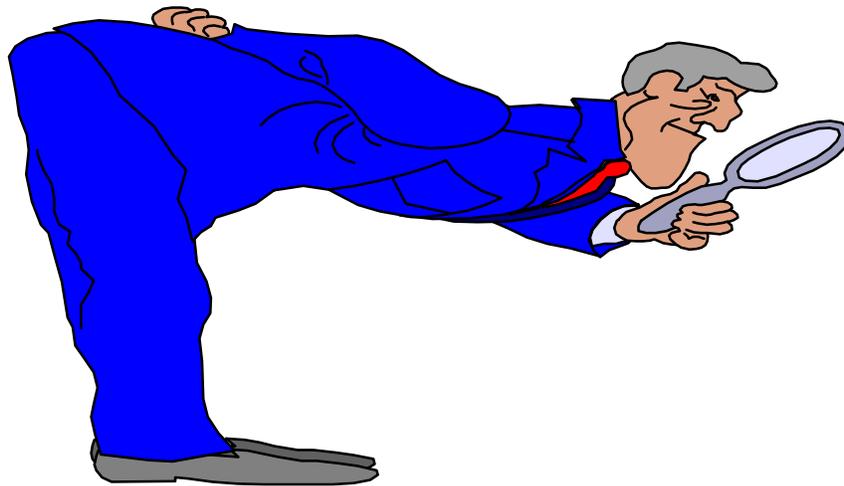




DFID  
Financial Sector  
Deepening Project  
Uganda

## REPORT

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## STATUS OF MISSING SACCOs AND MFIs FROM THE 2005/2006 CENSUS OF TIER 4 INSTITUTIONS

### CLIENT:

THE ASSOCIATION OF MICROFINANCE INSTITUTIONS OF UGANDA WITH ASSISTANCE FROM FINANCIAL SECTOR DEEPENING PROJECT OF UGANDA

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## ACRONYMNS

AMFIU	-	The Association of Microfinance Institutions of Uganda
APROCEL	-	Ankole Private Sector Promotion Centre Limited
DCO	-	District Cooperative Officer
FETAS	-	Farmer Empowerment through Agricultural Services
FEW	-	Financial Extension Worker
FSDU	-	Financial Sector Deepening Project Uganda
GoU	-	Government of Uganda
KPCPCL	-	Kigezi Private Sector Promotion Company Limited
LC	-	Local Council
MDI	-	Micro Deposit- taking Institution
MFI	-	Microfinance Institution
MFO	-	Microfinance Officer
MSCL	-	Microfinance Support Centre Limited
PAP	-	Poverty Action Plan
SACCOs	-	Savings and Credit Cooperative Societies
UCA	-	Uganda Cooperative Alliance
UCSCU	-	Uganda Cooperative Savings and Credit Union
UNEX	-	Union Export Services Limited
UNFA	-	Uganda National Farmers Association

## EXECUTIVE SUMMARY

AMFIU) and FSDU commissioned this to track and report on the status of “missing” SACCOs and non-cooperative MFIs in Uganda. This followed a census of Tier 4 microfinance outlets carried out in 2005/ 2006 by the Ministry of Finance, Planning and Economic Development with assistance from FSDU. The results of the Tier 4 census revealed a variance between the institutions that were found by the Census team and the ones legally registered. FSDU and AMFIU came up with five possible hypotheses to explain this variance which included:

- i. The census team only counted SACCOs and MFIs that had fixed locations;
- ii. There may be a gap between when an institution is registered and when it receives its registration certificate, yet the census team only counted institutions that could produce a copy of the registration certificate;
- iii. While the census team was remarkably thorough, there may have been some institutions which exist but were simply hard to find;
- iv. An unknown number of institutions have become dormant or collapsed and disappeared; or
- v. Some SACCOs were registered for certain reasons but have never actually operated on the ground (briefcase institutions).

This report presents the findings of the study which was conducted on a random sample of 70 SACCOs and 10 MFIs with the objective of validating the significance of each of the above hypotheses in explaining the missing institutions.

Data collection and analysis involved both qualitative and quantitative methods. Data was collected on the existence of the “missing” institutions, the legal status, the current membership/ clientele and portfolio size (for operating institutions), the causes of collapse/ dormancy of SACCOs and MFIs and the plans in place for revival of operations. The respondents for the study included the Registrar of cooperatives, key representatives from microfinance apex institutions, District Cooperative Officers, Microfinance Officers, Financial Extension Workers and the board, staff and management of the institutions that were found operational.

The main findings of the study are that:

- Hypothesis 3 above is the most significant in explaining the causes for missing SACCOs and MFIs. From the sample, 57.1% of the “missing” SACCOs and 40% of the “missing MFIs” are currently not operational.
- Hypothesis 4 above is the second most important one in explaining the “missing” institutions. About 1 out of every 3 SACCOs that were considered missing could be found to exist and operate in fixed locations. These institutions could have been missed because they were not open during the time of the census owing to low business activity.

The main causes of dormancy and/or collapse of SACCOs and MFIs were:

- Retrenchment/ organizational restructuring of “mother institutions” (which affected most employee-based SACCOs);
- Poor governance, fraud and mismanagement of institutional funds causing bankruptcy and loss of confidence by members;
- High default rates which paralyze operations and affect sustainability resulting from poor credit management systems and leadership failure.

- Failure to balance between social and commercial missions- especially for MFIs that started as NGOs;
- Inadequate loan capital due to low savings mobilization and low members' ability to increase equity
- Lack of member sensitization to understand microfinance business.

Recommendations are to improve microfinance industry information and promote the sustainability of institutions. In particular:

- Regular updating of the SACCO registry, to weed out dormant or non-compliant ones
- Introduction of renewable certificates/ licenses for SACCOs, whose renewal depends on the Registrar's satisfaction with their operations;
- Institutional capacity building in the areas of governance, financial management, transparency and credit/ loan management systems and risk control among others;
- Quick and cost-efficient enforcement of legal sanctions against fraudulent board members, and management and defaulters.

## 1.0 INTRODUCTION

This report follows completion of an assignment to FRIENDS Consult Ltd by the Financial FSDU in collaboration AMFIU. The assignment was to track and report on the status of “missing” SACCOs and MFIs in Uganda. This was to qualify and better understand the findings of a census of Tier 4 microfinance institutions conducted in 2005/ 2006 by the Ministry of Finance, Planning and Economic Development and FSDU. The results of the census revealed a significant difference between the number of institutions that are legally registered and the ones that were found operational by the census team.

This report highlights the status of 70 randomly selected missing SACCOs and 10 missing MFIs, their present locations, the reasons why they were missed by the census team and recommendations for a way forward to improve the microfinance industry information in Uganda.

### 1.1 Rationale for the Study

The census of Tier 4 microfinance institutions, conducted in 2006, revealed a total of 628 active SACCOs<sup>1</sup> and an additional 151 MFIs in contrast to the 1,274 SACCOs registered by the Registrar/Commissioner for Cooperatives at the time. FSDU and AMFIU put forward five possible reasons/hypotheses to explain the variances in results namely:

- i. SACCOs and MFIs actually operate in a reasonable manner but without a fixed location;
- ii. There may be a gap between when an institution is registered and when it receives its registration certificate, yet the census team only counted institutions that could produce a copy of the registration certificate ;
- iii. While the census team was remarkably thorough, there may have been some institutions which exist but were simply hard to find;
- iv. An unknown number of institutions have become dormant or collapsed and disappeared;
- v. Some SACCOs were registered for certain reasons but have never actually operated on the ground (briefcase institutions).

The broad objective of this study was to validate the significance of each of the above stated hypotheses in explaining the variance between the results of the census and the institutions that are legally registered. Specific objectives of the study were to:

- Establish the existence / non existence of the missing SACCOs and MFIs in relation to their current physical locations and operations;

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<sup>1</sup> These are SACCOs with fixed operational premises, open for transactions at least once a week and have an authentic registration certificate from the Cooperatives department.

- Outline why and how SACCOs and MFIs have become dormant and/or collapsed, and provide appropriate recommendations for a way forward;
- Identify areas for future research to inform policy making for the improvement of the microfinance industry in Uganda.

## 1.2 Tasks Accomplished for the Assignment

In fulfilment of the Terms of Reference, the consultants carried out the following tasks:

- Reviewed the draft survey instrument, research design and sampling methodology and agreed on the final version with AMFIU and FSDU (Appendix IV) ;
- Developed a sample of 70 missing SACCOs and 10 missing MFIs to be surveyed, which sample was agreed upon with AMFIU;
- Pilot tested the survey instruments in Central Uganda and held an experience sharing meeting about the pilot with AMFIU and FSDU;
- Collected data about the status and causes for missing SACCOs and MFIs in the four regions of Uganda (Central, Eastern, Northern and Western);
- Conducted additional sorting of missing SACCOs for survey following the availability of more information from FSDU and AMFIU;
- Held weekly meetings with AMFIU to update and review the progress of the study;
- Drafted a report on the status of missing SACCOs and MFIs, their present locations, the reasons why they were missed in relation to the stated hypotheses, and provided practical recommendations for a way forward for the microfinance industry. The draft report was submitted to AMFIU and FSDU for comments;
- Prepared a final report on the status of missing SACCOs and MFIs in Uganda, including an electronic database (CD) available at AMFIU resource centre;
- Participated in public presentation of the survey results to stakeholders in the microfinance industry.

## 2.0 WORK METHODOLOGY

### 2.1 Scope of the Study and Tools Used

The study was conducted in 20 districts in the four regions of Uganda distributed as follows: 6 districts in Western and South Western Uganda, 6 districts in Eastern Uganda, 5 districts in Central Uganda and 3 districts in Northern Uganda respectively. (*Details in Appendix III*) It involved the use of both qualitative and quantitative methods. Quantitative data was collected using a questionnaire designed for the missing SACCOs and MFIs. Qualitative data was collected using key informant interview guides which were administered to key representatives from relevant apex institutions (UCA, UCSCU and AMFIU).

## 2.2 Types of Respondents

The Kampala based respondents for the study included the Registrar/Commissioner for Cooperatives under the Ministry of Trade, Tourism and Industry, and key representatives from microfinance apex bodies including AMFIU, Uganda Cooperatives Savings and Credit Union (UCSCU) and Uganda Cooperative Alliance (UCA).

Other respondents at district level included on the one hand, the various District Cooperative/ Commercial Officers, District Microfinance Officers, Financial Extension Workers, Local Council Officials; and on the other hand, Board members, management and key staff of the “missing institutions”. (*Details of respondents in Appendix III*)

## 2.3 Sampling Methodology

The sampling frame for the study was based on a missing SACCOs list that was generated from a comparison between the Registrar of Cooperatives’ list and the Tier 4 census list of eligible and non-eligible SACCOs- with the exclusion of SACCOs in the Karamoja region (Kaabong, Nakapiripirit, Moroto, Kotido and Abim districts). The missing MFIs were on the other hand sampled from a list of 27 MFIs provided by AMFIU.

The methodology adopted for the study was two-stage sampling, which involved proportional allocation of randomly chosen sample sizes per region and per selected district.

Using the Registrar’s list as a basis to determine the missing SACCOs, a total of 434 out of the 1,274 listed SACCOs were found on either of the two lists of eligible and non- eligible SACCOs provided by FSDU. This yielded a total of 840 missing SACCOs as illustrated in the table below:

	Number
Total SACCOs on the Registrar’s list	1,274
Less: SACCOs on the Registrar’s list that were found by the census team	434
<b>Total missing SACCOs</b>	<b>840</b>

The two census lists from FSDU also included newly registered SACCOs which were not on the Registrar’s list provided. This implies that the lists provided for reconciliation were not as at the same date. As such, the comparison of found SACCOs by the census team (628) could have been made against an earlier list from the Registrar (1,274).

From the missing SACCOs list generated, the consultants identified the districts within which the SACCOs were located and distributed them according to 4 regions as follows:- Central 186; Eastern 339; Western 265 and Northern 50.

840

Given that the required sample size for the missing SACCOs in all the four regions was 70, the SACCOs were proportionally allocated per region as follows:

Region	Total No of missing SACCOs	Sample chosen
Central:	186	16
Eastern	339	28
Western	265	22
Northern	50	4
<b>Total</b>	<b>840</b>	<b>70</b>

A similar approach was adopted for selecting the sample of 10 missing MFIs, for which the regional distribution was as follows:

Region	Total No of missing SACCOs	Sample chosen
Central:	17	6
Eastern	4	1
Western	5	2
Northern	1	1
<b>Total</b>	<b>27</b>	<b>10</b>

The MFI sample was further refined by AMFIU and FSDU to exclude institutions which were visited by the census team, but purposely excluded from the census because they did not suit the required eligibility criteria.<sup>2</sup> Thus, the only missing MFI in the North was replaced with one institution in the East, (*Details of MFIs surveyed in Appendix IV*)

## 2.4 Description of the Methodology

The consultants undertook document reviews, designed field survey instruments, consulted and interviewed relevant stakeholders, compiled and analysed data before writing the report.

*Document reviews* - The consultants reviewed the Tier 4 census report, the list of SACCOs from the Registrar of Cooperatives, and the list of SACCOs that were found by the Tier 4 census team. The objective of this review was to get a better understanding of the objectives and parameters that were considered during the census.

*Design of field instruments* - Following the document review, the consultants designed and refined a number of survey instruments for use in data collection. (*Survey instruments in Appendix IV*).

*Consultations with the Registrar/ Commissioner for Cooperatives* - The consultants met with the Registrar and obtained information on the eligibility criteria for registration of SACCOs, the average length of time taken to appraise and process applications for registration, key issues considered during appraisal, the follow up done after registration, the criteria for de-registration of SACCOs and how often the registry is updated. Information was also obtained on the Registrar's views of the causes of collapse/ disappearance of SACCOs.

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<sup>2</sup> To be eligible for the census, the MFI had to i) Be a legal entity in Uganda, ii) Operating in a clearly identifiable premise, and iii) Providing financial services at least once a week.

*Consultations with District Officials* - The consultants held interviews with district officials in all the four regions including District Cooperative/ Commercial Officers, District Microfinance Officers (from Private Sector Promotion Centres), Financial Extension Workers and LC officials. Information was obtained on the current active and inactive/ collapsed SACCOs/ Microfinance Institutions, their physical addresses, the problems faced by these institutions, the causes of dormancy/collapse of SACCOs, and MFIs and what is being done currently to address the identified problems.

*Interviews with key staff from the “missing” SACCOs and MFIs* - Interviews were held with key representatives from existing and closed SACCOs and MFIs including board members, management and members. Views were obtained on the legal status of the SACCOs/MFIs, the affiliation to microfinance apex bodies, details of visits by the Tier 4 Census team (where applicable), the length of time it took the institution to obtain a certificate of registration, the current membership/ clientele and portfolio size (for operating institutions), as well as an assessment of the institutions’ strengths and weaknesses. For institutions that had collapsed or were currently dormant, the consultants obtained information on the causes of collapse/dormancy and the plans underway for revival of operations (if any).

*Data compilation and analysis* - All data collected on missing SACCOs and MFIs was collated and analysed in line with the five stated hypotheses. From the analysis, conclusions were drawn on the significance of the various hypotheses in explaining the variance between the census results and the institutions legally registered.

*Drafting the report* - On completion of data analysis, a comprehensive report was prepared detailing the findings, lessons learnt, conclusions of the study as well as recommendations for future study and for improvement of the microfinance industry.

*Stakeholders Workshop* - The consultants participated in the presentation of the findings of the study to stakeholders of the microfinance industry at a half day workshop.

## **2.5 Enabling Factors and Challenges Faced**

*Enabling factors:*

- AMFIU Secretariat supported the consultants actively, in the development of the field research instrument as well as collaborative inputs in the process of analysing data.
- The willingness of all the respondents interviewed to give information about their institutions. This is partly attributed to the excitement about GoU’s current Prosperity for All scheme especially among SACCOs.
- The consultancy teams had a good command of the local languages in the different regions and were able to probe extensively and obtain sensitive information from the locals. They also had excellent understanding of the scope and rationale for the job.

- The teams were largely assisted by District Cooperative Officers, Microfinance Officers and Financial Extension Workers, who gave information about the physical locations of the institutions under their supervision and their current status. DCOs and FEWs are very knowledgeable and cooperative.

### *Challenges*

- Some DCOs were unavailable for interview because they were undergoing training in Kyankwanzi ahead of the roll out of the Prosperity for All scheme.
- In a number of cases, the lists provided by FSDU and that provided by the Registrar had different names for the same SACCO, with one in short form and the others in full, while other names of SACCOs were wrongly spelt in either list. This made reconciliation difficult, as the consultants could not tell whether the SACCOs were different or the same. This affected data collection because 5 of the institutions which were counted by the Census team (3 in the West, 1 in the East and 1 in the Central) were erroneously re-visited. The result of this was a re-sampling of 5 additional institutions in the respective regions.<sup>3</sup>
- All the lists provided for reconciliation had some SACCO names repeated, which made reconciliation of the Registrar's list against the eligible and non-eligible lists tedious.
- The Registrar's list did not indicate the physical addresses of the institutions. This made tracking of some of the institutions difficult.
- The Registrars list was also not up to date with the current districts in Uganda. This made tracking of SACCOs difficult since some institutions are now located in new districts which are not the original districts indicated on the Registrar's list.
- The consultants experienced challenges in obtaining information about institutions that ceased operations, with some people fearing to disclose the reasons that led to their collapse, apparently intending to protect the reputation of the people responsible.
- The consultants also experienced difficulty in obtaining information about institutions (especially SACCOs) which existed and closed over 20 years ago. The officials interviewed were unable to retrieve information dating back that far.
- Data collection in the field was also affected by the operating hours of some SACCOs. Despite the 8.00am to 5.00pm working hours' schedule, some SACCOs would open as late as 12.00 noon due to low business activity. This affected the institution coverage per day for the researchers who had to wait for the institutions to open. The effect was that more time had to be spent in the field than was planned.

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<sup>3</sup> The re-sampling of 5 SACCOs (7% of the sample) may be regarded as distorting the representativeness of the sample, as the principle of randomness is bent. However, we estimate that it does not significantly affect the relevance of the results.

- Several SACCOs, especially in remote rural locations, operate without electricity. As a result, the SACCOs were unable to provide copies of registration certificates to the consultants. The consultants however witnessed the originals and took note of the registration number, year of registration and the signatory on the certificate.
- Some SACCOs which were found to exist but dormant, or operate without fixed locations were also unable to provide copies of registration certificates because these were kept at the residences of the executives. The executives interviewed however knew the registration numbers, which were noted by the consultants and verified with the DCOs and the Registrar's list.

### 3.0 SUMMARY OF RESPONSES

This section highlights a summary of the responses from the various persons interviewed during data collection with regard to the missing SACCOs and MFIs study. (*Details of responses in Appendix II*)

The general reason given for missing institutions was that they had collapsed or ceased operation but had not been de-registered (hypothesis 4). The causes for collapse mentioned included the following:

- Failure to cope with competition especially from commercial banks, MDIs and other MFIs which now offer similar services. SACCOs have lost their members to these institutions which offer better services.
- Over- indebtedness of SACCOs coupled with poor management of the loan portfolio. There is also poor appraisal of loan applications and subsequent loan monitoring by SACCO management which has led to depletion of institutional funds due to high default rates.
- Retrenchment and/or closure of mother institutions (for institution based SACCOs).
- Lack of competent human resource: Inadequately skilled and inexperienced management in managing microfinance operations.
- In some SACCOs, only one person bears the vision for the whole institution and reserves the right to make final decisions. When such a person is not experienced in microfinance, leaves, dies, or even decides to run down the institution, it collapses.

*Kaiffe Brokers SACCO in Kamuli was dormant for 8 years following the death of the founder. The SACCO eventually collapsed due to loss of morale by members.*

- SACCOs formed doubling as marketing societies have collapsed following the change in market trends which have rendered trade through marketing societies obsolete. Fluctuation and/or deterioration of prices of specific crops such as cotton and coffee (during some seasons) also led to the collapse of some SACCOs.
- Some institutions which were formed with short term objectives of obtaining resources from Government programmes such as Poverty Action Plan collapsed when the programmes ended.
- Many employee based SACCOs collapsed due to lay off/ retrenchment of staff and/or the closure of factories. This is especially common among employee based SACCOs that were formed in the 1980s.
- Poor governance; Some SACCOs had illiterate committee members who lacked basic skills to effectively supervise operations and were defrauded by management who took advantage of their ignorance.

*“...Kiryansaka SACCO in Masaka obtained a capacity building grant which was diverted to purchase land that was fraudulently registered under the names of the SACCO Treasurer. An annual audit revealed the fraud which led to the arrest of the Treasurer and the use of SACCO funds for litigation. The Treasurer was never convicted and members lost morale in the SACCO leading to its collapse...” DCO Masaka*

- Inadequate supervision and monitoring of the SACCOs by the DCOs due to inadequate facilitation.
- The closure of the Cooperative Bank in 1999 affected the performance of SACCOs because Cooperative Bank was the main financier of these institutions. The SACCOs which had their accounts in Cooperative Bank were also unable to recover their money in time and closed.
- SACCOs that were started by political leaders collapse because members lack a sense of ownership and often are not adequately trained during mobilisation.

The explanation given for “missing” SACCOs that operate in fixed office premises was that they could have been missed by the census team because they do not operate daily. A number of SACCOs operate between once a week to once a month depending on the volume of transactions. This is attributed to the absence of full time staff, lack of adequate funding to finance operations, and the small size of membership. Other SACCOs conduct transactions from the homes of the executives and were therefore missed by the census team.

For SACCOs which are registered but have never operated, the main reason given was that they are founded with the objective of accessing funds from Government and other donors. Such SACCOs never take off if the funding fails to materialise.

In all the 4 regions, the majority of missing SACCOs were either dormant or had collapsed largely due to high default and mismanagement. However, regional variances in the causes for collapse include: trade liberalisation that rendered marketing societies obsolete in the Central region; closure of the Cooperative Bank and factories/ industries in the Eastern region; political insurgency and low business activity in the Northern region; and lack of cohesion among members of politically founded institutions in the Western region.

#### 4.0 THE FATE OF MISSING SACCOs AND MFIs

This section highlights the findings of the study in relation to the five hypotheses, the current status of the missing SACCOs and MFIs and other reasons for the missing SACCO/MFI status.

##### 4.1 Validation of the five Hypotheses.

The views expressed in section 3.0 largely attribute missing institutions to be either dormant or have collapsed (hypothesis 4), do not operate in fixed locations and therefore were missed by the census team (hypothesis 1), were not open at the time the census team visited, or are registered but have never operated (hypothesis 5).

The study findings below are validated at a 95% confidence level with a confidence interval of plus or minus 5 (Refer to Appendix V)

Table 1 below summarises the findings of the 70 missing SACCOs according to regions and hypotheses, while Table 2 shows the summary of the 10 missing MFIs according to regions and hypotheses. The findings have been categorised accordingly as follows:

- A = Institutions found to exist and operate without fixed locations;
- B = Institutions that were found operational without a registration certificate;
- C = "Missing" SACCOs and MFIs that exist and operate in fixed locations but were not found by the census team;
- D = Institutions that have become dormant and/ or collapsed and disappeared;
- E = Institutions which registered for various reasons but have never operated.

**TABLE 1: Regional categorization of SACCOs according to hypotheses**

	A	B	C	D	E	Total
<b>Western</b>	1	-	11	10	-	<b>22</b>
<b>Eastern</b>	1	1	8	16	2	<b>28</b>
<b>Northern</b>	-	-	-	3	1	<b>4</b>
<b>Central</b>	1	-	2	11	2	<b>16</b>
<b>Total</b>	<b>3</b>	<b>1</b>	<b>21</b>	<b>40</b>	<b>5</b>	<b>70</b>
<b>Percent (%)</b>	<b>4.3%</b>	<b>1.4%</b>	<b>30%</b>	<b>57.1%</b>	<b>7.1%</b>	<b>100%</b>

**TABLE 2: Regional categorization of MFIs according to hypotheses**

	A	B	C	D	E	F <sup>4</sup>	Total
<b>Western</b>	-	1	-		-	1	2
<b>Eastern</b>	-	-	1	1	-		2
<b>Northern</b>	-	-	-	-	-		-
<b>Central</b>	-	-	2	3	-	1	6
<b>Total</b>	-	1	3	4	-	2	10
<b>Percent (%)</b>	0%	10%	30%	40%	0%	20%	100%

**4.1.1 Hypothesis 1: SACCOs and MFIs actually operate in a reasonable manner but without a fixed location:**

From table 1 above, only 3 out of the 70 SACCOs sampled (4.3%) were found operational but without fixed office premises. The 3 SACCOs were located in the Western, Eastern and Central regions of Uganda.

Table 2 above shows that none of the MFIs surveyed were found operational without fixed offices.

Whereas the census team only considered the institutions that had fixed locations, there are a few institutions (4.3%) which are operational but without fixed locations. This makes the above hypothesis not significant in explaining the cause for missing SACCOs and MFIs.

**4.1.2 Hypothesis 2: There may be a gap between when an institution is registered by the Registrar, and when it receives its registration certificate**

From table 1 (column B), all except one of the SACCOs found operational in fixed locations had authentic registration certificates displayed within the respective banking halls. The single SACCO in the Eastern region (Kamuli Motorbike Operators) had a registration certificate issued by Kamuli District Local Government. According to the executives interviewed, the SACCO could have been registered with the Registrar by a former chairman who left the institution without informing the members about the registration. The institution currently operates as a Community Based Organization, and intends to make a follow up and obtain the registration certificate from the Registrar of Cooperatives.

From table 2 above, only one MFI in Western Uganda was found operational but without a valid registration certificate. The institution was registered as an NGO but did not renew the license after its expiry in 2005.

From the findings above, the majority (98%) of the missing institutions that were operational, had valid registration certificates dated 2005 and before. This makes the above hypothesis insignificant in explaining the missing SACCOs.

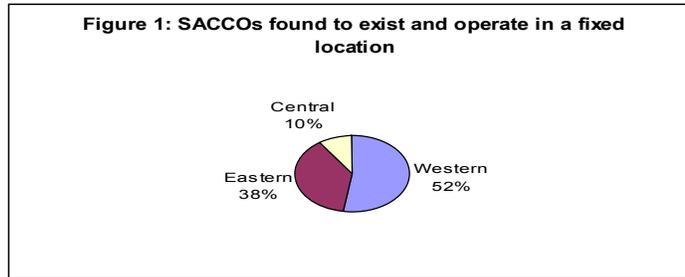
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<sup>4</sup> The institution was found to exist and operate, but does not offer microfinance services

**4.1.3 Hypothesis 3: While the census team was remarkably thorough, there may have been some institutions that exist but were simply hard to find**

From table 1 above, 21 out of the 70 missing SACCOs sampled were found operational with offices in fixed locations.

Out of the SACCOs found operational, 52% were in Western Uganda, followed by 38% in Eastern Uganda and 10% in Central Uganda. The figure below show the distribution of operational SACCOs by region:



Out of the SACCOs found operational, 11 operate six days a week, 6 operate between once to thrice a week, 1 operates once a month and 3 operate daily but as Growers Cooperative Societies.

Four out of the ten MFIs sampled were found operational. All the 4 MFIs are open to clients for a minimum of five days a week

The findings above show that there is a significant number of SACCOs and MFIs that are operational in fixed locations, but were not found by the census team<sup>5</sup>. This makes the hypothesis significant in explaining the “missing” institutions.

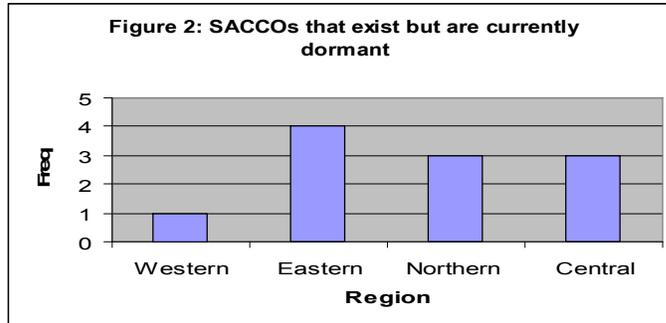
**4.1.4 An unknown number of institutions have become dormant or collapsed and disappeared**

As shown in table 1 above, 40 out of the 70 SACCOs sampled were found to have become dormant and/or collapsed and disappeared. Of the 40 SACCOs, 8 were found to exist but are currently dormant, while 32 collapsed and disappeared.

Figure 2 below shows the breakdown of dormant SACCOs by region:

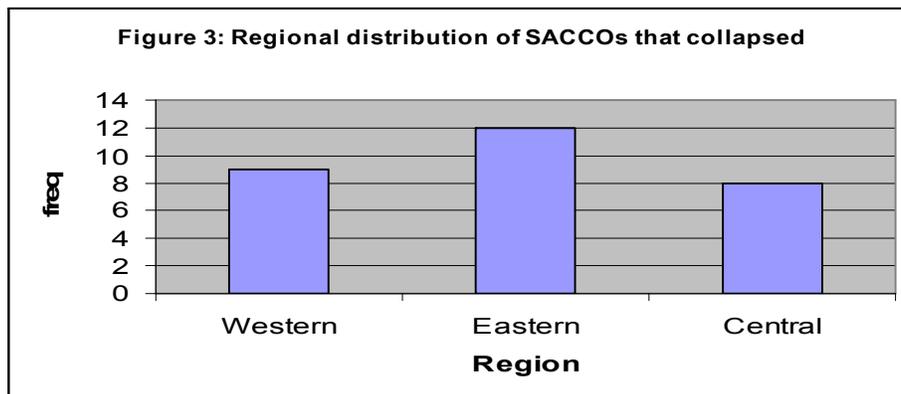
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<sup>5</sup> Given the tight budget, limited time and the rather strict eligibility criteria, this error is considered acceptable.



From figure 2 above, the highest number of dormant SACCOs was in the Eastern region represented by 4, followed by the Central and Northern regions each with 3 and the Western region with 1 SACCO.

The figure below shows the SACCOs that collapsed by region:



From figure 3 above, the Eastern region had the highest number of SACCOs that operated and collapsed represented by 12, followed by the Western region (9), and the Central region (8). The Northern region had no representation of collapsed SACCOs. Out of the collapsed SACCOs 8 had collapsed ten years ago and before (*Details in Appendix IV*).

Table 2 shows that 4 out of the 10 MFIs sampled had ceased operations. The reasons given for the closure of the MFIs included: lack of loan capital, slow build in business, high default rates, political pressure, and the failure of the institution to balance between the social and financial missions. (*Details in Appendix IV*)

From the findings above, it is evident that the above hypothesis is significantly valid, since 57.1% of the SACCOs were indeed found to ceased operations (either dormant or collapsed).

#### 4.1.5 SACCOs have been registered for various reasons but never actually operated on the ground

Out of the 70 SACCOs sampled, 5 SACCOs were registered but have never operated (briefcase institutions). Table 1 column E shows that the Central and Eastern regions were represented by 2 SACCOs each, while the Northern region had 1 SACCO.

For 4 out of the 5 SACCOs, the DCOs, LCs and MFOs were unaware of their existence, while 1 SACCO in Eastern Uganda (Bulike Cooperative SACCO) was founded by youth based in Kampala, who solicited names and signatures from villagers of Bulanga and disappeared (have never started operations). *(Details in Appendix IV)*

Table 2 column E shows that none of the MFIs sampled had registered and never operated. Two NGOs however, (PACT and Action on Disability and Development) are operational but currently do not offer microfinance services (table 2 column F).

From the findings above, a small percentage of the institutions (7.1%) are registered but have never operated. This makes the above hypothesis not very significant in explaining the missing institutions.

#### 4.2 The Current Status of “Missing” SACCOs

The figure below summarises the status of the SACCOs that were surveyed:

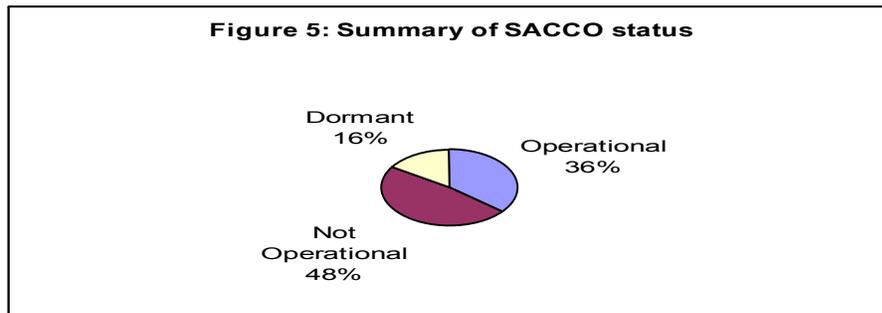
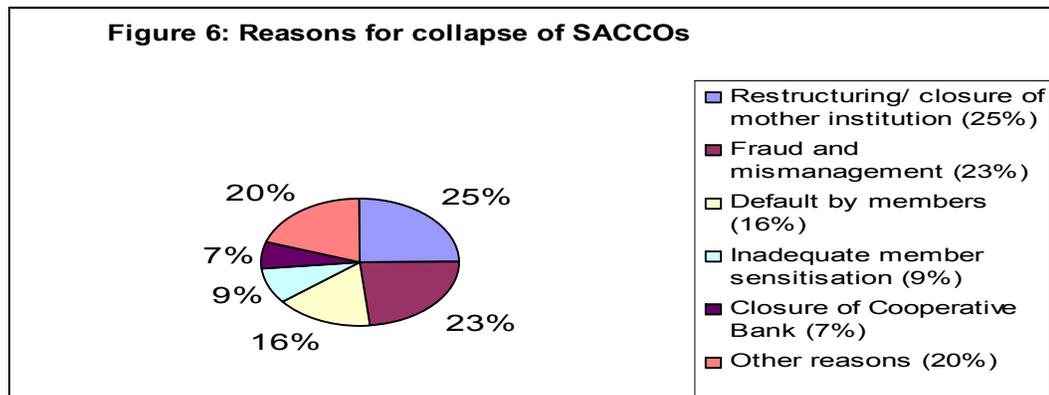


Figure 5 above clearly illustrates that out of all the SACCOs surveyed, 48% were not operational/ had collapsed, while 36% were operational, and 16% were found dormant. Out of the operational SACCOs, 61% were relatively strong institutions operating between 1 to 6 days a week with focused microfinance services, while 31% of the SACCOs were weak, characterized with high default rates, management problems, lack of permanent staff due to inadequate funding and low savings mobilisation.

The SACCOs which were not operational had collapsed/ ceased operations due to the following reasons, (in order of significance as shown in figure 6 below):

- Retrenchment/ restructuring of institutions: Employee based SACCOs within institutions that closed such as HOMAMU in Western Uganda and Pamba Textiles in Eastern Uganda among others, collapsed following the closure of the institutions. Other SACCOs collapsed due to organisational restructuring which led to several members being laid off.

- Fraud and mismanagement by board executives and management;
- Default by members;
- Lack of member sensitisation on the importance of savings mobilisation and microfinance operations;
- The closure of Cooperative bank which affected institutions that depended on the bank for funding; among others.



Other reasons for collapse include: political instability especially in the North, poor record keeping, death of the founding member, lack of group cohesion, formation for short term objectives which were achieved, the phase out of donor funding and out competition by other SACCOs and MFIs.

The SACCOs which were found dormant had experienced the following general problems:

- The majority of members lost faith in the institution following mismanagement of funds by board members or staff;
- Death of founders/ vibrant chairpersons which destabilised SACCO operations; and
- High default rates which paralyse continuation of transactions of the institution.

### 4.3 The Current Status of Missing MFIs

From Table 2 in section 4.1, 40% of the MFIs were found operational and 20% found to exist but not offering microfinance services.

The broad reasons for collapse of microfinance institutions according to the study include:

- Lack of loanable funds resulting from persistent losses;
- Failure to balance the social and commercial missions especially for institutions that started as NGOs; and
- High default rates, leading to reduction of funds for operations.

#### **4.4 Other Reasons for the Missing SACCO/ MFI Status**

The other reasons why SACCOs and MFIs were missed by the Tier 4 census team may include:

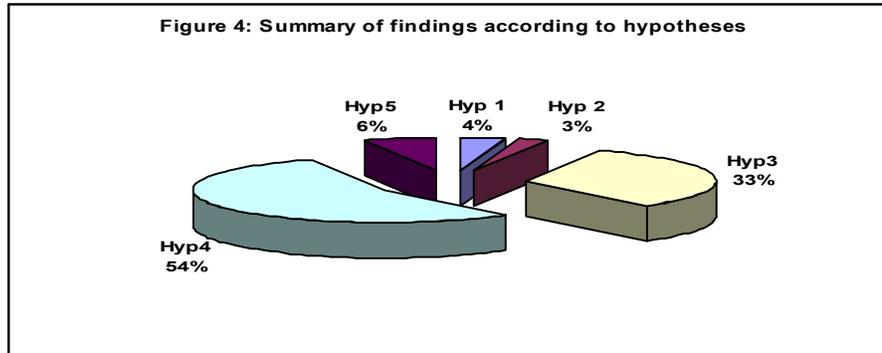
- Inconsistencies between the names of the institutions on the registrar's list and the actual institutions on the ground. The census team could have failed to obtain information on institutions because the names were wrongly spelt or abbreviated.
- Some Cooperative Societies especially in Ntungamo and Masaka were not counted because they were not considered to conduct microfinance business since they are multipurpose. Two out of these Cooperative Societies surveyed however expressed that they had a clause within their by-laws that permitted them to mobilise savings and give out loans to members although on a small scale.
- Some institutions (MFIs) could have had expired license certificates at the time of the census.
- The SACCOs that do not operate on a daily basis could have been missed by the census team because they were not open at the time of visit.
- The census team was given too little time for them to delve into searching for some institutions that are remotely located without signposts.

#### **5.0 OBSERVATIONS AND CONCLUSIONS**

Of the five hypotheses stated by FSDU/AMFIU, only hypotheses 4 and 3 have been significantly validated by the study. These are:

- i. An unknown number of institutions have become dormant or collapsed and disappeared but still appear on the registry represented by 54%; and
- ii. While the census team was remarkably thorough, there are some institutions that exist but were not found represented by 33%.

The figure below summarizes the significance of the hypotheses in explaining the missing institutions.



The study findings also show that the institutions which are operational but were not found may have been left out because of 3 reasons:

- 1) The Census team missed out the most informed people i.e. DCO & FEWs in their interviews in some cases;
- 2) Some institutions were closed at the time the census team visited. This is especially the case with SACCOs which do not operate daily or open for a short period due to lack of permanent staff; and
- 3) The time was too short and thus the team could only visit and document the most obvious of institutions or those that operate daily.

While the monitoring of SACCOs is constrained by lack of staff, lack of systems to keep the registry up to date, and lack of independence of the agency to deploy against some SACCOs from deviating from their original focus, the responsible authorities are doing a commendable job of nurturing and guiding SACCOs towards sound supply of sustainable financial services to their members.

## 6.0 RECOMMENDATIONS

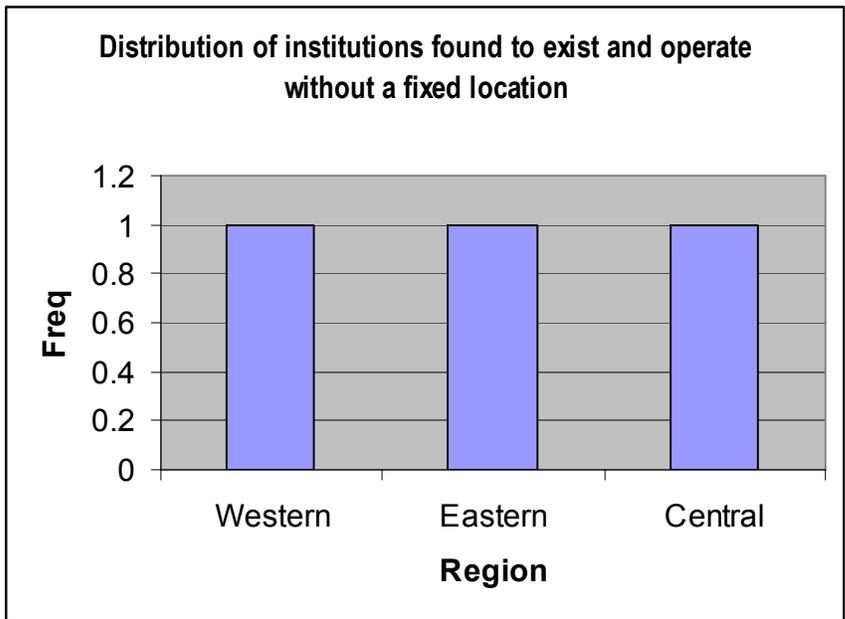
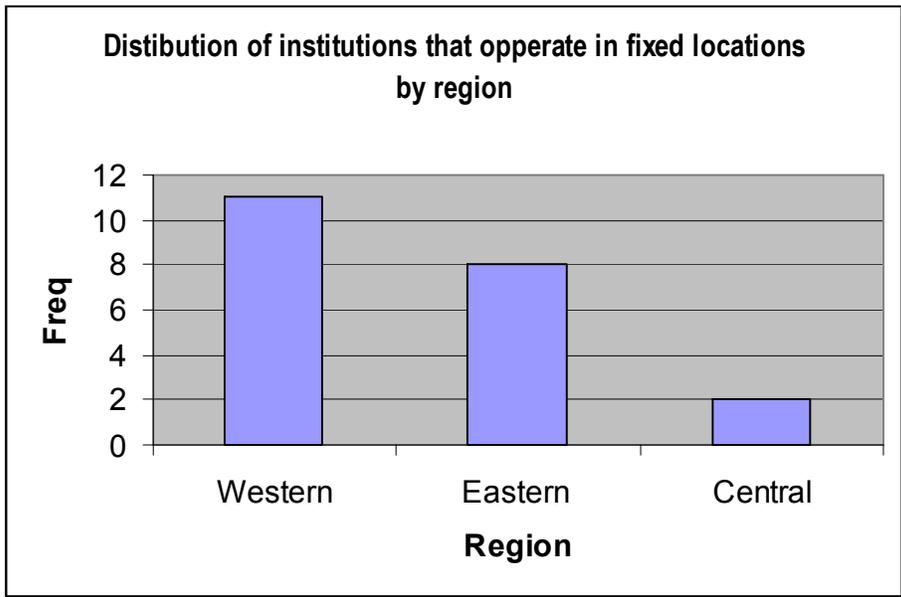
The consultants propose the following recommendations to improve microfinance industry information:

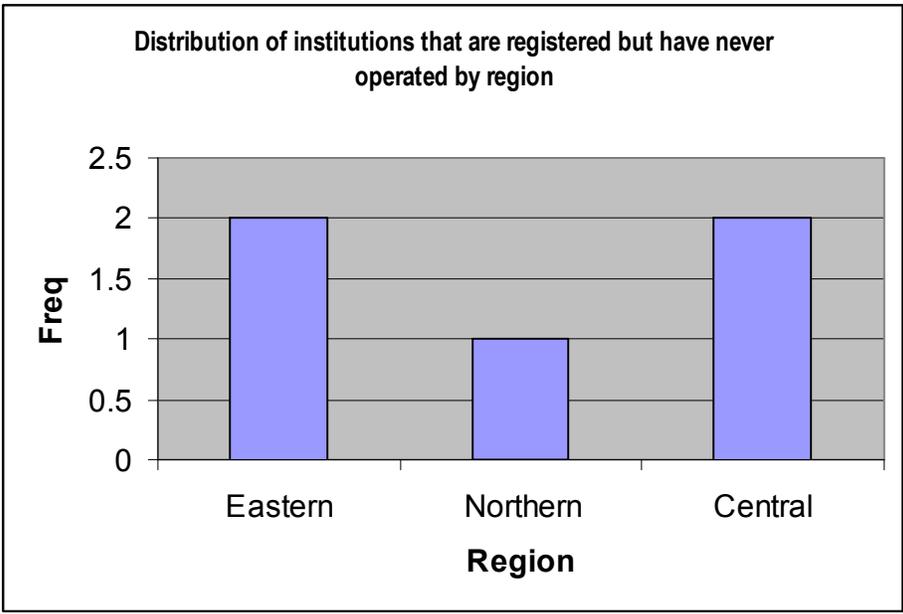
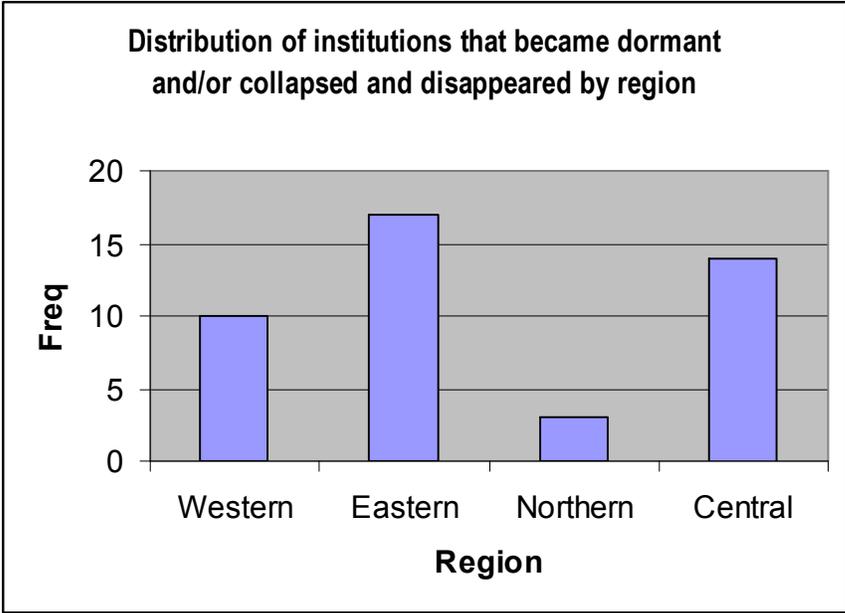
- Updating of the SACCO registry should be done on an annual basis. This could be eased by decentralising the responsibility to Cooperative Officers at the district.
- The Registrar should consider issuing renewable certificates (for 2 years, 3 years, 5 years etc) to SACCOs. The renewal should be based on performance and consistency of timely submission of reports to the DCO. This will ease follow up and de-registration of collapsed SACCOs
- Government and donor programmes should focus on capacity building of Microfinance Institutions in the areas of governance, transparency, financial management and delinquency management among others. This will help enhance the skills of leadership and reduce collapse of institutions due to mismanagement.
- Government should partner with donors and other stakeholders to assist microfinance institutions and SACCOs in devising sanctions against defaulters and fraudulent management.

The consultants propose the following areas for further study:

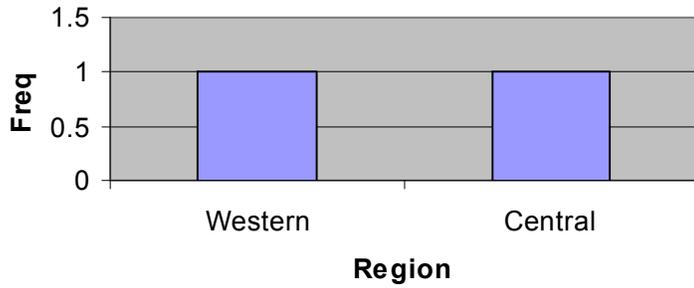
- The impact / effect of collapsed SACCOs on their members, on other people in their communities and on the confidence in the financial system among rural Ugandans;
- The founder member/ domineering official syndrome and its impact on governance/ sustainability of SACCOs and MFIs.
- Ways and means to revive the dormant/ collapsed institutions, and/or prosecute guilty parties in cases of fraud and mismanagement of institutional funds.
- How trust and confidence of members can be built to ensure the growth and sustainability of the microfinance industry.

**APPENDIX I: QUANTITATIVE DATA**





**Distribution of institutions that were found operational but do not offer microfinance services**



## APPENDIX II: QUALITATIVE DATA

### A. Responses from the Commissioner/ Registrar- Cooperative Development Department

The Commissioner was interviewed on requirements for and duration of registration, supervision, de-registration and experience with disappearance of SACCOs. Below is a complete summary of the responses from the Commissioner/ Registrar:

#### ***Requirements for registration***

- Before a SACCO is awarded a registration certificate, the following key criteria must be fulfilled:
  - The institution should have a minimum of 30 members with fully paid up shares. In the case of rural SACCOs where the ability to grow membership is vital, the Registrar (at his discretion) may require the institution to have between 50 to 100 members depending on the location of the institution.
  - The institution should have been in operation for at least 6 months. This however is no longer applicable following the pressure to form SACCOs at every sub county to benefit from the “Prosperity for All” scheme.
  - The institution should have paid an entrance fee to the Cooperative Department.
- The appraisal process of a prospective SACCO involves an assessment of the growth trend of membership and portfolio over a period, the strength of the institution’s leadership, the financial status and business plans which should portray growth and viability of operations. The respective DCO of the area also has to provide a separate recommendation of the credibility and viability of the institution.
- It is not mandatory for prospective SACCOs to provide recommendations from apex institutions before the institution can be registered. Most of the institutions which are promoted by UCA, UCSCU and Plan International, however have recommendations alongside their applications.

#### ***Duration of registration (at level of registrar office)***

- On average, it takes between two days to one week for a SACCO to obtain a certificate of registration after application. Occasional delays in issuing certificates to SACCOs are attributed to:
  - The large volume of applications with the registrar especially following the passing of the MDI law (which prohibits non Micro-Deposit taking institutions from mobilising savings from the public) has caused several institutions to transform to SACCOs. This has been heightened by the directive that Prosperity for All funds will be channelled to the public through SACCOs.

- Some applications lack the required supporting documentation and the institutions take long to provide them when called upon.
- Negative recommendations from the DCOs especially with regard to governance and management issues of the institutions. When such recommendations are received, the respective applications are put on hold pending confirmation from the DCO that the issues have been resolved.

### ***Supervision***

- The Registrar of Cooperatives is the statutory supervisor of SACCOs and makes follow up/ monitoring of SACCOs after registration through the representatives (DCOs) at district level. The Registrar has the mandate to inspect a SACCO at any time, with or without a specific reason according to his discretion.
- All SACCOs are obliged to submit monthly reports about their operations to the DCO. The DCOs submit reports to the Registrar about the SACCOs they supervise on a quarterly basis. This, according to the consultant's findings is more of principle than practice.
- SACCOs are also obliged to submit annual returns to the office of the Registrar. However, owing to the bulk of documentation at the office and the limited space for storage, the Registrar uses his discretion to decide when to receive reports.

### ***De-registration***

- SACCOs can be deregistered on the following grounds:
  - If the SACCO has obtained the certificate using false information.
  - If the SACCO shifted its focus from the original objectives stated at the time of registration.
  - Loss of one third of the SACCO's share capital.
  - If the SACCO is bankrupt and is bound to face liquidation.
  - If the SACCO has not began operations by 3 months after registration (contradictory to the law requiring the institution to hold its first annual general meeting within one month after registration).
  - If it is discovered that the SACCO obtained its certificate using false documentation.

Deregistration is however not being done vigilantly because some SACCOs were founded by political heads for purposes of accessing Government funds which have

not yet materialised. Oversight/ supervision is also not rigorous because of inadequate facilitation.

### ***Experience with disappearance/ collapse of SACCOs***

- The Registrar stated the following reasons to explain the disappearance/ collapse of SACCOs:
  - Some SACCOs (especially the ones spearheaded by politicians) are formed with the intention of accessing Government funds. When such funds do not materialise, the SACCOs collapse.
  - Many SACCOs collapse due to mismanagement (which may be deliberate or due to lack of appropriate managerial skills).
  - Some SACCOs which were institution based such as Lint Marketing Board and Produce Marketing Board have collapsed due to the closure of the institutions.
  - Many SACCOs have collapsed due to competition especially from commercial banks, MDIs and other MFIs which now offer similar services. SACCOs have lost their members to these institutions which offer better services.

## **B. Responses from AMFIU**

Consultations were made with the Programme Officer in charge of District Microfinance Committees at AMFIU. The following were the responses:

- For the year 2006, AMFIU has identified 8 non operational institutions (5 SACCOs and 3 MFIs) on its register.
- SACCOs and MFIs become dormant or collapse due to the following reasons:
  - Failure to manage their portfolio;
    - i. Several SACCOs that were formed under the PAP-MSCL programme have failed to repay the loans they received and have since closed.
    - ii. Poor appraisal of loan applications by SACCO management coupled with poor loan monitoring. There is also little pressure put on defaulters to repay.
    - iii. Most donor funds received by SACCOs are designated for loan capital, but the SACCOs divert the money to finance operations and eventually fail to repay leading to collapse.
  - Lack of competent human resource: Inadequately skilled and inexperienced management in managing microfinance operations.
  - Poor governance:

- i. Some SACCOs are regarded by the members as the property of the founders. The members tend not to care much about how the SACCO is managed and this leads to its collapse.
  - ii. In some SACCOs, only one person bears the vision for the whole institution. When such a person is not experienced in microfinance, leaves, or even decides to run down the institution, it collapses.
- AMFIU, in a bid to prevent the collapse of SACCOs and MFIs, has conducted two surveys among members: one on capacity building needs, and one on governance (a follow up on AMFIU's governance study conducted in 2004). Preliminary analysis results indicate that AMFIU- member SACCOs command significantly stronger governance than the Ugandan average.

### **C. Responses from Uganda Cooperative Savings and Credit Union Limited**

Consultations were made with the Chief Executive Officer of UCSCU to establish the causes for the collapse of UCSCU affiliated SACCOs and what is being done by UCSCU to revive dormant SACCOs. Below is the summary of responses:

- Some SACCOs get registered but never start operations due to lack of funds or member patronage.
- Some SACCOs collapsed several years back but have never been deregistered.
- Some SACCOs are formed with very short term objectives and collapse after the objectives have been achieved.
- Some SACCOs collapse due to mismanagement and poor governance.
- UCSCU assists willing dormant/ collapsed SACCOs to revive operations by undertaking a diagnostic study of the SACCO and offering recommendations on how best to revive operations. A work plan is drawn to which the SACCO has to sign a commitment to follow.

### **D. Responses from Uganda Cooperative Alliance**

The Consultants met with the Deputy Coordinator of Community Empowerment through Cooperative Financial Services (CECFIS) Programme- UCA. Below is a summary of the responses:

- UCA promotes the formation of SACCOs and supports these institutions to establish offices and start business. UCA also carries out a follow up on its members to ensure that they are operating efficiently which has resulted into 95% of the SACCOs promoted by UCA being operational.
- SACCOs usually become dormant or collapse due to the following reasons:

- Some SACCOs that are registered take long to start operations despite the mandatory requirement that the first AGM should be held within at most three months after registration.
  - Some SACCOs are founded by people who lack technical skills and experience in management of financial institutions. Even when these founders are able to recruit the required skills, they still do not respect them and reserve the right to make the final decisions in matters related to finance. This has caused the collapse of many institutions.
  - Some SACCOs collapse because members lose faith in the institution following the mismanagement of the institution by the board and staff. Such members react by not buying more shares and defaulting on their loan repayments.
  - Some SACCOs are started with the sole target of obtaining grant funding from donors. Since most donors tend to help institutions which strive to generate internal funds, the SACCOs that are unable to access funding never take off and are therefore not operational.
- UCA prefers to mobilise new SACCOs and groom them towards growth and sustainability, as opposed to re-moulding collapsed/ dormant SACCOs. This is because it is difficult to change the mindset of executives and members of collapsed SACCOs who often have already lost interest and confidence in the institution.

## **E. Responses from the Central Region**

The consultants interviewed District Cooperative Officers, LC Officials, Board members and key staff of SACCOs and MFIs of both existing and collapsed institutions in Kampala, Mukono, Mubende, Masaka and Luwero respectively. Below are collective summaries of the responses:

### **District Cooperative Officers**

- SACCOs become dormant and collapse due to the following causes:
- SACCOs formed doubling as marketing societies have collapsed following the change in market trends which have rendered trade through marketing societies in the Central region obsolete.
  - Some SACCO executives diverted institutional funds to personal use and were brought to justice. SACCO funds had to be used for litigation, which further depleted the resources. Members lost interest and the SACCOs collapsed.

- Many SACCOs formed by politicians have become dormant due to high default rates and inappropriate management/ governance practices.
- Some SACCOs have collapsed owing to the nature of business of their members. An example was given of fishermen who migrate seasonally to different landing sites which has broken the cohesion among members.
- Some institutions were formed with short term objectives of obtaining resources from Government programmes such as Poverty Action Plan. Such institutions collapsed when the programme ended.
- Many employee based SACCOs collapsed due to lay off/ retrenchment of staff and/or the closure of factories. This is especially common among employee based SACCOs that were formed in the 1980s.
- Many institutions have collapsed due to high default rates by the members, while other institutions have been taken over by bigger institutions which are stronger and offer better services.
- Some institutions collapsed because their founder members or board chairmen passed away and members lost interest.
- Some SACCOs had illiterate committee members who lacked basic skills to effectively supervise operations and were defrauded by management who took advantage of their ignorance.

### **LC Officials**

The consultants interviewed one LC Official in Masaka with regard to an MFI that collapsed. Below is the response:

- The institution lent out a lot of money to individuals but lacked effective follow up of loan defaulters. Existing and potential clients lost interest in the institution leading to its collapse.

### **Board members, Management and Staff of Existing and Collapsed Institutions:**

- The institutions are dormant mainly because they lost funds to fraudulent management. Members then lost confidence in the institutions and stopped saving, while others decided to take advantage of the disappearance or inactivity of management to default their loans.
- Some SACCOs were missed by the Tier 4 Census team because they operate once a week. This was common for SACCOs whose members are engaged in a similar economic activity such as teachers and fishermen.

- The problems faced by “missing” SACCOs and MFIs that were found in operation include:
  - Lack of loanable funds. Members have had to resort to loans of lesser amounts than they require due to lack of funds.
  - Savings among members are low- with most members preferring to borrow than save. This has also contributed to the lack of funds for loan capital.
  - Some SACCOs do not have full time staff and lack fixed office premises because they lack funding to pay salaries, rent and other costs. These SACCOs rely on the goodwill of board members and other volunteers who are also engaged in other duties and cannot offer their services full time.
  - SACCOs, especially in Kampala, face over-competition from MDIs, MFIs and commercial banks which offer similar and better services. SACCOs have lost their members to such institutions.
  - There is high default among members who are overly indebted with other institutions.

## **F Responses from the Eastern Region**

The consultants interviewed District Cooperative Officers, Microfinance Officers, Financial Extension Workers, LC Officials, and current and former staff of existing SACCOs and MFIs in Jinja, Kamuli, Iganga, Mbale, Tororo and Soroti respectively. Below is a collective summary of the responses.

### **District Cooperative officers and Financial Extension Workers**

- SACCOs could have been missed by the census team due to the following reasons:
  - Some SACCOs are located in deeply remote areas making it hard for them to be reached;
  - Some SACCOs do not operate daily and only open once to thrice a week because they lack full time staff and may not have a lot of business to justify daily operations.
- The main reasons why SACCOs become dormant and/or collapse include:
  - Mismanagement of the institutions which is especially the case with institutions which are run by Board executives. Such executives borrow funds and do not repay, and keep poor records. Follow up on defaults is minimal due to lack of time and interest, which causes members to lose confidence in the institution.

- Inadequate supervision and monitoring of the SACCOs by the DCOs and Field Officers due to inadequate facilitation.
  - Some SACCOs were formed with multiple objectives such as marketing of agricultural produce, in addition to financial services. Deterioration in the prices of specific crops such as cotton and coffee (during some seasons) led to the collapse of such institutions.
  - High defaults by members have affected disbursement of loans to other members which has caused several SACCOs to become dormant, while others have collapsed.
  - Several SACCOs which were formed with the objective of obtaining funds from Government and other donors are dormant while others have closed after failing to obtain funding.
  - The closure of the Cooperative Bank in 1999 affected the performance of SACCOs in Eastern Uganda because Cooperative Bank was the main financier of these institutions. The SACCOs which had their accounts in Cooperative Bank were also unable to recover their money in time and closed.
- Institutions that register but never operate usually have the objective of satisfying the interests of the promoters, while some of these SACCOs are also formed for political reasons but never take off.

### **LC Officials**

- Some SACCOs lack operational funds and meet at the residences of the chairpersons and other management committee members. This partly explains why they could not be traced by the census team.
- The collapse of SACCOs is attributed to the following reasons:
- Lack of cohesiveness among the members which has affected sustainability of operations.
  - Agro-based cooperative societies which have a SACCO component have collapsed due to the liberalisation of markets.
  - Death and official transfers of founding members and key staff has led to the collapse of some SACCOs especially in cases where it is hard to trace the records of the institution.

### **Board members, Management and Staff.**

- Some SACCOs do not operate in fixed offices due to the following reasons:

- The high costs of operation in terms of rent and personnel costs.
  - Operating at an individual's home allows them to engage in other activities at any time since the home is never closed.
  - The membership is small and operations are low.
- Management of existing and dormant/ closed institutions attributed dormancy and collapse of SACCOs to the following:
- High default by members.
  - Over borrowing of SACCOs from commercial banks beyond what the SACCO was able to manage.
  - The low savings culture among members which stifles the growth of loans and savings portfolio, causing members to lose interest.
  - Fraud and mismanagement of funds by management and executive members.

## **G Responses from Northern Region**

In the Northern region, the consultants interviewed District Commercial Officers, Financial Extension Workers, Microfinance officers and key staff of existing and closed institutions in the districts of Lira, Apac and Gulu. Below is a collective summary of the responses:

### **District Cooperative Officers, Microfinance Officers and Financial Extension Workers**

- Employee based SACCOs face a problem of mobilising savings because employers take long to remit the member's savings to the society. An example was given of West Acholi Cooperative Union Employees Savings and Credit Cooperative Society.
- The institutions that register but never operate usually expect to receive funding from donors or Government and are disappointed when these funds do not materialise.
- The reasons for the dormancy and collapse of SACCOs in the northern region include:
  - Failure to grow membership due to the low economic activity and displacement of people from their villages.
  - Political insecurity in the region which has affected economic activity.
  - Closure of institutions such as the Uganda Spinning Mill in Lira.
  - High Defaults by members.

- Mismanagement of SACCOs leading to the loss of funds and loss of confidence and interest of members in the institution.
- Lay off of staff, which affects membership, savings mobilisation and promotes default among members of employee- based SACCOs.

#### **Board members and Management.**

- The management of SACCOs that were found operational expressed that they were facing the following problems:
  - Lack of fixed office premises due to the insurgency in the region and limited funds to finance operations.
  - Low level of savings among members due to low economic activity.
  - High default among members which affect operations.

### **H Responses from the Western Region**

The Consultants interviewed District Microfinance Officers, Microfinance Officers, Financial Extension Workers, LC Officials, Board members, management and staff of both existing and closed institutions in Mbarara, Bushenyi, Kabale, Ntungamo, Hoima and Masindi respectively. Below is a summary of the responses.

#### **District Commercial Officers, Microfinance Officers and Financial Extension Workers**

- According to the Microfinance Officers and Financial Extension Workers who participated in the Tier 4 Census, Cooperative Societies that did not have the Savings and Credit component were not visited by the census team. This was especially the case in Ntungamo and part of Bushenyi districts.
- The major causes of collapse of SACCOs in the Western region are:
  - Misappropriation of funds by SACCO management which causes members to lose confidence in the institution and also default.
  - Compromising of institutional policies and procedures by Board members, who over borrow and do not pay back.
  - SACCOs that were mobilised by political heads collapse because members lack a sense of ownership and often are not adequately trained during mobilisation.

- The death of founding members and vibrant chairmen causes members of some SACCOs to lose interest in the institution hence the collapse.
- Most dormant/ inactive SACCOs have faced management problems and decided to halt operations pending resolution of the problems. Other SACCOs are dormant due to high default by members and lack of funds to loan out. Such SACCOs temporarily halt operations as they recover the funds from defaulters.
- Directors of institutions which were formerly registered as Limited Companies but changed status to SACCOs (following the MDI law), experience difficulty in opening their membership to the public out of fear that they will lose control of their assets. Such institutions grow membership slowly, which affects operations.

### **LC Officials**

LC Officials were interviewed on the causes of missing SACCOs and MFIs that have never operated. Below is the response:

- Institutions which register but do not operate are often registered for inappropriate reasons including targeting funds from Government or defrauding people.

### **Board members, Management and Staff**

- The main problems currently affecting institutions, which could lead to dormancy and closure of operations include:
  - Insufficient loan capital.
  - Some SACCOs lack security at the offices putting the institution's money at risk of robbery.
  - Members of the board and management lack training and experience in the management of microfinance operations yet are unable to afford the courses due to lack of funds.
  - Many SACCOs which experienced management problems (especially fraud) have difficulty in regaining member confidence.
  - Low saving by members due to the low levels of income of members.
  - High loan defaults by members with inadequate facilitation (transport) to follow up defaulters.
  - Competition from other MFIs and SACCOs which operate within the same sub county and nearby towns.

### APPENDIX III: LIST OF RESPONDENTS

	<b>Name</b>	<b>Designation</b>	<b>Institution</b>
1.	Frederick E. Mwesigye	Registrar/ Commissioner for Cooperatives	Cooperative Development Department- Ministry of Trade Tourism and Industry
2.	Jacqueline Mbabazi	Programme Officer- District Microfinance Committees	Association of Microfinance Institutions of Uganda
3.	Patrick Mumba	Deputy Coordinator CECFIS	Uganda Cooperative Alliance
4.	Wilson Kabanda	General Manager	Uganda Cooperative Savings and Credit Union
	<b>Central Region</b>		
5.	Florence Irau	Division Commercial Officer	Nakawa Division- Kampala
6.	Magdalen Alum	Assistant Commercial Officer	Nakawa Division- Kampala
7.	Aida Kivumbi Nakawunde	Division Commercial Officer	Kawempe Division
8.	Godfrey Owori	Division Commercial Officer	Central Division
9.	Florence Katasi Kaweesi	District Commercial Officer	Luweero
10.	Godfrey Katumba	Manager	Mubende Employees SACCO
11.	Mrs Bamutarire	Former Treasurer	Butego SACCO- Masaka
12.	Kaboine Ndyahika	District Commercial Officer	Masaka
13.	Michael Katambira	Microfinance Officer	Masaka Private Sector Promotion Company Ltd
14.	John Kyosimbononya	Chief Executive Officer	Masaka Private Sector Promotion Company Ltd
15.	Samuel Kibukuna	Manager	KACITA SACCO- Kampala
16.	Mr. Kibuuka	Planning & Development Officer	Church of Uganda Namirembe Diocese
17.	Charles Kanya	General Secretary	Uganda Taxi Operators and Drivers Association
18.	Mr. Kabugo	LC I Chairman	Kikuubo lane- Kampala
19.	Erasmus Byansi Gava	Chairman	Luzira Market Vendors SACCO- Kampala
20.	Douglas Lugumya	Chairman	Kyambogo Teachers SACCO- Kampala
21.	Mr. Mpala	Treasurer	Kyambogo teachers SACCO- Kampala
22.	Fenekasi Katabalwa	Treasurer	Colline Hotel Employees SACCO- Mukono
23.	Joyce Mukasa	Treasurer	Kasenge Women SACCO
	<b>Eastern Region</b>		
24.	William Wepukhulu	District Commercial officer	Mbale
25.	Annet Muwonge	Microfinance Officer	Mbale Private Sector Promotion Company Ltd
26.	Jamila Naleba	Member	Mbale Women SACCO
27.	Margaret Kabagenyi	Vice Chairperson	Mbale Women SACCO
28.	James Wakhatenga	Former Treasurer	Mbale Municipal Employees SACCO
29.	Simon Peter Namukowa	Manager	Mutoto SACCO – Mbale
30.	George Masolo	Chairman	Mutoto SACCO – Mbale
31.	Ali Waboga	Chairman	Mbale Market vendors SACCO
32.	Hamza Kabale	Financial Extension Worker	Mbale
33.	Titus Nagalama	Member	Nkoma SACCO- Mbale
34.	Boaz Nabende	Treasurer	Nkoma SACCO- Mbale
35.	Paul Matanda	Chairman	Bukonde SACCO- Mbale
36.	Jamada Nazeba	Treasurer	Bukonde SACCO – Mbale
37.	John Okware	Ass. District Cooperative Officer	Tororo
38.	Charles Weswa	Chairman	Kasoli Tenants SACCO- Tororo
39.	Christopher Musoga	Member	Kasoli tenants SACCO- Tororo

40.	Charles Makhata	Former District Cooperative Officer	Tororo
41.	Andrew Okech	LC I Chairman	Merikit Village- Tororo
42.	Yedida Obbo Paddy	Chairperson	Mukujju Women SACCO- Tororo
43.	Mr. Omayo	Treasurer	Mukujju Women SACCO- Tororo
44.	Ruth Apio	Member	Mukujju Women SACCO- Tororo
45.	Solomon Obbo	Staff member	Tororo Girls Staff SACCO
46.	Mark Olwedo	Staff member	Tororo Girls Staff SACCO
47.	Moses Otim	Secretary/ Manager	Tororo Share an Opportunity SACCO
48.	Janet Were	Chairperson	Nagongera Women SACCO
49.	Stephen Kakaire	District Commercial Officer	Iganga
50.	James Lubango	Ass. District Commercial Officer	Iganga
51.	Wilson Mulondo	District Cooperative Field Officer	Iganga
52.	Bota Mulungi	LC I Chairman	Bulamagi Village- Iganga
53.	Mary Birete	Sub County Chief	Bulamagi- Iganga
54.	Betty Kitambo	Treasurer	Bugumba Women SACCO- Iganga
55.	Agnes Abenakyo	Member	Bugumba Women SACCO- Iganga
56.	Masoud Ahmed	LCI Chairman	Bukendi Village Iganga
57.	Gladys Mukalazi	Member	Bulanga Women SACCO- Iganga
58.	Ali Mulondo	LC I Chairman	Bulanga Village- Iganga
59.	John Wamolo	Chairman	Africa Diaspora SACCO- Iganga
60.	Mwendo Mwesige	District Cooperative Field Officer	Iganga
61.	Eyiga Mudhasi Abbey	Chairman	Biyinzika Poverty Alleviation SACCO- Iganga
62.	Bayita Lubambo	Chairman	Genesis Microfinance Bureau (MFI- Iganga)
63.	Benjamin Ogunju	District Cooperative Officer	Soroti
64.	Joventin	Ass. District Cooperative Officer	Soroti
65.	Emunyo	Former Chairperson	Teso District Admn Employees SACCO
66.	James Bageza	District Cooperative Officer	Jinja
67.	Mr. Mutebi	Chairman	Jinja Drivers SACCO
68.	Robert Wanambwa	Secretary	Jinja Drivers SACCO
69.	Samuel Woira	Secretary	Kamuli Motorbike Operators SACCO
70.	John Mayanja	Manager	URA Jinja Branch
71.	Majid Bagole	UTODA Official	Kamuli Taxi Park
	<b>Northern Region</b>		
72.	J. Owor	District Cooperative Officer	Gulu
73.	James Were	Financial Extension Worker	Gulu
74.		Acting Secretary/ Manager	All Nations SACCO Lira
75.		District Cooperative Officer	Lira
76.	Robert Masinde	Financial Extension Worker	Amolatar/ Lira
	<b>Western Region</b>		
77.	Francis Atukunda	District Commercial Officer	Mbarara
78.	Florence Gumisiriza	Treasurer	Ruharo SACCO Mbarara
79.	Margaret Karamuzi	Chairperson	Ruharo SACCO Mbarara
80.	Nicholas	Financial Extension Worker	Mbarara
81.		Chairman	Birere Farmers SACCO Mbarara
82.	Afisa Mpagi	Chairperson	Manyakabi Area Cooperative Enterprise Mbarara
83.	Andrew Bainenama	Manager	Rugando SACCO, Mbarara

84.	Achileo Atuhaire	Loans Officer	Rugando SACCO, Mbarara
85.	Pius Batarinyeba	Chairman	Mbarara Pensioners SACCO
86.		LC III Chairman	Kakiika Sub County- Mbarara
87.	Tumwine Geoffrey	Manager	Kajunju Abahambani SACCO
88.	Ps Atamba Mushabe	Manager	Ishaka United SACCO
89.		Former Committee member	Kabira Peoples' SACCO
90.	Mr. Kahima	Microfinance Officer	Bushenyi (Ankole private Sector Promotion Centre Ltd)
91.	Julius Tazahantsi	Manager	Kabira Matookye village Trust Ltd
92.	Muheirwe Julius	Manager	Kyabandara Cooperative Financial Services Ltd
93.	Mr. Twinomuhangi	Chief Executive Officer	APROCEL- Bushenyi
94.	Bashir Mugisha	LC I Chairman	Mashonga Cell- Kyamuhunga, Bushenyi
95.	Jackson Tushabe	LC I Chairman	Kibingo Cell- Kyamuhunga, Bushenyi
96.	Lucy Tibahweirera	Chairperson	Bulyasojo SACCO
97.	Robert Kwebeiha	DCO	Hoima
98.	Deogratius Mugisa	Financial Extension Worker	Masindi
99.	Alex Twinomuhangi	Manager	Muhanga Financial Services SACCO- Kabale
100.	Laban Zarubugire	Loans Officer	Five Talents MFI – Kigezi Church of Uganda
101.	Baturaine Tom	Chairman	Karukara Abaryakamwe SACCO- Kabale
102.	Biryomumaisho Bernia	Financial Extension Worker	Kabale
103.	Odomaro Byamugisha	Microfinance Officer	Kigezi Private Sector Promotion Company Ltd
104.	Grace Tukahirwa	Chairperson	Mutojo Women Coop Society - Ntungamo
105.	Onesmus Kalocho	District Cooperative Officer	Ntungamo
106.	Kagumire Vital	Financial Extension Worker	Ntungamo Ruhaama County
107.	Robert Turyatamba	Manager	Abateganda Growers Coop Society- Ntungamo
108.	Stephen Tiberindwa	Manager	Ihunga Area Enterprise Coop Society- Ntungamo
109.	Amos Kabwijamu	Former Director	Poverty Alleviation Credit trust Ltd (MFI)- Masindi
110.	Rosette Kabwijamu	Former Director	Poverty Alleviation Credit trust Ltd (MFI)- Masindi
111.	Robert Kwehangana	Microfinance Officer	Rukungiri Gender and Development Association (RUGUDA)
112.	Wilson Kibuuka	Former Board Member	Uganda Small Scale Industry (USSIA- MFI)- Luweero
113.	Geofrey Kuteesa	General Secretary	USSIA Luweero
114.	Katumba Frank	Accountant	Buwekula Women Development Association (MFI)- Mubende
115.		Operations Manager	Action on Disability and Development
116.		Administrator	Bugolobi Market
117.	Adam Kibuuka	Director	Nakawa Micro and Small Enterprise Initiative (MFI)
118.		Managing Director	Uganda Rural Development and Training (URDT)
119.	James Ameda	Former Country Director	Christian Childrens Fund
120.	John Tumusiime	LC I Chairman	Village in which Kuteesa Development Taskforce was located- Jinja

**APPENDIX IV: DATABASE OF THE 80 “MISSING” INSTITUTIONS ( SACCOs AND MFIs) SURVEYED FOR THE STUDY**

District	Name of Institution(SACCOs)/ Contact/ Respondent interviewed	Reg No	Date of Reg	Apex Affiliation	Fixed location	Status	Remarks
LUWERO (1)	Luwero Town Council Traders Coop.	Not known				Not found	<ul style="list-style-type: none"> <li>- There was no information about the existence of the SACCO at the Town Council Offices and the main trading center at the Town council – Kikuubo.</li> <li>- The people in charge of the trading center had no idea about its existence. The only institution known is Luwero Central Market Traders Association () and it operates as a CBO (CD 35004) with its certificate signed by Ms. Katasi Florence Kaweesi CDO Luwero. Its date of registration is 23<sup>rd</sup> Feb 2004 and its located in Luwero Market, next to the car park</li> </ul>
MUBENDE (1)	Mubende Employees Cooperative Savings & Credit Society  Contact: Manager, Katumba Godfrey	6323  <i>Signatory:</i> Mwesigye E. Frederick (Certificate verified)	11 <sup>th</sup> October, 1999	None	Opposite Mubende District headquarters	Operational (strong)	<ul style="list-style-type: none"> <li>- Has clear signage. The manager saw the census team while visiting another SACCO but they never got to his SACCO.</li> <li>- Institution is in contact with MSCL and has plans to access a long term loan this year</li> <li>- Institution has 1 fulltime staff and offers savings, personal loans, special and share loans to members</li> <li>- Currently has 130 members with a loan portfolio of Ug Shs</li> </ul>

							194,000,000 – Institution is open daily
MASAKA (3)	Butego SACCO  Contact : Mrs Bamutarire (former treasurer-0772674233)  Mr.Kaboine Ndyahika (DCO, Masaka District- )			UCSCU	Formely in Masaka Municipality	Ceased to operate	– Was actively operational for 9 years and became dormant because of loss of funds at the time of closure of the cooperative bank(1999) where all shares had been invested. members lost moral to save – From the DCO's view, the SACCO collapsed because it had no permanent employees. Staff members were voluntary as they had other jobs which led to poor loan recovery
MASAKA	Lambu Fishing Savings & Credit Coop  Contact: Mr.Kaboine Ndyahika (DCO, Masaka District- )  Michael Katambira(former MFO, Masaka PSPC- 0712717150)  John Kyosimbononya (CEO, Masaka PSPC)				Was in Bukakata Subcounty	Ceased to operate more than 10 years back	– SACCO was formed as a marketing society for fisher men but the marketing trend changed, rendering the society irrelevant. – Also fishermen keep migrating seasonally to different landing sites which affected loan repayments. – Mismanagement of funds by the executive of the society – DCO and MFO made efforts including a workshop to revive the SACCO in 2004 but failed. – Members were encouraged to join Bukakata Cooperative which serves the entire region.

MASAKA	Kiryansaka Savings & Credit Cooperative  Contact: Mr.Kaboine Ndyahika (DCO, Masaka District- )  Michael Katambira(former MFO, Masaka PSPC- 0712717150)  John Kyosimbononya (CEO, Masaka PSPC)			UCA	Was in Bukomansimbi County, Butenga sub county	Ceased to operate in 2004	Institution got a grant from UCA which was diverted to buy land. The land was registered fraudulently in the names of three committee members <ul style="list-style-type: none"> <li>- An audit revealed fraud by the treasurer who was then arrested and more SACCO resources were committed to cover the litigation costs; including selling part of the land. Unfortunately, the case was frustrated.</li> <li>- Eventually members lost the morale to save.</li> <li>- Eventually the institution run out of funds and collapsed</li> </ul>
KAMPALA (9)	UCUSCU Employees Coop SACCO  Contact: A current staff member	unknown				Ceased operations	<ul style="list-style-type: none"> <li>- The SACCO collapsed due to massive lay off / retrenchment of staff to currently 6</li> <li>- Mismanagement of funds by management</li> </ul>
KAMPALA	Kampala City Traders KACITA SACCO  Manager- Kibukuna Samuel Tel :414 344963	7290/CRS (Copy of certificate available)	2004		Royal Complex 3 <sup>rd</sup> floor, Plot 16A Market street Opposite Old tax park	Operational (strong)	<ul style="list-style-type: none"> <li>- The institution has 1000 members</li> <li>- Offer loans (individual and group) and saving</li> <li>- Have 3 members of staff</li> </ul>
KAMPALA	Namirembe Diocese Coop Savings &Credit  Contact: Mr. Kibuka- 0712995353 Planning & Dev't Officer (Namirembe Diocese)	unknown			Formerly at Namirembe Diocesan offices	Ceased operations	<ul style="list-style-type: none"> <li>- The SACCO collapsed after the currency reform</li> <li>- The clergy men were not saving but just borrowing</li> <li>- There was a confusion in the management</li> </ul>

KAMPALA	Kampala City Council SACCO  Contact: Owor Godfrey, Assistant commercial Officer- Central Division 0772- 603006					Ceased Operations	<ul style="list-style-type: none"> <li>- Ceased/stopped reporting to the district</li> <li>- Operational period is not known</li> </ul> Reasons for closure include; <ul style="list-style-type: none"> <li>- Poor management</li> <li>- Default by the members</li> <li>- Misappropriation of funds by management and board members</li> <li>- Purchase of Assets that they would not manage</li> <li>- Loss of moral by members due to failure by management to pay them their savings</li> <li>- Open bond that included admissions of members who were not KCC staff who borrowed and refused to pay back</li> </ul>
KAMPALA	NIC Employees Savings and Credit Society  Contact: Secretary to Managing Director	unknown				Ceased operations	<ul style="list-style-type: none"> <li>- Restructuring in the organisation leading to SACCO members leaving the organisation and its subsequent collapse</li> </ul>
KAMPALA	Kampala Taxi Services Savings and Credit Coop  Contact: Mr. Kamyia Charles, General Secretary-UTODA	unknown				Ceased to operate	<ul style="list-style-type: none"> <li>- SACCO ceased to operate when UTODA took over Kampala Taxi Operators</li> </ul>
KAMPALA	Kikuubo Twegate SACCO  Contacts: Mr. Kabugo, LC Kikuubo lane Mr. Owor Godfrey, Assistant DCO	unknown				Not found	<ul style="list-style-type: none"> <li>- Assistant DCO and LC Kikuubo Lane, had no knowledge of the institution's existence</li> </ul>

KAMPALA	Luzira Market Vendors Savings and Credit Cooperative  Contact : Florence Irau (Cooperative Officer, Nakawa Division) 0712- 830190  Mr. Erasmas Byansi Gava-Chairman	(certificate not seen)	1992	UCSCU	Behind Luzira market	Dormant	<ul style="list-style-type: none"> <li>- SACCO was registered in 1992.</li> <li>- Institution has no signage</li> <li>- Institution is currently not giving our loans</li> <li>- Members meet once monthly (about 15-20 people)</li> <li>- Currently not giving out loans.</li> <li>- 2 members have loans of about Ugs 18,000 and 12,000 in default</li> <li>- Institution has no manager because it lacks funds to pay staff.</li> </ul>
KAMPALA	Kyambogo College School Teachers SACCO  Contact: Douglas Lugumya- C/man 0772- 433024  Mr. Mpala- Treasurer 0752-626697	6914  (copy of certificate attached)	Nov. 2003		Kyambogo college School	Operational without a fixed location	<ul style="list-style-type: none"> <li>- Institution has signage but was not visited by census team</li> <li>- Members meet in an office where the school runs stationary, photocopying</li> <li>- Institution operates on Wednesdays and Fridays from 11:00 am to 3 :00 pm</li> <li>- Institution operates a savings account from which loans and savings are run</li> <li>- Institution currently has 45 members consisting of teachers, secretaries laboratory technicians, a cook and non-teachers</li> </ul>
MUKONO (2)	Colline Employees SACCO  Contact: Mr. Fenekasi Katabalwa, Treasurer. Tel no. 0782 866006 or 041540278	6314  (certificate verified)	Sept 1999	UCSCU	Located within Colline hotel cottages	Dormant	<ul style="list-style-type: none"> <li>- Consisted of employees of only Colline hotel</li> <li>- Hold a certificate of shares with UCSCU amounting to 300,000/=</li> <li>- Had 200 members before collapse</li> </ul>

							<ul style="list-style-type: none"> <li>- It stopped active operations in 2000, but the members hope to revive the SACCO. The main activity at the moment is loan recovery.</li> <li>- The reasons for the current status of the SACCO include default among the members, retrenchment- i.e. the employment term is on contract basis of 1 year and change of the hotel management.</li> </ul>
MUKONO	Kasenge Women Cooperative  Contact: Ms. Joyce Mukasa. Tel 0752 648493 or 0752 645498	Unknown			Mbalala Trading Centre- 5km from Mukono Town on Jinja high way	Dormant	<ul style="list-style-type: none"> <li>- It is mainly an agricultural cooperative with a small savings component</li> <li>- Had a membership of 87 members before collapse</li> <li>- Low savings culture poor management especially related to record keeping and default are some of the reasons for dormancy.</li> </ul>

#### WESTERN REGION

District	Name of Institution	Reg No	Date of Reg	Apex Affiliation	Fixed location	Status	Remarks
KABALE (5)	Muhanga Financial Services Cooperative and Credit Society  Contact: Twinomuhangi Alex - Mgr 0782-803601	7279  (certificate available)	Feb 2005	KAPSA	Muhanga TC, Bukinda, Kabale	Operational (weak)	<ul style="list-style-type: none"> <li>- Was formerly under FSA then changed to a SACCO to be able to access funding from other donors</li> <li>- By the time the census team visited, the SACCO was experiencing</li> </ul>

							<p>problems of transition. Savings were low (operations were slow- almost inactive for a period of one year)</p> <p>Since inception, the SACCO has never accessed donor funds hence the hindrance in growth.</p> <p>Now has 329 members with a savings portfolio of Sh 2.7m and a loan portfolio of Sh 16.5m.</p> <p>The institution is open daily</p>
KABALE	<p>Employees of Church of Uganda Kigezi Diocese</p> <p>Contact: Zaribugire Laban 0772-971276</p>	Unknown	1995		Was at Kigezi Diocese Offices, Rugarama Hill Kabale	Ceased Operation	<p>Started operations in 1995 and closed in 2001 following the phase out of yet an earlier SACCO</p> <p>Was started using donor funds which were given to staff members as loans.</p> <p>The SACCO phased out when the donor funds expired.</p>
KABALE	<p>Karukara Abaryakamwe Cooperative Society</p> <p>Contact: Baturaine Tom- 0392-548286</p> <p>Biryomumaisho Bernia – FEW Kabale 0782-069576</p>	6000 (certificate verified)	1994		Karukara TC, Hamurwa Parish (15km along Kabale Kisoro Road)	Operational (weak)	<p>Registered as a Cooperative Society in 1994 although had been in operation since 1975</p> <p>Operate as a SACCO with members saving on Tuesdays (one day a week)</p> <p>The society is also involved in the business of selling iron sheets to members and also buys sorghum from members to sell at a wide scale</p> <p>Currently have 64 members</p> <p>The treasurer was not available to give more details</p> <p>Institution is open once a week</p>
KABALE	<p>Kabale Ministry of Works and Housing Cooperative</p> <p>Biryomumaisho Bernia- FEW Kabale</p>	Unknown			Was at Min Of Works Offices, Kabale Municipality	Ceased Operation	<p>Was operational until the retrenchment exercise in 1992 when most of the staff were laid off leading to its collapse.</p>

	Current staff member- Min of Works						
KABALE	Ndorwa East Savings and Credit Society Limited  Contact: Odomaro Byamugisha-MFO Kabale 0772-675026  Biryomumaisho Bernia- FEW Kabale				Formerly at Kyanamira TC along Kabale-Ntungamo Rd	Collapsed	- - Was established by the area MP of Ndorwa East and collapsed shortly after elections because there was no member cohesion. - According to the FEW, the SACCO collapsed due to political reasons.
NTUNGAMO (3)	Ihunga Area Enterprise Cooperative Society  Contact: Mr. Stephen Tiberindwa-Mgr 0782-781734  Onesmus- DCO Ntungamo 0772-984435  Kagumire- FEW Ntungamo	7401  (certificate verified)	2005	UCA	Rwashamaire Town	Operational (as Coop. Society)	-A very strong Cooperative Society according to the DCO. -Deals in marketing of produce (coffee and beans) -Do not offer any microfinance services to members. -Currently have 678 members in 8 Rural Production Organisations (RPOs).
NTUNGAMO	Abateganda-Ntungamo Growers' Cooperative Society Limited  Contact: Turyatamba Robert – Mgr 0772-880711  Kagumire- FEW Ntungamo 0712-562674	1722  (certificate available)	1960	UCA- FETAS, UNEX	Ntungamo Town Council	Operational (as Coop. Society)	- Not a SACCO but a Growers Cooperative Society - Members of the Growers Society formed a SACCO with the same name but separate board and management. Not all members in the Society are members of the SACCO and vice versa. - The Coop Society offers soft loans to members but those who require bigger loans are referred to the society - No savings are mobilized

							Institution is open daily
NTUNGAMO	Mutojo Women Cooperative Society  Contact: Ms Grace Tukahirwa-C/person 0782-712904  Onesmus- DCO Ntungamo 0772-984435  Kagumire- FEW Ntungamo 0712-562674	6339  (certificate verified)	2000	UCA	Rubaare TC, Ntungamo	Operational (as Coop. Society)	<ul style="list-style-type: none"> <li>- Operates as a Marketing Cooperative Society dealing in produce (maize and beans).</li> <li>- Currently has 104 members.</li> <li>- Gives soft loans to members and collects savings on a small scale basis.</li> <li>- Loan repayments are made through deductions from payments made to members after sale of the produce.</li> <li>- Was not visited by the census team.</li> </ul>
BUSHENYI (4)	Kajunju Abahambani Savings and Credit Cooperative Society Ltd  Contact: Tumwine Geoffrey- Mgr 0752-811003	7475/ RCS (certificate available)	Nov 2005	UCA, APROCEL, AMFIA	After Kajunju TC, Kyabugimbi, Igara	Operational (weak)	<ul style="list-style-type: none"> <li>- Started as a Growers Cooperative society and was advised to start a SACCO</li> <li>- The SACCO shares a board with the Growers' Society but will separate boards at the next AGM</li> <li>- Financial reports were being prepared for the first time (were not available during the census time)</li> <li>- Institution is open daily although for short hours due to low business activity.</li> </ul>
BUSHENYI	Ishaka United Peoples' Cooperative Savings and Credit Society Ltd  Contact: Pastor Atamba Mushabe-Mgr 0782-425948	6999 (certificate available)	April 2004	UCA, APROCEL	Ishaka Town Council, Bushenyi	Fully operational	<ul style="list-style-type: none"> <li>- Filled in the census form from Bushenyi office</li> <li>- Have been in operation since 2002</li> <li>- Took between 8 months to 1 year to receive the registration certificate because they had to first be audited by the district which took long</li> <li>- Currently have 495 members with a savings portfolio of 7.2m and a loan portfolio of 62.3m as at Oct 2006</li> </ul>

BUSHENYI	<p>Kabira Peoples' Cooperative Savings and Credit Society Ltd</p> <p>Contact: Fr Committee member 0782-778352</p> <p>LCI chairman, Kabira TC</p> <p>Kahima- MFO Ankole Private Sector Promotion Company Limited</p> <p>Tazahantsi Julius- Mgr Kabira Matookye SACCO 0772-356284</p>	6711 (certificate not seen)	2001		Was at Kabira TC, Kabira-Ruhinda, Buishenyi.	Ceased Operation	<p>The SACCO operates daily.</p> <ul style="list-style-type: none"> <li>- Started on political grounds in 2001 following Government's decision to start a SACCO at the Sub County by deducting 25% of the graduated Tax collections of each of the 120 Resistance Council's in the Sub County.</li> <li>- Members were allowed to join at a fee of 1,000/= each. This was a membership fee and not shares</li> <li>- Collapsed due to out competition by another SACCO in the area (Kabira Matookye) and mismanagement of funds. The LCIII Chairman also forbade people from carrying out forceful recovery.</li> <li>- A meeting was underway at the time of visit to discuss ways of reviving the SACCO.</li> <li>- Offices were closed in 2004 following eviction by the landlord of the premises</li> <li>- Operated for about 3 years</li> </ul>
BUSHENYI	<p>Kyabandara Cooperative Financial Services Ltd</p> <p>Contact: Muheirwe Julius- Mgr 0752-610241</p> <p>Mr. Twinomuhangi – CEO APROCEL</p> <p>Mr. Moses Kahima- MFO APROCEL</p>	7154 (Certificate available)	Oct 2004	UCA	Kyabandara TC, Kagango, Sheema Bushenyi	Operational (strong)	<ul style="list-style-type: none"> <li>- Started as a Coffee Growers Cooperative Society and evolved into a SACCO</li> <li>- Has been in operation since 2003 to date</li> <li>- Recently obtained a grant to complete their building</li> <li>- Currently has 497 members with a savings portfolio of 20m and loan portfolio of 42m</li> <li>- Was not visited by the census team</li> <li>- Institution is open daily</li> </ul>

MBARARA (7)	Ruharo Cooperative Savings and Credit Society  Contact: Gumisiriza Florence- Tres. 0772-457113 Margaret Karamuzi –Cman 0782-329444	7172	2005		No fixed Location- use Mbarara High School address but meet at the C/man's home on the 10 <sup>th</sup> of every month	Operational but weak	<ul style="list-style-type: none"> <li>- Was founded in 1999</li> <li>- Mode of operation is illegal according to the Cooperative statute because they are closed to new membership. Currently have only 41 members- mainly Mbarara High School staff.</li> <li>- Do not have a fixed office due to the implied cost of operation</li> <li>- Little information is known about their existence by the DCO because the institution does not submit monthly reports</li> <li>- Institution is open once a month</li> </ul>
MBARARA	Birere Farmers and Traders SACCO  C/man- Birere Farmers 0772-872034  Ms. Afisa Mpagi- C/ person Manyakabi Area Coop enterprise 0712-139378				Formerly at Masha TC, Birere, Isingiro District  <i>(Isingiro District was formerly part of Mbarara District)</i>	Ceased operations	<ul style="list-style-type: none"> <li>- Operated for 8 months in a fixed location.</li> <li>- Closed offices in February 2007 with a membership of 166</li> <li>- Had management problems. i.e the Manager embezzled money and disappeared</li> <li>- Chairman now operates the SACCO as a briefcase institution (according to the Manager- Manyakabi SACCO in the same Trading Centre)</li> <li>- The DCO still receives monthly reports regularly and is not aware of the closure.</li> <li>- The SACCO has lost several of its members to Manyakabi SACCO due to loss of confidence in the institution.</li> </ul>

MBARARA	Rugando People's Cooperative Savings  Contact: Bainename Andrew, Manager, 0752-856870  Atuheire Ackileo, Loans Officer  Francis Atukunda- DCO Mbarara 0772-558997	6400  <i>signatory:</i> Fredrick Edward Mwesigye  (certificate available)	13 <sup>th</sup> March 2001	UCA, APPROCEL, UNFA	Rugando P.O.BOX 1296 Rugando – Rwampara <i>(formerly part of Mbarara District)</i>	Operational (strong)	<ul style="list-style-type: none"> <li>- The institution has been in operation since 2001</li> <li>- Currently has 3 staff members</li> <li>- Has 679 members at present with a portfolio of Ug Shs 43,763,300 as at 17<sup>th</sup> February, 2007</li> <li>- Institution is open daily</li> </ul>
MBARARA	Kabuyanda Vocational Secondary School SACCO  Francis Atukunda- DCO Mbarara 0772-558997  Nicholas- FEW Mbarara 0752-826277	7315	2005		Formely at Vocational Kabuyanda Secondary School	Ceased operations	<ul style="list-style-type: none"> <li>- Started as an association lending to members from share capital. No savings were mobilized.</li> <li>- The first chairman embezzled millions of shillings and is still in hiding.</li> <li>- According to the DCO and FEW, the last chairman had a disagreement with the School Director leading to the collapse</li> <li>- The chairman would collect loan repayments from members and not remit it to the institution.</li> <li>- The chairman influenced most of the board's decisions. .i.e would coerce board members to sign for funds.</li> <li>- The chairman recently registered the SACCO against the recommendation of the DCO and FEW, but members had already lost interest in the institution.</li> </ul>
MBARARA	Ntungu Secondary School Support Education  Francis Atukunda- DCO Mbarara	Unknown			Nyakitundu Isingiro District <i>(formerly</i>	Dormant	<ul style="list-style-type: none"> <li>- Started as a scheme to assist parents to raise school fees for their children as well as ordinary credit to other members.</li> </ul>

	0772-558997 Nicholas- FEW Mbarara 0752-826277				Mbarara District)		- Currently inactive because the first beneficiaries of loans defaulted, which stagnated operations.
MBARARA	Mbarara Pensioners COOP Savings Contact: Pius Batarinyeba- C/man 0772-879053 Francis Atukunda- DCO Mbarara 0772-558997 Nicholas- FEW Mbarara 0752-826277	7379  (certificate not seen)	2005		Plot 87, High Street Mbarara town – next to Radio West	Operational (weak)	Newly registered. Has strong leadership according to the DCO; Chairperson is the former registrar of cooperatives Have low savings because they do not have regular income(pensioners) Institution operates thrice a week Does not have full time staff and is managed by the executives
MBARARA	Kakiika Sub County Bataka Savings and Credit Society Francis Atukunda- DCO Mbarara 0772-558997 Cman LC III- Kakiika Sub County	Unknown				Not found	Could have existed and collapsed but is not known to the LCI chairman and Sub County Officials Another SACCO was visited by the names of Kakiika SACCO but it is still new with no fixed location and has not yet received a registration certificate
MASINDI (1)	Bulyasojo Savings and Credit Cooperative Society Contact: Lucy Tibahweirwa, Chairperson FEW- Masindi 0772-691381		2004			Operational as a ROSCA	The institution exists with 45 members Registered in 2004 Institution expected funding but they were disappointed It lost members because they did not have funds Existing members meet twice a month Current methodology used is a cash cycle (ROSCA type) Do not send reports to the DCO Operations are not frequent

HOIMA (2)	Hoima District Employees SACCO  Contact: Kwebeiha Robert- DCO Hoima 0782-410205					Ceased operations	<ul style="list-style-type: none"> <li>- Started as a SACCO for Junior administrative staff</li> <li>- Following restructuring, most of the junior staff was retrenched.</li> <li>- It collapsed in 1997.</li> </ul>
HOIMA	Hoima Masindi Mubende Tobacco SACCO (HOMAMU)  Contact: : Kwebeiha Robert- DCO Hoima 0782-410205					Ceased operations	<ul style="list-style-type: none"> <li>- Started as a SACCO for employees of HOMAMU Tobacco Company.</li> <li>- All staff were laid off and the company closed. This led to the collapse of the SACCO.</li> </ul>
<b>NORTHERN REGION</b>							
Gulu (1)	West Acholi Cooperative Union Employees Savings and Credit Society	P. 758  (certificate available)	Dec 2004	UCSCU	Gulu municipality, Layibi Division, Techo, Layibi	Dormant	<ul style="list-style-type: none"> <li>- Delayed salary payments have stalled the growth and operations of the SACCO</li> <li>- Restructuring of employees has also affected membership. Many were laid off.</li> <li>- Insecurity in the region has also affected operations</li> </ul>
APAC (1)	Apac Volunteers SACCO Contact : Tom Ogwal, manager	6727( <i>front page copy of bylaws attached</i> )  (certificate available)	2003	None	Adiak house, Apac town council	Dormant	<ul style="list-style-type: none"> <li>- According to the DCO, the SACCO is dormant due to mixing politics with business</li> <li>- According to the FEW/MFO, the SACCO collapsed due to governance problems</li> <li>- According to the LC, the institution is currently working to recover Ug Shs 26,000,000 from defaulters before operations resume. a civil suite has been opened up to this</li> </ul>

							effect.
LIRA (2)	Otuke Cooperative Savings and Credit Society Ltd Contact: Members	7371( <i>certificate attached</i> )  (certificate available)	19 <sup>th</sup> July 2005	None	Otuke county, Orum sub county Ojwina Division	Dormant	<ul style="list-style-type: none"> <li>- The institution is in a war torn area which is difficult to access</li> <li>- Was founded in 2002 and now has 34 members</li> <li>- Members meet occasionally in town at the home of one of the members to carry out transactions</li> <li>- Currently, the SACCO is making efforts to resettle in its area of operation as more potential and existing clients resettle from the camps</li> <li>- From the FEW/MFO's point of view, the institution has been dormant because members had been displaced into the camps but has potential to develop into a productive SACCO, especially in agribusiness</li> <li>- According to the LC, the SACCO is in a fertile place which can increase members productivity if they obtain fertile land</li> </ul>
LIRA	All Nations SACCO	7218	Dec 2004	None	Ploz Ayer Road, Lira	Have never operated since registration as a SACCO	<ul style="list-style-type: none"> <li>- Started as an NGO (All Nations Christian Care Microfinance Scheme) to provide financial services to the active poor- especially Christians of All Nations Church.</li> <li>- Was fully funded by Stromme Foundation but suspended operations when Stromme ceased funding in June 2005.</li> <li>- The MFO was not aware of the objectives of the SACCO, but no loan has been disbursed since</li> </ul>

							registration. - Currently has 34 members. - The process of transfer of assets and liabilities of the NGO to the SACCO is underway and the SACCO does not have staff. - Members need to be sensitized on SACCO operations - SACCO lacks loanable funds and are waiting for funds from government.
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**EASTERN REGION**

District	Name of SACCO/MFI	Reg. No.	Date of Reg.	Apex Affiliation	Fixed Location	Status	Remarks
MBALE (5)	Mbale women Contact: Hajati Jamilla Naleba – member tel. 0772 484663 Margret Kabagenyi- Vice Chair Person- tel. 0782 656381	6042  (certificate available)	1992	UCSCU	Mwanyi Road Plot 16/28 - Industrial division- 1 km from Mbale town	Operational (strong)	<ul style="list-style-type: none"> <li>- Started a women group in 1989 with the objective of processing juice; it latter registered as a savings and Credit cooperative in 1992 with Hon. Beatrice Wobudeya as its first chair person. It operated for 5years before it become dormant because of high costs of operation. However, it was revived in 2002.</li> <li>- It had its last executive meeting on 1/3/2007</li> <li>- Has a membership of 182 members</li> <li>- Outstanding portfolio of 7mill</li> <li>- Loan repayment is monthly</li> <li>- Share holders with UCSCU</li> <li>- Has one employee helped in the Vice Chairperson, Treasurer and Secretary</li> <li>- Institution is open daily.</li> </ul>

<p>MBALE</p>	<p>Bukonde SACCO</p> <p>Contact: Mr. Paul matanda and Mr. Jamada Nazeba</p>	<p>6592</p>	<p>OCT 2002</p>		<p>Bukonde Parish, sub-county, Mbale district</p>	<p>Fully Operational (strong)</p>	<ul style="list-style-type: none"> <li>- According to information from the DCO and DMFO, the SACCO was reactivated in 2005 after a two years' period of dormancy. As at the time of the visit, the SACCO had the following characteristics; <ul style="list-style-type: none"> <li>o membership of 207</li> <li>o share capital of 2m</li> <li>o Savings 3m</li> <li>o Loans 1.5m</li> </ul> </li> <li>- Institution is open once a week</li> </ul>
<p>MBALE</p>	<p>Mbale Municipal employees SACCO Ltd</p> <p>Contact: Mr. James wakhatenga – Former member and treasurer</p> <p>Tel. 0752 594992</p>	<p>3054</p> <p>(certificate verified)</p>	<p>1979</p>		<p>Mbale municipal council office-Republic street opposite Mbale post office</p>	<p>Ceased to operate</p>	<ul style="list-style-type: none"> <li>- Operated for about 15years</li> <li>- Has been dormant for over 7years now</li> <li>- The SACCO became dormant as a result of the following; <ul style="list-style-type: none"> <li>* Closure of the cooperative bank</li> <li>* Loan default among members</li> <li>* Restructuring and retrenchment of employees</li> <li>* Changes in the SACCO administration</li> <li>* Some political reasons i.e lack of government support</li> </ul> </li> </ul>
<p>MBALE</p>	<p>Mbale Market Vendors</p> <p>Contact: Mr. Ali Waboga. Tel 0772 607151 or 0753 607151</p>	<p>5023</p> <p>(certificate verified)</p>	<p>1980s</p>		<p>Market street-Mbale town</p>	<p>Ceased to operate</p>	<ul style="list-style-type: none"> <li>- According to information from the various people interviewed, this was one of the vibrant SACCOs in the late 1980s which had over 500members before it collapsed. However with the collapse of cooperative bank, it saw its complete disappearance among other factors that included; <ul style="list-style-type: none"> <li>* Establishment of many lending institutions like CERUDEB</li> <li>* Mismanagement of funds by the then management committee of the society</li> <li>* Default by the members</li> <li>* Chairperson ran away with all the records</li> </ul> </li> <li>- The members hope to reactivate the SACCO.</li> </ul>

							<p>They have so far elected a new management committee and started registering new members</p> <ul style="list-style-type: none"> <li>- Operated for about 15 years before closure</li> </ul>
MBALE	<p>Nkoma Savings and Credit Cooperatives Society  Contact: Mr. Nagalama Titus- Member. Tel. 0782 614646  Mr. Boaz Nabende – Treasurer. Tel. 0782 436930</p>	5984	Dec 1993		Located on Naboa Road in Mbale town	Ceased to operate	<ul style="list-style-type: none"> <li>- This is a SACCO that started as a drinking club in 1979, was latter registered as a SACCO in 1993. It operated until the closure of cooperative bank in 1999 which was the main financier of the SACCO. However, other reasons of collapse included; <ul style="list-style-type: none"> <li>* default by members especially the management executives</li> <li>* Poor management- I.e no AGMs</li> </ul> </li> <li>- Had a portfolio of 4mill by the time of collapse</li> <li>- The members are reactivating the SACCO. They have so far elected new management executives, registered new members and held their AGM on 30<sup>th</sup> Dec 2006.</li> <li>- The SACOO has been affected by death of some members as well</li> </ul>
TORORO (5)	<p>Kasoli Tenants Cooperative Savings and Credit Society Limited  Contact: Weswa Charles. Tel no. 0772 644645</p>	6738 (certificate available)	May 2003		Kasoli Village-Eastern Division – Tororo 1 KM from Tororo Town	Operational (Strong)	<ul style="list-style-type: none"> <li>- Started with the objective of saving for low cost housing</li> <li>- Has a total number of 300 members</li> <li>- Savings up to 5,941,000 with CERUDEB – a/c no 9510600146</li> <li>- Executive meets once a week</li> <li>- Members meet once in a year</li> <li>- Have started trainings by the District Cooperative officer to train on Credit and savings so that they can revolve their funds.</li> <li>- Operates once a week</li> </ul>
TORORO	Nagongera Women Savings and Credit Cooperative		1989		Nagongera trading centre- West Kisoko, Budama	Operational but weak.	<ul style="list-style-type: none"> <li>- This SACCO was reactivated after a long period of dormancy of about 5 years. The reasons given for the dormancy included poor</li> </ul>

	Mr. John Wokwale- Assistant District Cooperative Officer				county		<p>savings culture among the members. The SACCO was also found to have;</p> <ul style="list-style-type: none"> <li>○ only women clients</li> <li>○ savings of 1.2m</li> <li>○ loan portfolio of 800,000/=</li> <li>○ share capital of 1.1m</li> </ul> <p>- Operates once a month</p>
TORORO	Merikit Savings and Credit Society – Mr. Okwale John, Assistant district cooperative officer	424			Merikit Trading centre- Merikit subcounty (12 miles off Tororo- Mbale road)	Dormant	<p>- Had operated for a period of not less than 15 years, started as a multipurpose cooperative before becoming a Savings and Credit organization. The SACCO has been so far dormant since 2004 due to the following reasons that affected its performance;</p> <ul style="list-style-type: none"> <li>* Poor loan repayment by members</li> <li>* Death of the treasurer</li> <li>* Poor record keeping</li> <li>* Inadequate funding</li> <li>* Lack of group cohesiveness</li> <li>* Low savings by the members</li> </ul>
TORORO	Tororo girls staff Savings and Credit Cooperative Organization Contact: Mr. Obbo Solomon (school staff member)	6050	1999		Tororo Girls School- Eastern Division	Ceased to operate	<p>- Operated between 1999 and 2003</p> <p>- Ceased to operate as a result of the following reasons;</p> <ul style="list-style-type: none"> <li>* No clear membership procedures</li> <li>* Transfer of teachers</li> <li>* Default among the members</li> <li>* No records- were taken by the chairperson upon transfer</li> </ul>

TORORO	Tororo Hospital Workers Coop. SACCO  Contact: Mr. John Wokwale- Assistant DCO	6333			Tororo Hospital Main	Ceased Operations	<ul style="list-style-type: none"> <li>- The SACCO ceased operations due to the following reasons; <ul style="list-style-type: none"> <li>o Retrenchment of hospital members</li> <li>o Low savings among the members</li> </ul> </li> <li>- Operated for a short time after registration. The actual year of registration is not known to the Assistant District Cooperative Officer</li> </ul>
IGANGA (9)	Nawampiti Coop. Savings. Contact person. Mr. Hamba Paul ( Manager Nawampiti SACCO)	6576  (certificate available)	Nov. 2002		Luwuka County- Bulongo S/county located in luwuka trading centre	Fully operational (Strong)	<ul style="list-style-type: none"> <li>- Currently, the SACCO is managed by one employ- manager</li> <li>- Outstanding portfolio was 16million</li> <li>- Membership is 300</li> <li>- Institution had been active for the last 4 years</li> <li>- Members' shares amounted to 1,8848,000</li> <li>- Services to its members include Credit and savings</li> <li>- Payment of the loans by the members is on a monthly basis</li> <li>- Been selected as the model SACCO for Bulongo S/County</li> <li>- Operates daily</li> </ul>
IGANGA	Bugumba Women Coop. Savings and Credit Society Contact: Betty Kitambo- 0712 730349	6529	July 2002		Kikuga town council- found about 1 km from Iganga town at Nkatu trading centre	Operational But without a fixed location	<ul style="list-style-type: none"> <li>- The SACCO is comprised or serves only women clients</li> <li>- Founded in 2002 upon the promise of the then Vice president who promised funds to the group</li> <li>- Have an outstanding portfolio of approximately 50milliom. However the exact portfolio would not be established because of poor record keeping</li> <li>- They faced a problem of default among the members and inadequate capital for on lending</li> <li>- No office for operations</li> </ul>

							<ul style="list-style-type: none"> <li>- Operates once a month and whenever need arises</li> </ul>
IGANGA	<p>Buka Coop. Savings and Credit</p> <p>Contact: Mr. Wilson Mulondo ( District cooperative field officer))</p>	P 749			Buhanga, bugwere S/County	Dormant	<ul style="list-style-type: none"> <li>- Operated for only 1year and became dormant while still on probation</li> <li>- They have no office and the reasons for their dormancy include; <ul style="list-style-type: none"> <li>*Poor mobilization of members</li> <li>*Poor mobilization of resources</li> <li>*Lack of sensitization</li> <li>*Poor management</li> </ul> </li> </ul>
IGANGA	<p>Africa Diaspora Coop. Savings and Credit Union</p> <p>Contact person: Mr. Wamolo John</p>	7181			Iganga town council	Never Operated	<ul style="list-style-type: none"> <li>- Founded by the former Vice President (Specioza – Kazibwe), its intention was to act as an umbrella organization of SACCOs in the district. However, as certificates were collected according to the Cooperative field officer, it never operated and does not have offices.</li> </ul> <p>Reasons for failure include;</p> <ul style="list-style-type: none"> <li>- Poor leadership</li> <li>- No clear objective</li> </ul>
IGANGA	<p>Budoma Nkugemereku SACCO-</p> <p>Mr. Mwendu Mwesige-0772-365636 -( District cooperative field officer)</p>	7340	June 2005		Off Kamuli road, Bulango S/County and Luwuka county	Dormant	<ul style="list-style-type: none"> <li>- Also founded by then Vice President,</li> <li>- Has a total membership of 100</li> <li>- Services to members include credit and savings</li> <li>- The board members are active, but the operations are not as a result of poor management that resulted into default and no employed staff</li> </ul>
IGANGA	<p>Bulike Cooperative Savings and Credit</p> <p>Mr. Wilson Mulondo ( District cooperative field</p>	P724	2004		Bulanga	Never operated	<ul style="list-style-type: none"> <li>- Founded by some youth who came from Kampala and only looked for peoples’ names and signatures but they have never operated</li> <li>- They do not have a fixed location and they are presumed to be operating from Kampala</li> </ul>

	officer) Tel: 0782-657787						according to the District cooperative officer - Poor mobilization-founders only collected people's names and signatures
IGANGA	Biyinzika Poverty Alleviation Contact person: Eyiga Mudhasi Abbey	6528			Iganga town council located approximately 6km from Iganga town	Ceased operations	<ul style="list-style-type: none"> <li>- Failed to pay back a loan of 30million that they accessed from MSCL</li> <li>- Default among the members and some of the members are currently on the run</li> <li>- Poor management</li> <li>- Lack of group cohesion</li> </ul>
IGANGA	Bugweri Taxi Owners SACCO  Contact: Mr. Muwendo Mwesigwa, Tel. 0772-365636 ( District Cooperative Field Officer)	P731			It is located in Busesa sub-county- , Bugwere country	Dormant	<ul style="list-style-type: none"> <li>- According to DCO, the SACCO last submitted in their returns in 2004. It was still on probation and by this time. The main reason for its dormancy was lack of ownership of the SACCO by its members. The taxi drivers did not save regularly, and if they did so, then it was not voluntary.</li> <li>- Lack of group cohesion among the members</li> <li>- By the time the SACCO became dormant, it had 48 members</li> </ul>
IGANGA	Bugweri Integrated Coop. SACCO Contact: Mr. Wilson Mudondo. Tel. no. 078257787 ( District Cooperative Field Officer)	6510			Located in Bugweri county	Ceased to operate	<ul style="list-style-type: none"> <li>- Poor management</li> <li>- Lack of sensitization of the members</li> <li>- Poor mobilization of members which in turn made it difficult to mobilize resources in terms of local funds among the members ( savings and shares among the members)</li> </ul>
SOROTI (1)	Teso District Administration Employees- Mr. Benjamin Ogunju ( District Cooperative Officer) – 0772 372964	Unknown			Soroti District council offices	Ceased to operate	<ul style="list-style-type: none"> <li>- According to the District cooperative officer, the following reasons are responsible for the collapse of the cooperative; <ul style="list-style-type: none"> <li>* Retrenchment of employees</li> <li>* Mismanagement of funds</li> <li>* Restructuring of the staff</li> <li>* Creation of new districts</li> <li>* Mishandling of both personnel and assets</li> </ul> </li> </ul>

JINJA (6)	Jinja Tobacco Coop Savings  Contact: Mr. James Bageza (DCO Jinja) Tel cont: 0772373014	Unknown				Ceased operations	<ul style="list-style-type: none"> <li>- SACCO used to be active but was affected by restructuring during which process most members lost jobs</li> <li>- The factory later closed and the SACCO ceased</li> <li>- About a year ago, efforts including buying of shares were made by new employees in the reopened factory to revive the SACCO, but this did not work out and the SACCO ceased again</li> <li>- Premises are inaccessible, any attempts to enter are blocked by security personnel</li> </ul>
JINJA	Jinja Drivers COOP Savings  Contact : Mr Mutebi (chariman),0782-030142  Mr.Robert Wanambwa(Secretary)-0751065067  Mr.James James Bageza (DCO Jinja) Tel cont: 0772373014	7245  (certificate verified)	2003		Jinja main street (taxi park)	Operational (strong)	<ul style="list-style-type: none"> <li>- Has been operational since 1997 but registered in 2003</li> <li>- Offers loans and savings to clients currently has about 50 members</li> <li>- With a portfolio of about Ug Shs6,000,000</li> <li>- Operates a ROSCA kind of methodology</li> <li>- Has one fulltime person(chairman is around)</li> <li>- Operates daily</li> </ul>

JINJA	Jinja Income Tax Department Employees  John C.W. Mayanja, Manager, URA- Jinja Branch 0772420075					Ceased operations	<ul style="list-style-type: none"> <li>- Restructuring in the Income tax department of the URA Jinja which led to the collapse of the institution</li> </ul>
JINJA	Jinja Boda Boda Cooperative Savings  Contact: Mr. James Bageza (DCO Jinja) Tel cont: 0772373014	6624 signatory  Mwesigye E. Frederick  (certificate verified)			Bukale Road Opposite Richie Rich hotel	Operational (strong)	<ul style="list-style-type: none"> <li>- The institution operates, currently has 37 active members and has been in active for about 2 years</li> <li>- Institution was registered with the commission in Kampala</li> <li>- It offers savings and loans to members</li> <li>- There are efforts by the DCO for members to hold an AGM</li> <li>- Operates once a week</li> </ul>
JINJA	JINJA MOTOR WASHERS SAVINGS & CREDIT  Contact: Mr. James Bageza (DCO Jinja) Tel cont: 0772373014	5997  (certificate not seen)			Republic way Plot 86	Operational but weak	<ul style="list-style-type: none"> <li>- All staff are volunteers</li> <li>- institution has about 35 members</li> <li>- SACCO offers loans and savings to members</li> <li>- Operates daily a the washing bay but documents are kept a managers home because of the water around the premises.</li> </ul>
JINJA	Pamba Textiles Employees Coop.Saving  Contact: Mr. James Bageza (DCO Jinja) Tel cont: 0772373014					Ceased Operations	<ul style="list-style-type: none"> <li>- The industry was taken over by Industrial Security guards</li> <li>- When they took over, the employees within started another SACCO currently called Industry Security guards Savings society which has been active for about 1 year now</li> </ul>

KAMULI (1)	Kaiffe Brokers Savings and credit SACCO Contact; Mr. Majid Bagole (072672666 / 04335388)					Ceased to operate	<ul style="list-style-type: none"> <li>- The members of the SACCO were brokers.</li> <li>- Leaders passed away and SACCO got dormant for about 8 years.</li> <li>- The institution finally collapsed in 2005 when management of the park was changed.</li> </ul>
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**DATABASE OF MFIs SURVEYED FOR THE FSDU/AMFIU STUDY**

<b>District</b>	<b>Name of Institution(MFI)</b>	<b>Reg No</b>	<b>Date of Reg</b>	<b>Apex Affiliation</b>	<b>Fixed location</b>	<b>Status</b>	<b>Remarks</b>
<b>LUWERO</b>	Uganda Small Scale industry – Luwero Branch/USSIA (MFI)  Bamunanika Road  Kibuuka Wilson-Advisor, (former board member-0772-684046)  Kutesa Geoffrey-General Secretary-0772-844387	(Certificate not seen)		AMFIU		Operational	<ul style="list-style-type: none"> <li>- USSIA is a large institution that has a microfinance arm that has been operating since 1998</li> <li>- The MFI has 6 members of staff</li> <li>- Offers loans, savings to clients by individual and group lending methodology</li> <li>- Currently has 110 clients with a portfolio of Ug Shs 19,000,000</li> <li>- Institution has plans to mobilize more savings to boost the capital in the business.</li> </ul>
<b>MUBENDE</b>	Buwekula Women development Association  Accountant – Katumba Frank	5914/2597 (NGO)  <i>Signatory:</i> Rita Bbanga Bukenya(A sst. reg of companies)	24 <sup>th</sup> Feb 2000	MSCL	P. O. Box 93 Mubende, opposite district head quarters Intuition had no signpost	Fully operational	<ul style="list-style-type: none"> <li>- Institution started as a CBO with a member contribution revolving fund and later upgraded into an MFI</li> <li>- Institution has been a member of AMFIU since 1998</li> <li>- Institution has an NGO, company and AMFIU certificates</li> <li>- Offers savings, group loans and limited personal loans.</li> <li>- Currently has 80 members with loan portfolio of Ug Shs 50,000,000</li> <li>- Has 4 fulltime staff and 2 part time staff</li> </ul>

<b>KAMPALA</b>	Action on Disability and Development(ADD)  Contact: Operations Manager				Plot 81 Bukoto street	Operational but not as a microfinance institution	<ul style="list-style-type: none"> <li>- The institution has never conducted micro credit and was not contacted by the census team</li> <li>- In 1998-2000, the NGO gave out grants to disabled groups to be used as a revolving fund, and trained the groups on basic knowledge in business, entrepreneurship, and group formation management</li> <li>- The institution expected organisations at district level to monitor the operations.</li> </ul>
	Nakawa Micro and Small Enterprise Initiative  Contact: Administrator, Bugolobi Market  Adam Kibuuka, Director 0752-815187					Ceased operations	<ul style="list-style-type: none"> <li>- Institution operated from 2001 – 2005 and closed because of: <ul style="list-style-type: none"> <li>o High default rates</li> <li>o Political pressure</li> </ul> </li> <li>- The institution had 380 members and an outstanding loan portfolio of Ug Shs 6,800,000</li> <li>- There are plans to revive the institution next year.</li> </ul>
	Uganda Rural Development and Training (URDT)  Contact: Managing Director of the MFI  Phone 256704/342270				Ambassador House 1 <sup>st</sup> Floor, Room 12 Entrance D	Ceased microfinance operations but is still operational	<ul style="list-style-type: none"> <li>- The MD vividly remembered the census team and gave them information about the institution</li> <li>- <i>(he was not willing to repeat the same exercise)</i></li> <li>- According to AMFIU, the institution still exists but does not offer microfinance services.</li> </ul>
	CCF MEDI Contact :Ameda James (former Country Director)					Ceased operations	<ul style="list-style-type: none"> <li>- Started as an experiment with the objective of providing micro loans to people living with HIV/AIDs in Mengo Kisenyi</li> </ul>

							<ul style="list-style-type: none"> <li>- A grant to fund the project was obtained from Australia Soft loans were given to the beneficiaries who paid back and the proceeds were used to expand the project</li> <li>- MEDI was run as a department under the development arm of CCF, but expanded rapidly.</li> <li>- It closed in 2002 following an evaluation of the mother programme CCF due to the following reasons: <ul style="list-style-type: none"> <li>• Conflict with the original programme objectives. It did not portray a good image that CCF, a charity organisation was now involved in profit making projects.</li> <li>• The department expanded too fast and became difficult to manage. (The project was not well thought out to become a big institution within a small department)</li> <li>• Disagreements among stakeholders involved as to how the institution/department should be run.</li> </ul> </li> </ul>
RUKUNGIRI	Rukungiri Gender and Development Association (RUGUDA)  Contact: Kwehangana Robert-MFO	1651 NGO	2001	Not renewed AMFIU membership	Plot 6, Republic Street, Rukungiri town Council	Fully operational	-Started as an NGO funded by the African Development Fund. Operations continued on a small scale after the funding expired -MF is just a component of other operations which include HIV/AIDS

	0712-371761/ 0752-371761						<p>sensitization, Water and Sanitation, and Nature conservation (tree nursery beds).</p> <ul style="list-style-type: none"> <li>-Other programs outweigh the microfinance component</li> <li>-By the time of the census, the institution's registration had expired and were operating illegally</li> </ul>
MASINDI	Poverty Alleviation Credit Trust(PACT) Contact : John Amos Kabwijamu Mrs.Roseta Kabwijamu		1995			Ceased to operate	<ul style="list-style-type: none"> <li>-Institution started working in 1996, aided by Grameen bank with a Ug Shs 50M concessional loan</li> <li>-Registered a new shareholding company(public) of which PACT will be a member</li> <li>- Institution operated between 1996-2004 and closed because of : <ul style="list-style-type: none"> <li>o Lack of loan capital</li> <li>o Slow build of business</li> <li>o Preference for SACCOs which people could participate in controlling</li> <li>o Lack of managerial vigor; CEO/Chairman were too old to keep up the dynamics of industry competition</li> </ul> </li> <li>- The institution's microfinance component was closed with no debt to members or creditors</li> <li>- The institution still exists but does not offer microfinance services.</li> </ul>
JINJA	Kuteesa Development Taskforce  Contact: Mr. Tumusiime John(LC of the village) (0772823698)					Ceased to operate	<ul style="list-style-type: none"> <li>- The institution was unable to recover loans since it lent out a lot of money to members</li> <li>- Headquarters were at a building that used to be occupied by UCB-Naava village, Njeru West</li> </ul>

							<p>and is currently a bar</p> <ul style="list-style-type: none"> <li>- Institution has been dormant since 1998</li> <li>- The LC was monitoring the institution with occasional visits</li> <li>- Most of the money was disbursed in cheques to groups as such, the institution lacked effective follow up as some members disappeared with the money</li> <li>- To that effect the LC received a number of complaints</li> </ul>
IGANGA	Genesis Microfinance Bureaux		NGO-1998 MFI-2000		Mukwya Road – Iganga Town	Fully Operational	<ul style="list-style-type: none"> <li>- Plans are underway for the institution to shift in April 2007 to new premises on Daudi Waiswa Road opposite IFM Radio Station.</li> <li>- MFI intends to register as a SACCO following a board resolution of Dec 2006, with the hope of accessing funds from “Bonnabagawale”.</li> <li>- They are currently operating in the districts of Iganga, Mayuge, Namutumba and Bugiri.</li> <li>- Current outstanding portfolio is 24m</li> <li>- Loan repayment is monthly</li> <li>- Current clientele is 1,300 individuals.</li> </ul>

## APPENDIX V: SURVEY INSTRUMENTS

### GUIDING QUESTIONS FOR APEX BODIES (UCA, UCSCU, AMFIU, UNDP)

1. Are there SACCOs/ MFIs that were registered with your institution but are currently non-existent? (***Obtain a list if available***)

b) If yes, what are the reasons for their non- existence/ disappearance?

2. What is your institution currently doing to revive these institutions/ follow up on their disappearance?

## GUIDING QUESTIONS FOR THE REGISTRAR OF COOPERATIVES

### **1. Obtain a list of SACCOs with their current physical addresses.**

2. What are the criteria for eligibility to obtain a certificate?
  3. How long does it take for institutions to obtain certificates of registration after application?
  4. What do you consider during the appraisal process?
  5. Is there follow up of the institutions after registration?
  6. What are the criteria for de-registering a SACCO?
- b) How many SACCOS have applied, registered or have been deregistered during the last 12 months and/or 3 years?

	<u>12 months</u>	<u>3 years</u>
Applications	_____	_____
Registered SACCOs	_____	_____
De-registered SACCOs	_____	_____

7. How often is the SACCO registry updated?
7. What are the causes for collapse/ disappearance of SACCOs?
8. Do institutions require a recommendation from any other apex body (ies) to be registered with your institution? If yes, which ones?

## **AMFIU/ FSDU MISSING SACCOs AND MFIs STUDY**

### **QUESTIONNAIRE TO DCOs, FEWs LC OFFICIALS AND STAFF OF MISSING SACCOs AND MFIs**

#### **BACKGROUND OF THE STUDY**

This study is in response to the results of a census of Tier 4 institutions that was conducted by FSDU and the Ministry of Finance, Planning and Economic Development and other partners which revealed a discrepancy between the numbers institutions (SACCOa and MFIs) registered and those which were found on the ground.

Against this background, FSDU and AMFIU, held discussions and came up with the likely reasons / hypotheses for the variance including:

1. The census team only counted SACCOs and MFIs that had fixed locations
2. The census team only counted institutions that could produce a copy of a registration certificate from appropriate authority.
3. While the interviewers were remarkably thorough, there may have been some institutions which exist, but which they simply were unable to find.
4. An unknown number of institutions have collapsed / Dormant and disappeared
5. SACCOs have been registered for various reasons but never actually operated on the ground (briefcase institutions).

We are therefore requesting you to help us validate the above hypotheses and therefore work out a way forward for our industry.

**SECTION A: TO BE FILLED FOR ALL INSTITUTIONS.**

**1. What do we know about the institution?**

- a) Name: .....
- Year of Registration: .....
- Physical Address .....
- Legal Status: (tick where appropriate)
  - CBO .....
  - SACCO .....
  - NGO .....
  - Company .....
  - Any other (please specify):.....

*(attach any documentation, such as photo copy of MTTI registration and application form)*

- b) The institution was listed by (tick where appropriate)
  - Registrar of Co-operatives
  - Membership register of AMFIU/UCA/UCSCU (underline appropriately)
  - Indicated by LC 1/2/3
  - Other Source (please specify)
- c) If applicable, date of last contact with the institution:  
.....
- d) Latest contacts available (please give source for each, e. g. registration, apex, etc.)  
  
Source .....
- e) Persons contacted by the Census-Team:  
.....  
.....

**SECTION B: DETAILS ABOUT INSTITUTIONS FOUND TO EXIST AND OPERATING AT A FIXED LOCATION**

The institution was found to exist and operate as per interviews with the following:

DCO .....

MFO / FEW .....

LC .....

Staff .....

Other (please specify) .....

a) Does/ did the institution possess a registration document?

Yes..... No.....

b) If yes, when did it receive it (date of actual arrival of hardcopy at premises, NOT date of registration)?

.....  
.....

c1) If no, please explain why the institution has been registered, yet does not possess a registration document.

.....  
.....

c2) Please explain what the representatives of the institution have done to get hold of their registration document.

.....  
.....

*(Attach copies of applications for registration if possible.)*

d) Products ..... and ..... services offered.....

e) Number of members.....

f) Portfolio size .....



**SECTION C: DETAILS ABOUT INSTITUTIONS FOUND TO BE OPERATING WITHOUT A FIXED LOCATION.**

The institution operates but without a fixed location as per interviews with the following:

DCO .....

MFO / FEW .....

LC .....

Other (please specify) .....

a) The institutions was founded and/or registered:

Founding Year: .....

Founding Members:.....

Registration Year: .....

Legal status: .....

Contacts of institution.....

b) The institution operates at the following location(s):

.....  
.....

c) The members / clients meet by the following mode/rhythm/methodology:

.....  
.....

d) They serve the following number/kind of members/clients:

.....  
.....

e) Assessment of the institution (strengths & weaknesses)

.....  
.....  
.....  
.....

f) Other details of the interviews.

DCO.....  
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.....  
.....



**SECTION D: DETAILS ABOUT INSTITUTIONS FOUND TO EXIST BUT NOT TO OPERATE**

The institution was found to have exists but does not operate as per interviews with the following:

DCO .....

MFO / FEW .....

LC .....

Other (please specify) .....

a) Period of existence.....

b) Reasons for not operating and other details of the interviews.

DCO.....

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FEW/MFO.....

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Other (LC, Staff, etc).....

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**SECTION E: DETAILS ABOUT INSTITUTIONS FOUND TO HAVE CEASED TO OPERATE.**

The institution was found to have existed and/or operated but ceased to do so as per interviews with the following:

DCO .....

MFO / FEW .....

LC .....

Other (please specify) .....

a) How did you learn about the closure of the institution?

.....  
.....

b) What did you do when you learnt about the closure?

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.....

c) Period of operation..... of

d) Reasons for closure and other details of interview

DCO.....  
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FEW/MFO.....  
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## APPENDIX VI: STATISTICAL CALCULATIONS

### SPSS OUTPUT

The table below illustrates whether there is a correlation in the hypotheses under study. From the table, the Pearson's correlation coefficient (p-value) is 0.004 which is less than the shows than 0.05

#### ANOVA

##### SACCOS

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	274.000	4	68.500	6.080	.004
Within Groups	169.000	15	11.267		
Total	443.000	19			

The table below shows the confidence level and confidence limits that were yielded

#### DESCRIPTIVES

##### SACCOS

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
A	4	.7500	.5000	.2500	-4.5612E-02	1.5456	.00	1.00
B	4	.2500	.5000	.2500	-.5456	1.0456	.00	1.00
C	4	5.2500	5.1235	2.5617	-2.9026	13.4026	.00	11.00
D	4	10.0000	5.3541	2.6771	1.4804	18.5196	3.00	16.00
E	4	1.2500	.9574	.4787	-.2735	2.7735	.00	2.00
Total	20	3.5000	4.8286	1.0797	1.2401	5.7599	.00	16.00

The table below explains the relationship (level of correlation) between the categories. From the table:

- There is relationship between the SACCOS in category A and those in Category D while there is no relation ship between those in A and those in B,C and E
- There is a relationship between the SACCOS in category B and those in D
- There is a no relationship between the SACCOS in category C and those in any other category
- There is a relationship between the SACCOS in category E and those in category D

### Multiple Comparisons

Dependent Variable: SACCOS

LSD

(I) CATEGORY	(J) CATEGORY	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
A	B	.5000	2.3735	.836	-4.5589	5.5589
	C	-4.5000	2.3735	.077	-9.5589	.5589
	D	-9.2500*	2.3735	.001	-14.3089	-4.1911
	E	-.5000	2.3735	.836	-5.5589	4.5589
B	A	-.5000	2.3735	.836	-5.5589	4.5589
	C	-5.0000	2.3735	.052	-10.0589	5.892E-02
	D	-9.7500*	2.3735	.001	-14.8089	-4.6911
	E	-1.0000	2.3735	.679	-6.0589	4.0589
C	A	4.5000	2.3735	.077	-.5589	9.5589
	B	5.0000	2.3735	.052	-5.8920E-02	10.0589
	D	-4.7500	2.3735	.064	-9.8089	.3089
	E	4.0000	2.3735	.113	-1.0589	9.0589
D	A	9.2500*	2.3735	.001	4.1911	14.3089
	B	9.7500*	2.3735	.001	4.6911	14.8089
	C	4.7500	2.3735	.064	-.3089	9.8089
	E	8.7500*	2.3735	.002	3.6911	13.8089
E	A	.5000	2.3735	.836	-4.5589	5.5589
	B	1.0000	2.3735	.679	-4.0589	6.0589
	C	-4.0000	2.3735	.113	-9.0589	1.0589
	D	-8.7500*	2.3735	.002	-13.8089	-3.6911

\*. The mean difference is significant at the .05 level. This shows that there is a relationship between the categories under consideration