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**CRS Farmer to Farmer Program
Volunteer Assignment Scope of Work**

Summary Information	
Assignment Code	UG229
Country	Uganda
Country Project	Livestock Country Project
Host Organization	Kamwenge District Dairy Farmers' Cooperative Society (KDDFCS)
Assignment Title	Financial Management for savings and loan scheme
Assignment preferred dates	March – April, 2020
Objectives of the assignment	<p>The overall objective is to build the capacity of saving and credit scheme of KDDFC to establish procedures to run an efficient scheme that best serves the interests of members.</p> <p>Other specific objectives will include:</p> <ul style="list-style-type: none"> • Promote a saving culture among members. • Improve group members' usage of credit. • Build staff capacity in managing funds and enhance accountability • Identify other potential savings & loan products that can be adopted by the scheme
Desired volunteer skill/expertise	<ul style="list-style-type: none"> • Formal qualifications in savings and credit cooperatives, microfinance institutional development, or community managed savings groups; • Strong background in agriculture credit, particularly as related to small farm enterprises is necessary • Business development and management studies are desirable. • Wide experiences in working with rural farmers on appropriate savings and credit products • Good working knowledge in credit policies and procedures, credit management, and finance management • Good writing and analytical skills, including good interpersonal

	<p>communication</p> <ul style="list-style-type: none"> • Understanding of dairy/crops production cycle and financial investment requirements
Type of Volunteer Assistance	Financial Services (F)
Type of Value Chain Activity	Information and Input Support Services (S)
PERSUAP Classification	Type III

A. Background

CRS Farmer -to-Farmer program (F2F) is a USAID funded program that will be implemented for five years (2019- 2023) with a primary goal of reducing hunger, malnutrition, and poverty across six countries: Benin, East Timor, Ethiopia, Nepal, Rwanda and Uganda. The program aims at achieving this goal through advancing inclusive and sustainable agriculture led growth aimed at generating sustainable, broad-based economic growth in the agricultural sector. The program’s secondary goal is to increase US public understanding of international development issues and programs and share the knowledge back in the US. To achieve its goals, F2F program provides volunteer technical assistance to farmers and farmer groups (associations and cooperatives), private agribusinesses, agriculture education institutions in developing countries like Uganda to address host identified technical needs in selected agricultural value chains. F2F volunteers are pooled from abroad range of US agricultural expertise, from private farmers with varied experience, University professors, bankers/certified accountants, animal health and nutrition specialists, soil scientists, agronomists who support local host organisations F2F program introduces innovation and develops local organisations capacity for more productive, profitable, sustainable and equitable agricultural systems while providing an opportunity for people- to-people interactions within the agricultural sector. In Uganda F2F program will focus its technical interventions in the livestock and agribusiness value chains

Kamwenge District Dairy Farmers’ Cooperative (KDDFC) is in southwestern Uganda and has a total member of 340 farmers. The average herd size is three dairy animals mostly cross breeds with average milk production five liters /animal. The cooperative has office premises that also doubles as milk collection center with cooling facilities. On average the cooperatives bulks 2400liters /2.5 days. The milk is sold to Jesa farm-a large milk processor based in Kampala, producing a wide range of dairy products like yoghurt, pasteurized milk, cheese, butter and UHT milk. The cooperative was started with a help from Samaritan Parse International in 2005. Samaritan Parse started by donating 160 dairy cows and introduced the pass-on scheme which to-date is still operational. The pass-on scheme is a scheme where a farmer is given a young heifer and looks after it and when it delivers, the first calf is passed on to another farmer and the cycle continues. On average, Kamwenge dairy cooperative gives out 10 heifers every year to new members.

Kamwenge dairy cooperative society is involved in the bulking and marketing of raw milk from members. The cooperative offers services aimed at building the capacity of its farmer members in areas such as animal breeding and health, pasture management, milk handling, access and use of drugs and animal feeding. The dairy cooperative members also grow crops such as maize, sorghum, millet, groundnuts, bananas, beans and coffee as food or cash crops. KDDFC is also affiliated with a saving and loan scheme that provides savings and credit services to its members.

B. Issue Description

In Uganda, 38% of the population – ten million people – live below the poverty line of about one dollar a day. Most of these people desire access to financial services but require transactions that are too small to make them potential customers of savings and credit cooperatives (SACCO) or microfinance institutions (MFI). Financial institutions are faced with challenges of providing financial services to rural areas because the cost of providing financial services increases due to poor infrastructure development and lower population density. Also, as the operating costs increase, the revenue that institutions can expect from each customer decreases because poor rural farmers save and borrow much smaller amounts than their richer urban counterparts.

Although the incomes of the rural poor may be small and irregular, they need more money than they often have at their disposal. The need for “useful lump sums” arises from life-cycle events such as birth, education, marriage and death, emergencies including ill health, and from opportunities to invest in assets or commercial activities. The most reliable and sustainable way the poor can obtain “useful lump sum” resources is to build them from their own savings; savings-led financial services for the poor exist to help them do just that” (Rutherford S. 2001). It has therefore become apparent that small savings and credit associations are the best source of financial services, and perhaps the only sustainable solution for rural poor people. Within this savings and credit scheme, poor people receive accessible, low-cost, sustainable, safe, and transparent service, with nearly all the interest retained in the community and paid back to members as a lump sum annually. Additional benefits include people being able to borrow on flexible terms and conditions. Perhaps most important is the social support network provided by saving and credit facilities within the community.

The economic status of most rural farmers is characterized by low production, savings, investment, and ultimately income. However, this situation can be improved if farmers can accumulate capital for investment into production, storage and preservation, and diversification (investing capital and other factors of production into a different product or service). Economic development relates to use of natural and human resources as well as capital (savings) for production of material goods and services. Sustainable economic development is dependent upon the reinvestment of human energies and material resources (savings) in order to be maintained and extended. Without savings and reinvestment, economic development will stop and eventually collapse. However, by creating effective savers and borrowers, both the members’ businesses and the SACCO can grow.

KDDFC has a relatively small saving and credit scheme which is aimed at offering credit services to its members, reducing the distance they must travel to the large financial institutions and offer services at relatively lower interest rates. All 340 members of the cooperative can subscribe to belong and access services from the scheme. Currently, the scheme has a loan portfolio of US\$ 11,111 and savings volume of US\$ 4,722, loans are issued out at an interest rate of 5% payable between 4- 6 months. However, as the scheme continues to grow, the staff's technical capacity needs to be improved to efficiently manage members' savings, accountability, transparency, and conduct proper due diligence through the loan appraisal process before issuing out loan, this will help reduce the loan default rate. It's necessary that the staff become creative on other potential savings and loan products that can be introduced to benefit the members through their dairy farming activities and improve their overall well-being. Hence, this F2F volunteer technical assistance will focus on addressing the capacity gap among staff and loan committee of the board to improve the efficient management of the cooperative savings and loan scheme.

C. Objectives of the Assignment

Technical support in the area of savings and credit management would therefore go a long way in building the capital base of the KDDFC cooperative staff and member's knowledge in operating and managing a savings and credit scheme. Savings and credit schemes will enable group members to increase investment in production and invest in other income generating activities as a diversification strategy and risk mitigation factor against crop failure and low milk sales.

The specific objectives of the assignment include:

1. Review the operations of the savings and credit scheme (loan fund) and how to operate this scheme. Focus should be placed on decision making, how often members should save, how much, and when can withdrawals be made.
2. Loan justification, eligibility for loans, maximum loan sizes, loan security (collaterals, interest rates, repayment periods and loan supervision (monitoring), and loan recovery
3. Bookkeeping for the savings and credit scheme
4. Importance of building up a group fund with savings and credit scheme for group members.
5. Ways through which funds can be raised to build group funds, and what other potential savings and loan products can be introduced to the saving scheme

It is hoped that once groups clearly understand the importance of savings and credit, the financial strength of the scheme and the economic situation of the cooperative will improve. Without savings, there will be no sustainable economic development. Without credit, the development will initially be very slow. Giving loans to members is one of the best ways to build up a group fund in order to make substantial investments. It is against the above background that KDDFC cooperative management seeks F2F technical assistance.

Host contribution – KDDFC will mobilize target dairy members and staff to the trainings to be conducted by the volunteer. The dairy cooperative will also avail key personnel to work closely with the volunteer, during the preparations and actual trainings, to ensure that key staff are trained as a backstop to continue training other members even after the assignment is completed.

D. ANTICIPATED RESULTS FROM THE ASSIGNMENT

It is anticipated that the technical assistance to KDDFC’s saving and loan scheme will form a road map to improved saving and loan management and overall performance due to improved financial management of the processes and procedures, newly introduced loan and savings products. This will also result into improved transparency among members due to better accountability by staff for members funds.

The anticipated deliverables include:

- Trainings conducted, and people trained
- Training manuals/guidelines developed
- Revised tracking/recording templates for financial management
- Debriefing with USAID and in country group presentations during or after assignment
- Field trip report and expense report

Nature of training participants:

The anticipated participants for this training are the dairy cooperative staff, farmers, TOTs, and interested representatives from the different dairy farmer groups. Members of various sub county local government staff are also expected to attend the training, however, most of the board and management staff is literate, able to read & write without need for translation ranging, others that are semi-illiterate to completely illiterate will need translation. Trainings are usually conducted in centralized venues which will be agreed upon by the host, putting in consideration reduced transport costs for the participants. The venues vary from host office, cooling center, class rooms, local church, and the town council hall or under the tree, depending on accessibility.

E. Schedule of Volunteer Activities in Uganda

The volunteer will be expected to spend 2 - 3 weeks in country, with a strong preference for the longer duration.

Day	Activity
Day 1	Arrival at Uganda Entebbe Airport picked by Fairway Hotel Airport shuttle to Kampala and check in at Fairway Hotel. NB: In case the volunteer encounters /experiences any difficulty, please request for assistance from Airport Staff to call George on 0772 472103 or Maria on 0783922882.
Day 2	At 9.00 am, the volunteer is greeted at the hotel by Maria or George and thereafter go to CRS Office for introductions and briefings. Volunteer gets a briefing from F2F team about the host and then discusses with the team the related logistics and anticipated

	<p>outcomes. Volunteer may also prepare study materials while still at CRS Office. After briefing, travel to Kamwenge to commence the assignment in the company of a F2F staff.</p>
Day 3	<p>In the morning, F2F staff introduces the volunteer to the Kamwenge dairy cooperative management. Later in the day, the management (including representatives of Board of Directors) convenes a meeting for the volunteer to meet the entire core staff to discuss the objectives of the assignment and sketch out a work/action plan.</p> <p>In the afternoon, the volunteer will have a familiarization tour of Kamwenge cooperative premises, facilities, and discuss about existing market outlets/strategies.</p>
Day 4-11	<p>Review of the savings and loan scheme activities and financial management records, processes and procedures for savings and loan management.</p> <p>Interact with the loan committee and staff to understand challenges they are facing, future planned activities (this is a needs assessment to understand and tailor the technical support to address the needs of the scheme.</p> <p>Start the trainings, review/improve paper work/records management/formulate financial policies to guide management of the savings and loan scheme</p>
Day 12-13	<p>Interact with few members of the saving and loan scheme to understand their needs and challenges and how the scheme can address this. This will help inform some of the savings and loan products that can be introduced by the scheme.</p> <p>Work with the staff and loan committee to incorporate feedback from the members into scheme activities.</p>
Day 14	<p>Summing up the assignment and emphasize <u>take-home</u> tips; participants evaluate the training; volunteer solicits participants' input into assignment final report recommendations and develop an action plan.</p>
Day 15	<p>Volunteer travels back to Kampala</p>
Day 16	<p>Submit the Trip Report (TR) and other deliverables and discuss any pending issues with relevant CRS staff. If possible, the volunteer and CRS team attend a debrief at USAID Mission</p>
Day 17	<p>Depart for USA</p>

F. ACCOMMODATION AND OTHER IN-COUNTRY LOGISTICS

In Kampala, the volunteer will stay at Fairway Hotel & Spa (www.fairwayhotel.co.ug). In Kamwenge, the volunteer will stay at Club Afreka which is within the town. The volunteer will work accompanied by cooperative staff in rural areas where groups are located.

CRS will pay for hotel accommodation and provide the volunteer with per diems to cater for meals and other incidentals. The volunteer may get an advance which has to be cleared before departing Uganda. For more information, please refer to Uganda country information that will be provided.

G. RECOMMENDED ASSIGNMENT PREPARATIONS

The volunteer should prepare materials for hand out which can be printed at CRS office in Kampala before commencement of the assignment. Flip charts, markers, masking tapes can be obtained at CRS offices in case the volunteer wishes to make some illustrations.

CRS strongly recommends that the volunteer becomes familiar with Uganda's agriculture sector plans and priorities, the agribusiness country project for Uganda, and the management of savings and credit cooperatives in Uganda. Details on weather, security and appropriate clothing are included in the country visitor's information pack.

H. KEY CONTACTS

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