



THE REPUBLIC OF UGANDA

**REMARKS BY THE HON. MINISTER OF STATE FOR FINANCE, PLANNING AND
ECONOMIC DEVELOPMENT (MICROFINANCE)**

DELIVERED AT

**THE MEDIA BRIEFING ON THE MICROFINANCE AND SAVINGS GROUPS
CONFERENCE**

MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

25TH NOVEMBER, 2022

The Permanent Secretary/ Secretary to The Treasury,

The Principal- Makerere University Business School,

The E.D – Microfinance Support Centre (MSC),

The E.D – Uganda Microfinance Regulatory Authority (UMRA),

The E.D – Association of Microfinance Institutions in Uganda (AMFIU),

The Country Director – Care International Uganda,

Representatives of Civil Society Organizations Present,

The Media Fraternity,

Ladies and Gentlemen.

1. I welcome you all to this media briefing where we are popularizing the **First Annual Microfinance and Savings Groups Conference** organized by my Ministry in partnership with key players in the Microfinance industry namely; Association of Microfinance Institutions in Uganda (AMFIU), CARE International Uganda, Makerere University Business School, Microfinance Support Centre and Uganda Microfinance Regulatory Authority (UMRA).

2. Ladies and gentlemen, we have organized a two-day conference on 29th and 30th November 2022 at Hotel Africana Kampala and it is expected to bring together stakeholders from the industry within and outside Uganda to discuss critical matters and build consensus on the future of the microfinance and savings groups in Uganda. The conference will run under the theme; "**Drivers for sustainable Microfinance and Savings Groups in Uganda**" and objectively we want to achieve the following;

- i. To Disseminate the findings of the National Savings Groups Policy Framework study

- ii. To discuss and disseminate information on key government flagship microfinance programs such as EMYOOGA and PDM
- iii. Institutionalize the social and economic empowerment of vulnerable communities through applying Environment, Social and Governance (ESG) principles to microfinance and savings groups
- iv. Promote the adoption of digital technologies in the microfinance sector and savings groups through sharing of practical experiences and case studies, and
- v. To explore the potential of green finance in strengthening growth and sustainable microfinance and savings groups.

3. Ladies and gentlemen, the Microfinance industry in Uganda is one of the most vibrant and well known in terms of providing rich experiences for cross learning and lesson adaptation by government, agencies, and development partners. This conference therefore comes in the real time when we need to reflect and focus on key achievements, challenges and opportunities for the development of the industry.

For all the years, government has focused on developing the sector and some of the interventions aligned to support the National Development Program (NDP III) whose goal is to increase household incomes and wellbeing of the people. In 2017 government launched the National Financial Inclusion Strategy 2017-2022 which among other things aimed at reducing exclusion and barriers to access and usage of financial services.

4. Uganda Microfinance Regulatory Authority (UMRA); it was established and operationalized as provided for by the Tier IV Microfinance Institutions and Money Lenders Act, 2016. UMRA's role is mainly to promote a sound and sustainable non-banking financial institution's sector such as Savings and Credit Cooperatives Societies (SACCOs), Village Saving and Loan

Associations (VSLAs), Non-deposit Taking Microfinance Institutions and Money Lenders. UMRA is also mandated to enhance financial inclusion, stability and consumer protection among mainly those in the bottom of the pyramid.

To date we have put in place all the required regulations for Money Lenders, Non-deposit Taking Institutions and SACCOs. In addition, we have now landed the Self Help Groups guidelines to facilitate registration, market conduct and reporting of the savings groups.

5. The Microfinance Support Centre (MSC); (MSC) was established in 2001 to provide affordable credit, business development services, capacity building to microfinance institutions as well as micro, small and medium enterprises. MSC provides grants as well as credit to savings groups, SACCOs and small and medium and enterprises at an interest rate ranging between 8%-13% per annum for on-lending to their members. MSC is also implementing **the Presidential Initiative on Job and Wealth Creation (EMYOOGA).**

Members you may recall, the EMYOOGA programme came into existence in August 2019 intending to bring together groups of people engaged in similar enterprises to enable them access affordable credit and save jointly.

To date over 6,664 SACCOs have been formed at constituency level and financed with Ugshs.30million as revolving funds.

Ladies and gentlemen am privileged to note progress in the EMYOOGA programme where over Ugshs72 billions has been mobilized as savings from 205,710 parish based associations and 6,664 SACCOs representing 48.4% women, 30% youth and 2.56% PWDs as beneficiaries.

6. Project for Financial Inclusion in Rural Areas (PROFIRA); NRM Government with support from IFAD designed the Project for Financial Inclusion in Rural Areas (PROFIRA) to address the identified gaps and consolidate the achievements under the Rural Financial Services Program (RFSP) through, among other things promoting savings groups/Village Savings and Loan Associations as an alternative outreach vehicle, particularly in the areas where SACCOs were not performing well. Since its inception, PROFIRA has been building capacity of savings groups and in the recent past providing grants to selected savings groups under the Rural Poor Stimulus Facility. In this case 14,500 new Community Savings and Credit Groups with 432,000 members have been set up of which 285,000 and 298,000 members have been trained in financial literacy and business skills respectively. PROFIRA has also Strengthened 3,250 already existing community savings comprising of 102,000 members.

PROFIRA has also supported 310 SACCOs through trainings and capacity building to enable them become sound and financially sustainable organizations. In addition, it has provided capacity-building support to 120 District Commercial Officers to become UCCK-certified Trainers of Trainers in Financial Literacy and Cooperative Education. In addition, 38 SACCOs were supported with computerised MIS, and trainings to help them improve their efficiencies and transparency in the management of their SACCOs.

7. The Parish Development Model; The Parish Development Model; H.E The President launched the PDM in February 2022. The goal of the PDM is to “to increase household incomes and improve the quality of life of Ugandans with special focus on the total transformation to the money economy, of the 39% households still stuck in subsistence.

The NRM Government has committed to capitalize the people's PDM SACCOs at each of the 10,594 Parishes with UGX 100 million every FY. The funds are for on-lending to the members to do projects and activities along the agricultural value chain at affordable interest rate, 6% p.a.

As at 11th November, 2022, my Ministry had disbursed UGX 151 billion to the bank accounts of 6,051 compliant PDM SACCOs countrywide with each PDM SACCO receiving UGX 25 million. Another 2,664 PDM SACCOs are already in process to receive funds on the accounts before 30th November, 2022.

I would like to take this opportunity to assure the public that my Ministry is working with the Local Governments to ensure that all outstanding issues are addressed so that we can disburse funds to all 10,594 PDM SACCO in time for the next planting season.

Other players in the Microfinance Industry.

8. Government of Uganda is working closely with other agencies in fulfillment of its mandate to providing a favorable working environment to the development of the microfinance industry.

Government has worked with CARE International Uganda and Makerere University Business School (MUBS) to develop operational guidelines for Self-Help Groups. The guidelines were launched and will be operation effective January 2023. These guidelines are aimed at promoting safety, sanity, reporting and sustainability of the Self Help Groups in the country.

9. My Ministry through PROFIRA worked with AMFIU and UCSCU to facilitate mentoring and training of SACCOs across the country. The two

associations have also been influential in mobilizing their members towards government initiatives.

I will request the E.D AMFIU to enlighten you on their achievements over the years.

10. We also recognize the efforts of the Ministry of Trade Industry and Cooperatives, Bank of Uganda, Ministry of Local Government, Uganda Cooperative Savings and Credit Union, Uganda Cooperative Alliance, the private sector (SACCOs, FINTECS and Microfinance institutions) and our development partners in building the microfinance sector.

11. I once again take this opportunity to thank my technical team headed by the Permanent Secretary/Secretary to The Treasury and all the foot soldiers including but not limited to the District Commercial Officer and the Community Development Officers for the efforts and passion exhibited to transform the Microfinance industry in Uganda.

I Finally call upon all Ugandans to participate and follow the proceedings of the conference via the channels to be communicated by my team.

FOR GOD AND MY COUNTRY

HON. KYEYUNE HARUNA KASOLO

**MINISTER OF STATE FOR FINANCE PLANNING AND ECONOMIC
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