

MINISTRY OF FINANCE, PLANNING AND ECONOMIC  
DEVELOPMENT

REPORT OF A CENSUS OF FINANCIAL INSTITUTIONS  
IN UGANDA

2006



MINISTRY OF FINANCE, PLANNING  
AND ECONOMIC DEVELOPMENT (MOFPED)

FINANCIAL SECTOR DEEPENING  
PROJECT UGANDA (FSDU)

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## LIST OF ABBREVIATIONS

ACCA	Association of Certified Chartered Accountants
ACH	Acholi Private Sector Development Company Ltd
AMFIA	Association of Microfinance Institutions of Ankole
AMFIU	Association of Microfinance Institutions of Uganda
APR	Ankole Private Sector Promotion Centre Limited
APROCEL	Ankole Private Sector Promotion Centre Limited
Avg	Average
BOU	Bank of Uganda
BUTO	Bunyoro-Toro Organization
CEN	Centre for Private Sector Development Limited
CIMA	Certified International Management Accountants
CPA	Certified Public Accountants
DCC	Database Coordination Committee
DENIVA	Development Network of Indigenous Voluntary Associations
DFID	Department for International Development
EPSE	Eastern Private Sector Development Centre Ltd
FSDU	Financial Sector Deepening Project Uganda
KAR	Karamoja Private Sector Development Promotion Centre
KZ	Kigezi Private Sector Promotion Centre Ltd
MDIs	Micro Finance Deposit-taking Institutions
MFI	Micro Finance Institutions
MN	Mid-Northern Private Sector Development Company Ltd
MoFPED	Ministry of Finance, Planning and Economic Development
MOP	Micro Finance Outreach Plan
MSEPU	Micro and Small Enterprise Policy Unit
MTTI	Ministry of Tourism, Trade and Industry
MUIENR	Makerere University Institute of Environment and Natural Resources
NCUSBO	National Council of Uganda Small Business Organization
NGOs	National Government Organizations
PRI	Private Sector Development and Consultancy Centre
PRICON	Private Sector Development and Consultancy Center
PSDC	Private Sector Promotion and Development Center
SACCO	Savings and Credit Cooperatives
SEP	South Eastern Private Sector Promotion Enterprise Ltd
SIDAs	Sub-County Integrated Development Associations
TESO	Teso Private Sector Development Centre Ltd
UBOS	Uganda Bureau of Statistics
UCA	Uganda Cooperative Alliance
UCSCU	Uganda Co-operative Savings and Credit Union
UGX	Uganda Shillings
UMA	Uganda Manufacturer's Association
USSIA	Uganda Small-Scale Industries Association
WN	West Nile Private Sector Promotion Centre Ltd.
WOCCU	World Council of Credit Union



## EXECUTIVE SUMMARY

The Ministry of Finance, Planning and Economic Development (MoFPED) with financial support from the Danish International Development Agency (DANIDA) under the Rural Financial Services Component (RFSC) conducted the first comprehensive national survey of the microfinance institutions (MFIs) in Uganda in 2001/2002 to establish the extent to which microfinance services are spread in the country. This information, however, had become outdated. As a result, in October, 2005, the MoFPED presented a concept paper to a meeting of stakeholders in Uganda's microfinance sector, proposing to conduct a census of Tier 4 MFI Outlets. The proposal was accepted and in 2006, the MoFPED and the Department for International Development (DFID)'s Financial Sector Deepening Project, and a group of other stakeholders carried out the census.

A total of 1263 institutional outlets (headquarters and branches) covering all districts in Uganda were found of which 1207 were found active or eligible<sup>1</sup>. Of the eligible outlets,

- 676 (56%) were Savings and Credit Cooperatives (SACCOs) (Tier 4);
- 104 (8.6%) were private companies (Tier 4);
- 73 (6.1%) were NGOs (Tier 4);
- 52 (4.3%) were Sub-County Integrated Development Associations (SIDAs) (Tier 4);
- 97 (8%) were Micro Finance Deposit Taking Institutions (MDIs) (Tier 3);
- 38 (3.1%) were credit institutions (Tier 2); and
- 168 (13.9%) were commercial banks (Tier 1).

The Central and Western regions account for 879 (72.8%) of all the eligible institutional outlets. The Eastern region accounts for 221 (18.3%) while the Northern region accounts for 107 (8.9%).

The total number of reported loans outstanding from SACCOs and other Tier 4 MFIs as of December 31, 2005, was 272,637, which is inferior to the total number of loans outstanding (339,170) with the regulated sector (commercial banks, credit institutions and MDIs) as of June 30, 2006.

The total number of clients with deposits with SACCOs and other Tier 4 MFIs as of December 31, 2005, was 389,479, which is also inferior to the total number of clients with deposits (2,161,274) with the regulated sector as of June 30, 2006.

In 2005, commercial banks disbursed UGX765,315.488 million or 68.5% of all disbursements, had a combined outstanding loan portfolio of UGX800,321.29 million or 76.6%, total savings of UGX980,966.918 or 90.6% million, and share capital of UGX199,104.443 million or 77.1%. MDIs disbursed UGX167,995.268 million or 15% of the total, and had share capital of UGX17,848.412 million or 6.9% while credit institutions had an outstanding loan portfolio of UGX83,944.994 or million or 8.0 and value of savings of UGX 32,859.172 million or 2.9%. SACCOs disbursed less than UGX53,860.073 million in 2005 or less than 5%, and had a loan portfolio of UGX30,754.241 million or 2.9%.

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<sup>1</sup> In this study an eligible SACCO outlet refers to an active SACCO outlet that meets criteria outlined in sub-section 2.1 (Phase II) of this report.

The highest percentage of the districts (17 or 21%) in Uganda had 2-5 SACCO outlets, 15 districts (18%) had 6-10 SACCO outlets and 12 districts (15%) had more than fifteen outlets. 12 (15%) of the districts in Uganda have no active SACCO and 11 (14%) had only one SACCO each.

Surveyed institutions employed a total of 8771 people, with commercial banks employing the majority (43%), followed by SACCOs (25%), MDIs (14%) and Companies (8%).

The SACCOs, NGOs and SIDAs mostly depend on concessionary loans for loan capital while companies rely on commercial loans. All institutional types depend on grants and other sources to finance their businesses.

The majority of SACCOs (58%), 58% of companies, 61% of NGOs, 58% of commercial banks and all MDIs use both individual and group lending methodologies. The majority (64%) of SIDAs and 67% of credit institutions employ individual lending.

Nearly 50% of SACCOs, 60% of Companies, 72% of NGOs and 95% of SIDAs charge average monthly nominal interest flat rate of between 2-3%. The overall average interest rate for institutions charging “flat” interest is 4% for SACCOs and companies while the overall average lowest “flat” rate reported is 2% for Credit Institutions and Commercial Banks. NB: Flat rate calculations are typically 60-70% more expensive for consumers than declining balance calculations of the same nominal rate.

All commercial banks reported calculating interest using the declining balance method, and none charges more than 2% per month. The average rate for those SACCOs calculating interest on the declining balance is 4% while it is 4% for companies, 4% for NGOs, and 3% for SIDAs. 48% of SACCOs, 36% of companies, 68% of NGOs and about one half of SIDAs borrow at rates between 0-2 percent per annum while all commercial banks borrow at between 5-10%.

Most SACCOs (52%), Companies (60%), NGOs (84%) and 58% of SIDAs pay average monthly nominal interest rates of 0-1 percent on deposits with an average of 1.2% for SACCOs and 1.4% for Credit Institutions.

The majority of institutions surveyed made profits as at the end of both 2004 and 2005. However, 19% of SACCOs, 15% of companies, 29% of NGOs and 19% of SIDAs made losses in 2005.

The majority of institutions reported that they had competition from other institutions in their area, with SACCOs indicating the highest rate of competition (82%).

Over three-quarters of Tier 4 institutions surveyed reported that they used external audit firms. An additional 17% of SACCOs said they were audited by the District Commercial Officer.

#### Recommendations:

- Establish why fewer active MFIs are located in some parts of the country and design a demand-driven strategy to improve the availability of financial services, giving particular attention to the 12 districts found to have no SACCO outlet.
- Establish why SACCOs and Companies charge the highest lending rates per month, on average, and the implications of this for the *bona baggawale* programme.
- Design standards for record keeping, financial reporting and auditing for the Tier 4 MFIs.

- Consider focusing more on the regulated financial sector for a faster expansion of outreach.
- Establish the magnitude of loans extended to the agricultural sector and sub-sectors.
- Learn lessons from this census to improve designing and execution of similar future studies.

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background to the Study**

The Ministry of Finance, Planning and Economic Development (MOFPED) with financial support from the Danish International Development Agency (DANIDA) under the Rural Financial Services Component (RFSC) conducted the first comprehensive national survey of the microfinance institutions (MFIs) in Uganda in 2001/2002 to establish the extent to which microfinance services are spread in the country. A digitized map was then produced showing that certain areas in the country had limited outreach of microfinance services, a Microfinance Outreach Plan (MOP) was designed, and the government's overall rural development strategy was put in place. With the passage of time, however, the information needed to be updated.

In October 2005, MOFPED presented a concept paper to a meeting of stakeholders in Uganda's microfinance sector at the Fairway Hotel, Kampala, proposing to conduct a census of Tier 4 MFI outlets. This was followed by a specific request to the UK Department for International Development (DFID) Financial Sector Deepening Project Uganda (FSDU), among others, to support the initiative. In 2006, (DFID) of the UK government through the FSDU agreed to provide financial and technical support to conduct the census. The agreement was formalized through a Letter of Mutual Understanding (LMU) signed with Micro and Small Enterprise Policy Unit (MSEPU) of the MOFPED in February, 2006.

To implement the census, a Database Coordination Committee (DCC) was set up under the chairpersonship of MOFPED, which in turn delegated the routine coordination of the project to the FSDU Research Coordinator, assisted by six national supervisors selected by the DCC.

### **1.2 Objectives of the Census**

The main objective of the census was to update the Microfinance Outreach Map to inform policy making, implementation and evaluation in the microfinance industry in Uganda.

The specific objectives were to:

- establish the geographical distribution of MFIs by institutional type;
- establish the extent of outreach and financial performance based on basic indicators;
- gather information about governance, affiliations, and institutional practices, including sources of funding;
- establish the extent of competition and information exchange; and
- update the digitized MFI map and design a database using information from the census.

### **1.3 The Scope of the Study**

The census covered all the 70 districts existing in Uganda at the time of the fieldwork. All identified eligible MFIs were counted. For an MFI to be eligible for the census, it had to fulfill the following conditions: i) Be a legal entity in Uganda, ii) Operate in clearly identifiable and fixed premises, and iii) Provide financial services at least once a week. Fieldwork was conducted between June 20 and August 20, 2006. In order to have a more complete picture of financial service delivery, some data

were also collected from commercial banks, credit institutions and Microfinance Deposit Taking Institutions (MDIs).

## **CHAPTER TWO:                    METHODOLOGY**

This chapter covers the design and implementation of the census as well as data processing and analysis.

### **2.1     Study Design**

The census was designed and implemented in six phases as follows:

#### **Phase I:            Listing Tier 4 MFI Outlets:**

The MFIs and their branches were listed based on information gathered from: the Micro and Small Enterprise Policy Unit (MSEPU) of MOFPED; the Association of Microfinance Institutions of Uganda (AMFIU); the Ministry of Tourism, Trade and Industry (MTTI); the National Non-governmental Organisations (NGO) Board; Mengo Chief Magistrate’s Court; the eleven Private Sector Development/Promotion Centres and Companies (PSDCs)<sup>2</sup>; and, District Headquarters and Sub-county Headquarters. The FSDU Research Coordinator and the national supervisors compiled a list of MFI outlets from MSEPU, AMFIU, MTTI, the National NGO Board, and Mengo Chief Migrate’s Court after which the outlets were categorized by PSDCs, districts and where possible by sub-counties. The complied list was then sent to the PSDCs who first reconciled it with their records after which the PSDCs proceeded to do the same with the District and Sub-county Headquarters.

After compiling the lists of MFI outlets from the national level down to the sub-county headquarters, the PSDCs transmitted the lists to FSDU which in turn transmitted them to Makerere University Institute of Environment and Natural Resources (MUIENR) for mapping.

#### **Phase II:           Mapping Tier 4 MFI Outlets:**

The MFI outlets were mapped using Global Positioning Systems (GPS) devices. A team of geographers followed up on every listed MFI to:

- i.     Establish whether or not the MFI outlet was operational in fixed and clearly identifiable premises, and providing financial services at least once a week; and
- ii)   Record the geographical coordinates of the MFI outlet. The GPS device indicates a location using coordinates by triangulating information sent by a group of satellites.

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<sup>2</sup> Acholi Private Sector Development Company Limited (ACH), Ankole Private Sector Promotion Centre Limited (APR), Centre for Private Sector Development Limited (CEN), Eastern Private Sector Development Centre Limited (EPSE), Karamoja Private Sector Development Promotion Centre (KAR), Kigezi Private Sector Promotion Centre Limited (KZ), Mid-North Private Sector Development Company Limited (MN), Private Sector Development and Consultancy Centre (PRI), South Eastern Private Sector Promotion Enterprise Limited (SEP), Teso Private Sector Development Centre Limited (TESO), and West Nile Private Sector Development Promotion Centre Limited (WN).

Mapping assistants at MUIENR mapped the MFIs and each covered at least two districts. For one to be recruited as a mapping assistant, the candidate was required to have lived and worked in the region assigned to be covered. Before deployment, the mapping assistants were trained on how to use the GPS device and received a briefing from the FSDU Research Coordinator on what Tier 4 MFIs are, the objectives of the assignment, and the expected outputs.

**Phase III: Designing the Questionnaire and Collecting data from Tier 4 MFI outlets:**

The FSDU Research Coordinator designed a six-page questionnaire (Appendix A) through an iterative, consultative process with significant input from the Uganda Bureau of Statistics (UBOS). The questionnaire was pre-tested, reviewed and approved by the Database Coordination Committee before being duplicated and sent to the PSDCs.

**Phase IV: Collecting data from the regulated financial institutions using the questionnaire adapted from Phase III.**

**Phase V: Data processing, Analysis and Report writing.**

**Phase VI: Updating the Outreach Map.**

## **2.2 Data Collection methods and Supervision**

### **2.2.1 Data Collection methods**

Recruited and trained research assistants administered structured questionnaires to the Chief Executive Officers of the MFIs or their representatives.

### **2.2.2 Supervision**

Supervision was carried out at the following levels:

- 1. National and FSDU level:** By officials from MOFPED/MSEPU, Association of Micro Finance Institutions of Uganda (AMFIU), Micro Finance Outreach Plan (MOP), and FSDU.
- 2. Regional level:** By officials from the firms contracted to conduct the field work, in most cases, the PSDCs. When the PSDCs were the contractors, their Microfinance Officers were the designated Regional Supervisors.

## **2.3 Quality Control measures**

The measures designed for quality assurance included the following:

- i) The questionnaire was developed through a consultative process, was pre-tested after a one-day training of research assistants, and reviewed by FSDU represented by the Research Coordinator and UBOS represented by Mr. Vincent Ssenono.
- ii) A Manual for Data Collection was prepared with guidance from UBOS;

- iii) A two-day training in which UBOS played a key role was organized for the National and Regional Supervisors to prepare them to:
  - Train research assistants
  - Supervise data collection
- iv) A two-day training was organized for all research assistants at regional levels;
- v) Data collection was supervised by the National Census Coordinator, National Supervisors, Regional Supervisors, and the FSDU Manager. Supervisors and FSDU conducted spot checks; and
- vi) 15% of the administered questionnaires were back-checked.

#### **2.4 Data Processing, Analysis and Report writing**

Data processing and analysis involved:

- i) Editing and conducting callbacks;
- ii) Developing a coding manual;
- iii) Coding;
- iv) Designing a template or data entry screen;
- v) Data entry and cleaning; and
- vi) Generating tables, graphs, and pie charts.

## CHAPTER THREE: FINDINGS, CHALLENGES AND LIMITATIONS

### 3.1 Geographical Distribution of Financial Institutions by Institutional Type

#### 3.1.1 The Distribution of the outlets of Financial Institutions in Uganda by Institutional Types and the Traditional Administrative Regions

Table 3.1a below shows the number of both active and non-active institutional types and outlets by district. This study tracks outlets, which can be stand-alone institutions or branches of an institution. A total of 1208 active outlets from 818 financial institutions (i.e. 792 Tier 4 MFIs, 4 MDIs, 7 Credit Institutions and 15 Commercial Banks) was established of which 676 (56.0%) were active or eligible outlets of SACCOs<sup>3</sup>, 104 (8.6%) were companies, 73 (6.1%) were NGOs, 52 (4.3%) were SIDAs, 97 (8.0%) were MDIs, 38 (3.1%) were credit institutions, and 168 (13.9%) were commercial banks. 56 financial institutions were found inactive. Table 3.1a gives a summary of the active financial institutions by institutional types and the traditional administrative regions (Appendix B is the outreach map). The Central and Western regions account for 880 (72.9%) of all the eligible institutional outlets. The Eastern region accounts for 221 (18.3%) while the Northern region has 107 (8.9%). Table 3.1b gives a summary of the active financial institutions by MFI Tiers, Non-MFIs, and the traditional administrative regions. Most of the Tier 4 MFI outlets are located in Western region. The majority of the outlets of the other Tiers are located in the Central region.

**Table 3.1a The Distribution of the active outlets of Financial Institutions by Institutional Types and the Traditional Administrative Regions of Uganda**

Institutional Types	The Traditional Administrative Regions of Uganda								Total number and overall %	
	Central		Eastern		Northern		Western			
	No.	%	No.	%	No.	%	No.	%	No.	%
Active SACCOs	177	26.2	136	20.1	60	8.9	303	44.8	676	56.0
Companies	38	36.5	13	12.5	9	8.7	44	42.3	104	8.6
NGOs	39	53.4	13	17.8	5	6.8	16	21.9	73	6.0
SIDAs	0	0.0	0	0.0	0	0.0	52	100	52	4.3
MDIs	41	42.3	24	24.7	10	10.3	22	22.7	97	8.0
Credit Institutions	24	63.2	5	13.2	5	13.2	4	10.5	38	3.1
Banks	90	53.6	30	17.9	18	10.7	30	17.9	168	13.9
Total number and overall percentage	409	33.9	221	18.3	107	8.9	471	39.0	1208	100
		100		100		100		100		100

**Table 3.1b The Distribution of the active outlets of Financial Institutions by MFI Tiers, non-MFIs, and the Traditional Administrative Regions of Uganda**

Institutional Types	The Traditional Administrative Regions of Uganda								Total number and overall %	
	Central		Eastern		Northern		Western			
	No.	%	No.	%	No.	%	No.	%	No.	%
Tier 4 MFIs	254	28.1	162	17.9	74	8.2	415	45.9	905	74.9
MDIs	41	42.3	24	24.7	10	10.3	22	22.7	97	8.0
Tier 2 MFIs	17	54.8	5	16.1	5	16.1	4	12.9	31	2.6
Tier 1 MFIs	10	38.5	4	15.4	4	15.4	8	30.8	26	2.2
Non-MFIs	87	58.4	26	17.4	14	9.4	22	14.8	149	12.3
Total number and overall percentage	409	33.9	221	18.3	107	8.9	471	39.0	1208	100

<sup>3</sup> See footnote in Executive Summary.

### 3.1.2 The Distribution of the outlets of Financial Institutions by Districts and Institutional Types

Table 3.2 and Appendix A1 show the extent to which the outlets of financial institutions are distributed by districts and institutional types. As this report is being drafted (July 2007) twelve (15%) of the 80 districts currently in Uganda do not have any active SACCO outlet<sup>4</sup> and 23 (29%) of the 80 districts have none or only one active SACCO outlet, which means that 11 (14%) of the districts have only one active SACCO outlet. Sub-County Integrated Development Associations (SIDAs) and Credit Institutions are not widespread in most districts with only 5 (6%) of the districts having SIDAs<sup>5</sup> and 21 (26%) districts having outlets of credit institutions. (Many of the SIDAs are reported to be registering as SACCOs.) 48 (60%) of all the districts have at least one outlet of a commercial bank<sup>6</sup>. Table A2 appended shows the extent of the distribution of outlets of financial institutions by sub-counties.

**Table 3.2 Number of Districts with the indicated number of outlets of Financial Institutions by Institutional Types**

Institutional Types	Districts with the indicated outlets of Financial Institutions by Institutional Types											
	0		<2		<6		<11		<16		>15	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Active SACCOs	12	15.0	23	29.0	40	50.0	54	68.0	68	85.0	12	15.0
Non-SACCO Tier 4 MFIs	33	41	45	56	72	90	79	99	79	99	1	1
SIDAs	75	94	75	94	76	95	78	98	79	99	1	1
MDIs	36	45	55	69	79	99	79	99	79	99	1	1
Credit Institutions	59	74	76	95	79	99	79	99	79	99	1	1
Banks	32	40	53	66	76	95	79	99	79	99	1	1
No. of districts, including new ones	80	80	80	80	80	80	80	80	80	80	80	80

Figure 3.1 specifically illustrates the distribution of the districts by eligible SACCO outlets. From the Figure, it can be seen that 12 (15%) of the districts have no eligible SACCO outlet and 11 (14%) of the districts have only one SACCO outlet each. Most of the districts (17 or 20.9% districts) have between 2-5 SACCO outlets while 15 (18.5%) of the districts have 6-10 SACCO outlets, 13 (16%) districts have between 11-15 SACCO outlets, and 12 (15%) of the 80 districts have more than 15 SACCO outlets each.

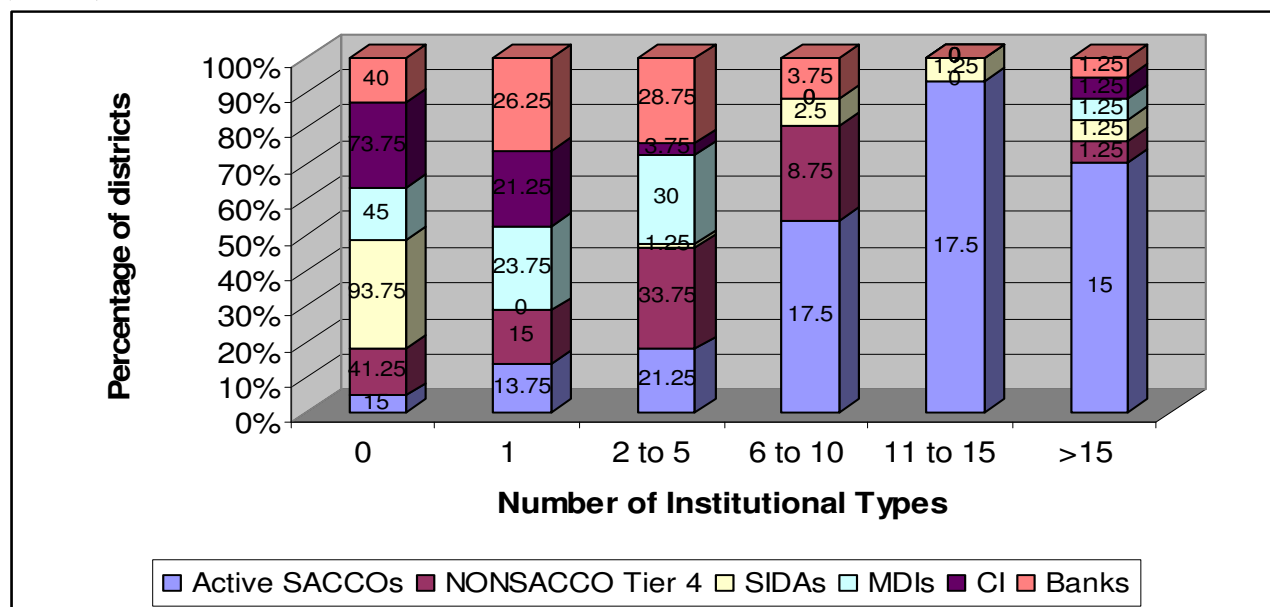
<sup>4</sup> The twelve Districts with no SACCO are Amuru, Budaka, Bududa, Bukedea, Butaleja, Dokolo, Lyatonde, Maracha/Terego, Moyo, Nakapiripirit, Namutumba, and Oyam.

<sup>5</sup> The districts in which the census located SIDAs are Hoima, Kabarole, Kamwenge, Kibaale, and Kyenjojo. NB: If a SIDA had registered as a SACCO at the time of the census, it was counted as a SACCO.

<sup>6</sup> Those districts not having a commercial bank outlet at the time of the Census are Abim, Amuria, Amuru, Budaka, Bududa, Bukedea, Bukwo, Buliisa, Butaleja, Dokolo, Isingiro, Kaabong, Kaberamaido, Kaliro, Katakwi, Manafwa, Maracha/Terego, Mayuge, Moyo, Nakapiripirit, Namutumba, Oyam, Pader, Sembabule, Sironko, and Yumbe.



**Figure 3.1 Percentage distribution of districts by the number of Eligible SACCO outlets (n=676) at the time of the census**



### 3.1.3 The Distribution of outlets of Financial Institutions by PSDCs and Institutional Types

Table 3.3 shows the distribution of the outlets of financial institutions by PSDCs and institutional types. CEN has the largest concentration of outlets with 401 (33.2%) outlets, followed by PRI and APR with 201 (16.6%) outlets and 172 (14.2%) outlets respectively. The rest of the PSDCs have under them less than 10% of the outlets of financial institutions with KAR having the least (9 or 0.8% outlets). The active institutional types found in KAR are banks and SACCOs.

**Table 3.3 The Distribution of the outlets of Financial Institutions in Uganda by Institutional Types and Private Sector Development/Promotion Centres and Companies (PSDCs)**

	PSDCs											
	ACH <sup>7</sup>	APR	CEN	EPSE	KAR	KZ	MN	PRI	SEP	TESO	WN	TOT
<b>Institutional Types</b>	%	%	%	%	%	%	%	%	%	%	%	<b>NO.</b>
<b>Active SACCOs</b>	2.4	19.2	25.2	6.7	1.0	8.1	5.5	15.1	10.8	2.7	3.4	<b>676</b>
<b>NONSACCO Tier 4 MFIs</b>	3.4	11.3	43.5	7.3	0.0	6.2	3.4	15.3	4.5	2.8	2.3	<b>177</b>
<b>SIDAs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	<b>52</b>
<b>MDIs</b>	0.0	9.3	41.2	7.2	0.0	5.2	6.2	7.2	14.4	3.1	6.2	<b>97</b>
<b>Credit Institutions</b>	5.3	2.6	63.2	7.9	0.0	2.6	2.6	5.3	2.6	2.6	5.3	<b>38</b>
<b>Banks</b>	1.8	7.1	53.6	7.1	1.1	3.6	3.0	6.6	8.3	2.4	5.4	<b>168</b>
<b>Total (Number)</b>	<b>27</b>	<b>172</b>	<b>401</b>	<b>80</b>	<b>9</b>	<b>78</b>	<b>55</b>	<b>201</b>	<b>110</b>	<b>31</b>	<b>44</b>	<b>1208</b>
<b>Overall (%)</b>	2.4	14.2	33.2	6.6	0.8	6.5	4.6	16.6	9.1	2.6	3.6	<b>100</b>

<sup>7</sup> See Abbreviations page

### 3.1.4 The Distribution of Institutional types by Headquarters and Branches, Status of ownership of premises and Number of employees

Table 3.4 presents the findings on the number of headquarters, the number of branches, the ownership status of the premises in which the financial institutions are operating, and the number of people employed by the financial institutions. Out of 676 outlets of active SACCOs, 229 outlets of Non-SACCO Tier 4 MFI, 97 outlets of MDIs, 38 outlets of credit institutions, and 168 outlets of commercial banks, 46 (6.8%), 67 (29.3%), 93 (95.9%), 31 (81.6%) and 153 (91.1%) are branches respectively. This indicates that most of the outlets of banks, credit institutions and MDIs are branches, with SACCOs having the least number of branches.

Financial institutions surveyed were placed in one of three categories, according to the ownership status of the premises: owned, rented and donated. As shown in Table 3.4, the proportion of the outlets operating in owned property is highest in commercial banks, 56 (33.5%) and lowest in MDIs, 8 (8.1%). Table 3.4 also indicates that the total number of people employed by the financial institutions covered is 8771 with commercial banks, SACCOs, MDIs, and non-SACCO Tier 4 MFIs employing 3,749 (42.7%), 2,189 (24.9%), 1,221 (13.9%) and 1,412 (16.1%) respectively. The regulated financial institutions have over 65% of the people employed in the sector.

**Table 3.4 Distribution of Institutional types by Headquarters, Branches, Status of ownership of premises operating in & Number (No.) of employees at the time of the census**

Eligible Institutional Type	Headquarters and Branches		Ownership of the premises the MFI is operating in			
	No. (%)	No (%)	No. (%) operating in own property	No. (%) operating in rented property	No (%) operating in donated property	No. (%) of employees
SACCOs (n=676)	630 (93.2)	46 (6.8)	106 (16.9)	444 (70.4)	80 (12.7)	2,189 (24.9)
Non-SACCO Tier 4 MFIs (n=229)	162 (70.7)	67 (29.3)	34 (14.9)	148 (64.6)	47 (20.5)	1,412 (16.1)
MDIs(n =97)	4 (4.1)	93 (95.9)	8 (8.1)	88 (90.8)	1 (1.1)	1,221 (13.9)
Credit Institutions (n=38)	7 (18.4)	31 (81.6)	4 (11.4)	33 (88.6)	-	180 (2.1)
Banks (n=168)	15 (8.9)	153 (91.1)	56 (33.5)	112 (66.5)	-	3,749 (42.7)
<b>Total (Number)</b>						<b>8771</b>

## 3.2 Outreach of Financial Institutions in Uganda

### 3.2.1 Number of clients<sup>8</sup>

Of the financial institutions that responded shown in Table 3.5a, commercial banks have the highest number of clients for the two years studied, that is, 961,817 clients in 2004 and 1,093,041 in 2005, followed by MDIs with 313,371 clients in 2005 and 336,261 in 2004, followed by SACCOs with 245,796 clients in 2005, credit institutions with 170,500 clients in 2005, companies with 124,128 clients in 2005, and NGOs with 97, 206 clients in 2005. SIDAs have the least number of clients in both years studied. Table 3.5b indicates the number of clients and the number of savings accounts by MF Tiers and non-MFIs. Tier 2 MFIs include Commercial Microfinance Ltd and PostBank (U)

<sup>8</sup> In this report, clients are persons or entities e.g. groups receiving financial services from a financial institution.

Ltd while the unique Tier 1 MFI is Centenary Bank. It is noteworthy that in 2004, the number of clients of Centenary alone was more than that of all the MDIs combined plus the total of all the Tier 4 MFIs. The same is more or less the case in 2005.

### 3.2.2 Clients with saving accounts

Of the financial institutions that responded, again commercial banks have the highest number of clients with savings accounts for the two years studied and SIDAs having the least for the same period (See Table 3.5a and b for the number of clients with savings accounts). The total number of clients with deposits with all the SACCOs and other Tier 4 MFIs as of December 31, 2005, was 488,442, much less than the total number of clients with deposits (2,161,274) with the regulated financial sector (commercial banks, credit institutions and MDIs) as of June 30, 2006. Table 3.5b indicates the number of clients with savings accounts by MFI Tiers and non-MFIs. As mentioned in sub-section 3.2.1, Centenary Bank has a preminent position in the sector.

**Table 3.5a Institutional Types by Number of registered shareholders, Number of clients and Number of clients with saving accounts as at the census period and 30 June, 2006**

Institutional Types	No. of registered shareholders as at the census period	Total No. of Clients (savers or borrowers or both) for the year <sup>9</sup>		Number of Clients with savings Accounts for the year <sup>10</sup>		Number of savings Accounts <sup>11</sup> 30 June, 2006
		2004	2005	2004	2005	
SACCOs	278,969	192,307	245,796	159,351	219,758	
Companies		86,888	124,128	73,916	101,853	
NGOs		64,297	97,206	38,143	49,871	
SIDAs		19,008	21,312	15,977	17,997	
MDIs		336,261	313,371	241,450	233,423	306,731
Credit Institutions		148,047	170,500	179,118	200,101	282,833
Banks		961,817	1,093,041	871,017	987,807	1,571,710
<b>Total</b>		<b>1,808,625</b>	<b>2,065,354</b>	<b>1,578,972</b>	<b>1,810,810</b>	<b>2,161,272</b>

<sup>9</sup> Nine banks and two credit institutions excluding, Stanbic Bank (U) Ltd, DFCU (U) Ltd, Orient Bank (U) Ltd, Nile Bank (UL Ltd, Crane Bank (U) Ltd, Diamond Trust Bank (U) Ltd, Commercial Microfinance Ltd, Stanhope Finance Company Ltd, Capital Finance Corporation, Housing Finance Company of Uganda, and Mercantile Credit Bank Ltd supplied data.

<sup>10</sup> Nine banks and three credit institutions excluding, Stanbic Bank (U) Ltd, DFCU (U) Ltd, Orient Bank (U) Ltd, Nile Bank (UL Ltd, Crane Bank (U) Ltd, Diamond Trust Bank (U) Ltd, Commercial Microfinance Ltd, Stanhope Finance Company Ltd, Capital Finance Corporation, and Mercantile Credit Bank Ltd supplied data.

<sup>11</sup> Reported by all the Bank of Uganda regulated Financial Institutions, 2006.

**Table 3.5b MFI Tiers and non-MFIs by Number of clients and Number of clients with saving accounts as at the census period 30 June, 2006**

Institutional Types	Total No. of Clients (savers or borrowers or both) for the year		Number of Clients with savings Accounts for the year		Number of savings Accounts <sup>12</sup> 30 June, 2006
	2004	2005	2004	2005	
Tier 4 MFIs	298,267	488,442	287,387	389,479	
MDIs	336,261	313,371	241,450	233,423	306,731
Tier 2 MFIs <sup>13</sup>	143,357	165,654	143,230	163,034	240,442
Tier 1 MFIs <sup>14</sup>	425,119	486,910	399,999	456,122	515,111
Non-MFIs	541,388	610,976	506,969	566,752	1,098,990
<b>Total</b>	<b>1,808,625</b>	<b>2,065,354</b>	<b>1,578,972</b>	<b>1,810,810</b>	<b>2,161,272</b>

### 3.2.3 Number of loans disbursed

The number of loans disbursed by the financial institutions that responded is reported in Table 3.6a. Commercial banks<sup>15</sup> disbursed the largest number of loans in both years studied, that is, 1,078,313 loans in 2004 and 1,360,131 loans in 2005, followed by MDIs disbursing 377,489 loans in 2004 and 402,379 loans in 2005. The MDIs are followed by companies that disbursed 113,505 and 142,704 loans in 2004 and 2005, SACCOs that disbursed 101,557 and 132,009 loans in 2004 and 2005, NGOs that disbursed 62,495 and 69,533 loans in 2004 and 2005, SIDAs that disbursed 9,915 and 9,416 loans in 2004 and 2005, and finally credit institutions that disbursed 256 and 3,665 loans in 2004 and 2005 respectively. Table 3.6b indicates the number of loans disbursed by MFI Tiers and non-MFIs.

### 3.2.4 Number of Borrowers with outstanding loans

Table 3.6a presents the number of borrowers with outstanding loans. MDIs had the greatest number of borrowers with outstanding loans (168,041) in 2004, followed by commercial banks (128,585); credit institutions had the least (2,591). In 2005, commercial banks had the highest number of borrowers with outstanding loans (151,124), followed by MDIs (128,041), with SIDAs having the least (6,585). The number of borrowers with outstanding loans tabulated by the MFI Tiers and non-MFIs is indicated in Table 3.6b.

Based on the data collected from the BOU, the total number of loans outstanding with the regulated financial sector as of June 30, 2006 was 339,173. Compared with the total number of reported loans outstanding with all the SACCOs and other Tier 4 MFIs as of December 31, 2005 which was 272,637, the number of outstanding loans of the regulated financial sector is far superior to that of the SACCOs and other Tier 4 MFIs. It should be noted that regulated institutions have more rigorous write-off policies than non-regulated institutions, so the number of loans outstanding among the latter category should be adjusted downward to provide a better comparison, although the census is unable to provide a guideline for this adjustment.

<sup>12</sup> Reported by all the Bank of Uganda regulated Financial Institutions, 2006.

<sup>13</sup> For the purposes of this study, we considered PostBank Uganda and Commercial Microfinance Ltd, both Tier 2 institutions, as “Tier 2 MFIs” because they both target traditional microfinance customers.

<sup>14</sup> For the purposes of this study, we considered Centenary Bank as a “Tier 1 MFI” because it targets traditional microfinance customers.

<sup>15</sup> Same banks as those that reported in sub-section 3.2.1 responded.

**Table 3.6a Institutional Types by Number of loan disbursed and Number of Borrowers with outstanding loans**

Institutional Types	No. of Loans disbursed for the year		No. of Borrowers with outstanding loans (end of the year)		No. of Borrowers with outstanding loans
	2004	2005	2004	2005	30 June, 2006
SACCO	101,557	132,009	51,141	78,820	
Companies	113,505	142,704	77,474	100,246	
NGOs	62,495	69,533	57,928	86,986	
SIDAs	9,915	9,416	5,683	6,585	
MDIs	377,489	402,379	168,041	128,041	135,989
Credit Institutions	256	3,665	2,591 <sup>16</sup>	12,941	18,387
Banks	1,078,313	1,360,131	128,585	151,124	184,797
<b>Total</b>	<b>1,743,825</b>	<b>2,119,837</b>	<b>491,443</b>	<b>564,743</b>	<b>339,173</b>

**Table 3.6b MFI Tiers and non-MFIs by Number of loans disbursed and Number of Borrowers with outstanding loans**

Institutional Types	No. of Loans disbursed for the year		No. of Borrowers with outstanding loans (end of the year)		No. of Borrowers with outstanding loans
	2004	2005	2004	2005	30 June, 2006
Tier 4 MFIs	287,472	353,662	192,226	272,637	
MDIs	377,489	402,379	168,041	128,041	135,989
Tier 2 MFIs	127	2620	127	9,446	14,608
Tier 1 MFIs	531,840	673,910	52,682	65,580	64,351
Non-MFIs	546,602	687,266	78,367	89,039	124,234
<b>Total</b>	<b>1,743,825</b>	<b>2,119,837</b>	<b>491,443</b>	<b>564,743</b>	<b>339,173</b>

### 3.2.5 Disbursed loan value, outstanding loan portfolio, value of savings, and share capital as at 31<sup>st</sup> December 2005

Table 3.7a shows institutional types by value of loans disbursed, outstanding loan portfolio, value of savings, and share capital. In 2005, commercial banks had the highest proportion of disbursed loans (UGX765,315.488 million or 68.5%), outstanding loan portfolio (UGX800,966.918 million or 76.6%), value of savings (UGX980,966.918 million or 90.2%) and share capital (UGX199,104.443 million or 77.1%). After commercial banks are MDIs with the proportion of disbursed loans (UGX167,995.268 million or 15%) and share capital (UGX17,751.22 million or 6.9%) while credit institutions come after commercial banks with the proportion of outstanding loan portfolio (UGX83,944.994 million or 8.0%) and value of savings (UGX32,891.918 million or 3%). The rest of the institutions are a distant way off, with SACCOs disbursing less than UGX53,860.073 million or 3.9% of all disbursed loans in 2005, with a loan portfolio of UGX30,754.241 million or 2.9% in the same year. In 2005, Credit Institutions disbursed UGX32,859.172 million or 3.0% in loan amount, less than the outstanding loan portfolio.

NB: The reason why the proportion and amount of loans disbursed by the credit institutions in 2005 was less than the proportion and amount of outstanding loans are two: the term structure and the number of respondents. In the case of the latter reason, three Credit Institutions supplied information on the disbursed loans while four Credit Institutions supplied information for the outstanding loans. One Credit Institution reported that it extends 2-year loans.

<sup>16</sup> Three credit institutions provided data in 2004 while four Credit Institutions provided data in 2005.

Table 3.7b depicts the MFI Tiers and non-MFIs by value of loans disbursed, outstanding loan portfolio, value of savings, and share capital. In 2005, the MDIs disbursed more loans than all the other MFI Tiers, but Tier 4 MFIs had more loans outstanding compared to the rest of the MFI Tiers. Centenary mobilized the most savings while Tier 4 MFIs had the largest share of the MFI industry share capital.

**Table 3.7a Institutional Types by total disbursed loan value, total outstanding loan portfolio, total savings, and total share capital as at 31<sup>st</sup> December 2005**

Institutional Types	Disbursed loan <sup>17</sup> value		Outstanding loan <sup>18</sup> portfolio		Value of Savings <sup>19</sup>		Share Capital <sup>20</sup>	
	'000 (UGX)	%	'000 (UGX)	%	'000 (UGX)	%	'000 (UGX)	%
SACCOs	53,860,073	4.8	30,754,241	2.9	29,276,077	2.7	10,111,938	3.9
Companies	46,280,602	4.1	32,265,853	3.1	8,795,887	0.8	13,371,596	5.2
NGOs	46,919,355	4.2	30,479,827	2.9	4,400,691	0.4	1,253,386	0.5
SIDAs	3,968,817	0.4	2,177,831	0.2	772,106	0.1	398,431	0.2
MDIs	167,995,268	15.0	65,037,683	6.2	25,716,126	2.1	17,848,412	6.9
Credit Institutions	32,859,172	2.9	83,944,994	8.0	32,891,059	3.0	16,327,559	6.3
Commercial Banks <sup>21</sup>	765,315,488	68.5	800,321,290	76.6	980,966,918	90.6	199,104,443	77.1
<b>Total</b>	<b>1,117,198,775</b>	<b>100</b>	<b>1,044,981,719</b>	<b>100</b>	<b>1,082,818,864</b>	<b>100</b>	<b>258,415,765</b>	<b>100</b>

**Table 3.7b MFI Tiers and non-MFIs by total disbursed loan value, total outstanding loan portfolio, total savings, and total share capital as at 31<sup>st</sup> December 2005**

Institutional Types	Disbursed loan value		Outstanding loan portfolio		Value of Savings		Share Capital	
	'000 (UGX)	%	'000 (UGX)	%	'000 (UGX)	%	'000 (UGX)	%
Tier 4 MFIs	151,028,847	13.5	95,677,752	9.2	43,244,761	4.0	25,135,351	9.7
MDIs	167,995,268	15.0	65,037,683	6.2	25,716,126	2.4	17,848,412	6.9
Tier 2 MFIs	28,045,059	2.5	14,536,391	1.4	4,726,000	0.4	5,687,525	2.2
Tier 1 MFIs	154,358,249	13.8	95,035,331	9.1	176,516,676	16.3	4,650,000	1.8
Commercial Banks <sup>22</sup>	615,771,352	55.1	774,694,562	74.1	832,615,301	76.9	205,094,477	79.4
<b>Total</b>	<b>1,117,198,775</b>	<b>100</b>	<b>1,044,981,719</b>	<b>100</b>	<b>1,082,818,864</b>	<b>100</b>	<b>258,415,765</b>	<b>100</b>

### 3.3 Institutional types by Manager's Employment Status, Highest level of Education, Area of Emphasis in studies, and Years of Experience.

#### 3.3.1 Manager's employment status

As shown in Table 3.8, 73.5% of the managers employed by SACCOs, 78.7%, of the managers employed by companies, 80.3% of managers employed by NGOs, and 90.2% of the managers

<sup>17</sup> 11 banks and 3 credit institutions responded

<sup>18</sup> 13 banks and 4 credit institutions responded

<sup>19</sup> 9 banks and 3 credit institutions responded

<sup>20</sup> 12 banks and 4 credit institutions responded

<sup>21</sup> See footnote in executive summary

<sup>22</sup> See footnote in executive summary

employed by SIDAs are salaried. This means that the majority (26.5%) of the unpaid managers are employed by SACCOs.

### **3.3.2 Highest level of education**

The financial institutions surveyed employ managers of various levels of formal education. As a proportion of the number of managers employed by the various institutional types, NGOs employ the highest number of managers with degrees (63.9%), followed by companies with 36.4% and SACCOs with 15.6%. SIDAs employ the least number (1.9%) of managers with degrees. The majority of the managers employed by SACCOs (53.3%) are Diploma holders (See Table 3.8). Note that this information was not sought from Tier 1- Tier 3 institutions. NB: This information was not collected for the regulated institutions. The Bank of Uganda approves managers for these institutions and it is expected that all managers of regulated institutions are degree holders. In the following sections, if regulated institutions are not listed in the Table, the information in question was not collected for those institutions.

### **3.3.3 Years of experience**

Table 3.8 also presents distribution of managers employed by various institutional types and by years of experience. Companies employ the majority of managers (6.9%) with more than 15 years of experience, followed by NGOs (1.7%). Across all the institutional types, most of the managers have less than 6 years of experience, with SACCOs having 72.5%, companies having 61.5%, and NGOs having 58.7%.

**Table 3.8 Institutional Types by Manager’s Employment Status, Highest level of Education, Area of Emphasis in studies and Years of Experience as at the census period.**

		Institutional types			
		SACCO Outlets (%)	Companies Outlets (%)	NGOs Outlets (%)	SIDAs (%)
Employment Status	1. Paid employee	73.5	78.7	80.3	90.2
	2. Not paid	26.5	21.3	19.7	9.8
	<b>Total (Number of respondents)</b>	<b>668</b>	<b>108</b>	<b>61</b>	<b>51</b>
	1. Primary	1.9	0.9	0	3.8
	2. Secondary	21.6	20.5	4.9	30.7
	3. Diploma	53.3	33.6	26.3	59.6
	4. Degree	15.6	36.4	63.9	1.9
	5. Certificate	6.6	4.6	4.9	3.8
	6. ACCA/CPA/CIMA	0.4	0.9	0	0
7. Masters	0.3	2.8	0	0	
<b>Total (Number of respondents)</b>	<b>660</b>	<b>107</b>	<b>61</b>	<b>52</b>	
Years of Experience	< 6	72.5	61.5	58.7	0
	6-10	20.2	29.7	36.2	0
	11-15	6.3	1.9	3.4	0
	> 15	1.0	6.9	1.7	0
	<b>Total (Number of respondents)</b>	<b>583</b>	<b>101</b>	<b>58</b>	<b>0</b>
Area of Emphasis	1. Accountancy, Finance & related fields	86.4	60.3	76.9	87.0
	2. Secretarial studies	1.9	1.6	0	5.2
	3. Engineering and Plumbing.	0.4	0	0	0
	4. Biological sciences	1.6	1.6	1.9	5.2
	5. Physical sciences.	0.6	1.6	0	2.6
	6. Social sciences	1.2	0	0	0
	7. Management, community leadership & Development	4.6	0.8	7.6	0
	8. Humanities	0.4	3.3	13.6	0
	10. Others	2.9	30.8	0	0
	<b>Total (Number of respondents)</b>	<b>471</b>	<b>121</b>	<b>52</b>	<b>38</b>

### 3.3.4 Area of emphasis

As depicted in Table 3.8, across all the institutional types, most of the managers employed have accountancy, finance and related fields as their areas of emphasis at the highest level of formal education, with SIDAs having the highest percentage (87.0%), followed by SACCOs (86.4%), NGOs (76.9%), and Companies with the least (60.3%).

### 3.4 Institutional Affiliation

Table 3.9 presents institutional types by affiliation to other organizations. Many affiliations are with three major national apex organizations, AMFIU, UCSCU and UCA. The percentage of SACCOs affiliated to AMFIU is the least (14.4%) while it is highest in UCSCU (38.7%). Proportionately, most NGOs are members of AMFIU (55.1%).



**Table 3.9 Institutional types by Affiliation to other Organizations as at the census period**

Institutional Affiliation	Institutional types			
	SACCOs (n=674)	Companies (n=121)	NGOs (n=69)	SIDAs (n=52)
	%	%	%	%
1. AMFIU	14.4	37.2	55.1	1.9
2. UCSCU	38.7	1.7	1.4	0.0
3. Uganda Co-operative Alliance	25.7	1.7	2.9	0.0
4. PSDC	16.8	12.4	8.7	25.0
5. AMFIA	9.9	7.4	7.2	0.0
8. MPIFA	0.7	0.8		1.9
9. National Chamber of Commerce	2.4	0.8	1.4	0.0
10. NCUSBO	3.0	1.7	1.4	0.0
13. BUTO	0.3	1.7	4.3	0.0
15. Kabale Resource Centre	0.1	0.8	0.0	0.0
16. National Association Of Women in Uganda (NAWU)	0.0	0.0	4.3	0.0
17. Opportunity International	0.0	0.0	1.4	0.0
18. Rwenzori Rural Alliance	0.0	0.0	1.4	0.0
19. DEVINA	0.0	0.0	2.9	0.0
20. USSIA	2.8	0.0	0.0	0.0
21. UMA	0.1	0.0	0.0	0.0
22. Uganda Vanilla Association	0.1	0.0	0.0	0.0
23.WOCCU	0.9	0.0	0.0	0.0
24. Hunger Project	0.1	0.0	0.0	0.0
25. Civil Society Organization	0.3	0.0	0.0	0.0
26. Others	7.6	5.0	13.0	1.9

### 3.5 Concessionary loans, commercial loans, grants and other sources of funds for Tier 4 MFIs for the year 2005

Table 3.10 shows institutional types by the amount of concessionary loans, commercial loans, grants and other forms of funding. “Other funds” could be reinvested earnings, reserves or exceptional accounting entries. SACCOs, NGOs and SIDAs depend mostly on concessionary loans to fund their operations while companies mostly rely on commercial loans with the average of UGX39,738,623 for SACCOs, UGX348,412,261 for NGOs, UGX373,903,921 for SIDAs and UGX3,104,181,960 for Companies. Besides concessionary and commercial loans, all Tier 4 MFI institutions depend on grants and other forms of funds to finance their businesses. For concessionary loans, the overall average is higher than that for SACCOs, for commercial loan, the overall average is higher than that for SACCOs, NGOs and SIDAs, for grants, the overall average is higher than that for SACCOs and SIDAs, and for other funds, the overall average is higher than that for SACCOs, Companies and SIDAs.

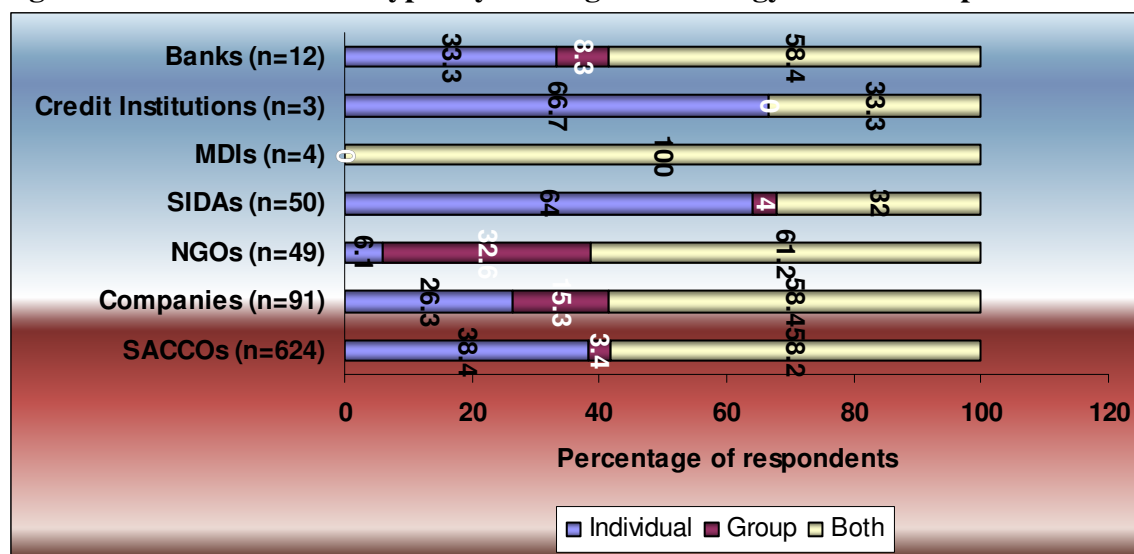
**Table 3.10 Institutional Types by concessionary loans, commercial loans, grants and other for 2005**

Institutional Types		Concessionary Loan	Commercial loan	Grants	Other funds	Total
SACCOs	Total	2,225,362,897	1,200,003,828	944,227,253	814,378,823	5,183,972,801
	Average	39,738,623	31,579,048	7,614,735	23,267,966	20,490,011
Companies	Total	1,352,640,000	31,041,819,601	3,583,305,139	72,766,417	36,050,531,157
	Average	169,080,000	3,104,181,960	179,165,257	12,127,736	819,330,254
NGOs	Total	4,529,359,399	2,840,897,985	1,432,601,366	973,650,000	9,776,508,750
	Average	348,412,261	315,655,331	477,533,788	243,412,500	337,120,991
SIDAs	Total	4,112,943,140	1,688,295,166	55,200,638	106,682,120	5,963,121,064
	Average	373,903,921	112,553,011	2,400,027	15,240,302	106,484,290
Overall total		12,220,305,436	36,771,016,580	6,015,334,396	1,967,477,360	56,974,133,772
Overall Average		138,867,107	510,708,563	35,384,315	37,836,102	149,146,938

### 3.6 Lending methodology

As Figure 3.2 shows, with the exception of credit institutions, the majority of the financial institutions surveyed employ both individual and group lending methodology, with all MDIs using both lending methodologies.

**Figure 3.2 Institutional types by lending methodology as at census period**



### 3.7 Average Monthly Nominal Interest rate calculated based on flat rate method

Financial institutions calculate interest rates using different methods. The census asked about use of flat and declining balance calculations. Table 3.11 gives average monthly nominal interest rates for the institutional types that calculate interest rates using flat rate method.

All the MDIs, 94.5% of SIDAs, 71.7% of NGOs, 59.7% of Companies and 45.3% of SACCOs, charge average monthly nominal interest rate of between 2-3%. SACCOs and Companies, on average, charge the highest overall average of 4.06% per month. All the Commercial Banks and Credit institutions charge average monthly nominal interest rate of between 0-3% and charge the least overall average of 1.8%.

**Table 3.11 Average Monthly Nominal Interest rate calculated based on flat rate method by institutional types as at the census period**

Institutional Types	Average Monthly Nominal Interest Rates (%)					Avg
	0-2	>2-3	>3-4	>4-5	>5	
SACCOs (n=454)	13.8	45.3	18.1	12.3	10.5	4.06
Companies (n=82)	17.0	59.7	4.8	8.5	10.0	4.06
NGOs (n=46)	10.8	71.7	8.6	4.4	4.4	3.4
SIDAs (n=36)	5.5	94.5	0.0	0.0	0.0	2.4
MDIs (Tier 3) (n=4)	0.0	100.0	0.0	0.0	0.0	2.6
Credit Institutions (Tier 2) (n=3)	66.7	33.3	0.0	0.0	0.0	1.8
Banks (Tier 1) (n=3)	66.7	33.3	0.0	0.0	0.0	1.8

NB: Flat rate calculations are typically 60-70% more expensive for consumers than declining balance calculations of the same nominal rate. It is impossible to give an exact formula for translating between the two, because the relative real cost of flat rate interest varies with the frequency of payments and other factors.

### 3.8 Average Monthly Nominal Interest rates calculated based on the declining balance method

With the exception of Commercial Banks that charge, on average, between 0-2% per month, 45.1% of the SACCOs, 60% of the companies, and 92.8% of the SIDAs charge, on average, between 2-3% per month on a declining balance basis as shown in Table 3.12. One quarter (25.0%) of the NGOs, and about one tenth (7.8%) of the SACCOs, on average, charge monthly rates of more than 5%.

**Table 3.12 Average Monthly Nominal Interest rates calculated basing on declining balance method by institutional types as at the census period**

Institutional Types	Average Monthly Nominal Interest Rates (%)					Avg
	0-2	>2-3	>3-4	>4-5	>5	
SACCOs (n=195)	15.3	45.1	22.1	9.7	7.8	3.66
Tier 4 Companies (n=20)	15.0	60.0	10.0	10.0	5.0	3.89
NGOs (n=8)	25.0	37.5	0.0	12.5	25.0	4.0
SIDAs (n=14)	0.0	92.8	0.0	0.0	7.2	2.7
MDIs (Tier 3) (n=0)	0.0	0.0	0.0	0.0	0.0	-
Credit Institutions (Tier 2) (n=2)	0.0	100.0	0.0	0.0	0.0	2.04
Banks (Tier 1) (n=6)	100.0	0.0	0.0	0.0	0.0	1.7

### 3.9 Average Annual Nominal Interest Rates at which the Institutions borrow

As shown in Table 13, about one half (48.2%) of the SACCOs, one third (35.7%) of the companies, two-thirds (68.4%) of the NGOs and one half (45.6%) of the SIDAs borrow at interest rates ranging, on average, between 0-2% per annum while all the Commercial Banks borrow, on average, borrow at between 5-10% per annum, all the Credit Institutions borrow, on average, at between 10-15% per annum, and the MDIs borrow, on average, at more than 15% per annum.

**Table 3.13 Average Annual Nominal Interest Rates at which the Institutions borrow by Institutional types as at the census period**

Institutional Types (HQs only)	Average Annual Nominal Interest Rent (%)					Avg
	0-2	>2.5	>5-10	>10-15	>15	
SACCOs (n=292)	48.2	3.7	19.1	25.0	4.0	6.08
Companies (n=40)	35.7	5.0	7.5	37.5	12.5	9.08
NGOs (n=19)	68.4	5.2	0.0	26.4	0.0	9.65
SIDAs (n=46)	45.6	2.1	0.0	8.6	43.7	8.9
MDIs (n=3)	0.0	0.0	0.0	0.0	100.0	16.3
Credit Institutions (n=2)	0.0	0.0	0.0	100.0	0.0	13.5
Banks (n=8)	0.0	0.0	100.0	0.0	0.0	7.81

### 3.10 Average Monthly Nominal Deposit Interest Rates

Table 3.14 shows that about one half (51.8%) of SACCOs, 59.6% of Companies, 84.2% of NGOs, and about one half (58.0%) of SIDAs pay 0-1% average monthly nominal interest rates on deposits, with an overall average of 1.21% for SACCOs, 1.49 % for companies, and 1.42 % for credit institutions.

**Table 3.14 Average Monthly Nominal Deposit Interest Rates by Institutional Types as at the census period**

Institutional Types	Average Monthly Nominal Deposit Interest Rent (%)					Avg
	0-1.0	>1-2	>2-3	>3-4	>4	
SACCO (n=370)	51.8	33.2	6.4	3.2	5.4	1.21
Companies (n=52)	59.6	17.3	15.3	3.8	3.8	1.49
NGOs (n=19)	84.2	10.5	0.0	0.0	5.3	0.46
SIDAs (n=31)	58.0	42.0	0.0	0.0	0.0	0.7
MDIs (n=3)	66.7	0.0	33.3	0.0	0.0	1.1
Credit Institutions (n=4)	75.0	0.0	0.0	0.0	25.0	1.42
Banks (n=9)	77.8	11.1	0.0	0.0	11.1	0.86

### 3.11 Institutional Types by number of institutions making Profits or Losses<sup>23</sup>

As shown in Table 3.15, all the commercial banks, credit institutions and MDIs made profits in 2005. In 2004, all the commercial banks, all the MDIs and only 75% of the credit institutions made profits in 2004. The picture is different for non-BOU regulated financial institutions. In 2005, the highest proportion of non-BOU regulated financial institutions that made profits was SACCOs (85.6%), followed by Companies (84.7%). In 2004, the most profitable type of non-BOU regulated financial institutions was Companies (85.1%), followed by SACCOs (84.8%). NB: By making losses, non-regulated financial institutions that take people's deposits endanger them (the deposits) and there is a risk of the population losing confidence in the formal financial sector if such dangers are widespread. Also, note that provisioning standards are generally weaker in SACCOs than in regulated institutions, and that many SACCOs that declare they are profitable might be money-losing if they were held to the tighter BOU standards.

<sup>23</sup> In this report, a profit or a loss has been derived by subtracting total operating expenditure from total operating income.

**Table 3.15 Institutional types by number of institutions making profits or losses**

Institutional Types (HQs only)	Number of Institutions making Profits or Loses 2004		Number of Institutions making Profits or Loses 2005	
	+Ve	-Ve	+Ve	-Ve
SACCOs	392 (84.8%)	70 (15.2%)	455 (80.6%)	109 (19.4%)
Companies	46 (85.1%)	8 (14.9%)	61 (84.7%)	11 (15.3%)
NGOs	23 (79.3%)	6 (20.7%)	27 (71.0%)	11 (29.0%)
SIDAs	15 (83.3%)	3 (16.7%)	22 (81.4%)	5 (18.6%)
MDIs	4 (100%)	-	4 (100%)	-
Credit Institutions	3 (75%)	1 (25%)	4 (100%)	-
Banks	12 (100%)	-	12 (100%)	-

### 3.12 Institutional types by Economic Activities financed

Table 3.16 gives the distribution of the institutional types by economic activities financed. Two major economic activities financed by most of the institutions are wholesale and retail trade, and agriculture, with all MDIs financing trade and 75% of them financing agriculture. Next to MDIs are SACCOs with 91.4% financing trade and 83.1% financing agriculture while 90.9% and 45.5% of the commercial banks financed trade and agriculture respectively. Of course an institutional type could finance more than one economic activity at the same time, so, for example, 83.1% of the SACCO outlets finance agriculture and 91.4% of the same institutions finance wholesale and trade.

**Table 3.16 Institutional Types by Economic Activities financed for the year 2005**

Economic Activity (2005)	Institutional types						
	SACCO outlets (n=630) (%)	Companies (n=104) (%)	NGOs (n=73) (%)	SIDAs (n=51) (%)	MDIs (n=4) (%)	Credit Institutions (n=4) (%)	Banks (n=11) (%)
1. Agriculture	83.1	60.3	53.6	68.6	75.0	25.0	45.5
2. Mining and quarrying	1.3	0.0	0.0	0.0	0.0	0.0	0.0
3. Manufacturing	9.1	12.4	10.1	7.8	50.0	25.0	63.6
4. Electricity and Water	0.2	0.0	0.0	0.0	0.0	0.0	0.0
5. Construction	7.0	2.5	1.4	5.9	0.0	50.0	63.6
6. Wholesale and retail trade	91.4	72.7	65.2	64.7	100	75.0	90.9
7. Hotels and Restaurants	1.6	1.7	2.9	0.0	0.0	0.0	0.0
8. Transport and communication	8.4	4.9	2.9	3.9	0.0	25.0	0.0
9. Other	23.2	15.7	26.1	19.6	50.0	0.0	9.1

### 3.13 Number of Outlets competing or not-competing as at the census period

Across all institutional types, the majority of the outlets reported that they were competing with other institutions; with 82.2% of the SACCOs, 80.4% of the Companies, 81.3% of the NGOs and 77.1% of the SIDAs reporting competition with other financial institutions (See Table 3.17).

**Table 3.17 Number of outlets competing or not-competing as at the census period**

Institutional Types	Competing (%)	Not-Competing (%)
SACCOs (n=587)	82.2	17.8
Companies (n=92)	80.4	19.6
NGOs (n=43)	81.3	18.7
SIDAs (n=35)	77.1	22.9

### 3.14 Institutions preparing financial statements and have Audited financial statements

As shown in Table 3.18, the majority of SACCOs (86.4%) and companies (64.1%) that responded indicated that they prepare trial balances while 73.5% of SACCOs and 58.0% of companies reported to be having audited financial statements. 51.7% of NGOs and 40.3% of SIDAs reported that they prepare balance sheets and Loan portfolio reports, with 48.2% of NGOs and 38.4% of SIDAs reported to be having audited financial statements.

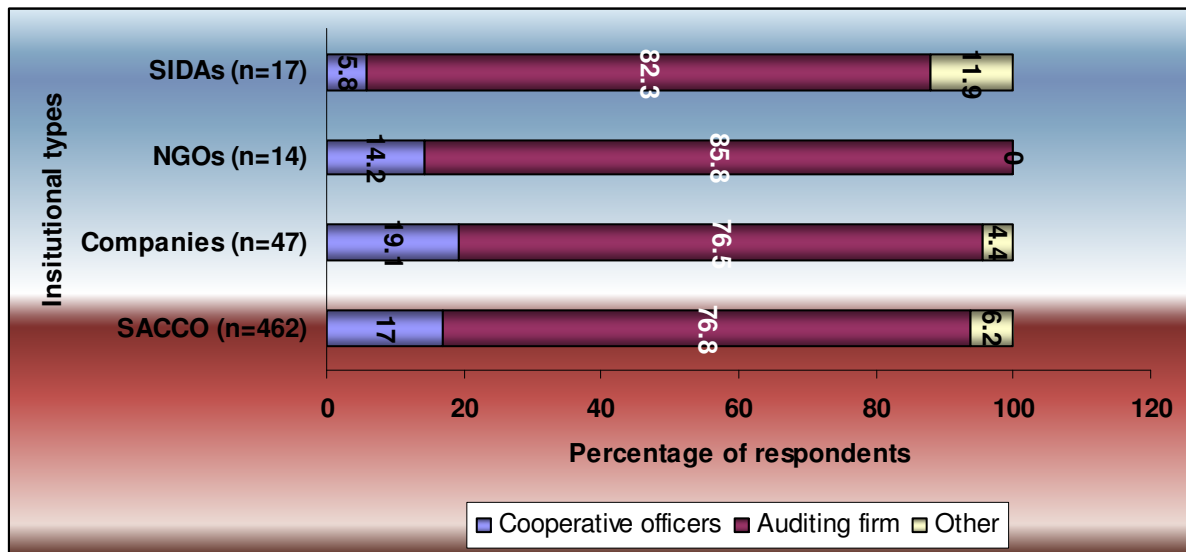
**Table 3.18 Institutional types (Only Headquarters) by percentage of institutions preparing financial statements and have audited financial statements**

Institutional Types	SACCOs N=630 %		Non-SACCO T4 MFIs					
	Prepare	Audited	Companies (n=81) %		NGOs (n=29) %		SIDAs (n=52) %	
			Prepare	Audited	Prepare	Audited	Prepare	Audited
Balance Sheet	85.2	Yes=73.5	64.1	Yes=58	51.7	Yes=48.2	40.3	Yes=38.4
Income Statement	77.8		59.2		37.9		36.5	
Trial Balance	86.4		64.1		48.2		40.3	
Loan Portfolio	77.1		64.1		44.8		42.3	

### 3.15 Type of Audit

Across all the institutional types as shown in Figure 3.3, most of the institutions were hiring audit firms to audit their books of accounts, with 76.8% of SACCOs, 76.5% of Companies, 85.8% of NGOs, and 82.3% SIDAs hiring external audit firms to audit their books of accounts. NB: the Census did not collect information on the quality of audits. Other sources strongly suggest that many SACCO audits fall short of minimum standards for the audit of financial institutions, particularly in their treatment of the loan portfolio.

**Figure 3.3: Institutional types (Only Headquarters) by type of Audit as at survey period**



## **3.16 Challenges experienced in Implementing the Census of Financial Institutions**

### **3.16.1 Overall Challenges**

Coordination and supervisory framework was very complicated due to a relatively large number of stakeholders involved and with varied interests.

There were delays in implementation of the census, partly because of the approach adopted (consultative) and the changing scope. In addition, the Government was eager to have the results within a short time, and this imposed some pressure on the implementing team.

### **3.16.2 Challenges reported by Private Sector Development/Promotion Centres**

- The project was implemented during the period of political campaigns. Thus, there was pressure to complete it within a short time.
- Inadequate funding.
- Sub-county chiefs in some sub-counties were either not present and/or lacked knowledge of the MFI outlets existing in their areas of jurisdiction.
- Some of the Private Development/Promotion Centres adopted approaches which undermined the quality of the results, necessitating crossing checking the returns and therefore, increasing the cost of the census.

### **3.16.2 Challenges reported by MUIENR**

- Some Private Sector Development/Promotion Centres completed reconciliation of the list of Tier 4 MFI outlets late while other provided incomplete lists.
- Most of the Private Sector Development/Promotion Centres did not make effort to establish if the listed MFI outlets were operational or not.
- Coordination between the firm mapping the MFI outlets and some of the Private Sector Development/Promotion Centres was poor.
- Inadequate funding.
- Insecurity in some parts of the country. Mapping was thus done by telephoning people with knowledge on the MFI outlets in the insecure areas, and identifying a nearby structure with known GPS coordinates, such as a hospital or airstrip.
- The time given to the exercise was inadequate and there was pressure to complete it.
- Many local people had little knowledge of the MFI outlets existing in their locations while some thought the exercise was to identify institutions in order to give financial support.
- Some MFI outlets were operational, but not in distinct and fixed physical offices. In a number of cases, especially in Kampala district, employees who have formed institutional SACCOs used their offices (offices of employees who are members of the SACCO) to run them. For instance, an employee working in an organization who is a member of a SACCO formed in that organization might use also his or her office in that organization as a SACCO office. In such cases, the SACCOs do not have a distinct office to map. NB: This issue of under-reporting has since been addressed by the “Missing SACCOs” study.
- In some cases, MUIENR confused Tier 4 MFIs that are being prepared to become MDIs as already MDIs, and therefore, did not map them. This was however, not a major problem as these outlets had earlier been mapped.

### **3.16.3 Challenges encountered at FSDU level**

- Practically, only one officer compiled the list of MFI outlets from MSEPU, MTTI and AMFIU and sent it to the Private Sector Development/Promotion Centres for validation. This was a lot of work for the officer.
- Due to disagreements between some Private Sector Development/Promotion Centres and MUIENR over the MFI outlets with fixed physical offices which were claimed to be operational, FSDU conducted validation field visits to Mbarara region and some districts under the Centre for Private Sector Development Limited and Private Sector Development and Consultancy Centre (PRICON) to find out which MFI outlets were actually operational in distinct and fixed physical offices, and which ones were not. This was a significant amount of work for one officer at FSDU.

### **3.16.4 Challenges encountered during data collection and processing**

- Research assistants asking for information from wrong people at the institutions. This led to inconsistencies in the data but was rectified during editing.
- Some research assistants skipped some questions on the questionnaires. This was rectified by callbacks during data editing.
- There was general poor record keeping and financial reporting by Tier 4 MFIs.
- Some respondents deliberately refused to supply information to research assistants. This was common in urban based institutions especially those in Kampala.
- There was lack of professionalism among some data entrants during data editing, coding and entering. This was corrected at the data cleaning phase but caused much additional work.



#### 4.0 RECOMMENDATIONS

1. The uneven distribution of active MFIs across the country calls for two immediate actions: i) establish the reasons why fewer active MFIs are located especially in the Eastern region which has not had physical insecurity for a long period of time; ii) establish a demand-driven mechanism to improve the distribution of financial services in those parts of the country where they are relatively few. Particular attention should be given to the 12 districts found to have no active SACCO outlet.
2. Focus on the regulated sector, which has the largest resource base to achieve a greater outreach at a faster rate.
3. SACCOs should consider employing managers who are adequately trained and remunerate them competitively.
4. Studies should be conducted to establish factors driving the levels of interest rates in the various institutional types.
5. Competition in the MFIs industry was reported to be widespread. While this is healthy for the financial sector, it is not clear what this could mean to the Government policy of establishing a SACCO in every sub-county in Uganda. Further research is required to concretely determine the areas in which the MFIs are effectively competing and the implications of this competition on the current development strategy for SACCOs.
6. Sources of funds – all the Tier 4 MFIs rely on grants. It was beyond the scope of the census to determine how the grants are used. However, the experience of countries such as Indonesia indicate that, if grants are applied in, for example, capacity building as compared to granting loans, they tend to be more effective. It would also be illuminating to find out what would happen to the institutions relying more on grants and concessionary loans if these sources dried up?
7. The census results indicate that most of the financial institutions counted extend loans to the agricultural sector. However, two important aspects in this regard were not established: 1) the sub-sectors in agricultural sector to which loans are not extended – production, processing or marketing, 2) the proportion of the loan portfolio going to the respective sub-sectors. Future studies should focus on these aspects to guide the design of more concrete policies to promote agricultural financing.
8. There is an urgent need to establish standards for record keeping and financial reporting for the Tier 4 MFIs. Similarly, standards for adequate auditing of Tier 4 MFIs need to be developed and applied to improve financial management in these institutions.
9. Finally, future similar studies should take lessons from this census so as to improve on the challenges and limitations highlighted in the report.



## APPENDIX A

### MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPEMNT 2005-2006 CENSUS OF TIER 4 MICROFINANCE INSTITUTIONS IN UGANDA

SECTION 1: GENERAL INFORMATION AND INSTITUTIONAL IDENTIFICATION PARTICULARS			
Starting Time:		HH:	MM:
Q101 DISTRICT:			
Q102 COUNTY/MUNICIPALITY:			
Q103 SUB-COUNTY/TOWN COUNCIL:		Q104 PARISH/WARD:	
Q105 LCI/VILLAGE/STREET/PLOT NUMBER/BLOCK NUMBER		Q106 LOCATION OF MFI OUTLET: 1: URBAN 2: RURAL	
Q107 NAME OF MICROFINANCE INSTITUTION (MFI)/BRANCH:			
Q108 Is MFI Outlet a headquarters or a branch?	1: Headquarters (HQs) 2: Branch		Q109 Number of branches MFI has (For HQs only):
Q110 Which of the following services does the headquarters provide?	1. Administrative services only	2. Administrative and financial services	
Q111 Name of Contact Person	Q112 Position of Contact Person:	Q113 Phone No. (Land Line):	Q114 Phone No. (Mob.):
Q115 E-mail Address:	Q116 Name of Interviewer:	Q117 Interview Date (DD, MM and YY):	

Table For Supervisors to Fill				
<i>Regional Supervisor's Name</i>	<i>Date of Inspection:</i>	<i>DD:</i>	<i>MM:</i>	<i>YY:</i>
<i>National Supervisor's Name</i>	<i>Date of Inspection</i>	<i>DD:</i>	<i>MM:</i>	<i>YY:</i>
For Official Use Only by Micro and Small Enterprise Policy Unit				
<i>Questionnaire Number</i>				
<i>Entered By</i>				
<i>Supervised By</i>				
<i>Box File Number</i>				
<i>Institution/Branch Identification Number/Code</i>				

**SECTION 2: OWNERSHIP, LEGAL STATUS AND FORM OF THE INSTITUTION**

Q201	Please, <b>CIRCLE</b> the code of the appropriate response in the adjacent box indicating the ownership status of the premises this institution is currently operating in:	1. Own Property 2. Rented Property 3. Donated property i.e. using without paying for it
Q202	Are the offices in which the MFI Outlet is currently operating different from the residence of the owners/promoters?	Yes = 1 No = 2
Q203	<b>Please specify if the MFI is registered under any of the following (Select and CIRCLE as applicable) and the form of registration (ASK HEADQUARTERS ONLY Q203 and Q204 – SEE Q108):</b>	
	<b>Registration of the MFI (Acts enacted by the Parliament of Uganda) Yes No</b>	
	1. Companies Act, 1964 1 2	
	2. Cooperatives Societies Statute, 1991 1 2	
	3. Non-Governmental Organization Act, 1989 1 2	
	4. Moneylenders Act, 1952 1 2	
Q204	<b>Form of Company Registration Yes No</b>	
	1. Company Limited by shares 1 2	
	2. Company Limited by Guarantee 1 2	
	3. Other Form of Registration (Specify)	
	<b>Please, provide the following information about this MFI (ASK HEADQUARTERS ONLY Q205 – SEE Q108):</b>	
Q205	What is the <u>NAME</u> of institution/organization that issued the certificate/license?	Q206 Certificate/License Number and Date when issued
		Number Day Month Year
	1.	
	2.	
	3.	
Q207	When did this MFI/Branch begin to operate?	Month: Year:
Q208	<b>Q208 – 211, ASK ONLY HQs OF THE MFI (See Q108)</b> Has this MFI changed its legal status following the enactment of the MDI Act, 2003? If the response to Q208 is 2, Skip to Q212	Yes = 1 No = 2 (Go to 212)
Q209	Was the change of legal status of the MFI influenced by the requirements under the MDI Act, 2003?	Yes = 1 No = 2
Q210	How has the change in the legal status of the MFI affected its overall level of outreach?	Increased = 1 Decreased = 2 There has been no change = 3
Q211	How has the change in the legal status of the MFI affected its overall level of profit or loss? Please <b>CIRCLE</b> any of the following: OPI, OPD, OLI, OLD or NC as appropriate.	Overall profit has increased = OPI Overall profit has decreased = OPD Overall loss has increased = OLI Overall loss has decreased = OLD There has been no change = NC
Q212	Is this MFI Outlet a Savings and Credit Co-operative (SACCO)?	Yes = 1 No = 2( Go to 301)
Q213	What is the current number of registered shareholders ( <b>fully paid</b> )?	<b>Number</b>
	1. Male Shareholders	
	2. Female Shareholders	
	3. Total of Male and Female Shareholders	
	4. Group shareholders	
	5. Institutional Shareholders	

Q214	What is the specific group that constitutes this SACCO?	1. Employees 2. Professionals (Specify) 3. Community 4. Other (Specify)
<b>SECTION 3: GOVERNANCE/AFFILIATION</b>		
Q301	Please indicate the title of the individual who is in-charge of the day-to-day operations of the institution, their academic background and work experience as specified <b>below</b> :	
	<b>1. Manager Response</b>	
	1. Employment status:	1. Paid employee 2. Not paid employee
	2. Highest Level of Formal Education attained:	1. Secondary 2. Diploma 3. Degree 4. Other (specify)
	3. Area of Emphasis in Studies at the highest level of formal education attained (specify):	
	4. Years of Experience in micro finance or related fields:	
	<b>2. Other (Please specify title)</b>	<b>Response</b>
	1. Employment Status:	1. Paid employee 2. Not paid employee
	2. Highest Level of Formal Education attained:	1. Secondary 2. Diploma 3. Degree 4. Other (specify)
	3. Area of Emphasis in Studies at the highest level of formal education attained (specify):	
	4. Years of Experience in micro finance or related fields:	
Q302	Number of employees of this MFI Outlet	
Q303	Average number of years the loan officers (LOs) in this MFI Outlet have worked in the Outlet:	
	1. Number of LOs who have worked in this MFI Outlet for less than 1 year	<b>Number:</b>
	2. Number of LOs who have worked in this MFI Outlet for 1–5 years	<b>Number:</b>
	3. Number of LOs who have worked in this MFI Outlet for 5-10 years	<b>Number:</b>
	4. Number of LOs who have worked in this MFI Outlet for more than 10 years	<b>Number:</b>
Q304	Is this institution-affiliated to/associated with any of the following organizations or others not listed?	<b>Yes No</b>
	1. AMFIU <sup>24</sup>	1 2
	2. UCSCU <sup>25</sup>	1 2
	3. UCA <sup>26</sup>	1 2
	4. Other (e.g. AMFIA <sup>27</sup> , BUTO <sup>28</sup> , OMIPA <sup>29</sup> , Kabarole Resource Centre, Private Sector Development/Promotion Centre or Company, etc, <b>Specify</b> )	
Q305	<b>Q305 APPLY TO HEADQUARTERS ONLY (See Q108)</b> Which of the following statements apply to this institution (Please, put 1 or 2 as appropriate)?	<b>Yes No</b>

<sup>24</sup> Association of Microfinance Institutions of Uganda

<sup>25</sup> Uganda Co-operative Savings and Credit Union

<sup>26</sup> Uganda Co-operatives Alliance

<sup>27</sup> Ankole Microfinance Institutions Association

<sup>28</sup> Bunyoro-Tooro Rural Development Company Limited

<sup>29</sup> Oruchinga MicroFinance Promotion Agency

	1. Most of the Board of Directors or their equivalent are shareholders/Owners/Promoters of this MFI	1 2
	2. Chairman of the Board of Directors or his/her equivalent is the Chief Executive Officer (CEO) of this MFI	1 2
	3. CEO of this MFI is one of its Shareholders/Owners/Promoters	1 2

#### SECTION 4: LENDING METHODOLOGY, LOAN PORTFOLIO AND RELATED QUESTIONS

**Q401** Please indicate the appropriate figures for the Client Outreach shown in the table below for the past two years:

Year (1)	No. of Clients <sup>30</sup> (for the year) (2)			No. of Clients with Savings Accounts (for the year) (3)			No. of Loans Disbursed (for the year) (4)			No. of Borrowers with Loans (end of year) (5)		
	Male	Female	Groups	Male	Female	Groups	Male	Female	Groups	Male	Female	Groups
2004												
Total 2004												
2005												
Total 2005												

**Q402** Please indicate in Uganda Shillings the following for the past two years:

Year (1)	Disbursed Loan value (for the year) (2)	Outstanding Loan Portfolio (End of the year) (3)	Compulsory Savings (End of the year) (4)	Voluntary Savings (End of the year) (5)	Share Capital (End of the year) (6)
2004					
2005					

**Q403:** Please indicate in Uganda Shillings and over the past two years the amount of money this institution obtained from the following sources other than share capital (End of year figures):

Year (1)	Commercial Loans (2)	Concessionary Loans (3)	Grants (4)	Other (specify) (5)
2004				
2005				

Q404	What Lending Methodology does this institution employ? (Circle as appropriate):	1 Individual Lending 2. Group Lending 3. Both
Q405	On average, at what nominal rate of interest does this institution lend and borrow?	
	1. Average Monthly Nominal Interest Rate Lent at (%)	Rate Q406: Is it a flat Rate? Yes = 1 No = 2
	2. Average Monthly Nominal Interest Rate paid on deposits (%)	Yes = 1 No = 2
	3. Average Annual Nominal Interest rate at which this institution borrows from other sources (E.g. commercial banks & MSCL <sup>31</sup> ,)	Yes = 1 No = 2
Q407	What is the Minimum and Maximum loan size (in Uganda Shillings) of this MFI at present?	

<sup>30</sup> All persons/groups/organisations receiving services from the MFI

<sup>31</sup> Microfinance Support Centre Limited

	1. Minimum loan size	
	2. Maximum loan size	
Q408	What type of security is accepted by the Institution?	Yes No
	1. Titled Land	1 2
	2. Untitled Land	1 2
	3. Buildings, Equipment/Vehicles	1 2
	4. Other Chattel items e.g. radios, fridges, beds and mattresses	1 2
	5. Group Guarantee	1 2
	6. Individual Guarantors	1 2
	7. Blocked Compulsory Savings/Insurance Fund	1 2
	8. Other (specify)	1 2
Q409	Please, indicate the total operating income earned and operating expenses incurred by this institution per year over the last three years	
	Year (1)	Total Operating income (2) Total operating expenditure (3)
	2003	
	2004	
	2005	
Q410	Please indicate the three economic activities in which most of your clients were engaged in in 2004 and 2005.	
	Economic Activity (e.g. manufacturing or trade)	
	2004	1. 2. 3.
	2005	1. 2. 3.
<b>SECTION 5: INSTITUTION'S FINANCES AND RELATED QUESTIONS</b>		
Q501	What is the date of the most recent financial statement (Trial Balance = 1, Income Statement = 2, Cash Flow Statement = 3, Balance Sheet = 4)?	Code of most recent financial statement: DATE:
Q502	How often does this MFI produce the following financial statements and report?	<b>Frequency of producing the statements/Report</b> : Daily = 1, Weekly = 2, Monthly = 3, Quarterly = 4, Annual = 5, Never = 6, and Other = 7
	1. Balance Sheet	
	2. Trial Balance	
	3. Income Statement	
	4. Portfolio Report	
Q503	Which kind of accounting system does this MFI have? Circle the appropriate code.	1. Manual      2. Computerized 3. Both 4. None of the above
Q504	Does this institution have audited accounts?	Yes = 1 No = 2 (go to Q508)
Q505	If the response to Q504 is Yes, Give the date of last audit	DATE:
Q506	Who conducted the most recent Audit? (Circle as appropriate)	1. Cooperative Officers 2. Auditing Firm 3. Other
Q507	If the response to Q506 is 2 or 3, provide the name of the firm	NAME:
Q508	What is the value of the total assets of the MFI as per the most recent Balance Sheet or Trial Balance	Amount      Year
Q509	Which kind of loan and savings tracking system does this MFI have?	1. Manual 2. Computerized 3. Both 4. None of the above
Q510	If the MFI has an Account with a Bank, are all the MFI's bank accounts reconciled monthly with the bank statements?	Yes = 1 No = 2 (Go to Q601)

Q511	If yes, Are the accounts in balance?	Yes = 1 No = 2
Q512	When was the last bank reconciliation done?	DATE:

Please, attach to the Questionnaire for the year end 2004 and year 2005: Balance Sheet, Income Statement, and Portfolio Reports. If the statements and report are not attached, state the reasons why it is so.

## SECTION 6: COMPETITION AND INFORMATION EXCHANGE

**Q601** In the table below, name the MFI Outlet which compete/do not compete with your MFI and its physical location:

	Name of MFI (1)	Physical Location (2)			Competing = 1 NOT Competing = 2 (3)
		Name of LCI	Name of Parish	Name of Sub-county	
1					
2					
3					
4					
5					

**Q602** Please indicate Yes = 1, No = 2 and don't know = 3 to the questions in the table below:

Questions	Response Codes		
Is it common for clients in this area to take loans from more than one MFI at the same time i.e. before completing repayment of any of the loans taken previously?	1	2	3
Do clients who take loans from more than one MFI at the same time pose repayment problems to the MFIs from which they have taken the loans?	1	2	3
Have any of your clients taken a loan from more than one MFI at the same time?	1	2	3
Do you exchange, verify or share information about your clients with other MFIs? If the response is <u>No</u> or <u>Don't Know</u> , Skip Q603.	1	2	3
Do other MFI exchange, verify or share information about their clients with your MFI? If the response is <u>No</u> or <u>Don't know</u> , Skip Q603	1	2	3

**Q603** Name in the table below the MFIs which your MFI has exchanged, verified or shared information with, the frequency of exchanging, verifying or sharing the information or vice versa, and the kind of information exchanged, verified or shared. Daily = 1, Weekly = 2, Monthly = 3, Quarterly = 4 and Other (specify) = 5.

List of MFIs exchanging, verifying or sharing information with this MFI (1)	Frequency of exchanging, verifying or sharing information					Kind of information exchanged, verified or shared (7)
	Daily (2)	Weekly (3)	Monthly (4)	Quarterly (5)	Other (specify) (6)	
1.						
2.						
3.						
4.						
5.						

Name and Signature of the CEO of the MFI or In-charge of the Branch

Stamp

Date:

Time of Ending the Interview:	HH:	MM:
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**APPENDIX A1: Districts by Institutional types as at census period**

**Table A1) Districts by Institutional types as at census period**

DISTRICT	No. of Eligible SACCO Outlets	No. of Non-Eligible SACCO Outlets	No. of Non SACCO (T4 MFIs) Outlets			No. of MDI Outlets	No. of Credit Institution Outlets	No. of Banks/ Branches
			Companies	NGOs	SIDAs			
ABIM	1	0	0	0	0	0	0	0
ADJUMANI	2	0	0	0	0	1	0	1
AMOLATAR	1	0	0	0	0	1	0	0
AMURIA	3	0	0	0	0	0	0	0
AMURU	0	0	0	0	0	0	0	0
APAC	6	2	0	0	0	1	0	1
ARUA	5	0	2	1	0	2	1	3
BUDAKA	0	0	0	0	0	0	0	0
BUDUDA	0	0	0	0	0	0	0	0
BUGIRI	8	0	1	2	0	2	0	1
BUKEDEA	0	0	0	0	0	0	0	0
BUKWO	1	0	0	0	0	0	0	0
BULIISA	1	0	0	0	0	0	0	0
BUNDIBUGYO	15	0	2	0	0	0	0	1
BUSHENYI	44	3	3	3	0	4	0	4
BUSIA	5	0	1	0	0	3	0	1
BUTALEJA	0	0	0	1	0	0	0	0
DOKOLO	0	0	0	0	0	0	0	0
GULU	9	1	3	2	0	0	1	2
HOIMA	12	0	1	3	7	2	1	2
IBANDA	12	0	0	1	0	0	0	1
IGANGA	14	0	1	0	0	3	0	2
ISINGIRO	11	0	3	0	0	0	0	0
JINJA	25	7	3	0	0	4	1	9
KAABONG	1	0	0	0	0	0	0	0
KABALE	18	1	3	1	0	1	1	3
KABAROLE	21	0	3	0	10	0	1	2
KABERAMAIDO	4	0	0	0	0	0	0	0
KALANGALA	2	0	0	0	0	0	0	1
KALIRO	2	2	0	0	0	0	0	0
KAMPALA	37	5	15	10	0	17	18	65
KAMULI	14	1	0	0	0	2	0	1
KAMWENGE	17	0	2	0	3	3	0	0
KANUNGU	12	2	0	1	0	1	0	1
KAPCHORWA	4	0	0	1	0	0	0	1
KASESE	14	0	4	2	0	2	0	2
KATAKWI	1	0	0	0	0	0	0	0
KAYUNGA	3	2	0	1	0	2	1	0
KIBAALE	10	1	4	1	19	0	0	2
KIBOGA	1	3	7	2	0	2	0	2
KIRUHURA	14	3	5	0	0	1	0	0
KISORO	7	2	1	0	0	1	0	0
KITGUM	5	0	1	0	0	0	0	1
KOBOKO	1	0	0	0	0	1	0	1



KOTIDO	1	0	0	0	0	0	0	1
KUMI	5	0	1	1	0	1	0	1
KYENJOJO	11	0	4	1	13	0	0	2
LIRA	7	2	2	2	0	2	1	3
LUWERO	10	1	7	2	0	3	1	2
LYATONDE	0	0	0	0	0	1	0	1
MANAFWA	10	0	1	0	0	0	0	0
MARACHA/TER EGO	0	0	0	0	0	0	0	0
MASAKA	36	1	2	3	0	3	1	4
MASINDI	15	0	1	1	0	1	0	1
MAYUGE	5	0	0	0	0	0	0	0
MBALE	8	0	2	4	0	3	2	6
MBARARA	26	0	3	0	0	3	1	6
MITYANA	6	0	1	5	0	1	0	2
MOROTO	4	0	0	0	0	0	0	1
MOYO	0	0	0	0	0	1	0	1
MPIGI	4	1	0	4	0	1	0	1
MUBENDE	10	0	3	6	0	2	1	1
MUKONO	19	3	0	3	0	3	1	3
NAKAPIRIPIT	0	2	0	0	0	0	0	0
NAKASEKE	1	0	2	0	0	1	0	0
NAKASONGOLA	7	2	0	0	0	1	0	0
NAMUTUMBA	0	0	0	0	0	0	0	0
NEBBI	14	0	1	0	0	1	1	3
NTUNGAMO	23	0	2	0	0	1	0	1
OYAM	0	0	0	0	0	0	0	0
PADER	2	0	0	0	0	0	0	0
PALLISA	2	0	0	0	0	2	1	1
RAKAI	12	1	0	3	0	1	0	2
RUKUNGIRI	18	1	3	2	0	2	0	2
SEMBABULE	6	1	0	0	0	0	0	0
SIRONKO	9	0	1	1	0	0	0	0
SOROTI	5	0	0	3	0	2	1	3
TORORO	11	2	2	0	0	2	0	4
WAKISO	23	2	1	0	0	3	1	5
YUMBE	1	0	0	0	0	0	0	0
<b>Grand Total</b>	<b>676</b>	<b>56</b>	<b>104</b>	<b>73</b>	<b>52</b>	<b>97</b>	<b>37</b>	<b>168</b>

**APPENDIX A2: Districts by Sub-counties with SACCOs, Companies, NGOs, SIDAs (Other T4 MFIs) and BOU regulated as at census period**

**Table A2) Districts by Sub-counties with SACCOs, Companies, NGOs, SIDAs (Other T4 MFIs) and BOU regulated as at census period**

DISTRICT	No. of Sub-Counties	No. of S/C with Eligible SACCO Outlets	No. of S/C with Eligible Non-SACCO T4 MFI Outlets			No. of S/C with BOU regulated Institutions/Branches
			Companies	NGOs	SIDAs	
ABIM	3	1	0	0	0	0
ADJUMANI	5	1	0	0	0	1
AMOLATAR	4	1	0	0	0	0
AMURIA	5	2	0	0	0	0
AMURU	8	0	0	0	0	0
APAC	14	6	0	0	0	1
ARUA	14	4	1	1	0	1
BUDAKA	6	0	0	0	0	0
BUDUDA	5	0				
BUGIRI	10	6	1	2	0	1
BUKEDEA	6	0				
BUKWO	5	1	0	0	0	0
BULIISA	2	1	0	0	0	0
BUNDIBUGYO	8	6	1	0	0	1
BUSHENYI	29	29	3	3	0	4
BUSIA	10	3	1	0	0	1
BUTALEJA	6	0	1	0	0	1
DOKOLO	5	0	0	0	0	0
GULU	11	5	2	2	0	1
HOIMA	12	7	1	2	6	1
IBANDA	5	5	0	1	0	1
IGANGA	19	9	1	0	0	1
ISINGIRO	5	9	3	0	0	0
JINJA	11	7	3	0	0	2
KAABONG	8	1	0	0	0	0
KABALE	19	10	2	2	0	1
KABAROLE	7	11	2	1	10	1
KABERAMAIDO	8	4	0	0	0	0
KALANGALA	6	2	0	0	0	1
KALIRO	5	1	0	0	0	0
KAMPALA	5	5	3	2	0	5
KAMULI	17	9	0	0	0	1
KAMWENGE	6	11	2	0	2	1
KANUNGU	7	6	0	1	0	1
KAPCHORWA	7	3	0	1	0	1
KASESE	19	9	2	1	0	2
KATAKWI	9	1	0	0	0	0
KAYUNGA	9	2	0	1	0	1
KIBAALE	14	7	4	0	14	2
KIBOGA	5	2	2	1	0	1

KIRUHURA	9	8	4	0	0	0
KISORO	8	4	1	1	0	1
KITGUM	11	2	1	0	0	1
KOBOKO	3	1	0	0	0	1
KOTIDO	5	1	0	0	0	1
KUMI	16	4	2	0	0	1
KYENJOJO	12	8	4	1	12	1
LIRA	16	3	2	1	0	1
LUWERO	12	5	5	1	0	3
LYATONDE	10				0	1
MANAFWA	8	6	1	0	0	0
MARACHA/TEREGO	10	0	0	0	0	0
MASAKA	19	18	2	2	0	1
MASINDI	12	8	1	1	0	1
MAYUGE	6	3	0	0	0	2
MBALE	10	6	3	3	0	2
MBARARA	15	15	3	0	0	2
MITYANA	5	2	1	1	0	1
MOROTO	10	4	0	0	0	1
MOYO	7	0	0	0	0	0
MPIGI	17	4	0	2	0	1
MUBENDE	15	7	3	1	0	1
MUKONO	28	13	0	2	0	1
NAKAPIRIPIT	9	0	0	0	0	0
NAKASEKE	6	1	2	0	0	0
NAKASONGOLA	5	4	0	1	0	0
NAMUTUMBA	6	0	0	0	0	0
NEBBI	17	13	1	0	0	3
NTUNGAMO	13	13	2	0	0	1
OYAM	7	0	0	0	0	0
PADER	10	2	0	0	0	1
PALLISA	15	2	0	0	0	1
RAKAI*	12	6	0	2	0	2
RUKUNGIRI	11	10	1	1	0	1
SEMBABULE	5	3	0	0	0	0
SIRONKO	10	7	1	1	0	0
SOROTI	9	3	0	3	0	2
TORORO	14	6	2	0	0	1
WAKISO	15	15	1	0	0	1
YUMBE	5	1	0	0	0	0
<b>Grand Total</b>	<b>792</b>	<b>395</b>	<b>78</b>	<b>45</b>	<b>30</b>	<b>72</b>

**APPENDIX B:      OUTREACH MAP**