REPUBLIC OF UGANDA

PARISH DEVELOPMENT MODEL

(PDM Labs Makerere University)

FEASIBILITY STUDY OF FINANCIAL INSTITUTIONS TO PROVIDE FINANCIAL SERVICES TO PARISH DEVELOPMENT MODEL ENTERPRISES

February, 2022

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF ACRONYMS

ACB	Agriculture and Co-operative Bank
BDS	Business Development Services
CDO	Community Development Officer
FPP	Focal Point Person
GIS	Geographic Information System
KCCA	Kampala Capital City Authority
LGs	Local Governments
MDAs	Ministries, Departments and Agencies
MSMEs	Micro, Small, and Medium-sized Enterprises
NDP	National Development Plan
NDPIII	Third National Development Plan
NPA	National Planning Authority
NPC	National Policy Committee
NRM	National Resistance Movement
NSAs	Non-State Actors
NUSAF	Northern Uganda Social Action Fund
PDM	Parish Development Model
PLO	Parish Loans Officer
PPCP	Public-Private-Community-Partnership
PRDP	Peace, Recovery and Development Plan
PRELNOR	Project for the Restoration of Livelihood in the Northern Region
PRF	Parish Revolving Fund
SACCO	Savings and Credit Cooperative Organization
SAGE	Social Assistance Grant for Empowerment
SDGs	Sustainable Development Goals
SMEs	Small, and Medium-sized Enterprises
TPC	Technical Planning Committee
UAIS	Uganda Agriculture Insurance Scheme
UWEP	Uganda Women Entrepreneurship Programme
YLP	Youth Livelihood Programme

EXECUTIVE SUMMARY

To be populated after getting feedback.

CHAPTER ONE: INTRODUCTION

1.1 Background

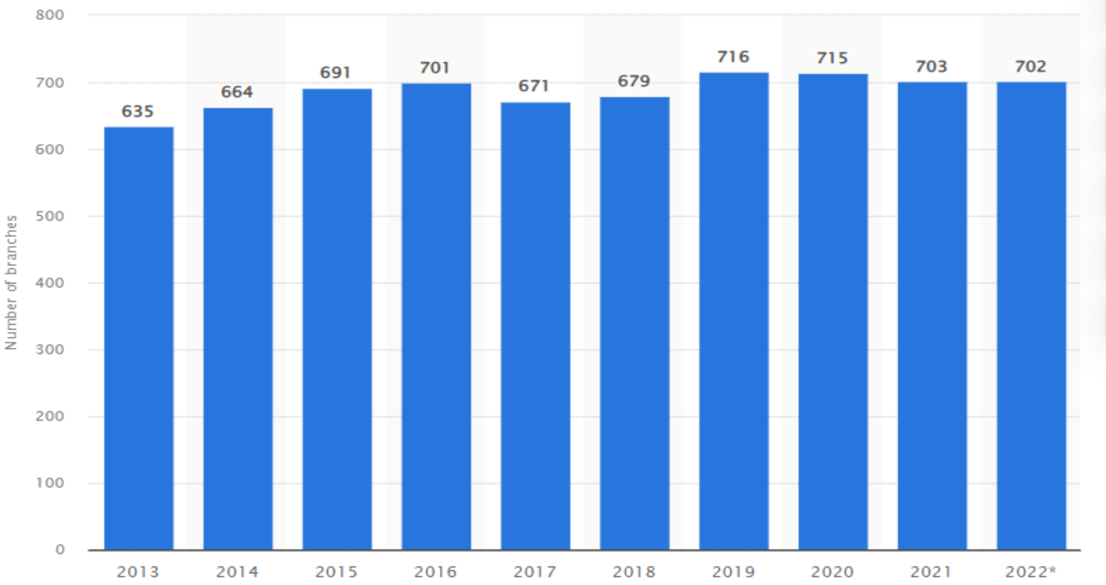
The Parish Development Model (PDM) was approved by Cabinet in March 2021 and thereafter, the President of the Republic of Uganda, H.E. Yoweri Museveni launched the PDM on 26th February 2022 in Kibuku District, Bukedi Sub Region. The PDM is a Government strategy to reduce poverty by moving 39 per cent of households (i.e., 3.5 million households or 16.1 million Ugandans) under the subsistence sector into the money economy. PDM emphasizes the "Whole of Government" approach, bringing State and Non-State Actors together to ensure increased production, processing and marketing, infrastructure and service delivery at the communities' level; focused on-farm and off-farm.

Under the Financial inclusion pillar of PDM, robust financial services are extremely vital to the successful operationalization of PDM by comprehensively providing much needed credit to the subsistence households. The other pillars of the PDM are; Pillar 1 - Value Chain Development (Production and Processing) Pillar 2 - Infrastructure and Economic Services, Pillar 4 - Social Services, Pillar 5 – Community Mobilization and Mindset Change, Pillar 6 – Parish-Based Management Information System (PBMIS) and Pillar 7 - Governance & Administration.

The feasibility study of financial institutions (both public and private) entails undertaking a comprehensive assessment of the preparedness of financial institutions to adequately facilitate the process of financing PDM interventions. The feasibility study is therefore a robust comparative analysis of the infrastructure, agricultural insurance policy, customer relationships, connectivity, financial products and the flexibility of the various identified financial institutions to support PDM intervention financing. The feasibility study shall engage both public and private financial institutions. The public financial institutions identified for the study include based on the number of customers and outreach; Housing Finance Bank, Post Bank, DFCU Bank, Pride Microfinance and the Microfinance Support Centre. The private financial institutions identified based on the based on the number of customers and outreach for the study include; Centenary Rural Development Bank, Stanbic Bank and Equity Bank.

As of June 2022, the total number of branches of commercial banks and credit institutions in Uganda corresponded to 702, decreasing from 703 in December 2021. The number of bank branches in the country generally increased in the period under review, peaking at 716 in 2019.

Figure 1.1: Number of bank branches in Uganda from 2013 to 2022



Source: Statista Research Department, 2022

Financial services have to be oriented towards the needs of the subsistence households identified under PDM. The feasibility study of financial institutions therefore involves undertaking a situation analysis of the status of financial services and the relationship with the subsistence households, understanding the nature of financial exclusion being faced by households, ascertaining the level of preparedness and existent infrastructure of financial institutions that can adequately support the PDM enterprise groups.

The feasibility study of financial institutions contributes to the objective of adequately identifying financial institutions that shall enable access to appropriate financial products and services such as savings, credit, and insurance and payment systems by households that operate in the subsisting segment (subsistence households). It is envisioned that access to credit through the Parish Revolving Fund shall foster the much-needed socio-economic transformation of subsistence households into the money economy.

In addition, the activity is also aligned to objectives of the SDG 10 of reducing inequality as well as NDP III Agro-industrialization programme whose objectives comprise the need to increase the mobilization and equitable access and utilization of agricultural finance thereby boosting agricultural production and productivity.

It is against this background that the Parish Development Model (PDM Labs Makerere University) seeks to conduct a Feasibility study of financial institutions to provide financial services to Parish Development Model enterprises.

The feasibility study will further ensure that Government of Uganda achieves allocative resource efficiency in terms of implementing the financial inclusion pillar under the PDM which is envisaged to reduce poverty by moving 39 per cent of households (i.e., 3.5 million households or 16.1 million Ugandans) under the subsistence sector into the money economy.

1.2 Problem Statement

The success of Parish Development Model in Uganda highly depends on the robust provision of financial services to PDM enterprise groups thereby enabling them to increase their production and productivity levels. It is through the financial services that the critical Parish Revolving Fund shall be effectively allocated to these groups to comprehensively support their integration into the money economy. This therefore calls for ensuring Government partners with extremely capable financial institutions with robust financial infrastructure and services required to alleviate the subsistence households out of poverty to the money economy.

The challenges currently plaguing the subsistence households in Uganda and hence hindering success of the PDM are; financial exclusion thereby limiting access to financial services (savings, credit and insurance); inadequate credit delivery mechanisms; lack of access to financial information technology and lastly financial illiteracy.

Accordingly, the PDM Labs Makerere University intends to hire a Consultant to undertake a comprehensive feasibility study of financial institutions required to provide financial services to enterprise groups under the Parish Development Model.

1.3 Objectives of the feasibility study

The overall objective is "To undertake a feasibility study for the preparedness of financial institutions to provide financial services to Parish Development Model Enterprises.

The specific objectives include:

i) Profile the current arrangements for delivering the financial pillar

ii) Document the shortcomings and identify gaps of the status quo financial pillar arrangements

iii) Proposal for the new institutional arrangement for a functional financial pillar

iv) Assess the viability of the proposed institutional arrangement of the financial pillar

1.4 Approach and Methodology of the Feasibility Study

a) **Document Review:** An in-depth review of relevant documents was conducted to identify key information and insights related to the study. These documents included reports, policies, regulations, and other relevant materials.

b) **Qualitative Data Analysis:** The PDM SACCO's Readiness Survey Data from NPA was qualitatively analyzed to identify key themes and insights. Appropriate analytical tools such as content analysis or thematic analysis were used.

c) **Data Collection:** Data was collected from financial institutions to gain an understanding of their branches and services offered. This was done through various methods such as surveys, questionnaires, and interviews.

d) **GIS Mapping and Cartography:** GIS Mapping and Cartography tools were used to ensure location coordinates for bank branches were accurate and quality-assured. This was done by cross-referencing data from multiple sources and using geocoding tools to ensure accurate mapping.

e) **Key Informant Interviews:** Interviews with key informants were conducted to gather additional insights and data on the research topic. These interviews included stakeholders, experts, or other individuals with relevant knowledge and expertise.

f) **Data Synthesis:** The data collected from the various sources was synthesized to identify key insights and trends. This was done through a combination of quantitative and qualitative analysis.

g) **Report Writing:** Finally, a feasibility study report was drafted with input from the insight from the data synthesis.

1.5 Organization of the Feasibility study

The report is organized into five chapters with additional annexes. Chapter one serves as an introduction and includes background information, the problem statement, objectives of the feasibility study, approach and methodology of the study, stakeholder consultation, and organization of the feasibility study.

Chapter two focuses on the PDM Financial Inclusion Pillar and provides an overview of the pillar, its goals and objectives, key principles, target population, geographical coverage, and the components of the pillar such as community mobilization and organization, business development services, financial literacy, market linkages, agriculture insurance, and low-cost loans.

Chapter three examines the current arrangements for delivering the financial pillar and discusses the policy, legal, and institutional framework, the relevance of the project, the status of the PDM, and the shortcomings of the PDM.

Chapter four presents three options for the financial pillar: maintaining current arrangements, PDM financing mechanism, and hybrid strengthening of existing arrangements, along with a profile of banks, shortcomings and gaps of the status quo financial pillar arrangements, and viability analysis for the proposed institutional arrangements.

Chapter five concludes the report with a proposal for a new institutional arrangement for a functional financial pillar, recommendations, and next steps.

CHAPTER TWO: THE PDM FINANCIAL INCLUSION PILLAR

2.1 The Overview of the PDM and the Financial Inclusion Pillar

The Parish Development Model (PDM) is a National Development Plan (NDP) implementation mechanism by both the State and Non-State Actors to achieve inclusive socioeconomic transformation of households in a coordinated, collaborative and participatory manner using the parish/ward as the epicentre and the last-mile for development. The implementation of the PDM is expected to be mainstreamed into existing structures of Ministries, Departments, Agencies (MDAs) and Local Governments (LGs) to support the implementation of government programmes and projects. The aim of this is to organise and reorganise subsistence households into farmer/community groups into clusters/associations where they can easily be supported to improve production, processing and marketing value chains.

The purpose of the PDM is to: deepen the decentralization process; improve household incomes; inclusiveness, and sustainable, balanced and equitable socio-economic development.

The goal of the PDM is to increase household incomes of Ugandans through transformation of subsistence households (both on-farm and off-farm, in rural and urban settings) into the money economy. However, PDM alone will not help in achieving increased household income (Y) as this requires a holistic participatory approach in addressing it. For this to happen, a collection of different elements that include PDM, agro-processing facilities (APF), Rural-industrial incubation centres (RIIC), rural industrial parks (RIP), urban markets (UM) and culture and creative industry (CCI) requires harmonization. Simply put as:

Increased household income (Y) = PDM + AFP + RIIC + RIP + UM +CCI

The PDM is implemented along seven Pillars, namely:

1. Agricultural Value-Chain Development (Production, Storage, Processing and Marketing)
2. Infrastructure and Economic Services
3. Financial Inclusion
4. Social Services
5. Community Mobilisation and Mindset change
6. Parish-Based Management Information System
7. Governance and Administration

The feasibility study for the preparedness of financial institutions to provide financial services to Parish Development Model Enterprises primarily focuses on the delivery mechanism of the Financial Inclusion Pillar. The Financial Inclusion Pillar is aimed at enabling access to appropriate financial products and services such as savings, credit, and insurance and payment systems to subsistence households. The PDM Financial Inclusion Pillar, therefore, shall focus on transforming subsistence households (both Agricultural and Non-Agricultural) into the money economy.

Thus the pillar shall focus on: Reducing financial exclusion by addressing barriers to access financial services by the households; Deepening and broadening formal savings, investment and insurance usage; Strengthening credit delivery mechanisms to support inclusive growth at the household level; Effective coordination of financial inclusion and wealth creation initiatives; Financial Information Technology: - building the digital infrastructure for efficient financial service; and Empowering and protecting individuals with financial capability through financial literacy.

The PDM Financial Inclusion Pillar shall be implemented through six components, including; Community organisation into Enterprise Groups and PDM SACCOs; Business Development Services (BDS) and financial literacy; PDM Integrated Financial Management Information and Payment System (PDM IFMS); Savings and Credit; Agriculture insurance; and Market linkages through e-market place match-making and off-taker market placements. These components are explained in detail in the subsequent sections.

2.1.1 Target Population and geographical coverage

The PDM Financial Inclusion Pillar targets unbanked and underbanked households by directing sustainable financial products and services to them in order to increase their economic opportunities. The PDM Financial Inclusion Pillar covers all Local Governments in the Country (Districts, cities and municipalities).

2.1.2 The Parish Revolving Fund

The Parish Revolving Fund (PRF) aims to support subsistence households in developing and implementing viable income-generating activities. The PRF follows a grassroots approach by mobilizing communities at the Parish level into Enterprise Groups and providing them with the necessary support to become self-reliant.

To access loanable funds, subsistence households who are members of an Enterprise Group shall be supported by the PRF to buy shares in the PDM SACCO. The PDM SACCO's capital injection shall form the loanable funds for subsistence households, and upon becoming members of the PDM SACCO, they shall receive loans to finance common income-generating activities within their locality.

The amount approved by the PDM SACCO for each subsistence household or Enterprise Group shall depend on the nature of the income-generating activity/enterprise being undertaken, but it shall not exceed the amount appropriated by the government to the Parish.

To qualify for PRF financing, an income-generating activity/enterprise shall support the production, storage, value addition or marketing of one or more of the agricultural production lines that have been recommended by Third National Development Plan (NDPIII) and the National Resistance Movement (NRM) Manifesto 2021-2026.

The recommended income-generating activities for PRF financing fall under two main categories:

i) Farming activities, including inputs, farm tools and machines, animal traction, micro-irrigation, extension services, harvesting technologies (including fishing gear), and post-harvest handling technologies (including wet and dry storage, grading, sorting, bulking, etc.); and

ii) Off-the-farm agricultural activities, including processing, packaging, storage, distribution, buying and selling of agricultural products.

Overall, the PRF approach aims to promote community ownership, self-reliance and enhancement of the subsistence households' income-generating capacity by providing them with the necessary support and resources to develop viable income-generating activities.

2.1.3 Access of funds under the Parish Revolving Fund

Subsistence households can access loans under the Parish Revolving Fund (PRF), which requires them to form an Enterprise Group and join others to become part of a PDM SACCO. The next process involves selecting an income-generating activity, filling out application forms and a business plan, and going through an appraisal process. The loan application is approved by the PDM SACCO at the parish level, and upon approval, funds are released to the PDM SACCO bank account for on-lending to members at a maximum interest rate of 6% per annum. The PDM SACCO must open a dedicated account with a supervised financial institution and sign a financing agreement with the district.

2.2 Goal and objectives, and Key Principles of the PDM Financial Inclusion Pillar

The mission of the PDM Financial Inclusion Pillar is ''to promote sustainable and equitable community development through participative financial and non-financial interventions, innovations, technology and institutional development for socio-economic transformation.''

The goal of the PDM Financial Inclusion Pillar is ''to enable participation of subsistence households in the financial sector and hence the money economy for stronger as well as more sustainable and inclusive economic growth and development.''

The overall objective is ''to sustainably transform subsistence households into the money economy by easing access and use of appropriate financing.''

The Key Principles of the PDM Financial Inclusion Pillar are:

a) There shall be income generating activities in the Production, Processing, Marketing and Storage of agricultural products under Enterprises identified under Pillar 1 to be financed, at every Parish. Existence of income-generating activity shall be re-enforced by the right business mindset and capabilities.

b) Subsistence households (comprising the most poverty-stricken, illiterate, vulnerable and unemployed people in a Parish) who do not have access to financial services shall be prioritised in the provision of financial services under the PDM in the form of credit, agriculture insurance and business development services.

c) Credit will be prioritised to support investment by the subsistence households while savings will not be a prerequisite. Access to credit shall be based on reasonable terms, such as the group lending system and instalment payments that are tailored to the business's cash flows, with reasonably long terms of loans, enabling subsistence households to build on their existing skills to earn better income in each cycle of loans.

d) The PDM Financial Inclusion Pillar offers subsistence households the opportunity to take initiatives in agribusiness or agriculture, which provide earnings and enable them to pay off the debt.

e) Enterprise groups shall be the gateway to subsistence households: small informal groups consisting of co-opted members coming from the same background and trusting each other shall be the target of the Parish Revolving Fund.

f) The PDM Financial Inclusion Pillar shall be based on an assessment of the socioeconomic background of subsistence households rather than on a pre-established banking/SACCO technique.

g) Promotion of a progressive and business attitude to financial inclusion: Parish development shall be a long-term process which depends on the aspirations and commitment of the economic operators within the Parish.

h) Make it possible for the borrower to be able to repay the loan. Provision of credit shall be preceded by organisation and capacity building of participating households.

i) At the beginning, credit shall be restricted to income-generating activities (in agricultural production, processing, storage and marketing) that are selected by the community in a participatory manner (Subsistence Households in their enterprise groups).

j) Operating costs shall be kept to a minimum by leveraging on IT- and shared services across the country.

2.3 Components of the PDM Financial inclusion pillar

The Pillar exhibits a "finance-plus" approach by facilitating the optimum use of factors of production at the grassroots level in order to enhance the productive potential of households. The PDM Financial Inclusion Pillar shall organise households into business-oriented Enterprise Groups and link them to quality inputs, insurance, payment systems, tailored technical assistance (including financial literacy, business development services and extension services), guaranteed markets, savings and appropriate loan financing. As such, the PDM Financial Inclusion Pillar shall at its full implementation have six components namely:

a) Community Organisation (Enterprise Groups and PDM SACCOs);

b) Business Development Services (BDS) and Financial Literacy;

c) Affordable loans and savings;

d) Integrated Funds Management System;

e) Market linkages through e-market place matchmaking, off-taker market placement with value chain leaders and inputs market placement; and

f) Agriculture insurance.

It is important to note that the implementation of these components shall be sequenced.

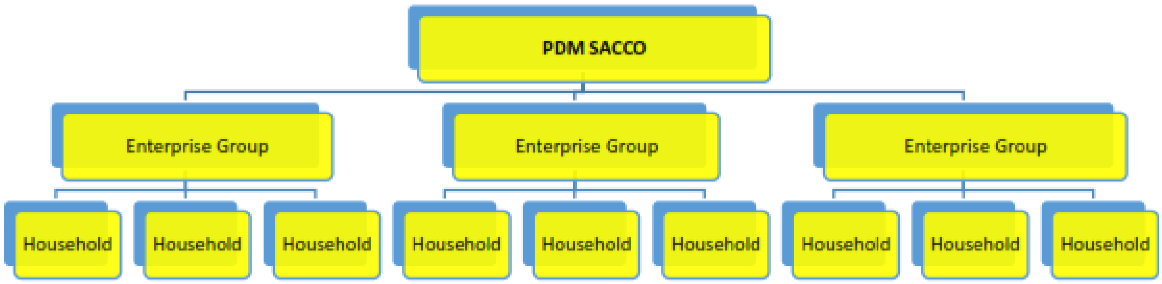
2.3.1 Community mobilisation & organisation

Implementation of the Financial Inclusion Pillar begins with community mobilisation for buy-in and participation by the households as well as ensuring that the community carries out their own situation analysis and identifying their own issues to redress. Community members are sensitised on the Financial Inclusion Pillar and its objectives, qualifying enterprises and implementing modalities. This means informing community members on how the PDM Financial Inclusion Pillar works and the role it will play in uplifting their economic status.

In each Parish, this involves community mobilization, sensitization and participatory community appraisal processes. The participatory community appraisal processes are carried out to ensure that the community understands the PDM and embraces it as a development model led by them. This process also allows the community to easily get involved in the PDM Financial Inclusion Pillar and have active participation, decision making, monitoring and ownership.

Community mobilisation and sensitisation are also conducted at village level meeting by a team of both local/political leaders and technical staff of the sub-county including LC1 chairpersons and councillors, CDO, Parish Chief among others. All members of the village are encouraged to participate in this meeting so as to be involved in the initial activities of the PDM.

Figure 2.1: The community Organisation Process and Strategy



Source:

2.3.2 Business Development Services and financial literacy

Experience in financial inclusion initiatives in Uganda points to the essential role of tailored business development services, to accompany financial services and investments into micro enterprises. For purposes of the PDM, BDS includes: -

a) Proper management of the Parish Revolving Funds requires PDM SACCOs and Enterprise Groups to receive business development services including organisational development support, business management, digitisation and member financial literacy.

b) Business Development Services and Financial Literacy focus on building the capacity of the Enterprise Groups and the members in order to encourage a business/entrepreneurial mindset, strong operational structures and business skills including opportunity identification, goal setting and business planning. Financial Literacy shall cover the institutional capacity to manage the revolving fund (loan application, appraisal, recovery and management) and boosting the capacity of the members to be good stewards of the resources offered under the revolving fund (saving, investment, financial discipline, loan repayment etc).

2.3.3 The PDM Integrated Financial Management Information & Payments system

All disbursement processes and transactions under this financial Pillar are computerized using a dedicated PDM Financial Inclusion Management Information Module (PDM-FIS) under the PDM Management Information System developed under Pillar 6, making it easier to monitor performance of the Fund, even for remote supervision. The PDM-FIS is be able to track all funds at each point of the transaction in order to ensure that every shilling disbursed by government reaches the intended beneficiary and is used for the intended purposes and repaid.

The PDM-FIS digitises the business activities of PDM SACCOs and their members i.e., the enterprise groups. As such, transfers are supported by digital financial technologies that are under formal regulation, in order to provide financial services in a secure, transparent and efficient manner, as well as to effectively monitor recovery. This is expected to increase accountability and reduce risk of loss of funds. The PDM-FIS also supports the creation of digital identities and live credit scoring based on alternative data for members of subsistence households.

The PDM-FIS is therefore intended to keep operating costs to a minimum, Ensure Security of funds- minimise risk of theft/financial loss, Simplify the way we measure impact-subsistence households reached per annum, promote transparency and accountability; build credible (transaction-based) database of beneficiaries, sectors, use of funds, measurement of impact in terms of employment, household incomes, savings etc. and improve the credit profiling/scoring of subsistence households.

2.3.4 Market Linkages

The PDM Financial Inclusion Pillar will use the Integrated Financial Management and Payments System to provide an e-Market Matchmaking solution for registered enterprises. The system will connect buyers and sellers, provide a trusted environment for transactions, and allow Enterprise Groups to register as suppliers of specific products or services. Value chain leaders will also register on the system to buy or supply certified inputs. Commodity clusters will group together relevant actors to enhance efficiency and serve as regional aggregation centres for raw materials and facilities for primary processing, value addition, and marketing. The clusters will also help subsistence households become production specialists by providing inputs and services required to improve production quality and consistency.

2.3.5 Agriculture insurance

Government of Uganda launched the Uganda Agriculture Insurance Scheme (UAIS) in 2016 to provide insurance premium subsidies to farmers across the country for various crops and livestock. The scheme is implemented across the five (5) regions of the country, providing insurance cover for: - Coffee, Tea, Maize, Rice, Cassava, Beans, Bananas, Fish, Cattle; Pigs; Poultry, Fruits and Vegetables, Cotton, Oil Palm, Oil Seed and Cocoa, Avocado, Cashew Nut, Irish Potatoes, Macadamia Nuts, Mangoes, Millet, Mushrooms, Oranges, Onions, Passion fruit, Pineapples, Shea Nut, Sorghum, Sugar Cane, Tea, Tomatoes.

The scheme is implemented through the Agro-Consortium, a consortium of local agriculture insurers, using indices from an independent remote sensing and monitoring agency to create crop-specific insurance products. The products are sold through trained distribution partners and agents, with premiums collected through a digital web-based and mobile platform. Index-based insurance pays policyholders based on season end results received from the monitoring agency, and weather conditions are monitored in near-real time. The scheme is a critical instrument to de-risk the agricultural sector in Uganda and will be scaled up in a sustainable manner through the Agro-Consortium.

2.3.6 Low-Cost Loans (Credit)

The Financial Inclusion Pillar will oversee the implementation of various financial inclusion initiatives and wealth creation funds such as UWEP, YLP, NURP, PRDP, NUSAF, and PRELNOR. These programs will align with the Pillar's objectives. In addition, the government will introduce the Parish Revolving Fund (PRF) in FY2021/22, which will provide financing to subsistence households in a coordinated and sustainable manner. The funds will be distributed through PDM SACCOs to support income-generating activities identified and implemented through participatory processes by various Enterprise Groups.

CHAPTER THREE: CURRENT ARRANGEMENTS FOR DELIVERING THE FINANCIAL PILLAR

3.1 Policy, Legal and Institutional Framework

3.1.1 Policy and Legal Frameworks

The following policy and legal frameworks provide the foundation for PDM design and implementation:

3.1.1.1 Constitution of the Republic of Uganda 1995

Article 176, (2b, d and e) of the Constitution of the Republic of Uganda (1995 as amended) provides among others that:

i) Decentralization as the principle applying to all levels of local Government and, in particular, from higher to lower local Government units, to ensure peoples' participation and democratic control in decision making;

ii) There shall be established for each Local Government Unit a sound financial base with reliable sources of revenue; and

iii) Appropriate measures shall be taken to enable Local Government Units to plan, initiate and execute policies in respect of all matters affecting the people within their jurisdiction.

3.1.1.2 Local Government Act

The Local Government Act under Section 95 further provides that the Ministry of Local Government shall be responsible for Inspection, Monitoring and Coordination of Local Governments

Section 96-97 of the Local Government Act provides that line Ministries shall be responsible for provision of Technical Support, Guidance, and Establishment of Minimum National Standards of Service Delivery. The PDM aligns with all these provisions through the adoption of a whole government approach up to the Parish and ensuring that each Ministry, Department and Agency plays its appropriate role.

3.1.2 Institutional Framework

3.1.2.1 State Actors

The different actors that are responsible for implementing the PDM activities are given below.

i) **The National Policy Committee (NPC).** This is the highest decision-making body responsible for providing policy direction, overseeing the implementation of programs, and ensuring alignment with national development plans. The committee is chaired by the President and in his absence, the Vice President presides over meetings. The Prime Minister oversees the Parish Development Model, while the Ministers of Finance and Local Government are responsible for planning and budgeting, and implementation, respectively. The NPC is supported by the Parish Development Model Secretariat.

ii) **The PDM Secretariat.** This is based at the Ministry of Local Government and shall have a coordinator, deputy coordinator, seven pillar managers, and other staff. The Secretariat will be responsible for coordinating the activities of stakeholders at national and sub-national levels, monitoring compliance with work plans and budgets, developing action plans, supporting pillars and local governments, producing timely reports and recommendations, implementing a communications strategy, updating guidelines, advocating for PDM activities, supervising and evaluating PDM implementation, building capacity, documenting success stories and lessons, providing secretarial services to the NPC and working groups, and performing any other duties assigned by the NPC.

iii) **PDM Working Groups.** The Working Groups shall be comprised of Ministers, Permanent Secretaries and Technical Officers. The Working Groups will serve as an avenue for consultation and review. Reports of the Working Groups shall be compiled by the PDM Secretariat quarterly. The PDM Working Groups will review and propose amendments to Operational Guideline and respective Pillars Manuals and assist in alignment of plans and budgets of MDAs to the PDM.

iv) **Local Governments and Cities.** The Parish Development Model (PDM) shall be implemented through existing structures of District/City and Municipal Councils. The Chief Administrative Officer (CAO)/Town Clerk shall be the Accounting Officer and shall nominate a suitable officer among the Technical Planning Committee (TPC) members as the PDM Focal Point Person (FPP) who will report to the District/City Executive Committee on PDM issues. Local governments and KCCA will establish and equip the PDM Secretariat function within the TPC, strengthen capacity of sub-county/town council and divisions on PDM conceptualization, planning, budgeting and implementation, prepare and approve consolidated work plans/budgets for the PDM implementation, receive, manage and account for finances as well as other resources under the PDM, and provide overall coordination and supervision of PDM at all local government/city levels. They will also ensure the formation of the PDC/WDC within the parishes/wards under their control, create awareness and mobilization for PDM implementation, and provide technical training of stakeholders on PDM implementation.

v) **The Parish Development Committee (PDC).** The PDC is envisaged to play an important role in implementing the PDM at the local level. Its responsibilities include mobilizing and sensitizing the community about PDM programs, identifying the needs and priorities of the Parish/Ward using a participatory approach, preparing Parish/Ward action plans, budgets, and reports for the PDM, overseeing the selection of groups and individuals to benefit from PDM activities by the Parish Financial Agency, assisting the Parish Financial Agency in following up recovery of loans under the Parish/Ward revolving fund, coordinating and supporting implementation of PDM activities, and receiving reports from the Parish Chief on progress and outcomes of data collection and taking appropriate action to ensure a smooth exercise.

The PDC is also responsible for overseeing the implementation, monitoring, and evaluation of projects at the Parish/Ward level, monitoring resource use and the overall accountability of resources provided to the PDC for operations, mobilizing the community for Public-Private-Community-Partnership (PPCP) arrangements in the Parish, and preparing and submitting progress reports on the implementation of the PDM activities to the Parish Council and the Sub-County Council.

The Parish Chief/ Town Agent, who is responsible for ensuring the implementation of the PDM and other district and government policies and programs in the Parish, will use the data collected to advise the PDC in planning, budgeting, and project implementation, supervise or monitor the implementation of socioeconomic development projects, and implement lawful councils' policies and decisions. The Parish Chief is subject to the direction of the relevant Responsible Officers at the higher levels of Local Government/City.

3.1.2.2 Non-State Actors

The PDM implementation modality underscores the importance of engaging Non-State Actors (NSAs) in the implementation of PDM and other National Development Plan (NDP) projects in Uganda, highlighting their potential role as resource providers, beneficiaries of government efforts, agents of change through corporate social responsibility, mobilizers of communities, and participants in policy dialogues. Below are the roles of NSAs:

i) **Resource providers:** NSAs can play a crucial role in providing finance, expertise, and other strategic resources to support the implementation of PDM.

ii) **Beneficiaries of Government efforts:** The government's efforts to create an enabling environment for NSAs through capacity development, information provision, and knowledge sharing that is beneficial to the PDM;

iii) **Corporate Social Responsibility:** NSAs can also initiate reforms in adapting business models through Corporate Social Responsibility to increase positive development impact. This suggests that NSAs can contribute to social and economic development beyond their traditional business-as-usual activities;

iv) **Mobilisers of Communities:** NSAs can mobilize communities and implement social and economic programs, which are critical to the success of PDM. This implies that NSAs can be partners in the implementation of community-based development initiatives; and

v) **Participants in policy dialogues:** NSAs can participate in policy dialogues and multi-stakeholder initiatives on development-related issues at the community level. This implies that NSAs can be instrumental in shaping policy and decision-making processes at the local level.

3.2 Relevance of the project

3.2.1 Linkage to Uganda Vision 2040

In line with the Uganda Vision 2040, Uganda aspires to transform the agriculture sector from subsistence farming to commercial agriculture. In order to enhance market access and value addition, the Vision highlights that Government among other things would improve access to credit through the development of rural financing schemes.

Over the years, Government has implemented several financial inclusion initiatives and wealth creation funds such as Uganda Women Entrepreneurship Programme (UWEP), Youth Livelihood Programme (YLP), Emyooga, OWC Funds, CAAIP, NUSAF, Post COVID-19 Stimulus Fund, Agriculture Credit facilities, Presidential Initiative Funds, Social Assistance Grant for Empowerment (SAGE) and most recently the Parish Development Model (PDM) through the Financial Inclusion Pillar. However, much of the anticipated transformation of the agriculture sector from subsistence farming to commercial agriculture has not been felt despite the huge investments in the said initiatives over the years. As such, there is need to revisit the way government has been doing business if it is to increase household income.

3.2.2 Linkage to the Third National Development Plan (NDPIII)

The third National Development Plan (NDP III) adopted the Parish Development Model as one of its key implementation reforms. As such, The PDM is an NDP implementation mechanism by both the State and Non-State Actors to achieve, in part, inclusive socioeconomic transformation of households in a coordinated, collaborative and participatory manner using the parish/ward as the epi-centre and the last-mile for development. This therefore calls for a more holistic approach by the said actors for the achievement of increased household income.

The PDM will organize and re-organize subsistence households into farmer/community groups into clusters/associations where they can easily be supported to improve production, processing and marketing value chains.

Successful implementation of the financial inclusion pillar under the PDM is envisaged to reduce poverty by moving 39 per cent of households under the subsistence sector into the money economy. Noteworthy, financial inclusion pillar is aimed at improving access to financial services for subsistence households and equipping them with skills for enterprise growth, value addition and marketing of their products and services

3.2.3 Linkage to the National Resistance Movement (2021 - 2026) Manifesto

The NRM Manifesto proposes a science-led parish model to address the challenge of subsistence farming in Uganda. The parish is envisioned to serve as the centre for multi-stakeholder/sectoral coordination and providing feedback on Government services. The household will be supported scientifically, from soil testing to provision of inputs, extension services, mechanisation, post-harvest management, and marketing.

Notably, the parish model aims to address perennial challenges in the agricultural sector such as input distribution, misuse of drugs and agro-chemicals, poor agronomic and husbandry practices, high post-harvest losses, poor planning, bulking and marketing of produce, low commodity prices, and inability to track progress among other things.

The Parish Development Committee (PDC) will comprise both state and non-state actors, including the LCI chairperson, LCII chairperson, area co-operative society, elders, religious and cultural leaders, chaired by the parish chief. The parish chief will mobilize and bring together the leadership of all groups/societies to form a Parish Co-operative Association (PCA), which will receive funds from the government.

CHAPTER FOUR: OPTIONS ANALYSIS AND SELECTION

4.1 Introduction

Options analysis and selection examines the various options for efficiently implementing the PDM financial pillar which include maintaining Current Arrangements for Delivering the PDM Financial Pillar, PDM Financing Mechanism and Hybrid Strengthening existing arrangements with an end goal of selecting the most appropriate and efficient PDM financial pillar delivery mode for Uganda.

4.2 Option One: Maintaining Status-quo for Delivering the PDM Financial Pillar

4.2.1 Status of PDM

The PDM is one of the NDPIII implementation mechanisms for inclusive socioeconomic transformation of households in a coordinated, collaborative and participatory manner; using the parish as the last - mile for development. The PDM was launched by H.E the President in Kibuku on 26th February, 2021, and its implementation started with a number of activities including establishment of the PDM Secretariat in the Ministry of Local Government, Recruitment of the Parish Chiefs, formulation of the Parish Development Committees (PDCs), training of the Parish Chiefs, PDCs, and PDM SACCO executive committees, Formulation and registration of the Parish SACCOs among others.

The third pillar of the PDM (financial inclusion) is aimed at improving access to financial services for subsistence households and equipping them with skills for enterprise growth, value addition and marketing of their products and services. The Government of Uganda (GoU) rolled out a pilot implementation of the financial inclusion pillar of the PDM in the second half of FY 2021/2022 and embarked on its full-scale implementation in FY2022/23.

The Parish Revolving Fund (PRF) is channelled directly from the Treasury to target beneficiary accounts (PDM SACCOs). By the beginning of Q3 for FY 2022/23, 216B had been disbursed to all registered PDM SACCOs through their bank accounts at a maximum interest rate of 6% per annum (or 0.5% per month). However, majority are unable to utilize the disbursed fund owing to lack of spending guidelines. In addition, robust accountability mechanisms of the Parish Revolving Fund have not been explicitly spelt out. There are no specific policy guidelines for the different components of the financial inclusion pillar. Furthermore, there is disjointed understanding of the whole PDM Concept and more specifically, how the financial inclusion pillar will work which is a recipe for the collapse of the poverty-alleviation programme. There is also an urgent need for development of product/enterprise value- chains.

The right mind-set is a prerequisite for successful implementation of the PDM. For financial inclusion to be achieved, there is a need for an appropriate mind-set among public officials at all levels, private sector players and communities. There is a general perception within the community that this is a token of appreciation for voting NRM. With this mind-set, the communities are likely to invest the money in the non-productive sector and not achieve the intended benefit. This is caused by the limited community understanding of the PDM.

The success of PDM requires organized, integrated, well-coordinated and results-based efforts and this involves creating data systems that constantly feed the whole Government with real-time information concerning various interventions at the Parish level. As such, the PDM Management Information System was developed to monitor the performance of the Fund, even for remote supervision. However, detailed profiling of households, enterprise groups, SACCOs and different service providers has not been finalized to ensure that those receiving resources are legitimate beneficiaries.

4.2.2 Shortcomings of the PDM

1. **Differences in the investment priorities in Urban and Rural Settings.** The PDM SACCOs have made positive contributions in terms of providing funding to subsistence households. However, they are not responsive to the changing business environment in terms of providing scalable financial solutions/packages to support businesses. For instance, rural and urban settings have different investment priorities that may not fall within those targeted by PDM. Evidence has also indicated that 1million per enterprise group seems inadequate

2. **Lack of focus on financial literacy yet it is a key success factor for the pillar.** While there has been PDM training of SACCOs, Enterprise Groups, Parish Chiefs and PDCs, there is considerable room for improvement in ensuring that the enterprise groups are able to benefit from both financial support and business advice. The local governments through the parishes are expected to build financial literacy in the communities and popularize the PDM. So far, there has been popularizing of the PDM and basically, pillar 3 has been fronted. The emphasis is on how PDM works and how the money is obtained and not necessarily on financial literacy which would entail business and entrepreneurship skills.

3. **Unhealthy competition among Private Sector Players and PDM SACCOs.** Evidence from the National Planning Authority (PDM SACCOs Readiness Survey) indicated that some private sector providers perceive PDM SACCOs as direct competitors rather than fulfilling the role of a market gap funder. There is a concern that the SACCOs solely focus on providing a financial solution on its members rather than providing a wider solution that encompasses both financial support and business financial literacy.

4. **Lack of a Strategic Direction for PDM SACCOs.** PDM SACCOs do not, in their current form, have the strategic direction and operational ability to develop new approaches that will make a step difference in the funding of enterprise groups. As a result, keeping PDM funding under the current SACCO dispensation would potentially result in limited impact on improving household incomes and quality of life of Ugandans.

4.2.3 Implications of maintaining the status-quo

The implications are that a new or existing financial body with the required strategic fit is necessary. This option of maintaining the status quo could only be feasible if short-term costs of maintaining the current PDM mechanism outweighs the longer-term benefits of a more coherent and comprehensive strategic solution. As such, government provision of access to finance is too important a priority to be left within the narrow remit of the PDM SACCOs which don’t adapt sufficiently to changing market conditions.

4.3 Option Two: Strengthening existing arrangements

4.3.1 Bank Analysis

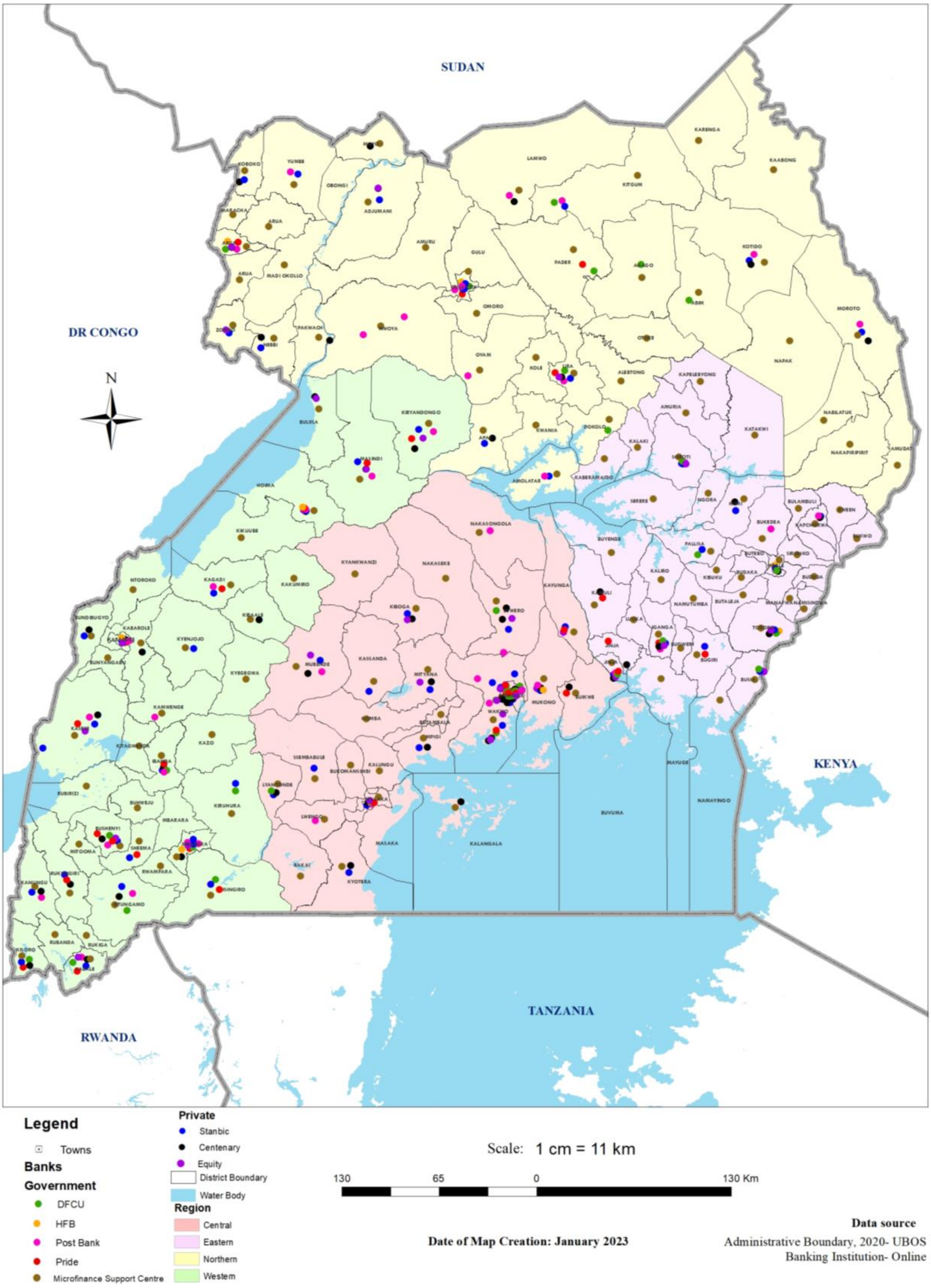
Uganda has a number of public and private financial institutions that would support the PDM financial inclusion pillar implementation. The public banks are Housing Finance, DFCU, Post bank, Pride and Micro Support Centres and the private banks include: Stanbic, Centenary, Equity. Therefore, our analysis of this option will be limited to only these banks although the country has more than the seven-financing options mentioned here. These banks have a wide coverage across the country with branches totalling to 375 as summarized in the tables 4.1& 4.2 and spatially represented in figure 4.1 and figure 4.1.

Table 4.1: Bank branches

SN	Bank type	Number of branches	Percentage (%)
1	Centenary Bank	79	21.00
2	Stanbic Bank	73	19.47
3	DFCU Bank	58	15.47
4	Post Bank	55	14.67
5	Equity Bank	48	12.80
6	Pride Microfinance Bank	44	11.73
7	Housing Finance Bank	18	4.80

Figure 4.3 below shows an analysis of eight bank type branches (Housing Finance, DFCU, Post bank, Micro pride finance, Stanbic, Centenary, Equity, Micro support centre) of five hundred thirty-one (531) bank branches spread across the entire Country accounting for 75 percent. A key message from the figure below is that regional disparities exist in the distribution of bank branches with majority in the central region followed by the western and concentrated in the urban areas. This implies that using these banking option excludes majority of the non-banked rural dwellers in the Eastern and Northern regions.

Figure 4.1: Selected Agriculture and Co-operative Banking Institutions in Uganda



Regionally, the central regions region has the highest percentage of the branches understudy, followed by western, Eastern and Northern respectively (See Table 4.2). The number of branches is largely dictated by the levels of economic activities, locations (whether rural or urban) and levels of development (physical or projected).

Table 4.2: Bank branches by region

SN	Region	Number of branches	Percentage (%)
1.	Central	177	47.20
2.	Western	88	23.47
3.	Eastern	57	15.20
4.	Northern	53	14.15
5.	**Total**	**375**	**100.0**

4.3.2 Public Banks

Public banks such as Housing Finance Bank, Post Bank, Pride Microfinance, and Microfinance Support Centre, have taken significant steps towards enhancing financial inclusion in the country. These banks have developed various products and services aimed at catering to the needs of the unbanked and underbanked population, which are essential for the successful implementation of the financial inclusion pillar of the Parish Development Model.

For instance, Post Bank offers a wide range of savings and credit products, including mobile banking, agent banking, and online banking services, which allow customers to access banking services from the comfort of their homes.

Housing Finance Bank has also developed various savings and loan products, such as the Affordable Mortgage Loan, which aims to increase access to affordable housing for low-income earners. Pride Microfinance, on the other hand, offers various microcredit and business development services to entrepreneurs and small business owners.

Table 4.3: Products of Public Banks

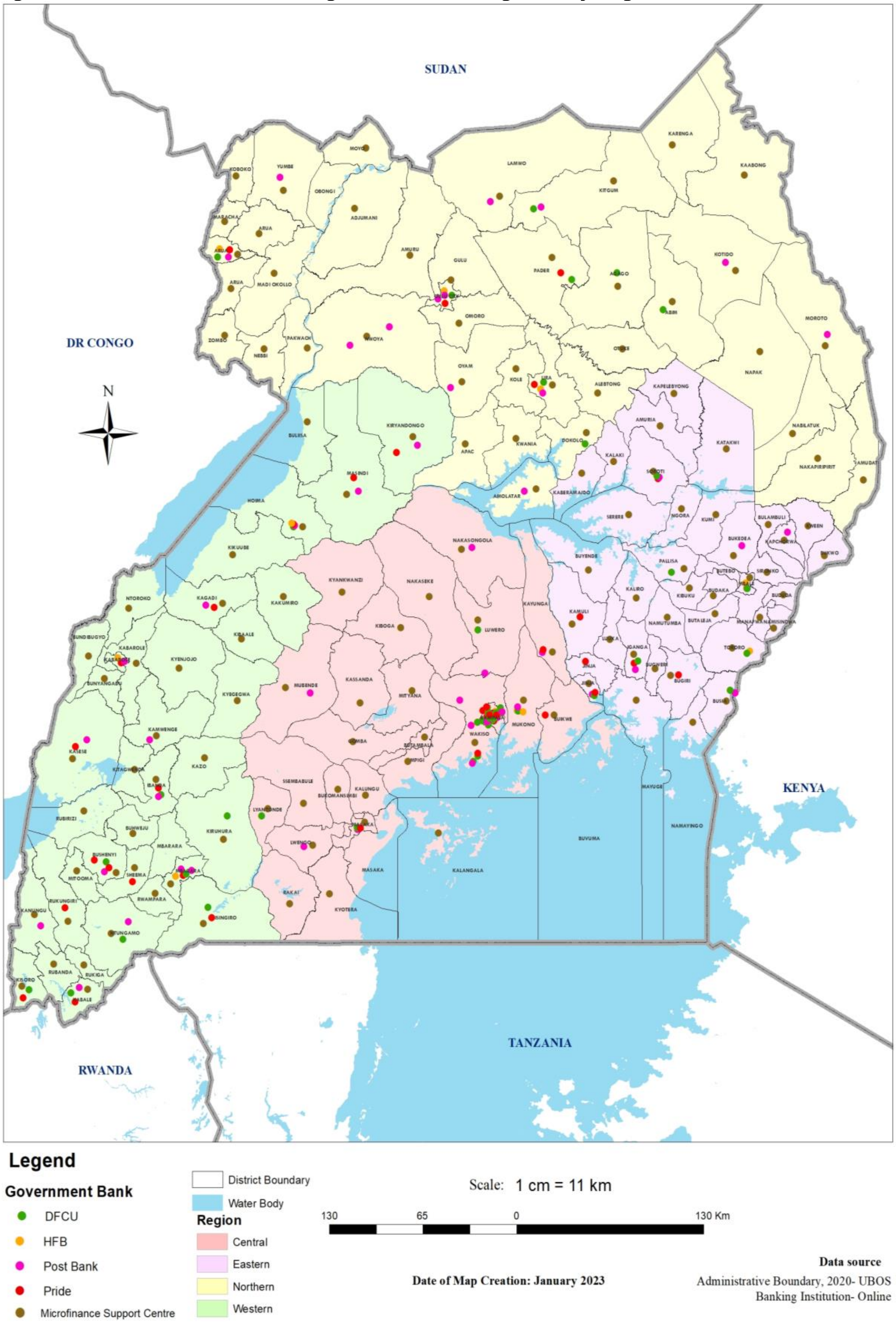
Banks	Products and services
Housing Finance Bank	• Mortgages: The bank's flagship product includes various mortgage options for individuals and businesses looking to buy or build homes. • Personal loans include personal loans for various purposes such as education, medical expenses, and home renovations. • Business loans include loans for small and medium-sized businesses to support their growth and development. • Savings accounts include a range of savings accounts, such as fixed deposit accounts and targeted savings accounts. • Current accounts include a range of accounts for individuals and businesses. • Credit cards include VISA credit cards for individuals to make purchases and manage their finances. • Insurance services: Housing Finance Bank also offers insurance services such as home insurance and mortgage protection insurance.
Post Bank	• Savings accounts include a range of savings accounts such as ordinary, fixed deposit, and targeted savings accounts. • Current accounts: This includes a range of current accounts, such as current personal accounts, current business accounts, and current student accounts. • Loans: This includes a range of loans, such as personal loans, salary loans, and business loans.

Banks	Products and services
	• Cards include ATM cards, VISA debit cards, and VISA prepaid cards. • Mobile banking: This includes a mobile banking app that allows customers to access their accounts, transfer funds, pay bills, and manage their finances from their mobile phones. • Internet banking: This includes an online banking platform that allows customers to access their accounts, transfer funds, pay bills, and manage their finances from anywhere.
Pride Microfinance	• Group loans: Pride Microfinance provides loans to groups of individuals who have formed a savings and credit group. These loans are designed to help group members start or expand their businesses. • Individual loans: Individuals who do not belong to a savings and credit group can also access loans from Pride Microfinance. These loans are tailored to meet the specific needs of the individual borrower. • Agricultural loans: Pride Microfinance provides loans to farmers and other individuals engaged in agricultural activities. These loans are designed to help farmers purchase seeds, fertilizers, and other inputs and provide working capital for their farming activities. • Savings accounts: Pride Microfinance offers savings accounts to its clients. These accounts allow clients to save money and earn interest on their savings. • Insurance products: Pride Microfinance provides insurance products to its clients, including life insurance, health insurance, and crop insurance. • Money transfer services: Pride Microfinance offers money transfer services to its clients, allowing them to send and receive money from other individuals and businesses. • Business development services: Pride Microfinance provides business development services to its clients, including training and mentorship to help entrepreneurs start and grow their businesses.
Microfinance Support Center	• Business loans: MSC provides loans to MSMEs for various purposes, such as working capital, asset acquisition, and business expansion. • Savings accounts: MSC offers savings accounts that enable MSMEs to save and earn interest on their deposits. • Insurance: MSC partners with insurance companies to provide insurance products such as life insurance, property insurance, and health insurance to MSMEs. • Financial literacy training: MSC provides training to MSMEs on financial management, business planning, and other skills to help them improve their business operations. • Mobile banking: MSC's mobile banking platform enables MSMEs to access their accounts and perform transactions such as deposits, withdrawals, and transfers using their mobile phones. • Agricultural loans: MSC provides loans to farmers and agribusinesses for various agricultural activities such as crop production, livestock rearing, and agro-processing. • Micro leasing: MSC provides leasing services for MSMEs to acquire assets such as machinery, equipment, and vehicles.

Regarding coverage, some public banks are in most of the country, while others have more regional focuses. This might limit their ability to serve communities in certain parishes, particularly those in remote areas. Banks will need to identify ways to expand their coverage, including through partnerships with community organizations and government agencies.

Microfinance Support Center, for example, has limited coverage in some parts of the country, and its range of products and services is somewhat limited compared to other public banks. This may hinder its ability to effectively support the financial inclusion pillar of the Parish Development Model.

Figure 4.2: Selected Public Banking Institutions in Uganda by Region



Accessibility is also essential in ensuring that public banks can support the financial inclusion pillar of the PDM. Some banks have physical branches, while others rely on mobile banking services and agents to reach customers. Banks must invest in technology and infrastructure to ensure that their services are accessible to customers in all parts of the country. This could include deploying mobile banking vans, expanding agent networks, and investing in digital banking platforms.

While public banks have made some strides towards supporting financial inclusion, there is still a need for further investment in products and services tailored to the needs of the communities in the parishes. Public banks must also expand their coverage and improve accessibility to ensure that all Ugandans, particularly those in remote areas, have access to financial services. Overall, there is still work to be done to ensure that public banks are fully ready to support the financial inclusion pillar of the PDM.

4.3.2.1 Key emerging issues

Several emerging issues need to be addressed to position existing public banks to deliver the Parish Development Model effectively. First, there is a need to:

1. **Prioritize financial inclusion and literacy.** These public banks will need to develop targeted education and outreach programs to promote financial literacy and ensure that all community members can access and benefit from financial services. This will require investment in physical and digital infrastructure to ensure that services are accessible to all.

2. **Address the digital divide in Uganda.** While mobile banking and digital finance can be powerful tools for promoting economic growth and empowering individuals to improve their livelihoods, many people in Uganda lack access to these technologies. Therefore, public banks will need to prioritize investments in infrastructure and digital literacy programs to ensure that all community members can benefit from these innovations.

3. **Leverage technology to improve their operational efficiency and effectiveness.** This can include investing in digital platforms and systems to streamline banking operations, reduce costs, and improve customer service.

4. **Prioritize partnerships and collaboration** with local governments, NGOs, and other stakeholders to ensure that resources are targeted towards the most pressing needs and that development initiatives are coordinated and effective. This will require building strong relationships and trust with community leaders and stakeholders and a commitment to working together towards shared goals.

5. **Promote environmental sustainability in development initiatives.** The Parish Development Model emphasizes the importance of promoting sustainable growth, which requires a focus on environmental issues such as climate change, biodiversity loss, and natural resource management. Public banks will need to ensure that development initiatives are designed with sustainability in mind and that environmental impacts are carefully monitored and addressed.

By addressing these issues, we can ensure that development efforts are effective, sustainable, and inclusive and that all community members can benefit from economic growth and development.

4.3.3 Private Banks

Private Banks, such as Stanbic Bank Uganda, Centenary Bank and Equity Bank Uganda, have a range of products and services designed to meet the needs of different customers, including those in rural areas where the Parish Development Model is being implemented. For example, private banks offer various mobile and digital banking solutions, which can help to reach customers in remote areas and improve financial inclusion. These services include mobile banking apps, online banking platforms, and mobile money transfer services. They also offer savings and deposit accounts, critical for building a savings culture among rural communities.

Private Banks also offer credit products, including personal, business, and agricultural loans, that can help individuals and small businesses access financing to grow and develop their businesses. Additionally, private banks in Uganda have extensive branch networks.

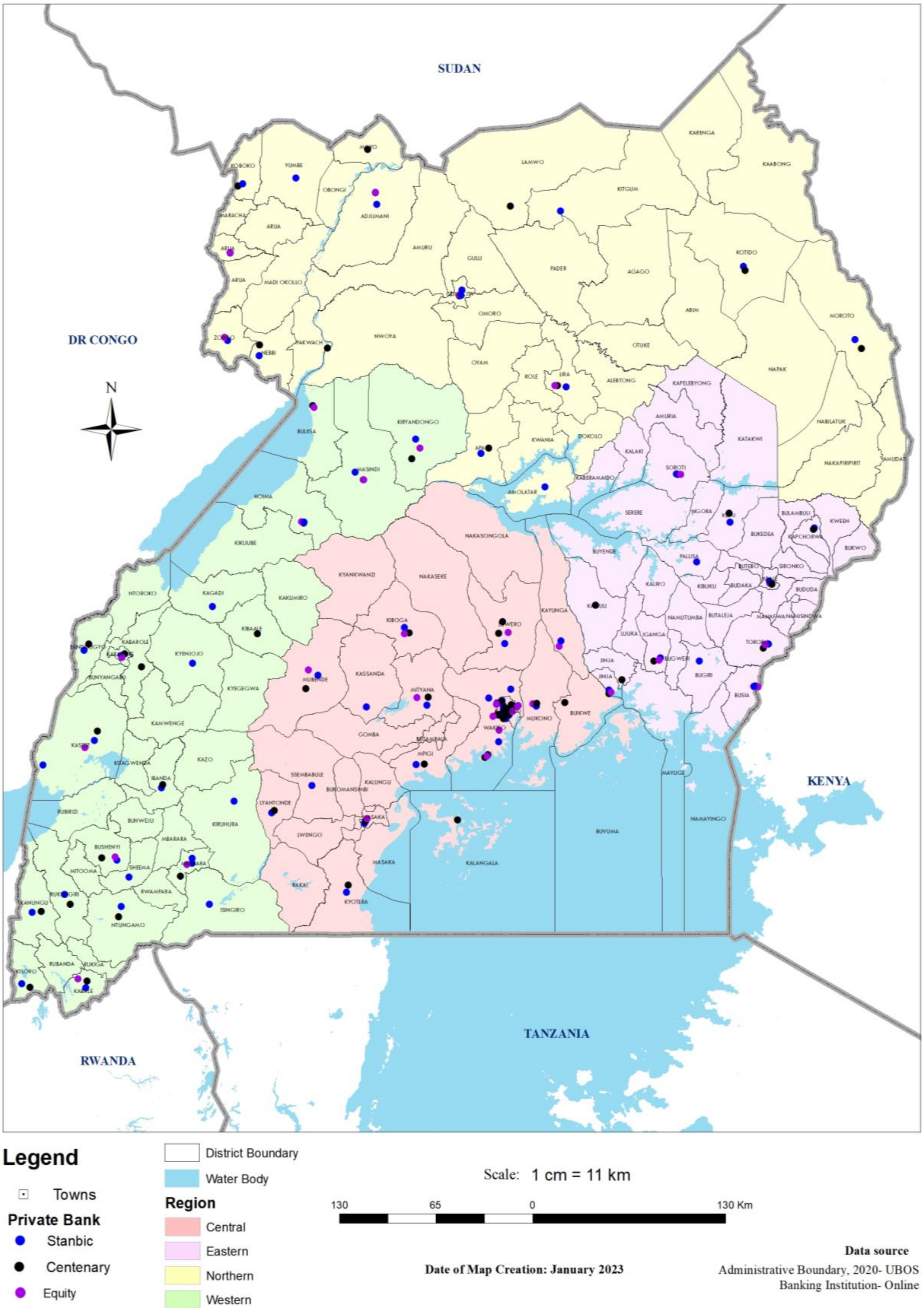
Banks	Products and services
Equity Bank	• Personal banking: Savings accounts, current accounts, fixed deposits, personal loans, mobile banking, and internet banking. • Business banking: Business accounts, loans, trade finance, insurance, and merchant services. • Agriculture finance: Loans and other financial solutions for farmers and agribusinesses. • Treasury services: Foreign exchange, money market solutions, and fixed-income products. • Diaspora banking: Products and services for Ugandans living abroad, including accounts, loans, and investment opportunities.
Centenary Bank	• Savings Accounts: Centenary Bank offers different types of savings accounts, such as personal, children's, and corporate savings accounts. These accounts offer competitive interest rates and allow customers to save money conveniently. • Current Accounts: The bank offers current accounts to its customers to manage their day-to-day transactions, such as deposits, withdrawals, and transfers. The current accounts are available for individuals, businesses, and organizations. • Loans: Centenary Bank provides various types of loans to its customers, such as personal loans, business loans, agriculture loans, and asset financing. The loans come with flexible repayment terms and competitive interest rates. • Mobile Banking: The bank offers mobile banking services that allow customers to access their accounts, transfer money, pay bills, and check their balances using their mobile phones. • Internet Banking: Centenary Bank provides internet banking services that allow customers to manage their accounts online. With internet banking, customers can access their accounts, transfer money, pay bills, and check their account balances anywhere and anytime. • ATM Services: The bank has an extensive network of ATMs nationwide, enabling customers to withdraw cash, check their account balances, and transfer funds between accounts. • Debit and Credit Cards: Centenary Bank provides debit and credit cards to its customers, enabling them to make purchases, withdraw cash, and pay bills conveniently. • Forex Services: The bank provides forex services, including foreign currency exchange and money transfer services. •

Banks	Products and services
Stanbic	• Personal Banking: This includes savings accounts, current accounts, and personal loans. • Business Banking: This includes a range of solutions for small, medium, and large businesses, such as business accounts, business loans, and trade finance. • Corporate and Investment Banking: This includes various services for corporate and institutional clients, such as structured trade finance, investment banking, and project finance. • Wealth Management: This includes investment solutions, such as managed portfolios, unit trusts, and stockbroking services. • Electronic Banking: This includes a range of digital solutions, such as online banking, mobile banking, and card solutions. • Insurance: Stanbic Bank offers a range of insurance products, including life insurance, health insurance, and general insurance. • Asset Finance: This includes solutions for financing assets such as vehicles, equipment, and machinery. • Trade Finance: Stanbic Bank provides solutions to facilitate cross-border trade, such as letters of credit and trade finance loans. • Bancassurance: This provides insurance products through the bank's branches and digital platforms. • Foreign Exchange: Stanbic Bank offers foreign exchange solutions for individuals and businesses, including spot transactions, forward contracts, and options. • Cash Management: This includes solutions for managing cash flow, such as account pooling and cash forecasting. • Global Markets: This includes solutions for managing foreign exchange risks, such as hedging and risk management advisory services.

For example, Stanbic Bank Uganda offers a range of products and services that can support financial inclusion, such as savings accounts, personal loans, business loans, mobile banking, and agency banking. Similarly, Equity Bank Uganda offers a variety of products and services, including savings accounts, personal loans, business loans, mobile banking, and merchant banking. In addition, these private banks have also demonstrated a commitment to financial inclusion by expanding their branch networks and investing in technology to reach underserved areas. For instance, Stanbic Bank has over 80 branches and 100 ATMs across Uganda, and Equity Bank has over 30 branches and 100 ATMs.

In terms of coverage, private banks have a strong presence in urban and semi-urban areas, but there is still room for expansion into rural areas. However, private banks have demonstrated their willingness to partner with other stakeholders, including the government, to extend financial services to rural areas and support the implementation of the Parish Development Model.

Figure 4.3: Selected Private Banking Institutions in Uganda by Region



However, despite the potential for private banks to support financial inclusion in rural areas, challenges still need to be addressed. These challenges include limited infrastructure, inadequate financial literacy, and high transaction costs, which can hinder the uptake of financial services in rural areas. Additionally, a lack of awareness and trust in formal financial institutions in rural areas may make it difficult for private banks to deliver financial services to these communities effectively.

4.3.3.1 Key merging issues

Several key emerging issues need to be addressed. First, there is a need to:

1. **Prioritize investments in digital infrastructure and literacy programs to ensure all community members can access digital banking services.** This is critical given the emphasis on digital finance and mobile banking under the Parish Development Model. By investing in digital infrastructure and digital literacy programs, Stanbic Bank Uganda can ensure that all community members can benefit from digital banking services.

2. **Promoting financial inclusion and literacy will be a crucial priority for the banks**. This can be achieved through targeted education and outreach programs and the development of products and services that meet the needs of low-income and underserved communities. By promoting financial literacy and inclusion, Stanbic Bank Uganda can ensure that all community members can access and benefit from financial services.

3. **These banks should focus on environmental sustainability when designing and implementing development initiatives.** The Parish Development Model emphasizes the importance of promoting sustainable growth, which requires a focus on environmental issues such as climate change, biodiversity loss, and natural resource management. Therefore, Stanbic Bank Uganda will need to ensure that development initiatives are designed with sustainability in mind and that environmental impacts are carefully monitored and addressed.

4. **Leveraging technology to improve operational efficiency and effectiveness will be crucial for private banks.** This can include investing in digital platforms and systems to streamline banking operations, reduce costs, and improve customer service. By leveraging technology, the bank can improve its competitiveness and ability to deliver effective services.

5. **Partnerships and collaboration** with other stakeholders will be critical to ensure that resources are targeted towards the most pressing needs and that development initiatives are coordinated and effective. This will require building strong relationships and trust with community leaders and stakeholders and a commitment to working together towards shared goals.

4.3.4 Mobile Banking Agents

A banking agent is a retail or third-party banker contracted by financial institutions to provide customer services. According to the study, it was found that out of the eight (8) financial institutions under study, six (6) banks have agent banking branches. These include DFCU, Centenary, Stanbic, Equity, Housing Finance Bank, and Pride Microfinance Bank, with Equity having the most significant number of agent banking, followed by Centenary, then Stanbic, DFCU, Housing Finance bank and Post bank with the least number.

On the other hand, pride Microfinance and Uganda Microfinance Support Centres do not have agent banking branches in Uganda. The higher number of agent banking branches implies that coverage and accessibility are highest in equity, followed by centenary banks. However, according to the analysis, most agent banking is mainly located in urban settings, thus creating a gap for the rural setting where half of the population resides.

Table 4.4: Bank Types and the number of Agent Banking

SN	Bank Type	Number of Banking Agents
1	DFCU Bank	1,418
2	Centenary Bank	7,500
3	Stanbic Bank	1,860
4	Equity	42,000
5	Housing Finance Bank	848
6	Pride Microfinance	-
7	Post Bank	400
8	Uganda Microfinance Support Center	-
	Total	**54,026**

Source: Bank data 2022

4.4 Option Three: Agriculture and Co-operative Bank

The proposed Agricultural and Cooperative Bank is a hybrid bank that will focus on agriculture and cooperatives. The bank will be people-centred, providing financial and non-financial services to farmers and co-operators who may not be considered credit-worthy by commercial banks and those who do not have collateral.

The bank's shareholding model shall be defined in the final technical proposal. However, the primary shareholders shall be individuals, PDM SACCOS, which are enterprise-based, community-based SACCOs, or traditional SACCOs, institutional or employee-based SACCOs, EMYOOGA beneficiaries, members of the urban markets (UM), Agro-processing facilities (APF), Rural Industrial Incubation Centres (RIIC), Culture and Creative Industry (CCI), and financial cooperative unions like UCSCU, cooperative Apex entities like UCA, farmer federations or associations, professional bodies, and insurance firms.

The proposed bank will provide credit financing for the entire agricultural value chain and other rural income-generating activities undertaken by co-operators as indicated above. This holistic consideration will ultimately transform subsistence agriculture into a money economy. The bank will take into account the gestation/grace periods for specific enterprises for which co-operators, including farmers, will be borrowing. The repayment schedule will include insurance against weather vagaries and other associated business risks to mitigate the risks associated with agriculture.

To effectively deliver financial services, the proposed bank will adopt delivery modalities that align with the prevailing market drives and its shareholders. It is important to develop a comprehensive and well-thought-out strategy for delivering financial services to ensure that the bank reaches its target market effectively.

The proposed bank's business model will be responsive to the needs of its target market. The existing cooperative unions will also have to rethink their business model and the product menus that are responsive to the needs of their members in an all-inclusive service delivery model.

The bank will provide the required infrastructure for savings and reinvestment for its members and shareholders. The primary owners and decision-makers of the Agriculture and Cooperative Bank will be these shareholders. The government will be required to provide an enabling policy and regulatory framework and recapitalize the bank to support its operations. Specifically, it's proposed that the recapitalization agenda by government will require pooling all the scattered funds found in the various government programs mentioned earlier to constitute the Agriculture and Cooperative Bank capital base. After all, all these funds are targeting the same person!

In conclusion, the proposed Agricultural and Cooperative Bank aims to address the financing gap in agriculture and rural income-generating activities in the country. By leveraging successful cooperative banking models in Canada, China, and Nigeria, the proposed bank will provide credit financing and non-financial services to farmers and co-operators, including those not considered credit-worthy by commercial banks and those who do not have collateral. The bank's delivery modalities and business model will be aligned with the needs of its target market, while the regulatory framework will support the growth of cooperatives and provide a regulatory environment that encourages cooperative banking. This will call for a comprehensive review and potential amendment of the Uganda Cooperatives Act.

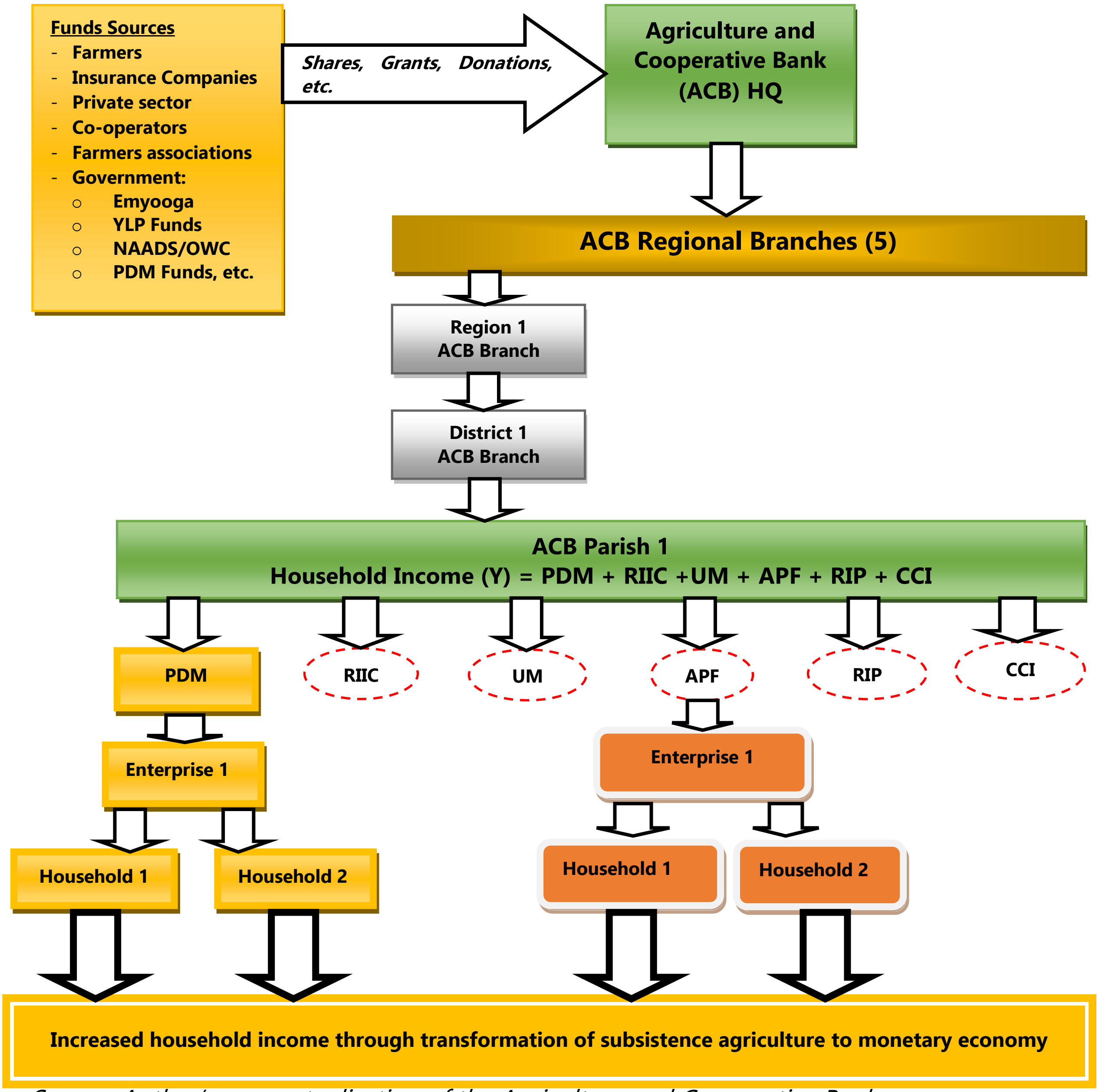
4.4.1 Conceptual Structure of the proposed Agricultural and Cooperative Bank

The Agriculture and Cooperative bank is poised to play a crucial role in the financial inclusion and empowerment of farmers and co-operators in the subsistence economy, by providing them with affordable and accessible financial and non-financial services to both agricultural and non-agricultural cooperatives. The envisaged financial services to be offered by the Agricultural and Cooperative Bank include: deposit or savings accounts, short-term loans, agricultural insurance products and other investment products among others. While the non-financial services to be provided by the Agricultural and Cooperative Bank include: providing agricultural extension services, offering training programmes on business management and financial literacy among other things.

By leveraging the strengths of the cooperative business model and the best practices of successful cooperative banks in Canada, China, Egypt, India, Kenya and Nigeria, the

Agriculture and Co-operative Bank can lower the cost of credit, reduce paperwork, and offer a wide range of financial products without requiring collateral. Figure 4.4 shows the Conceptual Structure of the proposed Agriculture and Co-operative Bank.

Figure 4.4: Conceptual Structure of the proposed Agricultural and Cooperative Bank



Source: Author's conceptualisation of the Agriculture and Cooperative Bank

Access to services offered by the Agriculture and Co-operative Bank will require individuals to possess their National Identification Cards/Numbers, LC1 Letter (endorsement), and above all, must have been screened and profiled by the relevant authorities as shall be determined by the legal framework.

It is important to note that the agricultural and non-agricultural providers are envisaged to be private sector players prequalified and certified by the relevant government entities to provide non-financial services to the target population.

Overall, the Agriculture and Cooperative Bank supported by prequalified providers is designed to provide a wide range of financial and non-financial services to agricultural and non-agricultural co-operators who are largely stuck in the subsistence economy. Such services offered by the Agriculture and Cooperative Bank will enable co-operators to access the resources they need to develop and grow their businesses, while promoting sustainable commercial agriculture growth and rural economic development.

The execution arrangements of the proposed Agriculture and Cooperative Bank are that: The Managing Director at the Bank Headquarters will play the role as provided for in the Agriculture and Cooperative Bank framework. There shall be regional branches (5) across the country that shall be responsible for bank operations at district level in those areas under their jurisdiction. At the district level, there shall be ACB district manager who shall supervise the different product managers in charge of PDM, UM, APF, RIP, RIIC and CCI as prescribed in the model above. The Parish Development Committee will play the role as provided for in the PDM implementation Guidelines (as a product) in addition to providing supervisory role by the Parish loans Officer, supported by Managers in charge of Agricultural and Non-Agricultural Enterprises (PDM, UM, APF, RIP, RIIC and CCI). The Parish Loans Officer shall be an employee of the Agriculture and Co-operative Bank, and shall duly replace the Parish Chief as was the case with PDM. This is because the parish chief is overwhelmed with his administrative engagements with the district, and that such additional tasks might render him ineffective.

Merits of an Agriculture and Cooperative Bank

1. **Cost of credit is lower:** Agriculture and Cooperative Banks have lower operating costs than commercial banks, which allows them to offer loans at lower interest rates. This benefits farmers and co-operators who may not have access to affordable credit from commercial banks.

2. **Inclusive for people who are not banked:** Agriculture and Cooperative Banks are more accessible to people who are not banked or do not have sufficient collateral to access credit from commercial banks. This promotes financial inclusion and economic development in rural areas.

3. **Less paper work:** Agriculture and Cooperative Bank may require less paperwork for loan applications than commercial banks, as they may use alternative methods for credit assessment, such as using the borrower's National Identification Number (NIN) as a replacement for a credit reference bureau. Implying that loans are provided to individuals with unencumbered NINs.

4. **The existing PDM funds and other scattered funds will just be channelled through this bank:** Agriculture and Cooperative Bank can leverage existing funds from government initiatives such as PDM funds, Youth fund, Women fund, NAADS/OWC, NUSAF, Agriculture Credit Facility, Emyooga, etc., and channel them towards agriculture and cooperative rural development. This helps to maximize the impact of these funds and ensures that they are used for their intended purpose.

5. **Ease the targeting of the 39% of the population in the subsistence economy:** Agriculture and Cooperative Banks can help to ease the targeting of the 39% of the population in the subsistence economy by providing affordable credit and financial services to farmers and co-operators. Additionally, it is the intention of the bank to consider the uniqueness of agricultural activities such as the long gestation periods crops and animals take to mature as well as matters of agricultural insurance, which are not catered for by the current commercial banks in Uganda. This can promote economic growth and development in rural areas, reduce poverty, and promote food security.

6. **Clarity on who to take charge of the scattered funds:** The establishment of Agriculture and Co-operative Bank under the prescribed legal framework will help in clearing the air as to which government agency to be in charge of these funds as has been under the PDM era. Currently, the different ministries are in conflict about who to host the PDM funds. The creation of ACB will clear all this mess, minimizing avenues of abusing and embezzling public funds.

4.4.2 Demerits of an Agriculture and Cooperative Bank

1. **Legal and regulatory challenges:** The lack of a clear legal and regulatory framework for cooperative banks, as well as the absence of established institutions, policies, and human resources, can create uncertainty and barriers to entry. This can affect the bank's ability to attract customers, investors, and partners, and may lead to compliance

issues and reputational risks. However, there is a petition before the Parliament of Uganda that will work on this matter, and therefore, there are no worries.

2. **Competition with the private sector:** The presence of an Agriculture and Cooperative Bank may threaten the private sector's dominance in the financial services market and create tensions between the two sectors. This can affect employment levels and investment flows, especially if the cooperative bank is not able to offer competitive products and services. Nonetheless, competition is healthy for the betterment of the sector. Instead, this will compel the private sector operators to revisit their agriculture loan products for facilitate further our agenda as opposed to exploitation and repatriation of profits (The Summit Banking Sector Report, 2020).

3. **Risk management challenges:** Agriculture and Cooperative Bank may face challenges in risk management, such as managing credit risk and ensuring loan repayments. This can lead to high default rates and financial losses. However, at the parish level, there are committees whose role is to vet, appraise, guarantee and recommend borrowers to the Parish Loans Officer (PLO) for credit consideration. This will help in minimizing the default rates as has been the practice with the PDM funds and other such funds where the masses have abused it, calling it political money *("Museveni agabudde").* With this arrangement in place, this practice will seize.

4.4.3 Case study: KENYA HUSTLER FUND

4.4.3.0 Introduction

The Kenya Hustler Fund is a financial initiative that the Kenyan government launched in 2021 to support micro, small, and medium-sized enterprises (MSMEs) and entrepreneurs in Kenya, particularly low-income individuals, youths, women, and other marginalized groups who have been disproportionately impacted by the COVID-19 pandemic's economic effects. The hustler fund allows Kenyan citizens to borrow money using their cell phones with no paperwork or collateral. The Kenyan government has invested Kshs 50 billion worth of start-up capital to provide affordable credit from as low as Kshs 500 to Kshs 50,000 at an affordable interest rate of 8% per annum, lowest ever in Kenya. This is being done through government offering affordable credit in four products including Personal Finance; Micro Loan; SMEs Loan; and Start Ups Loan. This will allow citizens to start and boost their businesses also known as 'hustles' without being crushed by predatory lenders, loan sharks and high cost of credit. This will go a long way in providing financial empowerment and security to the people at the bottom of the pyramid as well as free low-income citizens from bondage of loan sharks.

4.4.3.1 How the Kenya Hustler Fund operates?

The Kenya Hustler Fund operates by providing financial support to small and medium-sized enterprises (SMEs) and entrepreneurs through a combination of loans, grants, and equity to eligible businesses and individuals in the form of:

Loans: The fund provides loans to SMEs and entrepreneurs at a relatively low-interest rate. The loans can be used for working capital, equipment, and other business expenses. The loan repayment period and interest rate will depend on the specific program.

Grants: The fund also provides grants to eligible businesses and entrepreneurs to help them cover the costs of starting or expanding their businesses. The grant can be used for expenses such as training, marketing, and other business-related costs.

Equity: The fund may also provide equity financing to SMEs and entrepreneurs, which means that the fund takes an ownership stake in the business in exchange for providing capital. This is a form of risk capital, and it's usually used to support businesses that have high growth potential, but require a significant amount of capital to get started.

The fund also provides mentorship, training and advisory services to businesses and entrepreneurs to help them develop the skills and knowledge they need to grow and sustain their businesses. These services are provided by a network of experts and partners, who are dedicated to helping businesses and entrepreneurs succeed.

In order to access the fund, interested parties are required to go through a selection process, which includes filling out an application form and providing required documentation. The selection process is carried out by a committee that is responsible for evaluating the applications, and selecting the most viable businesses and entrepreneurs to receive funding.

It's worth mentioning that the fund is still relatively new and is being implemented, and it may be subject to change, but generally, the Kenya Hustler Fund is designed to provide financial assistance to small businesses and entrepreneurs who are underserved by traditional financial institutions and support them in creating jobs, reducing poverty, and fostering economic growth.

4.4.3.2 Potential challenges of the Kenya Hustler Fund

Like any initiative, the Kenya Hustler Fund may face some challenges in its implementation. Some potential challenges that the fund may face include:

1. **Limited access to finance.** One of the main challenges that the fund may face is ensuring that eligible businesses and entrepreneurs have access to the financial assistance they need. This may be difficult to achieve, particularly in rural areas or in sectors where access to finance is limited.

2. **Limited capacity.** Another challenge that the fund may face is that many of the businesses and entrepreneurs that it aims to support may lack the capacity to effectively use the financial assistance they receive. This could include a lack of business skills, management experience, or access to markets.

3. **High-Interest rate.** The fund operates by lending money to SMEs and entrepreneurs at a relatively low-interest rate, but still, the interest rate may be higher than what the entrepreneur can afford, which can lead to defaults and loan non-repayment.

4. **Limited awareness.** The fund may also face challenges in raising awareness about the program among eligible businesses and entrepreneurs, which could limit the number of applications received, and potentially lead to the fund not being fully utilized.

5. **Bureaucracy.** The fund may also face challenges in navigating the bureaucracy of the government, which could slow down the disbursement of funds and the implementation of the program.

6. **Corruption.** Kenya like many other countries in Africa is known to have corruption challenges, and this could also affect the fund if the officials in charge are not transparent and accountable in the disbursement of funds.

Overall, while the Kenya Hustler Fund has the potential to make a significant impact on the country's economy, it may face challenges in its implementation. It will be important for the government and the fund's management to closely monitor the program, and take steps to address any challenges that arise in order to ensure that the fund is successful in achieving its objectives.

4.4.3.3 Lessons to learn from the Hustler Fund

The Kenya Hustler Fund is a relatively new initiative, and it is still in the early stages of implementation, but even so, it offers some important lessons for similar programs in other countries. Some potential lessons that can be learned from the fund include:

2. **The importance of targeting the most vulnerable.** The fund aims to provide financial assistance to small and medium-sized enterprises (SMEs) and entrepreneurs who are underserved by traditional financial institutions and have been disproportionately affected by the economic impacts of the COVID-19 pandemic. This targeted approach ensures that the fund's resources are directed to those who need it most, which is likely to have a greater impact on reducing poverty and promoting economic growth.

3. **The need for a comprehensive approach.** The fund provides a combination of loans, grants, and equity to support small businesses and entrepreneurs. This comprehensive approach allows the fund to meet the diverse needs of different businesses and entrepreneurs, and increases the chances of success.

4. **The value of mentorship and training.** The fund also provides mentorship, training and advisory services to businesses and entrepreneurs to help them develop the skills and knowledge they need to grow and sustain their businesses. This is an important element of the fund, as it helps to ensure that businesses and entrepreneurs are able to effectively use the financial assistance they receive.

5. **The importance of monitoring and evaluation.** The government and fund's management will closely monitor the progress of the program, and it's expected that they will be able to share data and information about the fund's impact in the future. This is important to ensure that the fund is achieving its objectives and that any necessary adjustments can be made to improve the program.

6. **The importance of transparency and accountability.** The fund should operate in a transparent and accountable manner, in order to ensure that the fund's resources are used effectively and efficiently. It's important to have clear guidelines and procedures in place to prevent fraud and corruption.

7. **The need for collaboration.** The fund will be implemented in partnership with the private sector, development partners, and other stakeholders. Collaboration with these entities can help to leverage resources and expertise, and increase the chances of success.

Overall, the Kenya Hustler Fund provides an important example of how targeted financial assistance can be used to support small and medium-sized enterprises (SMEs) and entrepreneurs, and promote economic growth.

CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This section provides the key emerging issues, conclusion and actionable recommendations for strengthening implementation of the PDM financial inclusion pillar.

5.2 Key Emerging Issues:

i) **Limited Access to Financial Services:** PDM enterprises are located in remote areas with limited access to financial institutions, making it difficult for them to access financial services.

ii) **Limited Financial Literacy:** Many PDM entrepreneurs lack financial literacy, making it difficult for them to understand the financial products offered by financial institutions.

iii) **Lack of Collateral:** Most PDM entrepreneurs do not have collateral to secure loans, making it difficult for them to access credit from financial institutions.

iv) **Limited Market Information:** PDM enterprises lack market information, making it difficult for them to make informed financial decisions.

v) **Lack of Supportive Policies:** There are no supportive policies in place to encourage financial institutions to provide financial services to PDM enterprises.

5.3 Conclusion:

The Parish Development Model (PDM) is a crucial initiative that seeks to promote rural industrialization, increase employment opportunities, and enhance local value addition in Uganda. Financial institutions play a crucial role in the success of the PDM by providing financial services to support the growth and sustainability of PDM enterprises. However, several challenges hinder financial institutions' preparedness to provide financial services to PDM enterprises, including limited access to financial services, limited financial literacy, lack of collateral, limited market information, and lack of supportive policies.

Furthermore, based on the options analysis, option 3 is recommended to enhance financial institutions' preparedness to provide financial services to PDM enterprises in addition to those other elements in the Y function. The goal of the PDM was to enhance increased house hold income by transforming subsistence agriculture to monetary economy, something that cannot be achieved solely through PDM, rather by a combination of Agro Processing Facilities establishment, supporting urban markets for sustainable market linkages, establishment of fully operational industrial parks, establishment of rural incubation centres which serve as knowledge bases as well as development of culture and creative industry. This will sustainably support provision of financial education and training programs, market information sharing, and alternative collateral arrangements. This approach could enhance financial institutions' preparedness to provide financial services in a cost-effective and coordinated manner.

5.4 Actionable Recommendations:

To address the above challenges and enhance financial institutions' preparedness to provide financial services to income-enhancing initiatives (PDM, UM, CCI, RIIC, RIP and APF), the following actionable recommendations are proposed:

i) Increase access to financial services by establishing branches or agents in rural areas where beneficiaries of the above initiatives are located.

ii) Provide financial education and training programs to agricultural entrepreneurs to enhance their financial literacy and understanding of financial products.

iii) Work with Agriculture and Cooperative Bank to develop alternative collateral arrangements, such as group guarantees or co-signers, to enable them to access credit.

iv) Provide market information to the population to enable them to make informed financial decisions.

v) Develop supportive policies and programs that incentivize financial institutions to provide financial services to beneficiaries, such as tax incentives or loan guarantees.

vi) Benchmarking within the region, for example, the Kenya hustler fund. Learn from it and draw lessons.

By implementing these recommendations, the Agriculture and Cooperative Bank can enhance provision of financial services to agricultural value chain enterprises and contribute to the success of the transformation of agricultural sector.

5.5 Proposal for the new institutional arrangement for a functional financial pillar

This option will involve establishing dedicated financial institution for various enterprises as outlined above. These services could include tailored financial products, specialized staff training, and targeted marketing to agricultural entrepreneurs. This option could enhance financial institutions' preparedness to provide financial services to PDM enterprises, but it could also be costly and resource-intensive.

5.6 Next Steps

Recommendation: given the profiling and options analysis above, there is need for a detailed and comprehensive feasibility study for the Agriculture and Cooperative Bank.

ANNEXES

Annex 1: Questions for the beneficiaries

1. What is your age and gender?
2. What is your level of education?
3. What is your current income level?
4. Are you currently employed or self-employed?
5. What is your primary source of income?
6. Are you currently banked or unbanked?
7. How do you currently access financial services?
8. How often do you use formal financial services?
9. How familiar are you with the current banking and financial services available in your community?
10. Have you ever used any formal financial services such as bank accounts or loans?
11. Have you ever taken a loan before? If yes, from where and for what purpose?
12. What are the main barriers or challenges that prevent you from accessing formal financial services?
13. How comfortable would you feel using digital financial services, such as mobile banking or online banking?
14. Are there any financial services or products that you currently need but do not have access to in your community?
15. How do you think the government can best channel PDM funds in your community?
16. What factors do you believe currently limit your access to formal and informal financial services?
17. How do you think the government's intervention will affect your access to financial services?
18. Are there any specific financial services or products that you think the government should prioritize in their intervention?
19. Do you have any suggestions on how the government can increase trust in formal financial services among your community?
20. Are there any financial institutions that you trust and prefer to use in your community? Why?
21. Are there any financial institutions that you don't trust or avoid in your community? Why?
22. Are there any concerns or reservations you have about the government's plans to channel funds through PDM to increase financial inclusion?
23. Have you ever received any financial education or training?
24. Would you be willing to participate in financial education or training programs?

Annex 2: Bank Products

Loan Type 1 : Production Loan

1.1 Description

Loan designed to finance business activities in the agricultural production, processing and marketing value chains, animal production (diary, poultry and piggery projects), fishing and fish farming, bee keeping as well as food processing i.e., grain mills, oil mills and hullers. The loan period and repayment plan are dependent on the nature and season of the agricultural activity to be financed.

1.2 Product Features

- Loan period for working capital purpose is up to a maximum 24 months but development/investment may exceed 24 months.
- No principal loan repayments during the grace period except for the interest where cash flows allow.
- Repayable through equal installment payments whose amounts are dependent on the projected cash flow of the agricultural activity.
- Irregular payments can be structured basing on the cash flows.
- Interest charged on reducing balance.
- Minimum loan amount UShs. 100,000.
- Payments from other sources of income are allowed.
- Maximum loan amount of up to UShs 8 billion.

1.3 Eligibility Criteria

- Current or Savings Bank account.
- Completed loan application form.
- Payment of loan processing fee.
- Financial card.
- Project undertaken must be an activity in the agricultural value chain.
- Experience in project being undertaken.
- Business project must be profitable.
- Applicant must be resident within the branch designated area of operation.
- Applicant must be owner or tenant of the land on which he/she operates.
- Securities can be mortgaged on titled or unregistered land, moveable assets like cows, goats, sheep, mortgaged household property or business equipment and tools.

Loan Type 2 : Revolving Production Loan

1.1 Description

This is a credit facility offered to produce farmers for the purpose of financing cultivation expenses such as purchase of agro in-puts including but not limited to crop seeds, fertilizers, pesticides and meeting of labour expenses etc.

1.2 Product Features

- Credit revolves for a maximum duration of 3 years.
- Increase in loan amounts annually by 10%.
- Loans are made available for each crop season and repaid.
- The line of credit will be for 121% of credit limit accessed for first year.

- Interest is charged on declining balance.
- Outstanding loan at any time does not exceed the limit for the year.

1.3 Eligibility Criteria

- Current or Savings Bank account.
- Completed loan application form.
- Payment of loan processing fees.
- Financial card.
- Repeat borrowers who have promptly repaid 4 successive agricultural production loans.
- Farmers area under cultivation or cropping has not changed.
- Security acceptable such as mortgage including kibanja, chattels, crop insurance etc.
- Personal guarantee by two (2) Guarantors.
- Letter of Continuing Security in case of loans secured by mortgage.
- Loan request-cum-loan document link.
- Loan officer visit prior loan disbursement at every cycle.

Loan Type 3 : Crop Marketing Loan

1.1 Description

Post-harvest short-term loan targeted at crop Producer-farmers, Processors and Wholesalers and or Dealers for procurement of produce during harvest, financing expenses directly related transportation, storage and or to cater for working capital needs for stocking with a sole aim to re-sell in the near future. The loan is restricted to agricultural crop commodities that have a sustained demand throughout the year (such as maize, rice, millet, sorghum, oil seeds etc).

1.2 Product Features

- Interest charged on a declining balance
- Loan amount limited to 60% and 50% of market value of produce harvested and offered as collateral for Producer farmers and Processors/Dealers respectively
- Maximum loan tenor of 2 and 12 months for Producer- farmers and Processors/ Dealers respectively.

1.3 Eligibility Criteria

- Current or Savings Bank account
- Completed loan application form
- Payment of loan processing fee
- Financial card
- Borrower must be dealing in crop commodities
- Producer-farmers must be engaged in the business for two (2) immediately preceding successive seasons
- Processors/Dealers experienced in dealing with crop commodities proposed to be financed for a minimum of three (3) years
- Security acceptable to bank such as mortgage including kibanja, pledge of agro

produce, receivables, etc.
- Guarantee of two acceptable Guarantors

Loan Type 4 : Farm Asset or Equipment Loan

1.1 Description

The loan is designed for produce farmers or commercial-farmers looking to finance the purchase of small and high value farm equipment. The Farm Equipment Loan allows farmers to purchase small value equipment such as sprayers, farm tools like steel ploughs, paddlers and tractor attachments/accessories, fodder cutting machine, tractor oil engine, pump and higher value farm equipment and big-ticket equipment; such as tractors, combine harvesters, rice haulers etc.

1.2 Product Features

- Interest rate charged on declining balance
- Loan amount of 50% to 75% of the purchase value of the equipment
- Maximum loan repayment period of 60 months (5 years)
- Mode of repayment is fixed to the borrowers' net cash surplus arising from proceeds for sale of produce.

1.3 Eligibility Criteria

- Current or Savings account
- Completed loan application form
- Financial card
- Payment of loan processing fees as per current fees of micro and SME/Corporate loans
- Farming a minimum of 10 acres for commercial-farmers
- Personal guarantee by two persons acceptable to the Bank
- Security acceptable to bank such as mortgage of land/other property.

Loan Type 5 : Savings Linked Loan

1.1 Description

Short-term loan product requiring a customer who is either s Producer-farmer or Processor to save every month a certain sum for a specific period to reach a targeted amount and at the end of the savings term – usually 12/24 months the customer can be availed a loan against the savings for financing a certain purpose like acquisition of farm equipment, building a farm store or purchase of agricultural processing equipment.

1.2 Product Features

- Interest rate on deposits as per the Banks Savings account regime
- Interest charged on declining balance as per reining interest regime
- Loan amount of 2 to 3 times the amount of savings up to a maximum of UShs5 million
- Loan period of up to a maximum of 36 months
- Mode of loan repayments based on the nature of cash flow.

1.3 Eligibility Criteria

- Current or Savings Bank account
- Completed loan application form
- Payment of loan processing fees
- Financial card
- Clients of consent age engaged in agriculture
- Maintain regularity in saving UShs. 20,000 every month for a minimum of one year
- Security is hypothecation/mortgage of asset purchased and a lien on savings accumulated

Loan Type 6 : Agribusiness Solar Loan

1.1 Description

The Agribusiness Solar Loan is a short-to-medium term loan for providing finance for purchasing and installation of Solar-powered Irrigation Systems for small-holder and commercial farmers.

1.2 Product Features

- Minimum Loan Amount of UGX 100,000 & up to a maximum Loan amount of 50 million for irrigation systems and accompanying equipment.
- Flexible loan periods of up to a maximum of 60 months depending on the borrower's appraised loan repayment capacity.
- Fixed Interest Rate of 1.67% per month charged on a declining balance.

1.3 Eligibility Criteria

- Current or Savings account
- Completed loan application form
- Financial card
- A small holder or commercial farmer engaged in a viable agribusiness enterprise
- Financed equipment is part of collateral & any other as may be advised.

Loan Type 7 : Cente Micro Business Loan

1.1 Description

"Start small and progressively grow bigger." Cente Micro Business Loan is a short-term business loan targeting micro business enterprise for financing any business or productive purpose e.g., working capital. These Cente Micro Business Loans have flexible repayments and can be used to restock businesses, purchase business assets like; motor vehicles, motor cycles, grinding mills and other equipment. In addition, they can be used to pay taxes, rent and other business utilities.

1.2 Product Features

- Maximum loan amount of up to UShs 50 million.
- Minimum loan amount of UShs 100,000.
- Interest charged on declining balance.
- Flexible and regular repayment plans.
- Minimum loan period of 3 months
- Maximum loan period of 24 months.

1.3 Eligibility Criteria

- Current or Savings bank account
- Completed loan application form
- Payment of loan processing fees
- Financial card
- Payment of processing fee
- Inspection of collateral
- Security can be fixed and/ or movable assets
- Guarantees, personal or corporate
- Applicant must be resident within the branch designated area of operation.
- There must be an on-going business activity.

Loan Type 8 : Centesme or Corporate Business Loans

1.1 Description

Loans extended to SME's and Corporate organizations engaged in business in a variety of sectors including trade/, transport, communication, industry/ manufacturing, agriculture (animal husbandry, fisheries, crop finance, Government sector, building/construction, and service sectors. The loans can be used to finance working capital, acquisition of business assets and infrastructural development.

1.2 Product Features

- Maximum loan amount of up to UShs. 20 billion.
- Maximum loan period of up to 10 years; minimum flexible.
- Interest rate charged on reducing balance
- Repayment frequency/ pattern agreed with each customer
- Grace periods of up to Twelve (12) months, applicable on a case-by-case basis.

1.3 Eligibility Criteria

- Application and Supportive documents.
- Current or Savings Bank account.
- Completed loan application form.
- Payment of loan processing fees.
- Financial card.
- Certificate of registration/incorporation.
- Memorandum and Articles of Association or Partnership Deed.
- Company profile.
- Registered borrowing resolution.
- Financial statements for at least the last 3 years (Balance Sheet, Profit and Loss Accounts) audited by a registered and practicing CPA firm.
- Projected cash flow statement.
- Statement of Assets and liabilities dated within 3 months of application date.
- Copy of Title Deed or other asset(s) being offered as security.
- Copy of valuation report (dated within 4 years of application date), done by the bank's approved valuers.
- Curriculum Vitae of the proprietor/Partners/Directors/Guarantors.
- Bank Statements for the last 12 months.
- Approved plans and bills of quantities for construction projects where applicable.

- Valid license for the business being undertaken.
- Authority to borrow granted by relevant Ministry in case of financing Government institutions or schools.
- Pro forma invoices for purchase of machinery/equipment or vehicles.
- Site visit reports for the business premises and properties being offered as security (with pictures).
- Local Purchase Orders.

Loan Type 9 : Cente Youth Loan

1.1 Description

The loan targets Ugandan youth aged between 18 and 35 years and it is a short to medium term loan designed for the purpose of financing business expansion. The loans support business ventures owned by young entrepreneurs and the eligible sectors include manufacturing, agro-processing, primary agriculture, fisheries, livestock, health, transport, education, ICT, tourism, construction, printing and service contractors among others.

1.2 Product Features

- Interest charged on declining balance.
- Minimum amount of UShs 100,000.
- Maximum amount of 5,000,000 for individuals.
- Minimum loan amount of UShs 500,000 and maximum amount of 25,000,000 for companies and partnerships.
- Maximum loan period of 4 years for development and 2 years for working capital loans
- Repayment through regular and equal monthly, bi-monthly, quarterly or staggered instalments (including principal and interest) based on the nature of business and cash flow.
- Grace period maximum of one year applicable on a case-by-case basis.

1.3 Eligibility Criteria

- Current or Savings Bank account.
- Completed the loan application.
- Payment of loan processing fee.
- Trading license.
- Existing enterprise, at least 3 months old.
- Must have or open an account with Centenary Bank.
- Additional requirements based on type of legal entity.
- Proof of existence of a business
- Proof of identity like birth certificate, national ID, passport, voters' card, utility bill or parents' bill, Local Council letter or tenancy agreement.
- Guarantors who must be persons of good repute within the local community.
- Financial card.

Loan Type 10 : Cente Lease

1.1 Description

This is a short-to-medium term finance lease product targeted at customers engaged in agricultural production, processing & marketing and other business activities outside the agricultural sector like transportation, trade & commerce, education services, health services, small-scale processing/ manufacturing, hotel & recreational services, for the purpose of acquiring productive assets/equipment.

The bank leases assets/equipment to the customer in exchange of payment of periodic rentals for wholes lease period. The customer automatically owns the asset once all the agreed lease payments/rentals have been made.

1.2 Product Features

- Minimum lease amount of UShs. 100,000
- Maximum lease maximum of UShs. 8 billion (VAT inclusive).
- Interest rate charged on declining balance
- Maximum lease period is 5 years
- Flexible grace period where needed
- Secured on the leased item.

1.3 Eligibility Criteria

- Current or savings Bank
- Completed lease application form
- Financial card
- Cash contribution for the asset/equipment purchase
- Valid identification of the lessee and the leased asset
- Applicant resident within the branch's designated area of operation
- Possession of relevant business experience.

Other Loan Types

- Cente Salary
- Cente Land
- Cente Solar
- Cente Mortgage
- Cente Home Improvement
- Cente Housing

STANBIC BANK

Loan Types	Description	Eligibility Criteria	Comment
Personal Salary Loan	• Looking for a loan where you can access large sums of money and pay back manageable monthly instalments over a long period of time using your salary, this is for you! • Best Interest rates in the market. • Unsecured loan amounts up to Ugx 200 million	• You must have an account with Stanbic • Must receive a monthly salary. • For non-Ugandans; you must be living in Uganda with valid residency permit and or work permit.	• Regulatory fees: • Stamp duty of Ugx15,000 for loan amounts greater than Ugx3Million. • Bank loan arrangement fees: • 2% of loan

Loan Types	Description	Eligibility Criteria	Comment
	• Flexible repayment period up to 72 months. • Insurance cover (no liability in case death, permanent disability and retrenchment). • Access funds conveniently through our digital channels i.e. internet banking.	• Should earn a minimum net monthly income of Ugx 150,000. • Must be 21 years or older (but not older than 60 years on expiration of the facility). • A financial card • National ID	amount. • Credit Life insurance. • Flat monthly insurance charge of 0.13% of the outstanding loan amount.
House Purchase Loan	• Are you are looking to buy a house or flat? Buy an existing house, condominium or apartment with 100% financing and zero loan arrangement fees. Get your property with reputable developers, with affordable insurance from our trusted partners. • 100% Financing of property value in UGX & USD • Best Interest rates on the market. • Big loan amounts up to UGX 10 billion • Flexible and convenient repayments. • Enjoy no penalty charges on early repayments. • Insurance (no liability in case of property damage, incapacitated or death). • Access services from our dedicated home loans department that will offer support through-out the process.	•	Legal fees: Stamp duty on transfer 1.5% of value (only applicable at title transfer during purchase of house or land) Stamp duty on mortgage 0.5% of loan amount. Related registration costs. Lawyer's professional fees. Bank loan arrangement fees: 1.5% of loan amount. Property valuation: Professional fees of 0.25% of value. Value Added Tax (VAT). Boundary opening fees. Insurance: Property insurance.

Loan Types	Description	Eligibility Criteria	Comment
			Life insurance.
Land purchase loan	• Have you identified land to buy or would you like to buy land? Get up-to 80% financing to purchase land from reputable property developers. It can be possible to finance your goal to become a landowner with the Land Purchase Loan. • Best interest rates on the market • Big loan amounts up to Ugx 300 million • Adjustable repayments • Enjoy no penalty charges on faster repayments • Insurance (no liability in case of incapacitation or death) • Access services from a dedicated home loans department that will offer support through-out the process • Linkage to reputable property developers •	•	• Legal fees: • Stamp duty on transfer 1.5% of value (only applicable at title transfer during buying of land) • Stamp duty on mortgage 0.5% of loan amount. • Related registration costs. • Lawyer's professional fees. • Bank loan arrangement fees: • 1% of loan amount. • Property valuation: • Professional fees of 0.25% of value. • Value Added Tax. • Boundary opening fees. • Credit Life insurance.
Others Include: • Unsecured Personal Overdraft • Instant Cash Advance	•	•	

HOUSE FINANCE BANK

Loan Types	Description	Eligibility Criteria	Interest Payment
Salary Loan	• Unsecured salary loans of up to UGX 350 million • Repayment period of up to 84 months • Zero arrangement fees for loan buyouts	• Employee's Appointment or Contract Letter • Letter of introduction from the employee's organization • Copies of 2 latest or most recent Pay Slip • Valid Identification • Two recent Passport Photos • CRB card • Signed Consent to CRB (signed at HFB) • Salary Bank account Statement for at least 6 months (if salary account is not held at HFB)	• Interest rates as low as 17.5% •
Personal Secured Loan	• A short to medium term loan targeting salary earners who want to access loans that are bigger than what the swift loan can offer • The loan is fully secured by collateral. The following categories of applicants are also considered herein; • Customers whose contract period is less than the required loan period • Employees whose employers have not been successfully vetted by the Bank • Employees whose employers are not willing 8 to sign the letters of undertaking to remit their salaries to the HFB account • Self-employed customers who earn salaries from their companies • Product Features • Secured by any of the collaterals acceptable to the Bank • In addition to their salary, customers can use other sources of income • Minimum loan amount of UGX 1Million • Maximum loan amount depends on customers capacity • Loan period – 60 months • LTV is as per the credit policy	• Employee's Appointment/ Contract Letter • Letter of introduction from the employee's organization • Copies of 2 latest / most recent Pay Slip • Valid Identification • Two recent Passport Photos • CRB card • Signed Consent to CRB (signed at HFB) • Salary Bank account Statement for at least 6 months (if salary account is not held at HFB) • Title or acceptable collateral documents	
Home Loan	• Do you want to purchase/complete your residential property? Then accesses up to 100% finance to enable you realize your dream. • High loan amounts of up to 80% of the loan value	• Long repayment period of up to 20 years • High loan amounts of up to 80% of the loan value • Loan repayments of	• Long repayment period of up to 20 years •

Loan Types	Description	Eligibility Criteria	Interest Payment
	• Loan repayments of up to 35% of your ascertainable gross income • Loan payable on a reducing balance basis in predictable equal monthly installments • Competitive interest rate	up to 35% of your ascertainable gross income • Loan payable on a reducing balance basis in predictable equal monthly installments • Competitive interest rate •	
Incremental Housing Loans	• Loans amounts of up to UGX 50M • Loan repayment period of up to 3 years. • Monthly and Quarterly payments based on verifiable borrower income cycle • Credit life Insurance • Access to funds with a land title.	• Reliable source of income (1year for businesspeople and 6 months for salaried employees) • Trade license for businesspeople where applicable • For salaried employees, a copy of the contract and pay slips. • For kabaka's land; Development fee receipts • Kibanja agreements • For construction/ home improvements, cost estimates will be required	• Payable in up to 3 Years • 18.17% Interest Rate
Land Loan	• Looking for funds to purchase that much needed plot? The land loan is the answer to your question. • Long repayment period of up to 20 years • High loan amounts of up to 80% of the loan value • Loan repayments of up to 35% of your ascertainable gross income • Loan payable on a reducing balance basis in predictable equal monthly installments • Competitive interest rate	**Salaried** • Proof of borrower's income i.e., Letter from employer, pay slips for the last 2 months or a Bank statement for the last 12 months • Completed application form • Copy of financial card, valid ID and passport photos • Spousal consent or statutory declaration for marital status • Certified copies of Company founding documents (in case of self-employed applicants) **Self-employed Persons** • Companies have to present audited financial statements, certificate of incorporation, memorandum and articles of Association, copy of Form 7 and a Bank statement of 2 years • Sole proprietorship needs certificates of registration and Bank statements for 2 years	•

Loan Types	Description	Eligibility Criteria	Interest Payment
		• Completed application form • Copy of financial card, valid ID and passport photos • Spousal consent or statutory declaration for marital status • Certified copies of Company founding documents (in case of self-employed applicants)	

Post Bank

HOUSE FINANCE BANK

Loan Types	Description	Eligibility Criteria	Interest Payment
Agriculture Loans	• The purpose of the agricultural loans is to finance legal agricultural undertakings across the agriculture value chain e.g., Production, Processing, Marketing etc. This applies to both individual and non-individual entities •	• Hold a Post Bank Account. • Completed loan application. • Payment of application fees. • Financial Card. • Resident within the branch designated area of operation. • Applicant must be engaged in proven commercial agricultural activities across the value chain. • Agricultural activity must be profitable. • Owner or proven tenant of the land on which agricultural activity is being operated • Bank statement from other banks evidencing income regularity (Minimum of 12 months) where applicable. • Experience in project being financed. • Sufficient collateral for the loan covering 120 % of loans amount	
Business Loans	• The purpose of the loan is to accommodate financing needs of legal business undertakings for both individual and non-individual entities • Loan amounts matching your	• Hold a Post Bank account. • Completed loan application. • Payment of application	

	business needs. • Flexible repayment terms. • Top up loans available • Competitive interest rates • Accessible from any of our countrywide branch network. • Fast Turn Around Time • Flexible collateral requirement	fees. • Financial Card. • Provide financial statements for both individual and non-individual borrowers. • Where the borrower is a registered entity, shall provide all documentation related to its legal ownership, management and authority to borrow. • Site visits to both business and collateral. • Business area of operation should be within a radius of 50 Kms. • New customers must provide bank statements from their previous bankers. • Business should have been in operation for at least 2 years. • Sufficient collateral covering 120% of the loan amount. • Two guarantors	
Salary Loans	• Take up-to 10 times your salary • Ideal for any salary earner who needs finances for consumption or to acquire assets • Flexible repayment period of 6-48 months • Loan processed in one day • Top-up loan available • Competitive interest rates • Insured loans • No penalty charges on Early repayments • Insurance cover in cases of serious injury or death	• Flexible repayment period of 6-48 months • Loan processed in one day • Top-up loan available • Competitive interest rates • Insured loans • No penalty charges on Early repayments • Insurance cover in cases of serious injury or death	
Home & Land Loan	• Designed to enable customers interested in purchase of land or a house holding verifiable sources of income regardless of whether it is business or employment or both and having sufficient collateral. • Must be a PBU customer. • Applicant must possess a steady, verifiable regular source of income for servicing loan. (Business/Salary or both) • Bank statement from other banks evidencing income regularity (6 months). • Sufficient collateral for the loan. • Copy of the title. • Valuation report. • Completed loan application form. • For land acquisition, statutory declaration of marital status where applicable. • Guarantors are required.	• Loan Tenure: 5 – 10 Years • 20% or more client contribution on the Home and Land Loan	

	• Bill of quantities/Invoice for construction purposes		
Other Loans; Education Loan Water, Sanitation & Hygiene Loans (WASH loans)	•	•	
	•	•	

EQUITY BANK

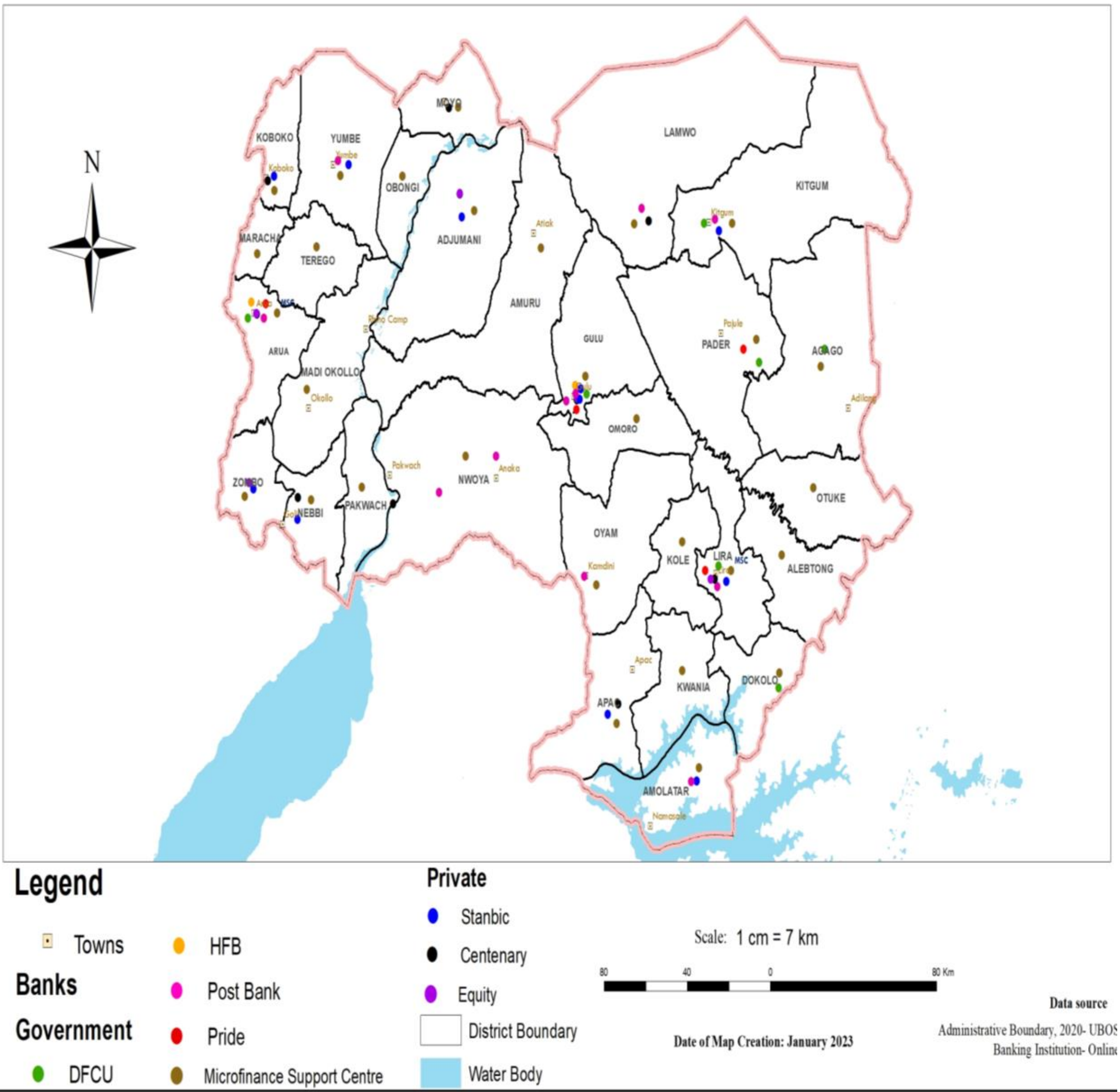
Loan Types	**Description**	**Eligibility Criteria**	**Interest Payment**
Agri Micro Loan	• Micro Agribusiness Loan is designed to finance small and medium agricultural producers and micro agriculture-based entrepreneurs/agro-traders. This facility is aimed at but not limited to: • Farmers and farming entities both in livestock and crop production without regular monthly remittances. • Micro agricultural traders and agro-processors such as dairy processors, farm output buyers, etc. including licensed home-based value addition businesses, on-farm processing and agro based micro enterprises etc. • Agricultural service providers such as equipment hiring services, soil testing, veterinary services, commercial technical training and support etc. • Maximum Repayment period of up to 24 months • Flexible Mode of Repayment based on agribusiness income cycle	• Be an active account holder with Equity Bank for at least 12 months • Be in commercial farming with experience of at least two (2) successful seasons/cycles and good knowledge of the market. • Have the relevant licensing especially for agro-traders and processors. • Demonstrate existence of other reliable sources of income that could be utilized in loan repayment in case of crop failure, poor harvest, poor markets etc. • Provide documentary evidence of ownership of the farm used for production or a valid lease agreement covering at least two future seasons/cycles. • Farming project to be financed from the branch and easily accessible to the bank officials.	
Agri Business Loan	• This is a loan designed to financially facilitate the value chain players in the business of manufacturing, stocking, importing, exporting and selling agricultural inputs and equipment. • The loan beneficiaries include but are not limited to agro-dealers, agro-processors, agro-inputs manufacturers and	• You could be an account holder with Equity Bank or a non-account holder. • Submit your loan purpose for financing business working capital and operational needs. • You need to demonstrate your ability to pay back the loan.	

Loan Types	Description	Eligibility Criteria	Interest Payment
	agro-importers and -exporters. • The credit facility is to facilitate agribusiness enterprises by agro-dealers, importers, agro-processors and input manufacturers, etc. to finance business working capital and operational needs. • Loan amounts depend on individual requirements and the ability to repay. • The maximum repayment period is three years • The beneficiaries will have access to the region's most competitive loan rates. • Training and mentorship programmes will be made available to you.		
SME/Small Business (EazzyLoan)	• EazzyLoan is an easy loan to get, without the need for guarantors or filled out forms. Enjoy the convenience of borrowing from the comfort of the bank's digital channels, accessible by both regular remittance and business customers.	• You must have an active account with the bank for a minimum period of 3 months. • Must be a registered user of the bank's digital lending channels (Mobile Banking and EazzyNet). • Qualification will be based on the pre-scored limit computed on the banks defined parameters • It is a low Interest credit facility. • Enjoy instant loan processing. • Loan is available 24 hours a day, 7 days a week	
SME/Small Business (Business Overdraft)	• Get a Business Overdraft to help you acquire stock for trading or to help you meet other recurrent obligations in your business such as payment of staff salaries against a clear source of repayment • Flexible repayment period of up to 12 months • The overdraft facility must be 50% of average turnovers for a given period, usually 12 months • Interest is charged only on funds drawn out of the account • Flexible collateral requirements • Quick processing	• Application for the facility to be supported by documentation such as invoices, orders etc • One must provide financial information (bank statements for the past 6 months and a copy of your financial card) • It has simple requirements • Client obtains credit hence easing increase/ improving on liquidity •	
Personal (EazzyLoan)	• EazzyLoan is an easy loan to get, without the need for guarantors or filled out forms. Enjoy the convenience of borrowing from the comfort of the bank's digital channels, accessible by both regular remittance and business customers. • Loans are available for both one month and multiple monthly Instalments • Funds from the facility are instantly available into your account	• An active Equity bank account for a minimum of six months • Credit limits showing maximum amounts one can borrow at a time • Eazzy Banking App now available on IOS or USSD code • To qualify for this loan you must have an active Equity	

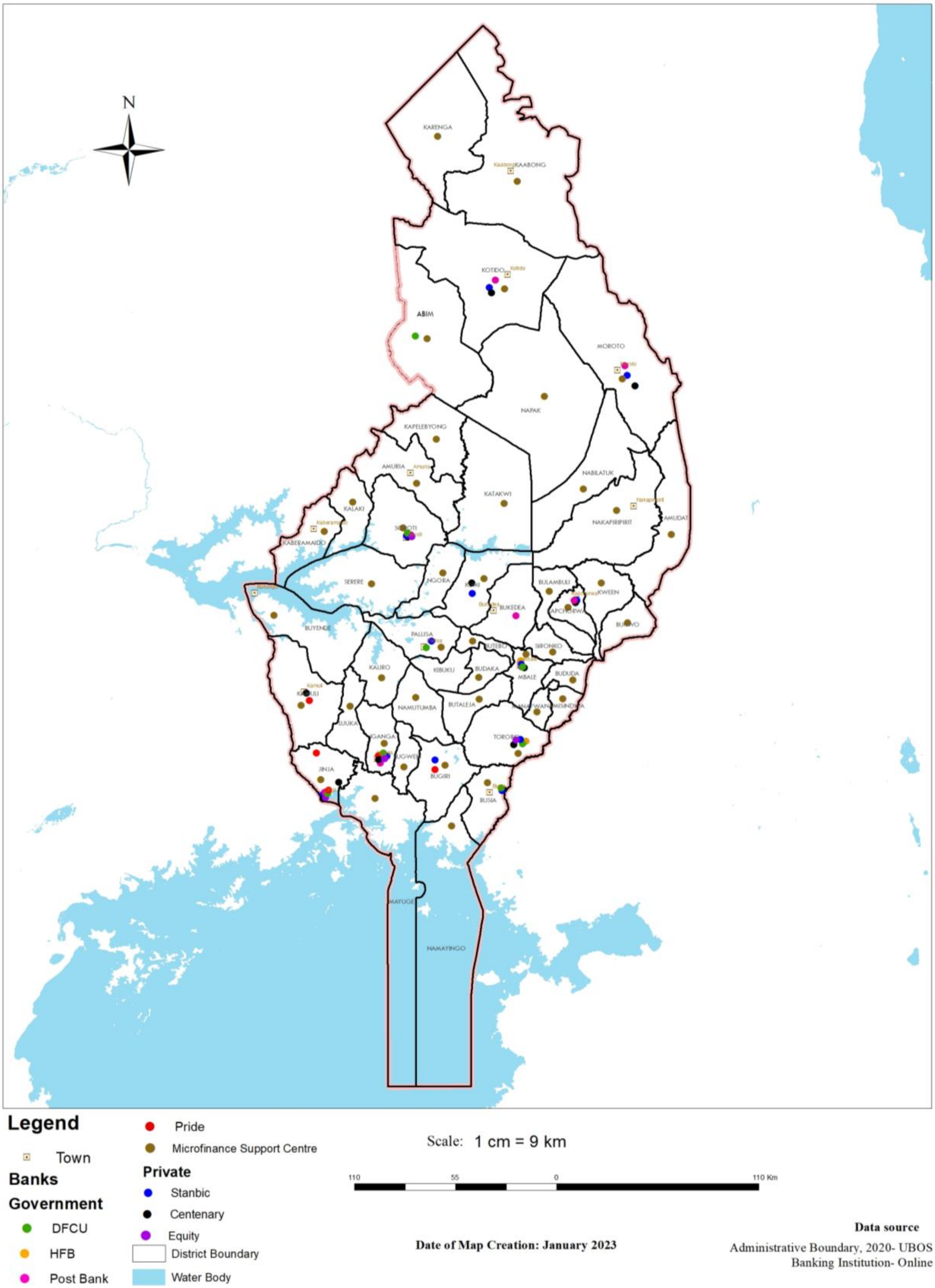
Loan Types	Description	Eligibility Criteria	Interest Payment
		bank account for the previous 6 months. • An active USSD ie Eazzy 24/7 or Eazzy banking App. If you do not have an account, open one up instantly by simply dialing *247# using your current number, then collect your Equitel line from your nearest Equity Bank branch or select Equity Agents. • You receive the loan instantly on your phone, saving you valuable time. • It offers a flexible repayment period of up to 1 months. • This loan facility is safe and secure. •	
Personal (EazzyLoan)	• Equiloan is tailored to the salaried person who is looking to get funding for developmental projects or acquisition of assets. It is advanced to customers whose employers have signed an MOU with Equity. • Flexible repayment period of up to 60 months • Competitive interest rates • Flexible collateral requirements • Quick loan processing	• Flexible repayment period of up to 60 months • Competitive interest rates • Flexible collateral requirements • Quick loan processing •	
Corporate (Working Capital Loan)	• It has simple requirements • Client obtains credit hence easing increase/ improving on liquidity • It has simple requirements • Client obtains credit hence easing increase/ improving on liquidity •	• It has simple requirements • Client obtains credit hence easing increase/ improving on liquidity • It has simple requirements • Client obtains credit hence easing increase/ improving on liquidity •	

Annex 3: Spatial Presentation of Selected Banking Institutions by Region

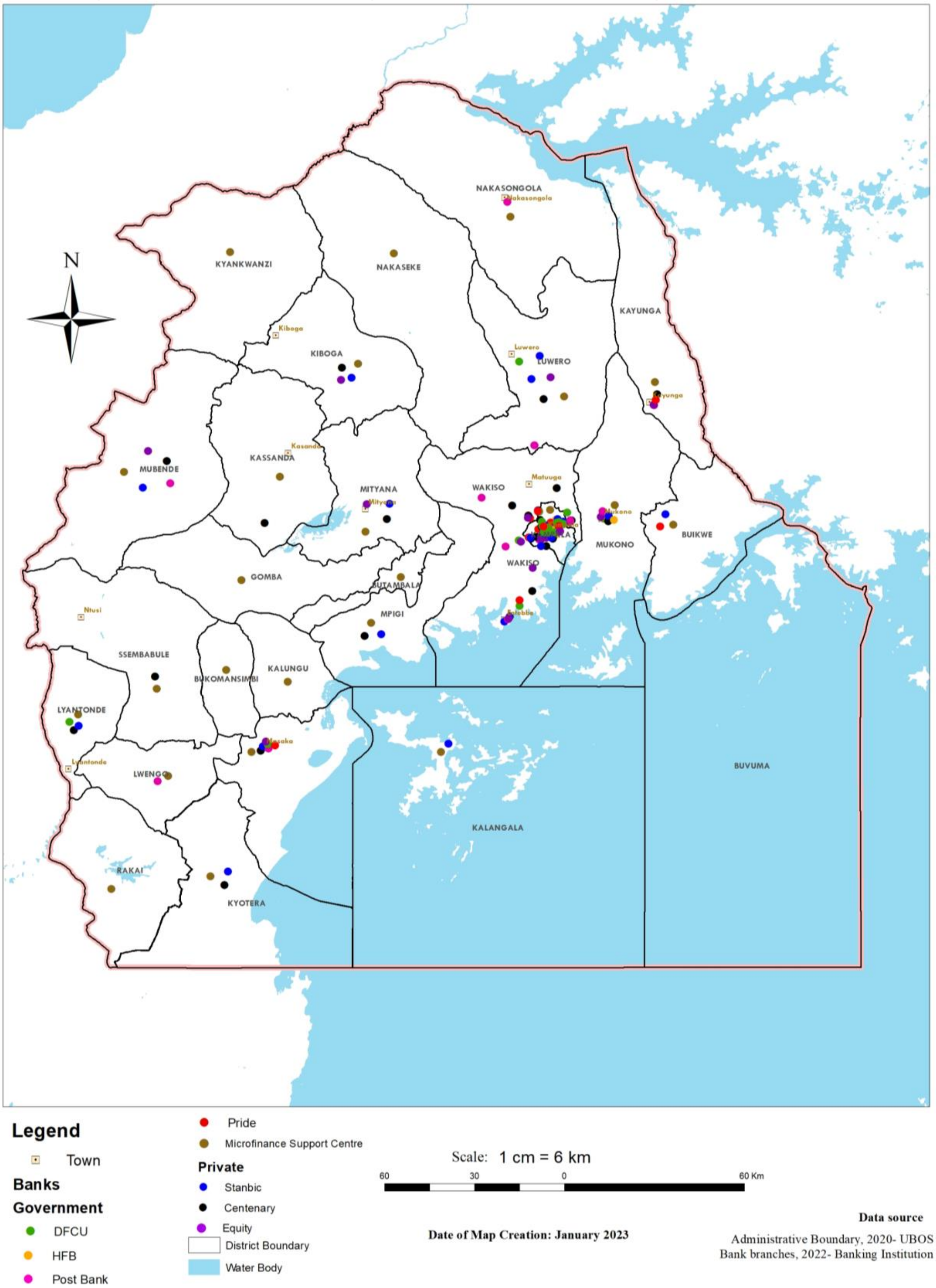
Annex Figure 3.1 Selected Banking Institutions in Northern Uganda



Annex Figure 3.2 Selected Banking Institutions in Eastern Uganda



Annex Figure 3.3 Selected Banking Institutions in Central Uganda



Annex Figure 3.4 Selected Banking Institutions in Western Uganda