tororo	Kwapa	Kwapa farmers	7	43	49	21	18	1,050,000	2,369,540	2,086,500
Tororo	Rubongi	Rubongi Farmers	10	36	18	16	8	540,000	1,042,000	1,315,000
TOTAL			**109**	**656**	**397**	**173**	**103**	**52,195,000**	**57,217,286**	**73,579,000**

*Doho SACCO signpost, **M**: Members being served at the SACCO,*


***R**: Doho Manager talking to members during a mobilisation meeting and Sabiny SACCO signpost*

OTHER UNINTENDED PROJECT ACHIEVEMENTS/OUTCOMES

In the process of implementing our activities in the region, the following unintended outcomes were registered:

- Many VSLAs were directly linked to SACCOs which has strengthened farmers' access to Agri-financing.
- Cassava, which was previously a major crop for food security has emerged as a major cash crop in the region due to knowledge and skills acquired from the training and introduction of high yielding and disease resistant varieties plus a concept of collective production and marketing
- More development partners have liked UCA model for provision of support services to farmers and their institutions and have copied and are applying the same in their community mobilization and development activities.

CHALLENGES FACED AND HOW THEY WERE OVERCOME OR HOW THEY CAN BE OVERCOME

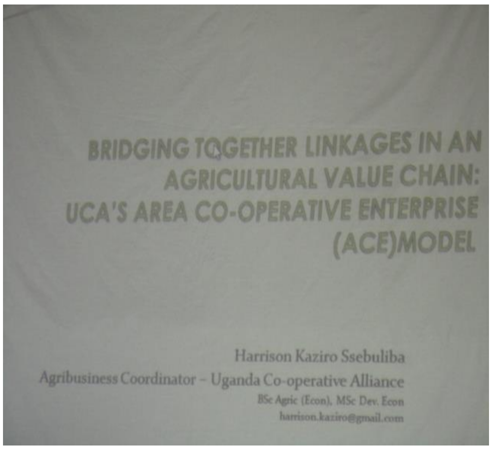
a) Resource mobilisation – members are hesitant to contribute beyond purchasing of the minimum number of shares, savings and membership fees. This makes co-operatives to rely on donor funds for their basic operations which unfortunately does not allow them to meet the members' service requirements. This has the growth pace of RPOs and ACE largely due insufficient funds. The solution is to mobilise and sensitise members more as funding is sought and business linkages are established so that the co-operatives can generate their own funds to enable them provide better services to members.

b) Poor funds utilisation – The leaders and staff of ACEs and SACCOs have not fully taken advantage of donor funds to boost productivity that would ensure their sustainability when the project ends. Instead they are spending their internally generated funds on activities that do not benefit long-term sustainability. More entrepreneurship training for staff, leaders and the general membership need to be undertaken so that the organisations, their members, leaders and management staff can learn how to be efficient and effective in handling their operations which they should in particular conduct in a business-like manner.

c) Untrustworthy leaders and management staff like in the cases of Kagumu ACE and Kameke SACCO where management staff defrauded the co-operatives without timely detection by their leaders. This calls for effective monitoring and supervision by the cooperative leaders with support by the District Commercial Officials complemented by development partners like UCA. The co-operative leaders as well as members need to regularly attend refresher training programs to build their technical capacities so as to be empowered to effectively lead their organizations. So far, UCA has successfully guided leadership Kagumu ACE, Merikit ACE and Kameke SACCO, and the three are on a recovery course.

d) Prolonged drought spells – Many times, agricultural production has been adversely affected by insufficient rains. In such cases, the farmers have no surpluses to sell through their co-operatives. This has negative impact on the cooperatives' business operations.

This calls for them to have more than one enterprise, linking them to sources of drought resistant and early maturing crop varieties, and mobilising them to plant early so that they are not so much affected. The co-operatives have also been advised to create partnerships with irrigation practitioners to explore effective means of irrigation so as to minimise the effects of the droughts.



Above: Some of the Structural Change Agenda events organised by UCA to share lessons with development partners, other stakeholders & government

LESSONS LEARNT AND THE WAY FORWARD

e) Where a partner/donor supports the FO, the funds should be invested in boosting its capacity to mobilise and sensitise members and create more business linkages so that the co-operatives can generate their own funds to enable sustainable provision of services to members when the project closes.

f) The leaders and staff of ACEs and SACCOs need to be trained right from the start so that they are aware that partner funds should be to enable the FO to put more emphasis on productivity than consumption so as to ensure long-term sustainability.

g) Due to the increasing insincerity in leaders and staff, close vigilance by leaders and close monitoring and supervision by UCA, DCOs are necessary to incorporate into training programs aimed at building technical capacity to avert deliberate loss of members' resources. UCA has successfully ensured this in Kagumu ACE, Merikit ACE and Kameke SACCO where untrustworthy leaders and staff squandered members' resources, and the three are on a steady path to full recovery.

h) Many times, production has been affected because of short or no rains due to prolonged drought spells and the farmers have had nothing to sell through their co-operatives, which adversely affects members' and FO's incomes. This calls for them to have more than one enterprise, linking them to sources of drought resistant and early maturing crop varieties, and mobilising them to plant early so that they are not so much affected. The co-operatives also need support in creating partnerships with irrigation equipment suppliers to explore effective means of irrigation so as to minimise the effects of the droughts.

Conclusion

Overall, UCA is grateful to VECO for accepting to invest in building and strengthening Uganda's cooperatives in the eastern region. This has led to the growth of member-owned SACCOs and ACEs that are effectively serving their members. This will eventually create the much desired increase in member-participation which will bring many benefits to their households. UCA is currently applying the lessons learnt in the new DGD project, which will ensure its successful implementation and maximisation of the co-operatives and their members' benefits.

2.3 EMPOWERING FARMERS IN LAKE VICTORIA BASIN PROJECT (EFVP) - MASAKA

UCA has been implementing the project which is sponsored by VI since 2012 and this will continue up to 2016. It is supporting 8 Area Cooperative Enterprises (ACEs), 4 of which already exist but weak while others were to be formed from scratch by selected communities. The 8 ACEs were to have 40 primary cooperative societies (or RPOs) as the affiliates and linked to 8 SACCOs for purposes of providing financial services. Total number of individuals expected to benefit from the project is 8,000.

Project Goal: Improved living conditions for farmer households through sustainable use of natural resources within the Lake Victoria Basin by 2016.

Project Objective: Empowered farmer organizations addressing the rights of their members and effectively contributing to sustainable land use management in the Lake Victoria Basin.

Area of Operation: Areas within the Districts of Masaka, Rakai, Bukomansimbi, Lwengo and Butambala.

Components and Outputs.

a) Organizational development.

- Five UCA staff were trained in tree seed procurement, and distribution using Vi staff.
- Leaders of six ACEs were trained in record keeping and the six received record books to enable them run their organizations professionally.
- Nine (9) RPOs five (5) from Kingo and four (4) from Kiwangala have been registered during the period July 2014- June,2015.
- Following advice given by M&E team mobilisation for formation of VS&LAs and SACCOs started in 3 RPOs and are being assisted to register.
- The process to register Bulo, Kingo, and Kiwangala as ACEs is in progress and goes hand in hand with the registration of RPOs subscribing to them.
- The formation of SACCOs under EFVP projected was embarked on in 2014. For the period January-June 2015 Katovu SACCO in Malongo ACE has been registered.

b) **Agro forestry.**

- Five long term tree nurseries were established as follows; Tukomyewo (2) Kingo (1) ,Kasambya (1) and Malongo(1) ACEs expected to raise 50,000 seedlings.
- 26,350 long term trees were established during the period July 2014-June, 2015.
- 57,900 Meters of short term trees have been planted in Malongo, Kingo, Bulo and Kasambya.
- 12,330 fruit trees were planted in five ACEs of Kasambya, Malongo, Kingo Tukomyewo and Kasimeko
- 4865 Farmers have been trained in SALM forestry practices
- 1224 farmers were trained in the construction of energy saving stoves.

c) Farm Enterprise Development.

- Farmers in Kasambya and Kingo ACEs have been trained in rearing Kruoiler chicken and have mobilized funds to facilitate joint procurement of day old chicks from the National Animal Genetic Resource Centre in Entebbe. For the period July 2014 – June 2015 the farmers have procured 3,040 Kruoiler chicks.
- With support from the project farmers through their ACEs are being supported to bulk their produce, negotiate for better prices and market their members produce at a price higher than the open market and hence enabling their members to earn higher incomes. For the period January- June 2015 farmers were able to collectively sell produce worth shs **1.045Bn.**

- **Value Addition:** In order to increase in their incomes, farmers from 15 RPOs and 6 ACEs were trained in banana wine-making. The value of wine sold during the period was shs **19,315,000.**
- **Prices difference between bulked products and open market:** In terms of prices, bulking enabled farmers access better prices as follows:
- Coffee (Kiboko) was sold at an average price of shs 1700/= per kg in the open market, while the ACE was able sale members coffee at 2000 kgs per kilogram which is 17 per cent higher. Hurled coffee (FAQ) sold at Shs 3840 per kg in the open market while the ACE price was shs 4,136 per kilogram which is 7 per cent higher.
- Maize grain sold at shs 350 per kg in the open market while the ACE price was shs 512.5 per kilogram which is 46 per cent higher.
- Beans sold at an average price of shs 1500/= per kg in the open market, while the ACE average ACE was able sale members beans at 1773 shs per kilogram which is 18 per cent higher.
- This demonstrates the benefits to farmers by marketing through their ACEs..

d) Lobby and Advocacy.

- UCA together with other FOA Consortium partners participated in the consultations to identify Sustainable land management advocacy issues at the National level.

e) Youth and Children.

- The project continued to support pupils in six schools to acquire knowledge and skills on SALM. A total of 529 pupils in five schools were trained on environmental issues.

Out Target Performance 2015

Programme Element	Performance Indicators	Target 2015	Achievement to date	Percentage.	comments
Goal: Improved living conditions for farmer households through sustainable use of natural resources within the Lake Victoria Basin by 2016	1. % increase in households with improved diet	25	Survey yet to be done		
	2. % increase school enrolment	5	Survey yet to be done		
Objective: Empowered farmer organizations addressing the rights of their members and effectively contributing to sustainable land use management in the Lake Victoria Basin	% increase in octagon tool score of partner organizations	5	Survey yet to be done		
1.1. Efficient farmer organizations delivering services to their members	1.1. Number of members in groups/partner organization"(Gender disaggregated) .	M: 2800 F: 3600	M: 3429 F: 3041	M:122% F: 84%	Mobilization still on going for females
1.2. Increased democracy and transparency within the farmer	1.2. Number of farmer organizations having annual general meeting	1 UCA	UCA Held its AGM in time		

organizations	(AGM)				
1.3. Strengthened farmer organizations competences and skills in resource mobilization and leadership	1.3. % change in per capita total asset.	7			
2.1. Decreased land degradation	2.1.1. Number of long term trees planted	40,000	25,786	64.4	More trees still in the nurseries
	2.1.2. Meters of short term trees planted	60,000,	37,800	63	More to be planted during second season
	2.1.3. Number of households with soil erosion control structures	2500,	2700	108	All households have soil erosion control structures
2.2. Farmers more resilient to climate change	2.2.1. % of households reporting yield increase	75	75	100	All households targeted report yield increase
	2.2.2. Number of household with diversified crops	4000	400	100	All households have diversified crops
	2.2.3. % of household adopting agro forestry and SALMS	100%	100%	100	All households have adopted agro forestry
	2.2.4. Number of school children's trained on environmental issues	1000	529	53	More to be trained by end of year
	2.2.5. Number of households with water harvesting structures	1000,	329	33	More yet to construct
2.3. Reduced stress on natural resources through increased production and improved utilization of sustainable energy	2.3.1. Number of households using wood saving stove	1200	342	34.2	More yet to construct
	2.3.2. Number of households using solar energy	200,	92	46	Farmers say it is costly, rural electrification has supported some who would adopt.

	2.3.3. Number of households using biogas	5	0	0	Farmers say it is costly
3.1. Farmers transformed from relying on subsistence agriculture to become market-oriented Agroforestry farmers	3.1.1. Number of households getting income from sale of on-farm products	4000	4000	100	All households sale farm produce.
	3.1.2. Number of groups practicing value addition	15	16	106	One group adding value to milk, 15 are adding value to bananas to make wine.
3.2. Increased availability of financial services for small-holder farmers for productive and social investments	3.2. Number of farmers accessing financial services (Gender disaggregated)	6000	6470	107	All farmers are in Co save groups and SACCOs
4.1. Policies and legislations that are conducive for land use managers	4.1. Number of farmer groups/organizations actively involved in L&A for the interest of farmers e.g. sustainable farming, Agro forestry, gender equality or land tenure rights	1,UCA and four ACEs	1	100	UCA is actively involved
5.1. Capacity established among farmer organizations to mainstream gender equality	5.1.1. % of women in board and management positions	30	30	100	This emphasized in all targeted cooperatives
	5.1.2. % of resources utilized for women	40	45		Women are active members of groups
5.2. Capacity established among farmer organizations to mainstream HIV and AIDS	5.2. Number of farmer organizations with functional HIV/AIDS mainstreaming policies	1 UCA,	Policy in place		
6.1. Capacity established among farmer organizations to nature young people	6.1. Number of farmer organization integrating youth in their programmes	1 UCA and 3ACEs having youth targeting strategies	UCA and all ACEs are working with youth and children		
	6.1.2. % increase in number of pupils belong to environment and agriculture clubs	20	25		Children are very much interested in the practical sessions.

RESULTS ACHIEVEMENT.

The project intends to equip farmers with the requisite skills that will enable them increase agricultural production and productivity in a sustainable manner. In addition to this, the projects targets to build the capacities of the cooperatives to be able to serve the production, value addition, marketing and financial services needs of their members. As the farmers increase their production productivity and incomes, their quality of life improves and they are also able to meet their obligations in their cooperatives which in turn strengthen them to provide better services to the members.

LESSONS LEARNT.

- The effects of climate change are hard and biting, hence there is need to empower farmers to be able to increase their resilience to the effects of these climatic changes. A case in point is the prolonged drought and less rains receives earlier this year which left farmers counting heavy losses.
- Where farmers are organized, production planning and collective marketing are possible and they are able to bargain for better prices, but there has to be trust in the leaders.
- Farmers not always waiting for handouts, as long as they hope to benefit from an undertaking, they are always willing to invest their own resources.

There is a lot of need for cooperatives to move higher in the value chain e.g. value addition for them to realise their full potential in economic advancement.

ACE BUSINESS PERFORMANCE.

Table1: ACE Coffee sales 2014/2015

		2014/2015		**2013/2014**	
Enterprise	Name of ACE	**Sales volume**	**Sales value**	**Sales volume**	**Sales value**
		2014/2015	**2014/2015**	**2013/2014**	**2013/2014**
Coffee	Malongo	10,686	43,402,280	4100kgs(FAQ)	16,605,000
	Kasimeko	24,185	102,490,250	9600kgs (FAQ)	71,800,000
	Kisaasa	8,990	28,300,000	26010kgs(Kiboko)	48,070,975
	Tukomyewo	26,874	111,958,300	103253kgs(FAQ)	426,520,850
	Kiwangala	33,375	143,606,450	27693kgs(FAQ)	114,263,765
	Kingo	10,800	45,137,500	23539kgs(FAQ)	108,205,100
Total		**114,910**	**474,894,780**		**785,465,690**

Sales volumes declined due to prolonged dry season.

Table 2: Maize sales 2014/2015

Enterprise	**Name of ACE**	**Sales value**	**Sales value**
		2014/2015	**2013/2014**
Maize	Malongo	14,500,000	375,550,000
	Maddu	37,900,000	17,040,000
	Kasambya	24,000,000	20,000,000
	Kiwangala	52,250,000	9,000,000
	Kasimeko	-	25,000,000
Total		**128,650,000**	**446,590,000**

Table 3: Beans Sales 2014/2015.

Enterprise	Name of ACE	2014/2015 Sales volume	Sales value	2013/2014	Sales value	sales growth Ug shs	% growth
			2013/2014		2013/2014		
Beans	Kasambya	**99,000**	**171,700,000**	71,700	56,000,000		
	Malongo	**33,140**	**57,552,000**	252,500	11,200,000		
	Kiwangala	**49,720**	**88,565,600**	10,000	1,800,000		
	Kasimeko	**61,400**	**104,504,000**	80,000	94,800,000		
Total-beans		**243,260**	**422,321,600**	**414,200**	**163,800,000**	**258,521,600**	**157.827595**

Sales value for beans increased by 157% due to increased prices.

Table 4 : Wine Sales 2014/2015.

Name of ACE	2014/2015	2014
Kasimeko	1,750,000	1,720,000
Tukomyewo	-	3,638,000
Kingo	13,672,000	20,244,500
Kiwangala	1,984,000	1,065,000
Kasambya	414,000	2,150,000
Malongo	1,495,000	960,000
Total	**19,315,000**	**29,777,500**

Table 5: ACE Sales 2014/2015

	sales value	
Enterprise	2014/2015	2013/2014
Coffee	474,894,780	785,465,690
Maize	128,650,000	446,590,000
Beans	422,321,600	163,800,000
Wine	19,315,000	29,777,500
Total	**1,045,181,380**	**1,425,633,190**

2.4 ENHANCING COOPERATIVES COMPETITIVENESS PROJECT (ECCP) 2015 - 2016

Introduction

UCA and We Effect have been collaborating partners in the development of co-operatives in Uganda since the 1980s. In addition to projects supported by We Effect, UCA has over the same period also implemented projects supported by other partners like CCA, Norges Vel, VECO, and Vi agro-forestry.

The learning experiences acquired by UCA during the implementation of the many projects during this period, the development of the co-operative sector, the changing environment in which co-operatives are operating as well as the changing needs of co-operatives have all combined to inform the preparation of ECCP project.

This project represents a transition from UCA's phase of directly providing capacity building services to individual co-operatives and their members (which has taken it about two decades) to that of:

- Building the capacities of district/regional co-operative unions that can share in the task of supporting co-operatives in Uganda.
- Creating a conducive environment for co-operative establishment, governance and business operations
- Promoting new co-operative structures for enhancing the provision of co-operative service to members and maximizing their co-operation benefits.

Project Objectives.

The project's development objective is "**Reduced poverty and injustice among co-operators"** while its immediate objective is "**Co-operatives delivering services required by their members sustainably".**

Project outputs.

The project has three outputs namely:

1. UCA's capacity to provide services to Co-operative members enhanced.
2. Seven (7) District co-operative unions with enhanced capacity to provide services to their members
3. A conducive environment for cooperative development enhanced

Project Participants/Beneficiaries.

1. Uganda Cooperative Alliance.

Uganda cooperative Alliance will be the main implementer of the project. Under the project UCA will be enabled to retain staff that will coordinate and supervise the successful implementation of the project activities and wherever necessary, to hire services of competent consultants to provide the required services for the successful implementation of the planned activities.

By participating in the project, UCA will be able to establish an effective operating relationship with the Unions. Through the unions, UCA will also have an indirect relationship with their members.

2. District Co-operative Unions

The second category of the project participants will be district cooperative unions. The Unions are secondary level cooperatives whose members are primary cooperatives. By law two primary cooperatives can form a union. The Project works with seven district unions; four of them being Uganda Crane Creameries Cooperative Union, Teso Fruits Cooperative

Union, West Acholi Cooperative Union and Okoro Coffee Union. These unions are already being supported by We Effect. UCA will work with these unions to strengthen their governance, management and operations.

In addition, UCA is supporting three other unions that are not currently being supported by We Effect. These include Semuliki Cooperative Union in Bundibugyo, Mt Rwenzori Coffee Farmer' Union in Kasese and Twezimbe area Cooperative Enterprise in Kyankwanzi.

3. All other Cooperatives in Uganda (National and Regional Unions, ACEs, SACCOs and Primary Producer Cooperative Societies/RPOs)

The strategic interventions under lobby and advocacy will indirectly benefit all cooperatives in Uganda through improved co-operative establishment, governance and operating environment. The main areas of focus will be legal environment and socio economic environment, For example focus will be directed at improving cooperative regulatory framework which will enable them to improve their governance and operations, increase their outreach and grow their businesses, increase their own resources and generally build better upstream co-operative structures and capacity that will enable them to sustainably provide better services to their members.

Progress on Project Implementation.

- Assessments were done for each of the seven unions and reports highlighting gaps and areas for improvement were prepared.
- For all the Unions, actions to address the identified gaps were also agreed upon and priorities set in line with ECCP intervention areas.
- MOUs were signed between UCA and the Unions to streamline the working relationship.
- Implementation of activities that were agreed upon just commenced.

Highlights on Areas where UCA is supporting the Unions.

Under the Project, UCA will support the Unions in the following key areas to enable them improve their performance to in order for them (Unions) to provide better services to their members**.**

i) Guide unions to establish operating systems and procedures.
ii) Support unions to formulate operating policies and manuals.
iii) Guide Unions to finalize or formulate their strategic plans.
iv) Guide district unions to take stock of their members and ascertain their businesses
v) Guide the district unions to extend services to their member primary co-operatives.
vi) Guide the unions to conduct their general meetings to secure their members' mandate for their business operations.
vii) Conduct orientation for New Union boards, Internal Audit committee, Board sub committees and vetting committee.
viii) Guide Unions on market linkages and marketing of Members' produce.
ix) Guide Unions on resource mobilization through training and experience sharing.
x) Support the Union to participate in Networks.

2.5 SUPPORT TO FARMERS' ORGANIZATIONS IN AFRICA PROGRAMME (SFOAP)

BACKGROUND:

Cassava was introduced to Uganda through Tanzania by Arab traders between 1862 and 1875 (Langlands. 1972). In Uganda, cassava is the second most important staple crop after Bananas and Uganda is the sixth largest producer of the crop in Africa with 4.2 million metric tonnes in 2010 (MAAIF 2011). The main cassava growing regions based on production volumes of 2008/2009 were: the eastern region (37%), followed by the northern region (34%), western (15%) and central region (14%). Cassava production is dominated by smallholders growing 1-2 acres as a family enterprise for daily food, food security and cash an over 90% of the people consume cassava on a daily basis.

Close to 80% of Cassava produced in Uganda is used for food and other domestic use and only 22.2% of cassava in 2008/09 went to market with Northern Uganda having the biggest market share at 30% and eastern with least at 17.5 % (UCA, 2010). Cassava contributes 54% of the total house hold income for people in rural areas compared to coffee which contributes 11% (Africa Innovations institute).

The $1.8 million Kamtech Logistics plant an ethanol extraction factory opened on February 20 in Lira. Farmers now see the Lira plant which is using 15 tonnes of cassava daily to produce 4,000 litres of ethanol as a good market for their produce.

Uganda Breweries Ltd. uses between 300 to 400 MT of cassava monthly for processing of senator Stout lager a new beer brand. Bakeries are shifting from Wheat to cassava flour. Therefore at industrial level cassava is on high and increasing demand.

Despite the above high demand for cassava, Cassava production is still very low largely because of pests and diseases like Cassava Mosaic and the Cassava Brown Streak Disease (CBSD), growing of poor yielding varieties, subsistence farming methods and poor post-harvest handling techniques which indeed affect the quality and hence marketing.

It is on this back ground that UCA with support from Eastern Africa Farmers' federation designed the SFOAP project 2013- 2017 aimed at boosting cassava production, productivity and marketing which all would in turn increase household income.

ABOUT SFOAP AND ITS PILOT PHASE (2009-2012)

The Support to Farmers' Organizations in Africa Programme (SFOAP) was a pilot programme launched in 2009 to strengthen the capacity of FOs in African countries and their regional and pan-African networks. It was the first continental programme in Africa to be initiated by the four regional networks of FOs in sub-Saharan Africa (EAFF, PROPAC, ROPPA and SACAU) to work together with a single programme in support of the institutional development of their organizations at all levels. The pilot phase supported 55 national organizations in 39 countries, their four regional networks in sub-Saharan Africa and the establishment of the Pan-African Farmers' Organization (PAFO)

SUPPORT TO FARMERS' ORGANIZATIONS IN AFRICA PROGRAMME (SFOAP) MAIN PHASE (2013-2017)

The main phase builds on the successes and lessons learned from the pilot phase and scales up programme activities and outreach. The design fully integrates the main recommendations from the independent evaluation of the pilot phase. The inclusion of a fifth regional network, the Union Maghrébine des Agriculteurs (UMAGRI) has expanded the geographical area of the main phase to the North Africa region. The programme now supports 68 national farmers' organizations (NFOs) in 49 countries including Uganda, their five regional networks and the Pan-African Farmers' Organization (PAFO).

PROGRAMME OVERALL GOAL

The overall goal of the main phase of the Support to farmers' organizations in Africa programme (SFOAP) is to improve the livelihoods and food security situation of African small holder farmers and rural producers. Support to Farmers' Organizations in Africa Programme (SFOAP) focusses on cassava value chain in Uganda and is being implemented in three Area cooperatives (ACEs) namely: Wadelai, Panyimur Dei and Nebbi ACEs all in West Nile region of Uganda. However, we are expanding the programme to other two ACEs in Lango region Northern Uganda.

PROGRAMME PURPOSE

To help African farmer organizations (FOs) to evolve into more stable, performing and accountable organizations that are able to effectively represent their members and advise them in their farming enterprises. In addition, the programme supports the development of FOs economic services to facilitate the integration of smallholder farmers in value chains

THREE MAIN OBJECTIVES OF SFOAP IN EAST AFRICAN REGION

i. To improve the performance of small scale farmers as a result of improved access to relevant economic services
ii. To strengthen the capacity of Cooperatives at all levels to provide appropriate economic services to their members
iii. To address policy related challenges affecting the performance of Cooperatives in the selected value chains

PROGRAMME EXPECTED RESULTS

i. Improved performance of small scale farmers with respect to increased incomes, production, productivity and access to new markets
ii. Selected Cooperatives to have the capacity to effectively provide economic services to their members
iii. Policy-related challenges affecting performance of Cooperatives have been addressed
iv. The successes, best practices, challenges and failures of significant economic initiatives are capitalized and shared among members and partners

PROGRAMME FINANCING AND PARTNERS

IFAD supervises and co-finances the SFOAP main phase. The European Union (EU), Swiss Agency for Development and Cooperation (SDC) and Agence Française de Développement (AFD) provide funding through IFAD. SFOAP is a major 'component' of the EU, IFAD, SDC and AFD partnership for strengthening FOs/ Cooperatives worldwide through direct support to capacity building. The Food and Agriculture Organization of the United Nations (FAO) and the Technical Centre for Agricultural and Rural Cooperation (CTA) provide additional technical support.

Funds flow through EAFF as a regional network which then channels them to UCA as a National Farmer Organization (NFO). EAFF is responsible for the overall coordination and implementation of activities within their region. UCA is the co-implementer of the programme and is responsible for the execution, monitoring and coordination of the activities at a national level.

ACTIVITIES AND RESULTS OF SFOAP/CASSAVA VALUE CHAIN

PROJECT ACTIVITIES	RESULTS
Baseline study conducted in the three ACE s	UCA used baseline results to established the current status and hence basis for project planning
Project inception	SFOAP was officially launched on the 9th April 2015 by the commissioner for cooperative societies. The launch was attended by high dignitaries representing cassava value chain across the country
Visibility of the project	News pullout was published in the Daily Monitor dated 27th February 2015 followed by an article in the Agribusiness expo May 6th 2015. The advert attracted many people especially those who actually didn't know the secret behind cassava production. Membership in the ACEs increased of course coupled with share capital and subscriptions. Development partners like ISSD came on Board. Buyers and financial institutions came on Board too.
26 cassava demonstration farms	They provide practical learning skills to farmers. Demonstration farms will act as cassava multiplication centers for the farmers to access better cassava varieties
Training of farmer leaders in cassava standards and marketing	Over 150 farmers from the three ACEs underwent training in cassava standards and marketing facilitated by Uganda Breweries Ltd. Farmers gained knowledge and skills in cassava standards and marketing.
Training of farmers and leaders in cassava Agronomic practices, post-harvest handling & cassava standards	Trainings were conducted by NARO officials at every ACE attracting over 50 participants. Farmers gained knowledge and skills in cassava Agronomy, post-harvest handling and cassava standards.
Knowledge management workshop	The workshop was held in August 2015 and was attended by 50 participants. Foreign participants included people from Rwanda, Burundi and Kenya. Others in attendance were Nebbi district officials, GB Brands Agro processing machine manufacturers, Civil society organizations, the media, UCA staff, UNFFE, insurers, Buyers, processors and representatives of farmers. Through exchange of knowledge and experiences among participants, a lot of business ideas were generated, conceptualized and then planning. Participants were informed of the available opportunities related to mechanization and market.

Challenges in implementing the project:

- Dry spell which affected cassava gardens including demonstration plots.
- Nonexistence of national/regional cassava policy or ordinance
- Poor record keeping by farmers and FOs to track their performance
- Lack of processing equipment which affects Cassava Quality and hence marketing
- Pests and diseases: Cassava Mosaic and the Cassava Brown Streak Disease (CBSD)
- Farmers mind set is still stuck in subsistence farming. However, this will gradually change

Conclusion

"Cassava is actually gold to farmers which remains untapped". It requires concerted efforts by the farmers, cooperatives and the development partners to organize the sector in ensuring high productivity, production and quality products that meet the market standards.

Appendices

Commissioner for cooperatives launching SFOAP

Participants during knowledge management workshop in Nebbi

Cassava demonstration plot in Panyimur Dei

Participants undergoing practical training using a chipper

Participants undergoing training

2.6 VEGETABLE OIL DEVELOPMENT PROJECT (VODP II)

INTRODUCTION:

In May 2015, the Vegetable Oil Development Project VODIP2 of the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) engaged Uganda Co-operative Alliance to support it in building the institutional capacity of the farmer institutions it is working with. Institutions with the requisite capacity would be able to provide the required support services to their members and also sustain the initiatives being promoted by VODP2. VODP2, is scheduled to end in December 2018.

Uganda cooperative Alliance is implementing capacity building activities aimed at strengthening the member-based vegetable oil farmer institutions.

VODP2 is supporting smallholder farmers to increase productivity and production of the crushing material for oil palm and oilseeds (sunflower, soybean, sesame and groundnuts), and linking farmers to both input and output markets by improving the value chain linkages. The farmer institutions are supposed to help their members do better and more profitable farming business.

Though UCA has already commenced the work of institutional capacity building among the oil vegetable farmers' organization, it is still in the process of finalizing the memorandum of understanding between it and MAAIF that will govern their relationship.

INTERVENTIONS MADE

Truck full of FFB (oil palms) being delivered from farmers to the factory

Oil Palm Component of VODP2

UCA Staff met with the Kalangala Oil Palm Growers Trust (KOPGT) technical staff and agreed on the necessary interventions for the purposes of building the capacity of Kalangala Oil Palm Growers Association (KOPGA). These were further agreed upon with KOPGA leaders. The areas agreed upon included.

- Reviewing KOPGT's trust deed and KOPGA constitution.
- Revising the institutional relationship between KOPGT and KOPGA
- Motivating or providing assurance to oil palm farmers and leaders about the benefits of farmer institutional capacity building.
- Involving KOPGA and KOPGT's key leaders and staff in conducting sensitization meetings for oil palm farmers.

A total of 27 sensitization meetings attended by 1,610 oil palm farmers were conducted in the whole of Lugala Island, the main Island in Kalangala District. The main objectives of the sensitization meetings were to:

- Re-energize farmers to renew interest and trust in their associations; KOPGA and SACCO popularly known as SOPGA
- Sensitize farmers about the proposed changes aiming at strengthening KOPGA
- Educate the oil palm farmers on the proposed changes in KOPGT and KOPGA's institutional relationship
- Prepare farmers for the forthcoming KOPGA AGM that will require them to adopt and pass resolutions for the proposed institutional changes.

At the end of the sensitization meetings, the participants had achieved the above objectives. They all agreed to attend the forthcoming KOPGA's AGM, adopting leadership search and vetting committees in their association branches and KOPGA itself, considering alternative legal forms of institution that will enable them to operate as business entities, fully patronizing their SACCO, and adopting the proposed institutional arrangements/relationship between KOPGA and KOPGT.

Oil palm farmers attending the sensitization meetings

Vegetable Oil Seed component of VODP2.

Owing to VODPII's funding constraints, the field activities of the planned baseline survey of the High Level Farmer Organizations in its 4 Centres i.e. Arua, Gulu, Lira and Mbale did not take place. However, all preliminary preparations were made and work will commence as soon as funds are secured. Once done, this will inform UCA about the state of the existing HLFOs in the 4 Hubs or Centres and their institutional capacity building needs. UCA will then choose 40 HLFOs to work with as per the Project's targets.

PLANNED ACTIVITIES

- Finalizing and signing the Memorandum of understanding with the MAAIF
- Conducting a situational analysis or baseline survey of the HLFOs in all 4 hubs and select 40 HLFOs to work with.
- Commencing institutional capacity building activities in the selected 40 HLFOs
- Organizing and facilitating the AGM of KOPGA
- Building the institutional capacity of KOPGA and its branches

2.7 UCA CLIFF HOUSING PROGRAMME

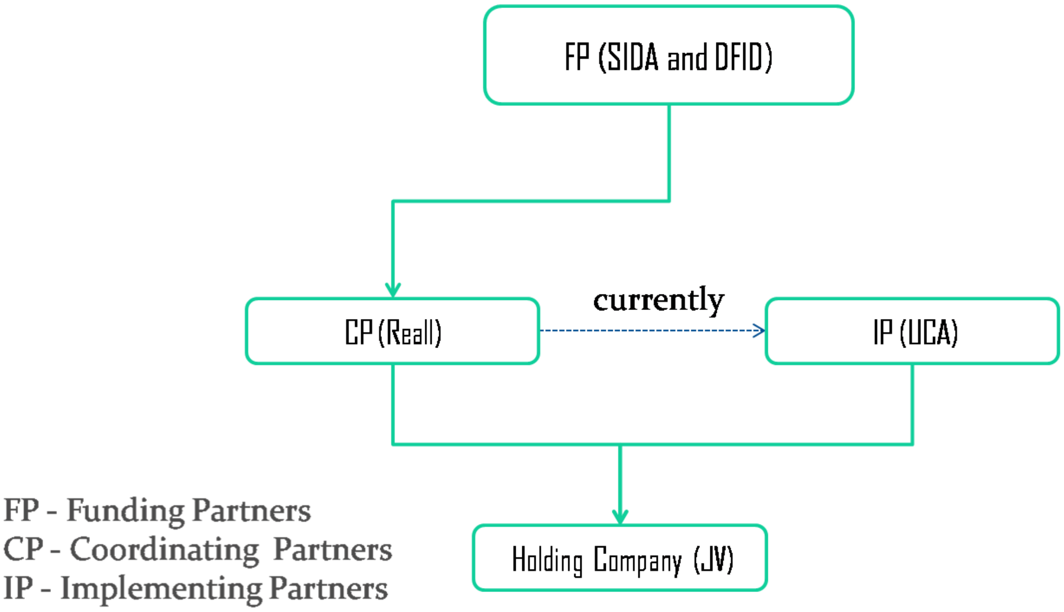
BACKGROUND

Uganda Co-operative Alliance (UCA) is an umbrella organization for all types of co-operatives in Uganda. After reviving the financial service co-operatives (SACCOs), agricultural production, value addition and marketing co-operatives, UCA has with support from a number of development partners embarked on the process of promoting self-sustaining housing co-operatives in Uganda. The housing co-operatives will mobilize, sensitize and organize their members so that they can save and make the required deposit payments for their low cost houses. Thereafter, they will pay monthly installments to complete the full cost of the houses within a period of up to 5 years.

BRIEF DESCRIPTION OF THE PROGRAMME

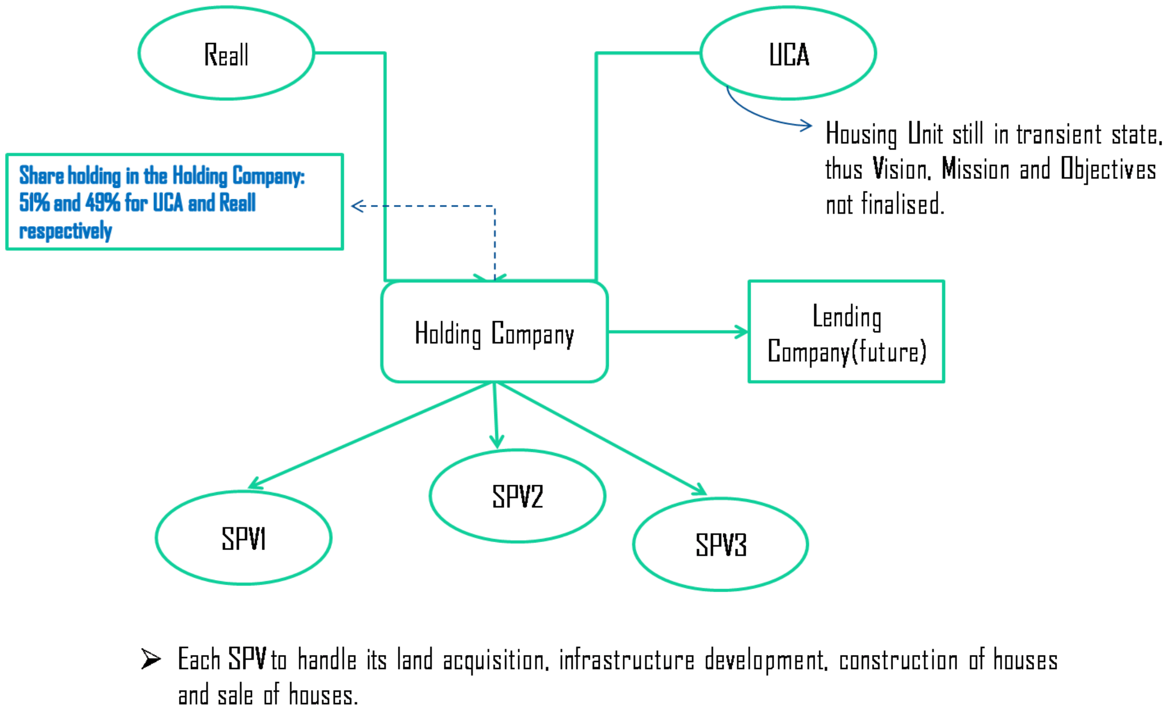
Currently, the programme is mainly supported by Swedish International Development Agency (SIDA) and Development Finance for International Development (DIFD) as the main Funding Partners (FP). Reall (formerly known as Homeless International) is the Coordinating Partner (CP) for the programme, while Uganda Cooperative Alliance (UCA) is the Implementing Partner (Figure 1). Currently, Reall is directly working with UCA, but the process of formalizing a Holding Company is on. It is envisaged that this will reduce risks to the Investing Partners.

Figure 1: Stakeholders for the UCA CLIFF Housing Programme



In order to further reduce risks to the Holding Company, an investment structure based on the use of Special Purpose Vehicles (SPV's) as a medium of investment has been proposed. A shareholding arrangement of 51% and 49% for UCA and Reall respectively has been agreed on (Figure 2).

Figure 2: Proposed Investment Structure for the UCA CLIFF Housing Programme



The UCA CLIFF housing programme is being implemented under the following strategic objectives:

- Lobbying and advocacy for creation of an enabling environment for operations of housing co-operatives.
- Mobilising and guiding of low income earners to form and operate housing cooperatives.
- Securing medium term funds and constructing houses for low income earners.

FUNDING ARRANGEMENTS

Funding for the programme is expected under the following arrangements.

- **Capacity and Project Development Funding**.
  - On one part, the support is being received in form of training facilitated by Rooftops-Canada and;
  - Additionally, funds are being received for Human Capital and Project Development. These funds are interest free and will be paid in 2018.

The first Capacity Funding Agreement was signed on the 25th September, 2015, and covered a loan in the amount of UGX 343, 549, 016 (UK£89,752), which was to be advanced in three installments (based on Homeless International Financial year) as follows:-

Ist Installment (September, 2014)	Ug shs 113,516,340
2nd installment (October, 2014)	Ug shs 115,016,338
3rd installment (January, 2015)	Ug shs 115, 016,338

To date, only two installments have been disbursed amounting to Ug shs 228,532,678 (Two hundred and twenty eight million five hundred and thirty two thousand six hundred and seventy eight shillings only. This Capacity Funding Agreement, which was signed on the 25th September, 2015 was for the financial year 2014/2015 only. The contract expired at the end of March, 2015, which meant that the last installment could not be disbursed.

- **Capital Funding** (Land and Product Development)
  - The funding to be received under this arrangement shall be at a cost of 5% per annum. To date, no funding has been released under this arrangement.

ACTIVITIES ACCOMPLISHED UNDER THE UCA CLIFF FINANCIAL YEAR OF 2014/2015

The following activities were accomplished during the first UCA CLIFF Financial year of 2014/2015:

- A feasibility study to facilitate strategic assessment on the location choice and project housing delivery.
- A Business Plan for UCA CLIFF Housing programme to serve as a basis for operational and business planning (working document).
- UCA CLIFF Housing Programme areas selected and ranked.
- Two training workshops held.

ACTIVITIES PLANNED FOR THE UCA CLIFF FINANCIAL YEAR 2015/2016

The following activities have been planned for the UCA CLIFF Financial year of 2015/2016 categorized under the different departments as follows:

Marketing Department:

- Mobilization and facilitation of registration of at least nine Housing Co-operatives
- An efficient and effective savings programme in place, with at least 50% of the members guided to save, and are able to qualify for housing loans.

Product Development Department:

- At least 10 acres of land identified, assessed and acquired for the UCA CLIFF housing programme.
- At least 72 housing units planned, approved and constructed.

End User Finance Management Department:

- The structure for the Financial Institution for the End-User Finance Management Function completed.
- At least 36 housing units sold out.

Additionally, three in-house training workshops will be undertaken as part of human capital development.

PROGRESS ON 2015/2016 FINANCIAL YEAR TARGETS

Marketing Department:

The various data on member growth, share contribution and guiding members to save to enable them qualify for housing loans under the three different housing co-operatives that were recently formed are summarised in Table 1 below.

Table 1. Data on recently formed housing cooperatives

Description	BARAPWO HOUSING CO-OP SOCIETY	LIRA WOMEN ENTREPRENEURS HOUSING CO-OP SOCIETY	LIRA BROTHERHOOD HOUSING CO-OP SOCIETY
No of registered members	127	75	70
Share capital contributions (Ug shs)	400,000	1,400,000	560,000
Member savings (Ug shs)	152,000	5,400,000	3,200,000

Additionally, mobilization of two other new groups is in advanced stages, and their registration with the Ministry of Trade, Industry and Co-operatives is expected to take place soon.

Product Development Department:

- **Land acquisition process**

So far, two pieces of land have been identified, assessed and funding secured. The first piece of land is 3 acres in size, and is located in Atego A village, Ngetta. Based on Lira main market as the reference point, the land is located at approximately 4.6km along Kitgum road, and fronts an existing access road at approximately 0.4km to the left of Lira Kitgum road. The second piece of land is also 3 acres in size, and is located in Awala village, Gwengabara. Basing on Lira main market as the reference point, the land is located at approximately 5.9km along Soroti road, and fronts an existing access road at approximately 0.5km to the left of Lira Soroti road.

- **Product Development process**

Most of the activities under project development process will proceed after land acquisition has been finalized and these will include: surveying, site planning, plot subdivision, geotechnical investigations, and topographical surveys, architectural and engineering designs.

On the overall, a product development model has been developed and each potential client will expect the following: land, a title, potable/piped water supply, sanitation, access road and core house. An increment/growing house concept will be used, with clear marketing information on how the clients can move from a core house to a fully-fledged residential house. Based on the preliminary cost analysis and client expectations, the size of the core is likely not to exceed 25.0m^2 in built up floor area.

Right from the inception of the UCA CLIFF housing programme, however, no clear baseline data was readily available to inform the affordability assessment. Recently, the Housing Unit therefore, launched an investigation into possible influencing factors to house affordability within the proposed UCA CLIFF programme area of Lira. To achieve this, it became necessary to develop and complete an awareness questionnaire with a representative sample of potential buyers within the proposed programme area. The main objective of the questionnaire, therefore, was to present a range of questions in order obtain and evaluate factual knowledge on potential buyers in Lira in relation to the key aspects, and their subsequent impact on house affordability, an important component in sustainability of the UCA CLIFF housing programme. Data collection exercise has now been completed. Data sorting and analysis is ongoing, which we hope will reveal the different issues that could influence people in buying our products, but also will enable the programme identify the issues, which may be critical in loan repayments.

PROGRAMME CHALLENGES

Table 2: Challenges faced and measure (s) instituted to overcome them.

No	Challenge faced	Measure (s) instituted
1.	Lack of mobilized groups with demonstrated savings	Fast track group mobilization and the registration process. Developing and implementing an effective savings programme.
2.	Speculative tendencies in land vending resulting in distortion of market rates for land.	Avoid use of land brokers and agents and instead use UCA field staff as contact persons on land issues.
3.	Delay in approval and release of funds.	Ensure that proposals and requisitions are made and submitted in time.
4.	Project and product acceptability in Uganda.	There is no example into which the potential clients can buy into. Clear marketing information is being development, which will facilitate all promotions.

CONCLUSION

Based on the contacts with various groups that have recently formed Housing Co-operatives, it is evident that the programme is appealing to the urban and peri-urban people. To date, UCA has built good relationships with the Funding Partners namely Reall and Rooftops-Canada. These important aspects suggest that the UCA CLIFF housing programme is set to change the face of housing among the low income earners in urban and peri-urban areas in Uganda.

3.0 FINANCE AND ADMINISTRATION

UGANDA CO-OPERATIVE ALLIANCE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2015

The Directors present their report together with the audited financial statements for the year ended 30 June 2015, which discloses the state of affairs of the organization.

a) Principal Activity

The organization's principal activity is to promote co-operatives in Uganda.

b) Results

The results for the year are set out on page 51.

c) Dividends

The Directors do not recommend payment of dividends.

d) Directors

The Directors who served during the year and to the date of this report were:

Rev. Fr. George Angala	-	Chairman
Mrs. Beatrice Katsigazi	-	Vice Chairperson
Ms. Elizabeth Nsimadala	-	Treasurer
Mr. Netalisire Patrick Mutuma	-	Member
Mr. Bogere Hakim	-	Member

e) Auditors

The auditors, M/S Jasper- Semu & Associates were appointed during the year and they have expressed their willingness to continue in office, in accordance with Section 22 (1) of the Ugandan Co-operative Societies Act.

By Order of the Board

Leonard Msemakweli
General Secretary

28th September 2015

UGANDA CO-OPERATIVE ALLIANCE LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 30 JUNE 2015

The Ugandan Co-operative Societies Act requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the organization as at the end of the financial year and of its operating results for that year. It also requires the directors to ensure that the organization keeps proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the organization. They are also responsible for safeguarding the assets of the organization.

The directors are ultimately responsible for the internal controls. The directors delegate responsibility for the internal controls to management. Standards and systems of internal controls are designed and implemented by management to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safe guard, verify and maintain accountability of the organization's assets. Appropriate accounting policies supported by reasonable and prudent judgments and estimates, are applied consistently using the going concern basis. These systems and controls include proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

The directors accept responsibility for the year's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Ugandan Cooperative Societies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the organization and of its operating results. The directors further accepts the responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that any breakdown in the functioning of these controls, resulting in material loss to the organization, has occurred during the year.

The directors have a reasonable expectation that the organization has adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the financial statements.

The financial statements which appear on pages 50 to 52 were approved by the Board of Directors and signed on its behalf by:

Fr George		
....	....	....
Chairman	Treasurer	General Secretary
28th Sept. 2015	28th Sept. 2015	28th Sept. 2015.

JSA

Independent Auditors' Report to the members of
UGANDA CO-OPERATIVE ALLIANCE LIMITED
In Respect Of The Alliance's Financial Statements For The Year Ended 30 June 2015

Report on the Financial Statements
We have audited the accompanying financial statements of Uganda Cooperative Alliance Limited as set out on pages **50 to 52** which comprise the statement of financial position as at 30 June 2015, the statement of comprehensive income, the statement of changes in equity and a statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements
As stated on page 48, the directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Ugandan Co-operative Societies Act. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility
Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements 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 organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Uganda Co-operative Alliance ltd. as at 30 June 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Ugandan Co-operative Societies Act 2012.

Report on other Legal and Regulatory Requirements
As required by the Companies Act 2012, we report to you, based on the audit that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
ii) in our opinion, proper books of account have been kept by the company, so far as appears from our examination of those books; and
iii) the company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

Jasper Semu & Associates

Jasper Semu & Associates
Certified Public Accountants
P.O. Box 8294
Kampala.

Date 25/09/2015

Statement of Financial Position
As At 30 June 2015

	Notes	2015 Ushs	2014 Ushs
ASSETS			
Non current assets			
Property, plant and equipment	*2a*	5,675,081,630	5,137,555,038
Investment property - Naguru	*3*	4,997,476,546	4,802,031,217
Investment property	*4*	0	0
Investment in shares	*5*	189,240,000	189,240,000
Total non-current assets		**10,861,698,176**	**10,128,826,255**
Current assets			
Inventories	*6*	50,845,169	49,690,545
Trade and other accounts receivable	*7*	435,079,520	958,133,335
Amount due from related parties	*16(a)*	76,272,471	76,269,471
Cash and bank	*8*	72,572,872	727,846,986
Total current assets		**634,770,032**	**1,811,940,336**
TOTAL ASSETS		**11,496,468,208**	**11,940,766,591**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	*9*	216,989,911	214,589,911
Statutory reserves	*10*	311,645,116	295,513,193
Capital reserves	*11*	821,078,950	821,078,950
Capital fund	*12*	53,963,976	53,963,976
Revaluation reserve	*13*	4,793,508,472	4,991,150,141
Capital grant	*17a*	156,671,630	216,765,034
Retained earnings	*17b*	2,913,178,122	2,649,081,708
		9,267,036,177	**9,242,142,913**
Non-current liabilities			
Loan from Housing Finance Bank	*18*	1,009,055,186	1,028,744,032
Current liabilities			
Loan from Housing Finance Bank	*18*	242,936,921	240,000,000
Trade and other accounts payables	*14*	301,807,739	265,813,150
Deferred revenue grants	*15*	202,954,927	691,389,238
Amounts payable to related companies	*16(b)*	472,677,258	472,677,258
		1,220,376,845	1,669,879,646
Total equity and liabilities		**11,496,468,208**	**11,940,766,591**

The financial statements were approved for issue by the Board of Directors on **28th September 2015** and signed.

Fr George

Chairman **Treasurer** **General Secretary**

Statement of Comprehensive Income
For The Year Ended 30 June 2015

	Notes	2015 Ushs	2014 Ushs
Income			
Member subscriptions		10,260,000	10,970,000
Rental income		775,927,520	403,284,720
Other income	19	630,523,127	731,216,663
Total income		**1,416,710,647**	**1,145,471,383**
Grant Income			
Balance b/f	9	691,389,238	
Grants recieved during the year	9	463,803,682	
Total grants available		**1,155,192,920**	
Total funds available		**2,571,903,567**	
Expenditure			
Staff expenses	20	(327,493,271)	(300,423,252)
Vehicle and travel expenses	21	(139,212,023)	(84,678,651)
Other operating expenses	22	(689,057,137)	(583,097,755)
Grant expenses	9	(952,237,993)	0
Provision for un utilized grant c/f	9	(202,954,927)	0
Total expenditure		**(2,310,955,351)**	**(968,199,658)**
Operating surplus before finance costs		260,948,216	177,271,725
Finance cost	23	(247,849,436)	(167,610,770)
Operating surplus before taxation	24	**13,098,780**	**9,660,955**
Taxation	25	0	0
Surplus for the year		**13,098,780**	**9,660,955**
Appropriation;			
Statutory reserves		1,039,878	
Development fund		654,939	
Education Fund		14,167,106	
Retained Earnings		(3,033,143)	
		13,098,780	

Statement of Cash Flows Year Ended 30 June 2015

	Note	2015 Ushs	2014 Ushs
Cash flows from operating activities			
Surplus /(Deficit) for the year		13,098,780	9,660,955
Adjustments for:			
Prior year adjustment dep. On tractor		- 30,046,702	
Overstated loan b/f		7,846,327	
Expenditures 2013/2014		31,694,858	
Gain on disposal of investment property	4		- 639,447,764
Depreciation	2	197,641,669	198,870,135
Operating funds before working capital changes		**220,234,932**	**- 430,916,674**
Cash flows from working capital changes			
Increase in inventories		- 1,154,624	-17,116,354
(Increase) / decrease in trade and other receivables		523,053,815	-144,639,744
(Decrease)/Increase in trade and other accounts payables		35,994,589	-15,914,065
(Increase) / decrease in amounts receivable from related Co.		- 3,000	-2,721,500
Increase in other long term liabilities			-
Cash outflow from working capital changes		**557,890,780**	**-180,391,663**
Net cash outflow from operating activities		**778,125,712**	**- 611,308,337**
Cash flows from investing activities			
Naguru housing project		-195,445,329	- 2,417,972,455
Purchase of fixed assets	2	-1,233,199,711	- 362,234,853
Proceeds from sale of fixed assets		498,031,450	0
Purchase of investment property	4		- 13,100,000
Cost on investment property			112,822,560
Proceeds of Investment property			1,716,800,000
Net cash (outflow) inflow from investing activities		**-930,613,590**	**- 963,684,748**
Cash flows from financing activities			
Increase capital grant			216,765,034
Proceeds from issue of shares		2,400,000	4,299,911
(Decrease) / increase in deferred revenue grants		- 488,434,311	- 457,451,005
(Decrease)/Increase loan from Housing finance		- 16,751,925	1,268,744,032
Net cash (Outflow) from financing activities		**-502,786,236**	**1,032,357,972**
Net (decrease)/ increase in cash and cash equivalents		**-655,274,114**	-542,635,113
Cash and cash equivalents at 1 July 2014		727,846,986	1,270,482,099
Cash and cash equivalents as at 30 June 2015		**72,572,872**	**727,846,986**

Donor Funded Programme Activities For Year Ended 30 June 2015

Grant Revenue	Ushs Bal b/d	Ushs Additions	Ushs Utilisation	Ushs Bal c/f
SCC/MFSP/HOUSING	78,179,998	0	78,179,998	0
SCC/EFTAF/MCB	120,313,291	0	120,313,291	0
FREDSKORPSET	14,825,758	58,111,508	47,508,367	25,428,899
CCA IFAPI II	188,607,312	0	188,607,312	0
NORGES/VEL/EFTAF/MCB/ECCP	75,328,654	117,081,617	141,176,760	51,233,511
MUCOBS	35,730,218	0	35,730,218	0
AGRI-BUSINESS TRUST	7,465,625	0	7,465,625	0
VECO	50,033,621	161,876,476	153,665,808	58,244,289
GIZ	3,189,254	0	3,189,254	0
SCC -VI	44,394,039	9,849,473	49,933,501	4,310,011
TRIAS	24,156,612	0	24,156,612	0
EAFF	43,681,260	16,015,258	52,688,433	7,008,085
ILO	5,483,594	0	5,483,594	0
CLFF	0	100,869,351	44,139,218	56,730,133
Total	**691,389,238**	**463,803,682**	**952,237,993**	**202,954,927**