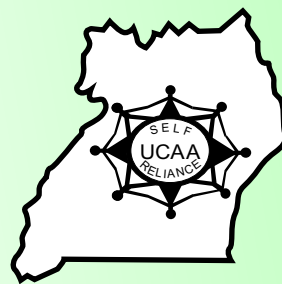


Annual Report 2010



UGANDA CHANGE AGENT ASSOCIATION

Enriching Capacity For
Economic, Political
and Social Development



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EXECUTIVE SUMMARY



It is my pleasure to present to you the Annual Report for the period ended 31st December 2010 which details the activities carried out by Uganda Change Agent Association (UCAA) in 2010. It has been the second year of our five-year strategic plan that is titled "Capacity Enrichment for Economic, Political and Social Development" for the period 2009 to 2013. In general, it was an exciting year for us at UCAA, and I am proud of what UCAA has achieved. Most of the planned activities were carried out for the achievement of our mission and vision. The major challenges were the limited funding for the programme due to the financial crisis during the year under review but we managed to pull through.

We carried out activities intended for the stimulation of economic development that enabled poor rural men and women to work together in self-help development groups through which they are successfully operating their own group savings schemes, their own group credit schemes and earning income from payments of dividends that they receive as a result of their membership in these groups. Individual poor rural men and women were enabled to initiate, invest in and manage their own viable income generating activities.

Activities intended for the stimulation of political development were carried out that enabled poor rural men and women to become consciously awakened, to begin to question why conditions around them are the way they are, to realise the need for them to take responsibility to reverse trends that negatively affect their livelihoods. Change Agents, ordinary women and men, were

liberated and were able to stand for office, were elected as community leaders.

Activities intended for the stimulation of social development were carried out that encouraged the formation of associations and enabled Change Agents to link poor rural men and women to other service providers and to voluntarily work with thousands of self-help groups. Self-help groups were motivated to establish formal linkages with their respective local administrations. UCAA gender policy was actively implemented ensuring that the knowledge, attitudes and practices of men and women in Uganda were improved with regards to gender issues.

UCAA membership continued to grow as more change Agents graduated and as more development partners appreciated the work of UCAA. Two District Change Agent Associations from Karamoja region (Moroto and Nakapiripirit) were re-registered giving a total of 55 UCAA's Constitutional districts. We are pleased to report that the Karamojong has embraced UCAA programmes and during the year 2010 a number our activities were conducted in the region including one change agent training course.

UCAA continued to maintain its asset base and to utilise its assets in a frugal manner. These assets included visible and invisible assets such as full-time paid professional staff, volunteer Change Agents and development workers, financial resources, buildings and land, vehicles, training and office equipment.

UCAA was able to generate its own income that contributed 6% of its expenses. UCAA funding partners continued to show confidence and trust in the work of UCAA through their generous financial contributions that contributed to 94% of the income that covered UCAA's expenses in 2010.

UCAA faced challenges in stimulating economic, political and social development in Uganda. This affected the level of activity implementation and the resulting impact of our planned activities.

Lastly, UCAA is satisfied that during the year 2010, the achievements and successes of UCAA would not have been realised without the commitments and hard work of Change Agents, Board of Directors, staff and our development partners.

.....
Dr. Maggie Kigozi
UCAA PATRON

INTRODUCTION



2010 was the second year of the UCAA five-year strategic plan for 2009-2013. This report, therefore, covers the period from January to December 2010.

UCAA's 55 UCAA District Change Agent Associations (DCAAs) and the 230 UCAA's branches countrywide are autonomous. These DCAAs and branches carried out their own activities that are not included in the UCAA national plans and budgets and are, therefore, not included in this report. Each of the DCAAs have prepared their own District Annual financial and Narrative Reports and are being discussed and approved during their respective District Assemblies that are being conducted during January to April 2011.

This report is prepared by: Lucy Akello Ayena the Executive Director in close consultation with the UCAA directors, programme officers and other members of staff. This report was approved by the UCAA Board of Directors during their meeting held on 12th March 2011.

A summarised version of this report is being circulated in January through to April to members of UCAA attending UCAA district assemblies for discussion. The summarised version of the report will be presented to the UCAA National Delegates Assembly scheduled for 30th April 2011 for final approval.

Copies of this report will be circulated to all UCAA DCAAs, UCAA Funding Partners, relevant government departments, in particular the District Administrations, members of parliament, and selected NGOs with whom UCAA is networking with internationally and nationally. It will also be published on the UCAA website: www.ucaa.or.ug.



Newly graduated Change Agents of Busia District rejoicing at their achievement.

3.0 STIMULATING ECONOMIC DEVELOPMENT IN RURAL AREAS OF UGANDA

It is UCAA's vision that standards of living in poor rural households are improved through the self – reliant participatory efforts of members of those households and it is UCAA's mission that poor rural men and women are able to initiate and sustain their own self-reliant economic development processes. Therefore, in 2010 the following activities were carried out as planned, in order to contribute to the achievement of our mission and vision.

3.1. Activities that UCAA carried to Stimulate Economic Development processes

3.1.1. Change Agent Training (CAT) Courses - UCAA Planned to conduct 9 CAT Courses to train at least 200 Change Agents during 2010. Five out of the planned 10 CAT Courses were successfully conducted in the districts of Busia, Masaka, Jinja, Nakapiripirit and Luwero, training a total of 106 community leaders (53 female and 53 male) as Change Agents. In consideration of UCAA's 2010 income budget deficit, the Board of Directors decided that UCAA should not conduct the remaining five planned CAT courses. The duration of each of the courses was 44 days of residential training that were divided up into four 2-week residential training workshops that were separated by three 4-week periods of fieldwork. The participants of these CAT Courses contributed to the costs of their training by paying UCAA a training fee of Ush 40,000/= each. The course content for these courses covered the following major topics: communication, facilitation, poverty analysis, gender issues, development theory, conscientisation and the work of the Change Agent, working with groups, group funds, cashbook accounting, double-entry bookkeeping, savings and credit schemes and income generating activities. It should be noted that at the end of 2010 and since the beginning of the CAT Programme in 1991 a total of 176 CAT Courses had been conducted training a total of 4,089 Change Agents in Uganda. Of these trained Change Agents, 51% (2,074) were men and 49% (2,015) were women.

Sadly, 6 % (238) of them have since passed away. Of the deceased Change Agents, 123(52%) of them were female and 115(48%) of them were male.

3.1.2. Training of Trainers (TOT) Course - UCAA planned to conduct one course in 2010 to train at least 20 Trainers of Trainers. This course was successfully conducted training a total of 17 Change Agents (4 female and 13 male) as Trainers of Change Agents. The duration of the course was 22 days of training in the form of two 11-day residential workshops that were separated by a period of four weeks. The participants of this course contributed to the costs of their training by paying UCAA a training fee of Ush 200,000/= each.

The course content included all aspects of the organisation, facilitation and management of residential CAT Courses. UCAA is progressing well in the training of trainers in relation to its five-year strategic plan for 2009-2013, which stipulates that during the five year period UCAA will conduct five TOT Courses that will train at least 100 Trainers of Change Agents. One of the three remaining courses will be conducted in 2011 and the remaining course will be conducted in 2012 and 2013.

Therefore, by the end of 2010 a total of 408 UCAA Trainers of Change Agents had been trained. Ten of these are Kenyans who were trained on contract and are, therefore, not available to UCAA. Therefore, at the end of 2010, a total of 398 Ugandan Trainers of Change Agents had been trained. Sadly, 26 of the Ugandan Trainers have since passed away. Six of the Uganda Trainers are now full-time paid UCAA staff members and so are unavailable to conduct CAT Courses. Another 107 of the Ugandan Trainers are also unavailable to conduct CAT Courses organised by UCAA, because they are either in full-time employment with other organisations or have migrated outside of Uganda or are in Uganda but have lost touch with UCAA. Therefore, there are a total of 265 active trainers of Change Agents that are available to form the training team that can facilitate CAT Courses in the following Ugandan languages: Acholi, Alur, Ateso, Dhopadhola, Kakwa, Kumam, Kupsabiny, Lango, Lhukonzo, Lubwisi, Lufumbira, Luganda, Lugabara, Lugwere, Lumasaba, Luruli, Samia, Lusoga, Madi, Ngakarimojong, Rukiga, Runyankole, Runyoro and Rutooro.



A Karamojong Participant performing a traditional dance during the UCAA Training of Trainers Certificate Award Ceremony.

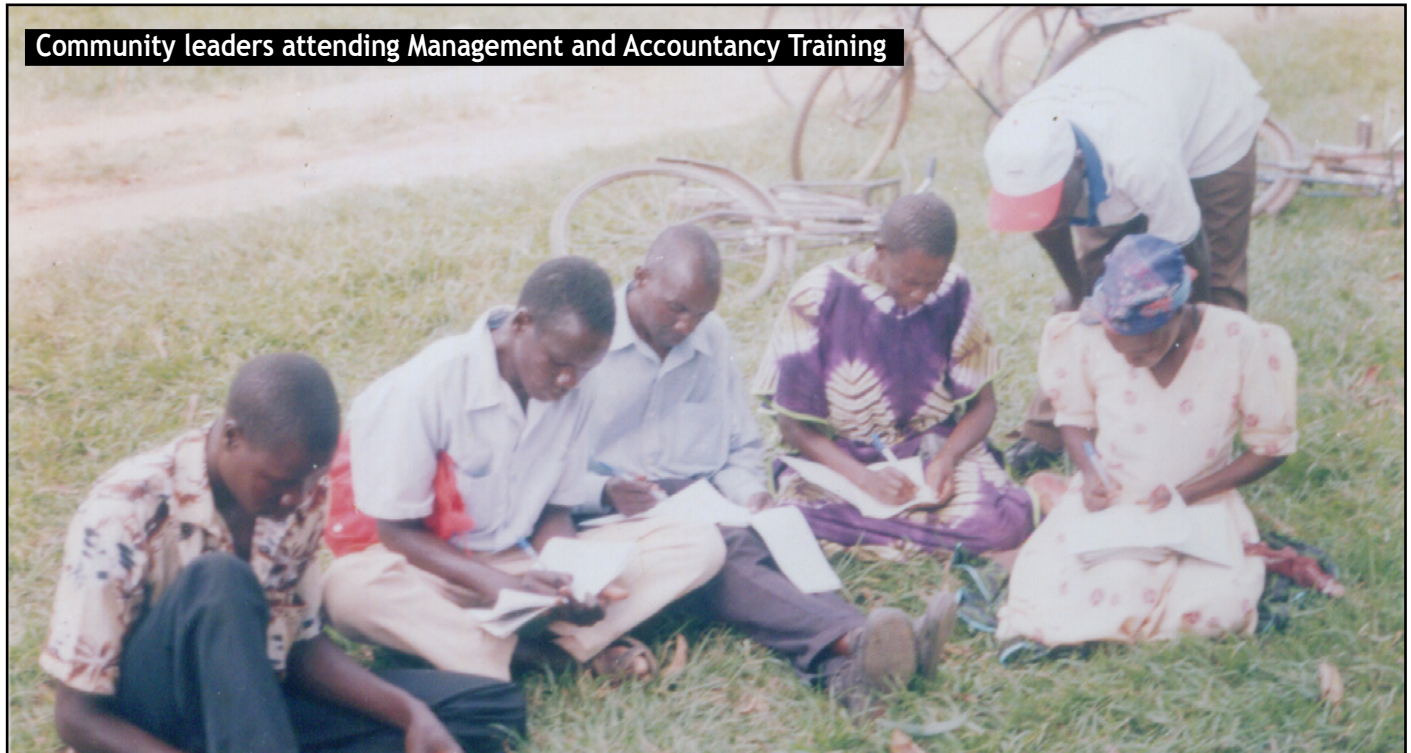
3.1.3. Training of Community Leaders in Self-Reliant Participatory Development Methodologies (SRPD Training Courses)

In 2010, the planning seminar resolved that UCAA should not conduct SRPD training courses but should encourage its branches and DCCs to mobilise funding and to conduct SRPD courses and that UCAA will conduct these courses on contract and consultancy basis. In 2010, therefore, the UCAA DCCs and Branches mobilised resources locally and were able to sponsor 7 SRPD courses that trained a total of 373(267 male and 106 female) as community Agents of Change.

3.1.4. Management Training Courses for Community Leaders - UCAA planned to conduct nine Management Training courses 2010. UCAA successfully conducted seven courses that trained 135 community leaders of which 52% (87) were female and 48% (65) were male. The duration of these courses was two days of residential training covering such topics as: what management is, roles and responsibilities in management, planning, factors that lead to successful implementation of planned activities, resource mobilisation and leadership. UCAA is progressing well in conducting management training courses in relation to the targets of its five-year strategic plan, which stipulates that during the five-year period UCAA will conduct 45 Management Training Courses that will train at least 900 community leaders in management. Therefore, at the end of 2010, UCAA had successfully conducted 16 of the planned 45 courses training 256 of the targeted 900 community leaders. A detailed analysis of participation in these courses by region and by district including the counties covered can be availed on request from the UCAA Secretariat.

3.1.5. Accountancy Training Courses for Community Leaders - UCAA planned to conduct 9 Accountancy Training courses in 2010. UCAA and its branches and DCCs successfully conducted 9 courses that trained a total of 353 community leaders of which 47% (166) were female and 53% (187) were male. The duration of these courses was three days of non-residential training covering such topics as: bookkeeping –including creating and managing income and expenditure accounts, calculation of net worth, making a chart of accounts, raising receipts and payment vouchers, the accounts journal, ledger accounts, financial statements, processing vouchers, fixed assets, expenditure remittances, finding errors, goods-in-stock accounts, generating trial balances and end-of-year closing of accounts. A detailed analysis of participation in these courses by region and by district including the counties covered can be availed on request from the UCAA Secretariat.

UCAA and its branches and DCCs is progressing well in conducting accountancy training courses in relation to the targets of its five-year strategic plan, which stipulates that during the five-year period UCAA will conduct 45 Accountancy Training Courses that will train at least 900 community leaders in accountancy. Therefore, at the end of 2010, UCAA had successfully conducted 19 of the planned 45 courses training 626 of the targeted 900 community leaders.



Community leaders attending Management and Accountancy Training

3.1.6. Fundraising Training Courses for Self-help Groups and CBOs - During the year 2010, UCAA did not plan to conduct Fundraising Training Courses. However, on contract request from one of the UCAA's District Coordinating committee Yumbe which is one of the districts in the West Nile region, UCAA conducted one Fundraising Training Course for self help groups that UCAA trained Change Agents are working with. A total of 16 fundraisers were trained.

It should be noted that at the end of 2010, UCAA had so far trained a total of 316 Fundraisers from different parts of Uganda.

3.1.7. Modular Tailor Made Training Courses and consultancies - During the year 2010, on request and sponsorship from School for International Training USA, UCAA facilitated a one day session on self-reliant participatory development methodology with reference to grassroots development and also help the students to conduct their field work among the self help groups that the Change Agents are working with. This student also had the opportunity to visit UCAA's branches, groups and DCAAs in order to find out how the knowledge from Change Agent Training had been applied in a rural community. On request from Africa Renewal Ministries, UCAA conducted a tailor made training course for the 40 parents of the children they are supporting.

3.2. Impact Analysis: UCAA's Success in Stimulating Economic Development

One of the reasons that justifies the work of UCAA is that economic development is a process in which an individual, community or nation mobilises and manages the factors of production, especially capital in the form of savings and credit, and invests these factors in productive activities intended to provide an increasing surplus; some of which must be reinvested in order to ensure sustainability. UCAA has evidence to show that this can be achieved by eliminating the human causes of poverty (lying in the behavior or mentality of the individual, including misdirected priorities, dependency thinking, insufficient awareness, insufficient skills and knowledge and insufficient cooperation) and the development of a savings and investment mentality.



A member of a self help group from Sironko District picking Coffee

Millennium Development Goals (MDGs):

- 1. ***Eradicate extreme poverty and hunger***
- 2. ***To reduce by half the proportion of the world's population living on less than a dollar a day.***
- 3. ***To reduce by half the proportion of the world's population suffering from hunger.***

The work of UCAA, therefore, through training, is to provide rural men and women with skills and knowledge to be able to effectively assist poor men and women in establishing successful self-help groups. UCAA trains Change Agents to encourage these groups to begin their own savings and credit schemes.

UCAA trains Change Agents to conscientise men and women who form groups to appreciate that they will use their group savings to provide investment loans to individual group members, instead of their members borrowing from micro-finance institutions that will charge them very high interest rates. UCAA trains Change Agents to be able to teach group members the necessary bookkeeping skills required to successfully administer such schemes. UCAA trains Change Agents to act as consultants who advise poor rural men and women to acquire the necessary skills and knowledge that will ensure that their investments in income generating activities are viable. This includes the Change Agents transferring to poor rural men and women such technical skills as, bookkeeping (cash book accounting and/or double



A Change Agent, Ochaka Bosco of Kitgum District in his Maize Garden

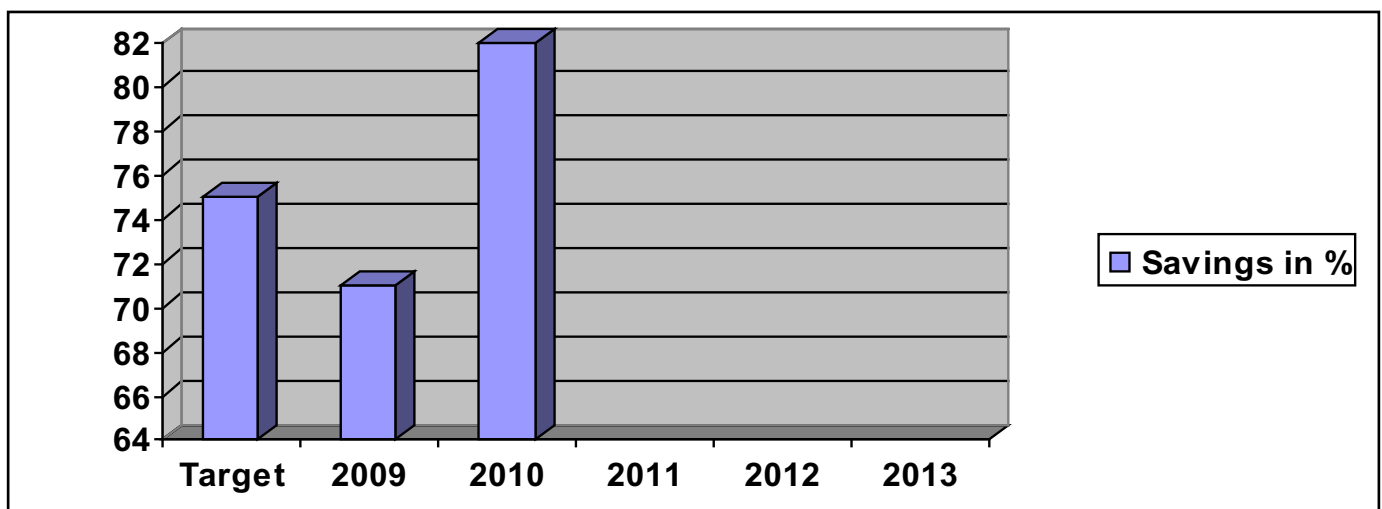
entry bookkeeping), record keeping (minutes, etc.), feasibility and viability analysis before these poor rural men and women undertake a particular income generating venture.

UCAA set the following impact indicators as a means to measure its success in stimulating economic development processes during its strategic period of 2009 to 2013 and at the end of 2010 UCAA's progress in achieving these indicators is as follows:

Note: This statistical analysis are based on voluntarily submitted reports from 33% (2,092) of the self-help groups that UCAA trained Change Agents are working with, voluntarily submitted reports from 27% (1,100) UCAA trained Change Agents, and impact assessment reports of 1,028 members of the self-help groups that are voluntarily participating in UCAA's impact assessment programme.

3.2.1. Operational Savings Schemes - That by December 2010 at least 75% of the self-help groups that Change Agents are working with have their own internal operational savings schemes.

By the end of 2010, of the 2,092 self-help groups that submitted reports in 2010 to UCAA, 82% (1,707) of them reported that they had their own internal operational savings schemes. These groups reported member savings of Ush 1,871,713/= (approximately EurR 623,904).



SRPD Methodology Appreciated

Tam Con Savings and Credit group whom Change Agent Irene Ogwal is working with is located in Ngetta (Comboni College) in Lira District. The group was formed in 2003 during the insurgency of the Lord's Resistance Army that caused a lot of suffering in Northern Region of Uganda. It was started by a group of 12 Teachers in Comboni after a painful experience of having no salary for three months, which made them realise that if they had saved some money, they could have got something to turn to at that time.

The group has grown to 22 members, each subscribing to a tune of over Uganda Shilling 300,000/= for the operations of the group. It has developed its by-laws and structure of leadership which handles administrative and project work. It has managed to give loans to teachers who pay back with a low interest rate of 2% as compare to banks. It has been able to bid and has become one of the suppliers of food staff to the school and it is able to supply over 10 tons of food to the school each term!

Its vision is to get equipment like a lorry to help them to ease the supply of food and expand the business and credit capacity. Members have realized that they should not depend only on salaries if they have to send their children to school, meet basic needs and develop their homes.

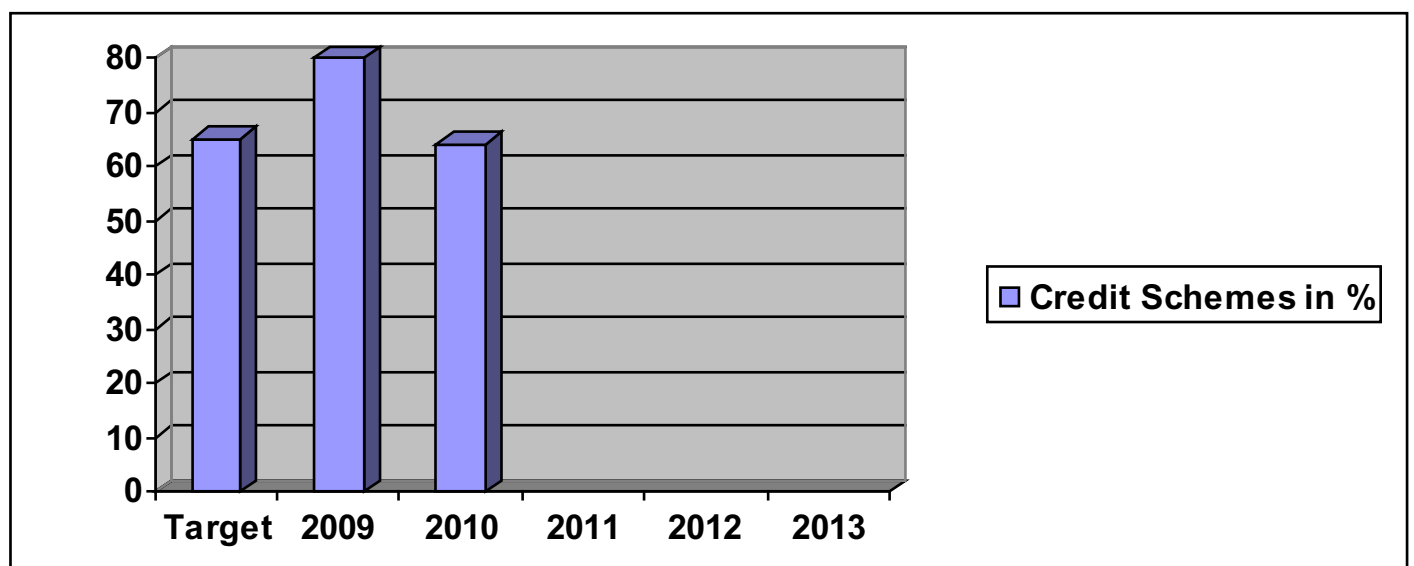
Striving for self reliance in the rural areas

Mwaaribani Mixed savings and credits group is located in Lopiida village in Kangole, Moroto district (Karamoja sub region). This group was formed in 2008 and since then it has never looked back. The group consists of 25 members who paid a membership of Uganda shillings 5,000/= annually. Mwaaribani mixed savings and credit group's main objective is to encourage savings and give credit to members in order to enhance self reliant economic development in their communities. Anna Grace Lorika, Change Agent is working with this group. Members of this reported that they have been able to construct better housing for the family, pay school fees for their children, buy households' items, and improve on nutrition using their income acquired from this scheme. In fact one of the group members testified that he managed to purchase a grinding mill using the income acquired from this group.

3.2.2. Operational Credit Schemes - That by December 2010 at least 65% of the self-help groups that Change Agents are working with have their own internal operational credit schemes.

Of the 2,092 of the self-help groups reporting in 2010, 64% (1,347) of them reported that they had their own internal operational credit schemes.

These groups reported a total of 18,168 outstanding loans over Ush 1,367,321/= (approximately EUR 455,774). Therefore, the estimated loan size was Ush.229, 748/= UCAA is progressing well in achieving its impact indicator on internal credit schemes. By the end of 2010, UCAA had achieved and was maintaining its target of at least 65% of the groups successfully operating their own internal operation credit schemes.



Out of the 1,028 members of self-help groups that participated in the UCAA impact assessment in 2010, 76% (777) of them reported that they had borrowed money during the year. Of these members, 71% (555) of them reported that they had borrowed money from the savings and credit schemes operated by their own self-help groups. The others, 14% (111) reported that they had borrowed from Micro finance Institution, and 6% (50) reported that they had borrowed from the Bank, and, 7% (57) reported that they have borrowed from friends and lastly 4% (32) reported that they have borrowed money from the family members.

The majority 72% (716) of the members that borrowed money during the year reported that they utilised their loans productively and that they had benefited from the loans that they took. Members who borrowed loans reported that they have utilised their loans for investment in the business ventures (trading, shops, buying commodities and produce for re-sale), Invested in a agriculture or farming as a business (buying animals for breeding and farm inputs) invested in the purchase of fixed assets (construction of houses) and for paying school fees, medical bills and also to solve some domestic problems,

Of note is that even though UCAA was not successful in achieving its target, UCAA meet its target of self-help groups operating their own internal credit schemes in some of the UCAA operational regions as follows: North Eastern Region 77%, Eastern 71%, South Central 77%, South Western 68% and Western 69% of the groups reported having operational credit schemes. The UCAA Programme Officer responsible for Northern region explained that she is of the opinion that self-help groups have been discouraged from running own credit schemes because some members were resettled back to their villages before paying the money. In addition, most of the credit schemes were distorted since most of them was started during the time when they were in the camps. The Programme Officer responsible for West Nile region reported that some of the group members had internal problems of corruption by the group leaders hence separated and decided to join savings and credit schemes at sub county level (SACCOS). The UCAA Programme Officer for Central region reported that during the year 2010, most people were mainly concerned with politics and this might have contributed to low level of group activities. She also reported that in some cases, members who default have discouraged others which in turn have resulted into non performance of such credit schemes. Other Programme Officers explained that the target was not met because not all the change agents do submit their monitoring forms back to UCAA. Those were some of the reasons cited for the self help group's failures to initiate operational credit schemes.

3.2.3. Poor Rural Women and Men Engaged in Income Generation - That by December 2010 at least 50% of members of self-help groups that Change Agents are working with have their own viable income generating activities.

Out of the 68,908 members that were reported by the 2,092 self-help groups reporting in 2010, 52% (33,038) of them reported that they had their own viable income generating activities. These members reported total profits of Ush 3,471,526/=. Therefore, the profits per member were on average Ush. 105,077/=. The members reported that they were engaged in various income generating activities such as Agriculture (crop farming, animal rearing, poultry keeping and fisheries), Transport and Communication, Professionals, Artisanship, Petty trade and Capitalists, Dividends from savings and credit schemes in 2010.

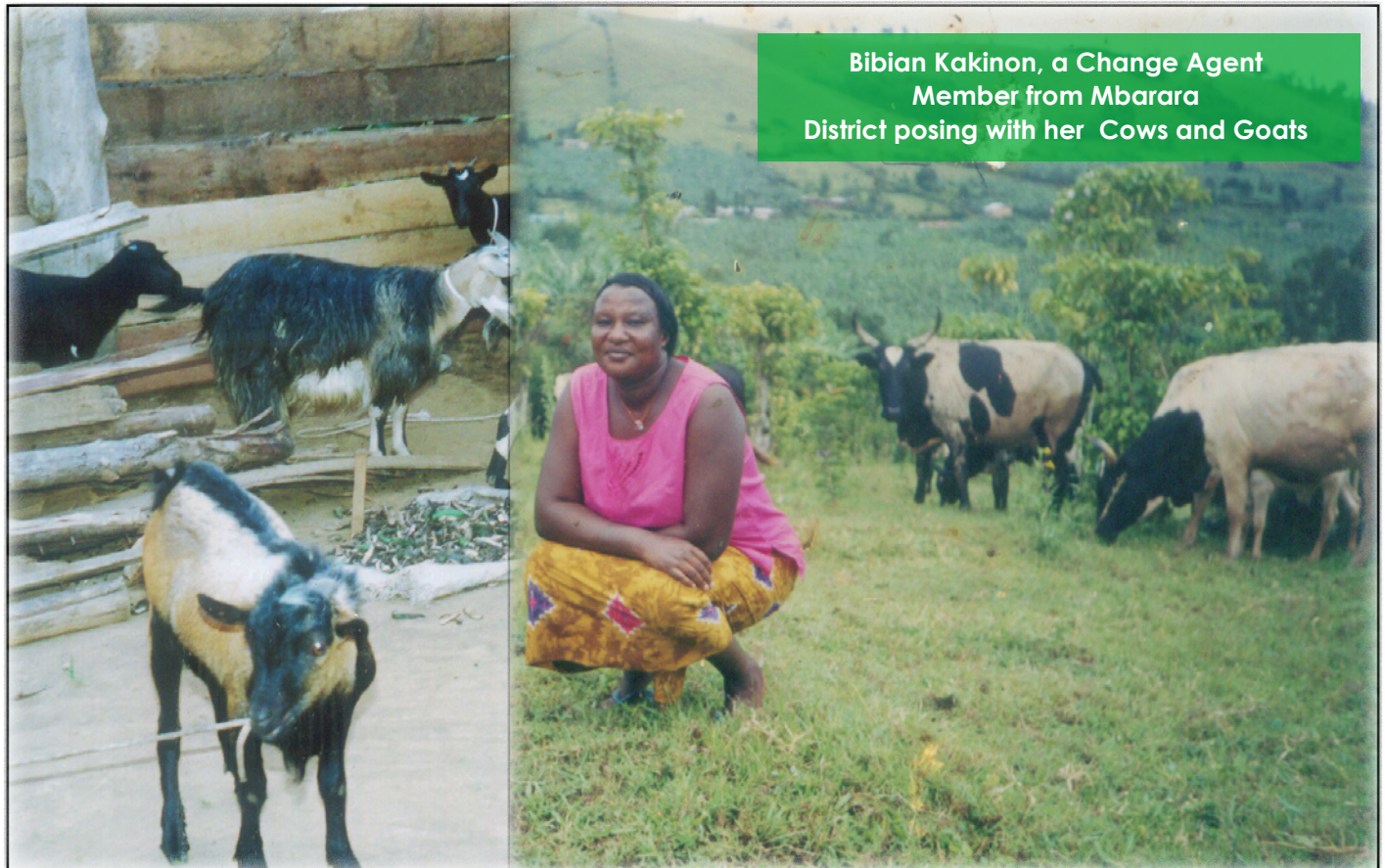
UCAA is progressing well in meeting its target in achieving its impact indicator on members of self-help groups engaged in income generation. In 2009, of the 60,295 members of self-help groups reporting 65% were engaged in income generation and in 2010, of the 68,908 of the members reporting 52% were also engaged in income generation.

School fees for children

One of the members of self help group that the change Agent of Terego branch, Arua district is working with has this to say "My name is Lucy Driciru; I am 40 years old and married with four children. I underwent UCAA's self reliance rural participatory development methodology (SRPD) training in 2006 organised by UCAA Terego branch. Before the training, I was just a mere housewife depending on my husband for almost everything including buying clothes for me and the children. However, after SRPD training, I became enlightened and empowered thus established my own income generating activities to relieve

myself from depending on my husband who is also a peasant. I have a brick laying project from which I earns over Uganda shilling 500,000/=annually while I also do some retail business at the nearby trading centre which fetches me a lot of income. I am also involved in active savings and loan association group where last year I got Uganda shillings 300,000/= as dividends. I have managed to put up four roomed semi permanent house and I am able to pay school fees for my children. I do attribute all these tremendous development in my marriage life to the skills and knowledge I have a acquired from UCAA training”.

3.2.4. Change Agents Engaged in Income Generation - That by December 2010 at least 80% of Change Agents have their own viable income generating activities.



Bibian Kakinon, a Change Agent Member from Mbarara District posing with her Cows and Goats

Of the 1,100 Change Agents that submitted census forms in 2010 to UCAA, 96% (1,057) of them reported that they had their own viable income generating activities. These Change Agents reported 1,329 income generating activities that they were engaged in. The majority, 66% (873), of the activities were in the category of agriculture (crop farming, animal rearing, fisheries and poultry). The other activities were 18% (234) in petty trade and capitalist, 7% (93) in artisanship, 8% (108) professionals, another 1% (21) in dividends from savings and credit schemes. UCAA is progressing well in achieving its impact indicator on Change Agents engaged in income generation.

Networking for self- reliant

After attending a Change Agent Training course in 1996, Bahemuka Oliver started humbly using the acquired skills and got engaged in small scale training business dealing in food stuffs in Hoima Town, Western Uganda. Her networking skills enabled her to join NAADS group in her area. She was then selected to become a NAADS beneficiary on 6th July 2010 and was given 200 chicken layers. She too injected in this project the money she obtained from her small business to provide the following: housing and equipment including maintenance and payment for labour. Although She lost 10 heads of chicken due to diseases and 20 heads which instead were males; Bahemuka is maintaining her 170 head of poultry project. She collects over 150 eggs each day and she finds the

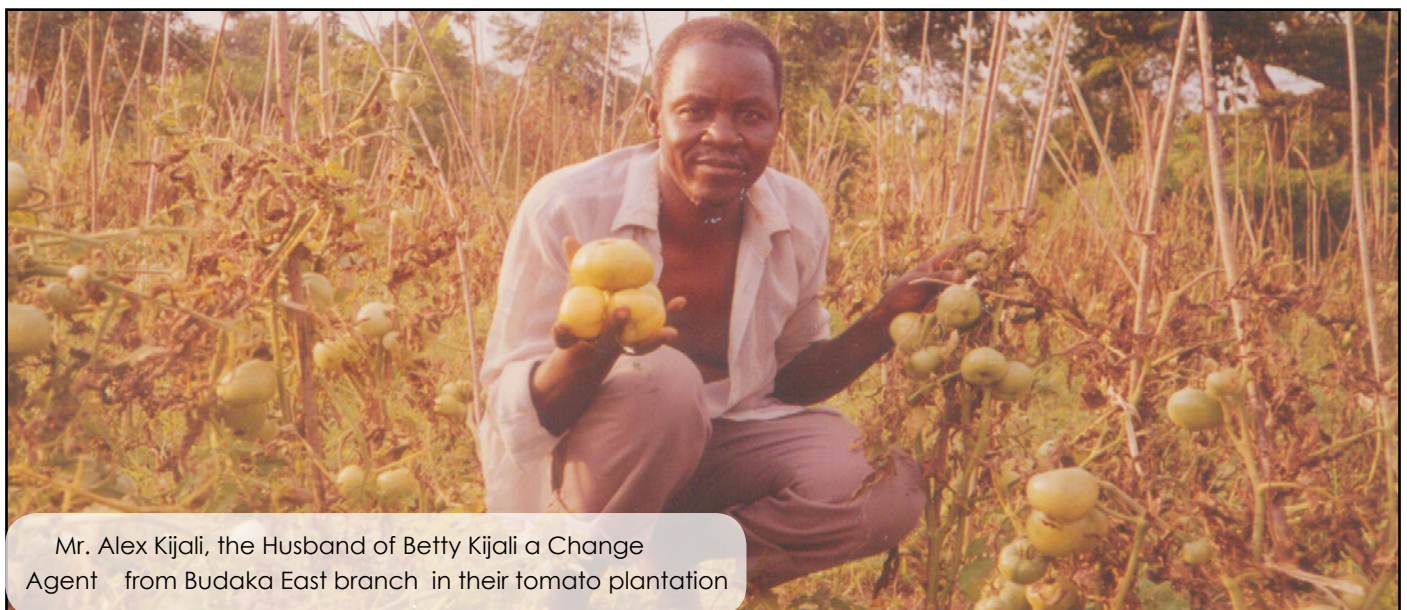
project beneficial. She encourages Change Agents to uplift their networking skills and develop their personal income generating projects



UCAA Programme Officer - Western interviews Bahemuka Oliver, a Change Agent of Hoima District in her Poultry Farm

Improved income for family welfare

Betty Kijali Change Agent of UCAA Budaka East branch, Pallisa district is a woman who has embraced the self-reliant participatory methodology. According to her, change agent training has been a stepping stone for her wealth. After the training, she also encouraged her husband to be involved in profitable income-generating activities such as tomatoes growing and piggery. With her little income, proper planning and proper accountability, she has managed to pay school fees for her children and one of them, Emmanuel Tegule graduated in 2010 with a Bachelor of Arts in Languages from Uganda Christian University. She was also happy to report that due to her positive approach and participatory ways of working with her community members, she has been elected in many leadership positions.



Mr. Alex Kijali, the Husband of Betty Kijali a Change Agent from Budaka East branch in their tomato plantation

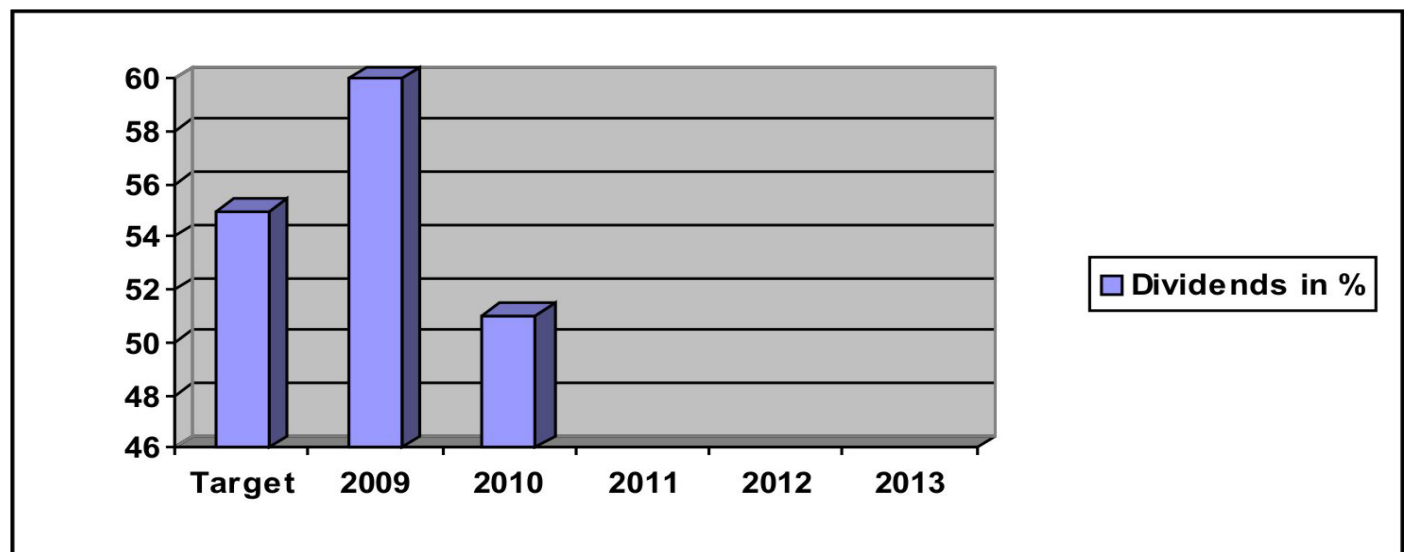
Tree planting diversified his source of income

Ojakol Charles, a trained Change Agent of Ngora Central branch, Kumi district has this to say "it is my great pleasure whole heartedly to thank Uganda Change agent Association for the Change agent training which I underwent. The knowledge and skills acquired during the training practically and theoretically especially in planning and record keeping (accounts) have benefited myself and my family as well. I am very happy to report that this knowledge and life skills training has transformed me from subsistence to a commercially oriented farming. I have a nursery bed for orange seedlings, 500 citrus fruit garden, and 1,000 eucalyptuses tree garden and a grinding mill. I am currently working on my irrigation system in order to improve on my investment. My income has increased from Uganda shilling two million per year to fifteen million per year".

3.2.5. Groups of Poor Rural Women and Men Sharing Dividends - That during 2009 to 2013 at least 55% of self-help groups that Change Agents are working with pay out dividends to their group members annually.

In 2010, of the 2,092 self-help groups reporting, 51% (1,076) of them reported that they had paid cash dividends to their members during the year. They reported having paid total cash dividends of Ush 1,288,711,000/= (approximately EUR 429,570). Therefore, on average the dividends paid out per group were Ush 475,264/= (approximately EUR 190,105). Therefore, UCAA is not progressing well in achieving its target of at least 60% of groups sharing dividends.

However, the following explanations have been given by UCAA Programme Officers as the possible reasons as to why UCAA was not able to meet its target of self help groups sharing dividends: a) Many group treasurers especially in West Nile region established business with these group funds and went to Sudan or Congo hence disappeared forever b) Some self help group leaders are dishonest c) Some savings and credit schemes have not performed well resulting in little or no profits realised d) Some did not fill group self evaluation monitoring forms to capture the information c)Some groups had low loan recovery as a result of weak monitoring by group officials.



3.3. Challenges Facing UCAA in Stimulating Economic Development and Proposed Solutions

To a great extent, most of the assumptions that UCAA made, on which the success of its programmes depended during this reporting period held true as follows: Political and economic stability prevailed generally in Uganda. The political and economic situation in Uganda continued to permit and encourage independent group development activities. UCAA enjoyed continued support from both local and national authorities in Uganda. UCAA trained Change Agents continued to work on a voluntary basis at self-help group level. However, some of UCAA's assumptions, to a significant extent, did not hold true and, therefore, continue to pose the following challenges to UCAA:

3.3.1. Negative Effects of Micro-Finance Lending Institutions (MFLIs) - One of the assumptions that UCAA holds, on which its success in stimulating economic development processes depends upon, is that the activities of MFLIs do not destroy the culture of saving. UCAA recognises the vital role the MFLIs play in enabling poor rural men and women to access loans which have the potential to be utilised for income generation and, therefore, improving the incomes of these men and women. UCAA is worried that, to a great extent, the MFLIs operate in such a way that does not promote individual savings, but rather they encourage individuals to borrow funds for non-income generating purposes since people's attitude towards economic development is a bit low and they prefer to spend the loan on consumable goods rather than investment. These include home improvement loans, weddings, servicing loans and funerals and for paying school fees etc. There are reports of poor rural men and women who borrowed funds from MFLIs for non-income generating purposes and have ended up in a vicious cycle of being in debt as they borrow from one MFLI to pay the debt of another MFLI. Most of the clientele used the loans to meet day-to-day responsibilities although the loan was meant to expand on their businesses. However, it has been found out that the overall socio - economic lives of the families of the borrowers have greatly improved. From the study which was conducted by one of our Programme Officer in Soroti district, 80% of the respondents say they can afford to feed, clothe and provide medical treatment for their families. 45% can rent and live in decent houses or surroundings while 25% have bought plots and have constructed for themselves permanent houses. However, despite all these achievements, many of them remain indebted and spend the rest of their money in servicing loans.

UCAA has actively continued to campaign against the negative practices of micro-finance lending institutions. UCAA officers participated in the sensitization of the masses the various UCAA trainings, UCAA programme officers and Change Agents also participated as discussants on radio programmes and other forums during which they discussed the impact of micro-finance lending institutions on the lives of the poor, their business and communities, in particular borrowing loans for non-income generating activities. UCAA officers decried the negative effects of micro-finance lending institutions during UCAA activities, such as district assemblies, district programme review meetings, Branch Assemblies and visits with groups. During the certificate award ceremonies of UCAA courses, UCAA officers took the opportunity to discourage the hundreds of participants at these ceremonies from borrowing money for non-income generating activities, in particular for home improvement, funerals and weddings. UCAA officers encouraged poor rural men and women to form their own savings and credit schemes where they can get credit with small interest rate.

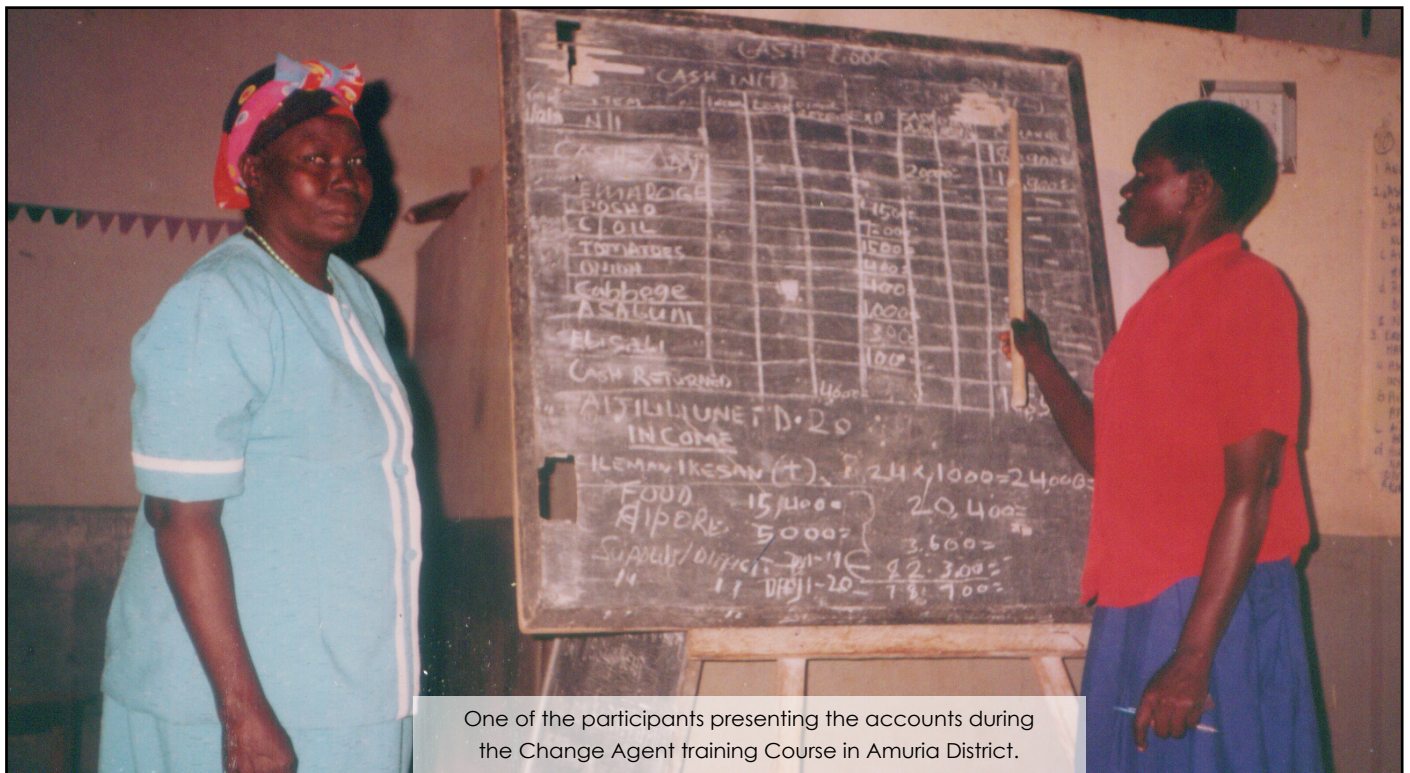
UCAA has been committed to its continued campaign on encouraging poor rural men and women to form their own savings and credit schemes. At every opportunity, during UCAA activities, whilst participating in media events, and other forums, UCAA officers have continued to decry the negative effects of the activities of MFLIs. This is in the hope of saving poor rural men and women from becoming victims of the scourge of the negative effects of MFLIs.

UCAA through its training programmes will continue to facilitate processes through which poor rural men and women become conscientised about the unnecessary waste of resources on misdirected priorities such as expensive funerals, weddings, Christmas feasts and introduction ceremonies. Much as borrowing from microfinance institutions is sometime inevitable, it is very important for the rural poor to initiate and manage their own savings and credit schemes as this will ensure all round development.

3.3.2. Corruption - Corruption remains a big challenge to deal with at all levels of government. Corruption has destroyed our country and this has resulted into poor service delivery. This is a big problem to UCAA because in every district, the cry of the Change Agents is that they networked with the district officials and other development agents and yet they cannot be offered any project to handle and many projects have failed because of corruption. They gave an example of Apac and Masindi District Livelihood Support Programme (DLSP) which did not benefit the target groups. Fighting corruption has made the Change Agents to lose this project. For example, the change agents of Masindi received 55 bicycles under DLSP but a district official inflated the number of bicycles to 85. The official was jailed and lost his job. Following a report of the IGG, we believe that some corrupt fellows in the district may fear to work with Change Agents because of their transparency. Change Agents countrywide are hindered from participating in policies because of kick backs at all levels. The society in general has lost its morals as corruption has been co-ordinated from lower level of leadership up to the top and because of low level of political maturity, the will of fighting corruption by the communities is minimal. Some Change

Agents have faced resistance especially from districts officials because what they advocate for is contrary to what is on the ground. Corruption has crippled development in Uganda. It is generally felt that, even though government has vowed to fight corruption, the political will is lacking. The decay of morals in Uganda has affected UCAA's efforts. This is evidenced through corruption which has been institutionalised and it is being transferred down to the communities. Corruption is also still rampant in the Procurement system both at the Central government and Local Government levels. Therefore, the diversion, mismanagement and stealing of funds intended for assisting poor rural men and women to come out of poverty is perhaps one of the worst weapons of mass distraction in Uganda. Vital services such as medical care, school fees and road maintenance are not provided because the funds intended to do so were diverted or stolen. Therefore, the poor rural men and women are caught up in a cycle of poverty in which they have to borrow from MFLIs to pay school fees, medical treatment and other basic needs.

UCAA officers continued to encourage poor rural men and women, in particular the Change Agents, to vigorously fight corruption at the level of their own communities. The Change Agents still have the task of encouraging their group members not to pay kick-backs. The communities should be made aware of the rights.



One of the participants presenting the accounts during the Change Agent training Course in Amuria District.

UCAA is committed to continuing its efforts in encouraging poor rural men and women to interest themselves in government programmes so that they can ensure that government funds are properly utilised. UCAA will continue to train and equip poor rural men and women with skills such as bookkeeping, auditing, etc. that can enable them to interpret financial reports and identify financial malpractices. UCAA is convinced that one of the most effective ways of fighting corruption is by laying the foundation for the poor rural men and women to be able to reject it and rise up against those who perpetuate it.

4. STIMULATING POLITICAL DEVELOPMENT IN RURAL AREAS OF UGANDA

It is part of UCAA's mission to ensure that poor rural men and women are able to initiate, manage and sustain their own self-reliant political development processes. UCAA, therefore, is directing our efforts to address the situation of the social exclusion of poor men and women where large sections of the Ugandan population are unable to productively participate in intellectual debates on policies that affect their livelihoods. UCAA is addressing this issue by facilitating processes that are enabling men and women at the grassroots to participate in leadership and decision-making organs and processes in their communities. The training courses described in the previous section of this report were instrumental in

conscientising the men and women that participated in them. During these courses, the participants acquired skills in leadership, decision-making, accountability and transparency.

UCAA therefore carried out the following activities that ensured that poor men and women acquired the necessary leadership skills and the confidence to participate in leadership positions and decision-making organs in their communities, through experiential learning and through their participation in UCAA decision-making organs:

4.1 Activities UCAA carried out to Stimulate Political Development Processes

4.1.1. District Assemblies - UCAA planned to hold district assemblies in districts in which there are registered District Change Agent Associations (one per district) in accordance with the UCAA Constitution. During the first four months of the year, before the National Delegates Assembly, UCAA held 55 District Assemblies. The attendance at these assemblies was 1,559 participants, of which 63% (989) were UCAA Full Members (change agents), 8% (127) were UCAA Associate Members (Community Agents of Change), 4% (67) were UCAA Working Partners and 24% (376) were guests. Of the Full Members who attended 54% were male and 46% female and of the Associate Members who attended 50% were male and 50% were female. These assemblies were chaired and led by ordinary rural men and women, UCAA Full Members serving on the District Coordinating Committees of their respective DCAAs. They were assisted by the UCAA Programme Officers. The guests at these assemblies included members of parliament and district officials who officiated as guests of honour, and representatives of other development organisations. Participants at these district assemblies received and reviewed all the UCAA National documentation (reports, plans, budgets, proposed amendments to the UCAA Constitution, etc.) the National Delegates Assembly was going to discuss, they made recommendations and instructed their elected delegates accordingly. Each of these assemblies elected two delegates (one male and one female) to represent it at the National Delegates Assembly. UCAA had progressed well in conducting district assemblies in relation to the targets of its five-year strategic plan, which stipulates that during the five-year period UCAA will conduct at least 50 district assemblies annually, in accordance with the UCAA Constitution. Therefore, UCAA is progressing well in conducting district assemblies in relation to the targets of its five-year strategic plan for 2009-2013, which stipulates that during the three year period UCAA will conduct at least 50 district assemblies annually, in accordance with the UCAA constitution.

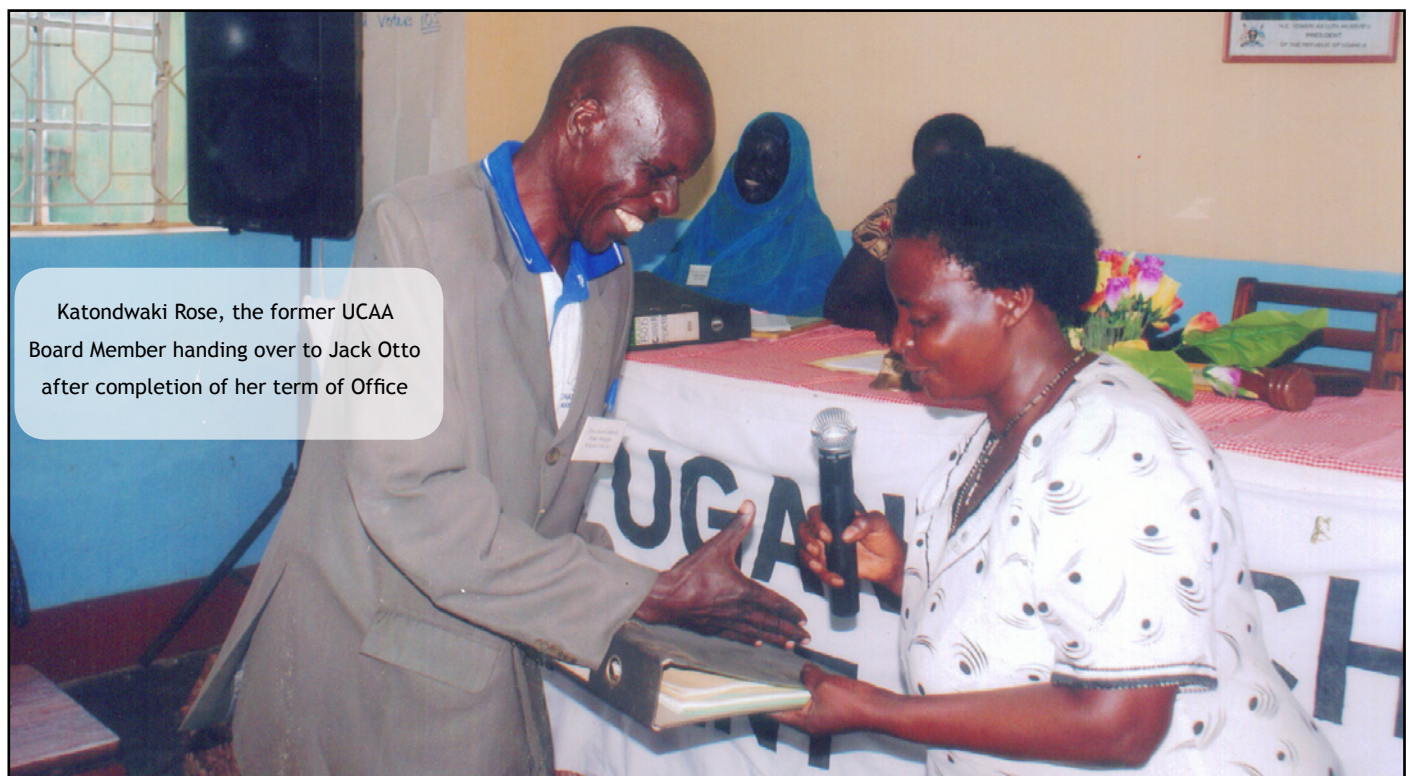
4.1.2. UCAA National Delegates Assembly (NDA) - As planned, UCAA held it's National Delegates Assembly on Saturday, 24th April 2010. This assembly was chaired and led by ordinary rural men and women, UCAA Full Members, serving on the UCAA Board of Directors. They were assisted by members of UCAA staff. Attendance at this assembly was 129 participants, including 104 district delegates, 5 guests and 16 UCAA staff members. Of the 104 district delegates, 50% were female and 50% were male.



UCAA Members participating at UCAA 2010 National Delegates Assembly

The National Delegates Assembly amended the UCAA Constitution, elected a new Board of Directors, and approved the UCAA annual reports for 2009 and UCAA plans and budgets for 2010. Details of the proceedings and resolutions of this assembly are included in the minutes of this assembly that are available on request from the UCAA Secretariat. The minutes of this assembly were circulated to all UCAA branches and DCAAs (one copy each), to the UCAA Board of Directors, and to the UCAA Secretariat staff. UCAA has progressing well in conducting NDAs in relation to the targets of its five-year strategic plan which stipulates that during the five-year period UCAA will conduct 5 annual NDAs, in accordance with the UCAA Constitution.

4.1.3. Board of Directors - The UCAA Constitution, Article 6, Section 1, Sub-Section f, stipulates that "The tenure of office of the members of the UCAA Board of Directors shall be one year. However, the Vice Chairperson, Vice Secretary and Vice Treasurer shall normally be elected to the positions of Chairperson, Secretary and Treasurer respectively after serving one year in the former position, if re-confirmed by a majority of District Delegates from their respective regions". Indeed, in accordance with the UCAA Constitution, in April, the UCAA NDA elected a new UCAA Board of Directors. The 2010/2011 UCAA Board of Directors is composed of four women and five men. UCAA planned to hold monthly meetings of the Board of Directors. However, during the planning seminar it was resolved the UCAA Board meetings should be held bi-monthly and these meetings were successfully held. During these meetings, the Secretariat presented to the Board progress reports on membership, fundraising and Advocacy, programme, finances and personnel. The members of the Board of Directors, particularly the Treasurer and Vice Treasurer, inspected and carried out bi-monthly internal audits of the six sets of UCAA Regional Accounts and the UCAA National Accounts. As expected, the members of the Board of Directors carried out inspection visits to selected UCAA programme activities. UCAA is progressing well in meeting its target in ensuring that its Board of Directors is functional in relation to the targets of its five-year strategic plan which stipulates that during the five-year period UCAA will hold 30 bi-monthly meetings of its Board of Directors and that the members of the Board of Directors will supervise the work of the Secretariat.



4.1.4. Planning Seminar - In July 2010, as planned, UCAA held a two-day review and planning seminar (using the Logical Framework Analysis), in order to review its performance and draw up detailed plan and budget for 2011. The attendance at this seminar was 28 participants, including 9 UCAA Board

of Directors, 8 other Change Agent Regional Representatives and 11 UCAA staff members. UCAA is progressing well in meeting its target in ensuring that it holds participatory annual planning seminars in relation to the targets of its five-year strategic plan for which stipulates that during the five-year period UCAA will hold 5 annual review and planning meetings.

4.1.5. Branch Assembly visits - Coordination between the National Association and the members/branches/DCAAs continued as planned through branch Assembly (1 per branch per year). UCAA successfully visited 230 Branch Assemblies (one for each of the 230 branches that have registered with UCAA). The Assemblies brought together the 1,809 branch and DCAA members (782 female and 1,027 male), and the UCAA Programme Officers. These visits are very useful in encouraging the change agents to continue working voluntarily with their groups. Therefore, UCAA is progressing well in meeting its target in ensuring that it holds participatory branch Assembly in relation to the targets of its five-year strategic plan which stipulates that during the five-year period UCAA will hold one Assembly per Branch annually.

4.1.6. District Programme Review Meetings - As planned, during the second quarter of the year, the UCAA Programme Officers carried out visits to (55) of the 56 UCAA districts that were registered with UCAA at the time including Nakapiripirit and Moroto. These visits were instrumental in generating data that provided UCAA with the reality of the functioning of its branches and DCAAs on the ground. It also gave the UCAA programme Officers opportunity to meet the Change Agents and encouraged them to continue to work with self help groups. Some of the data generated from these visits is utilised in this report. UCAA is progressing well in meeting its target in ensuring that Programme Officers conduct one branch/DCAAs visits in relation to the targets of its five-year strategic plan which stipulates that during the five-year period UCAA programme officers will annually conduct one branch/DCAA visit per district per year.

4.1.7. Practical Leadership Training - UCAA has continued to ensure that all the trainees at all the CAT Courses described in the previous section had the opportunity to practice holding the position of chairperson, secretary and timekeeper. UCAA also ensured that UCAA sponsored courses were Co-facilitated by Change Agents who are rural men and women. This is in fulfilment of UCAA's strategic plan.

4.1.8. Participation of UCAAs DCAAs in Government Planning and Budgeting and other meetings

- Throughout the year 2010, UCAA Programme Officers actively encouraged the UCAA Branches and DCAAs to participate in the planning and budgeting seminars and other meetings of their respective sub-counties and district administrations. During the year, UCAA received reports that at least 77% (43) of its 55 registered DCAAs had participated in various meetings of their respective sub-county and district administrations. They participated in planning and budgeting meetings for government programmes such as National Agricultural Advisory Development Services (NAADs), Functional Adult Literacy programme, Health services, Community Driven Development, Procurement meetings, Plan for modernisation of Agriculture Budgeting Conferences, and other development oriented programmes. UCAA is progressing well in encouraging its DCAAs and branches to participate in government meetings as stipulated in its five-year strategic plan.

4.1.9. Accessing Civic Education Materials - As one of the ways of creating awareness, during the year 2010, UCAA accessed and distributed the following books and posters to its members: Anti-corruption policy, Incentives, Sanctions and conditionality in peace making policy brief, Strengthening Gender relations on customary tenure policy brief and the leadership code Act, 202 booklets, Policy Review newsletter from Uganda Debt Network, Posters on how to Acquire Customary Land Tenure, posters on right to education from Uganda Women Network and Do No Harm programming of relief and development projects in situations of violent conflicts pocket guide for project planners and implementers. UCAA is progressing well in meeting its target in accessing and distribution of civic education materials in fulfilment of UCAA strategic plan for 2009 to 2013.

4.1.10. National Development Forums (NDFs) - UCAA planned to hold one National Development Forum during the year 2010.

Hon. Nandala Nathan Mafabi Chairperson Public Accounts Committee, Uganda Parliament presents a paper on corruption to the participants during the UCAA National Development Forum.



In April, UCAA held a forum on the topic "How has corruption affected service delivery to Ugandans today" Attendance at this forum was 125 development workers, majority of who were change agents. Notable participants at this forum included Hon. Nandala Mafabi, Chairperson Public Accounts Committee, Area Manager, Child Fund International, representatives from Uganda Debt Network, Network of Ugandan Research and Research Users, Uganda Land Alliance and African Renewal Ministries, a Christian NGO. The two keynote presenters were Hon. Nandala Mafabi, Chairperson Parliamentary Accounts Committee and Otto Jack Lumoro, Change Agent, from Kitgum District. Betty Makuma, a Change from Mbale District moderated the forum. This forum received massive press coverage on radio, television and print media. UCAA intends to publish the details of this national forum discussion on its website and to hold a web-based discussion forum on its website during the first half of the year 2011.

Participants attending the UCAA National development Forum



4.1.11. Registration of DCAAs with District Administrations - UCAA planned to ensure that the respective District Administrations formally register and recognise its DCAAs. UCAA continued to subsidise the required registration fees. By the end of December 2010, UCAA had received confirmed reports that 88% (48) of its 55 DCAAs were registered with their respective District Administrations. UCAA is encouraging and supporting the registration of its DCAAs in order that these DCAAs and UCAA branches are effective in representing their members and communities in major district meetings, e.g. district planning and budgeting meetings. Indeed, some of the DCAAs that are registered with their respective district administrations were awarded service contracts and also invited to participate in the local government organised activities. UCAA is progressing well in ensuring the registration of its DCAAs with district administrations as stipulated in its five-year strategic plan which stipulates that during the five-year period 100% of its DCAAs are registered with the Community Development Officer of their respective district administrations.

4.1.12. District Coordinating Committees (DCCs) - All the DCAAs has a DCC composed of at least one representative per branch of the branches in its district. UCAA expects these DCCs to coordinate and promote the work of the Change Agents and branches of UCAA in their respective districts. One of the roles of the DCCs is to raise funds locally for district-based activities. UCAA planned to subsidise four meetings per year per DCC and it did so. UCAA is not progressing well in achieving its target in getting its DCCs to meet four times a year as is stipulated in its five-year strategic plan which stipulates that at least 100% of its DCCs successfully hold four meetings in a year. During the year 2010 49% (27) of the 55 DCCs held a maximum of four to ten meetings. Most of the DCCs only held a maximum of two to three meetings in 2010 which were paid for by UCAA. Some of the DCCs members reported that they were unable to meet on a quarterly basis as planned because of the increase in the transport costs. Most of the branches are scattered which make it very difficult for the members to meet as scheduled.

4.1.13. District Sign Posts - UCAA has been encouraging its DCAAs to put up signposts providing their contact information. UCAA planned to subsidise the costs of making signposts for its DCAAs. Therefore, by December 2010, UCAA had received confirmed reports that at least 78% (43) of its DCAAs had put up and were maintaining their sign posts.

4.1.14. Development Forums - During the year 2010, UCAA received confirmed reports that 80% (44) of its 55 DCAAs (DCC) together with their branches conducted 55 development forums utilising resources that they themselves mobilised locally. These development forums were similar to the national development forum, though more focused at district, sub-county and community level. These forums provided a total of 1,821 poor rural men and women that participated in them with an opportunity to have their voices heard. The topics of discussion at the majority of these forums were on economic development issues, such as group formation and income generation, Bookkeeping accounting, improved agricultural methods, entrepreneurship, savings and credit, handling group funds, and income generating activities, production and marketing, food processing and budgeting. The topics of the other forums were on social development issues such as effects of poor land management, effects on human behaviour on development, women's rights, role of women in church and society and HIV/AIDs epidemics and its effects. As stipulated in the UCAA five year strategic plans, UCAA is progressing in encouraging its DCAAs and branches to mobilise funds locally and to hold development forums.

4.1.15. DCAA Publicity Material - UCAA planned to produce and distribute district publicity material. The UCAA Programme Officers produced and distributed: District Brochures and The State of the Regions Reports in which each of the districts in the region were publicised. Therefore, UCAA is satisfied that the district Brochures, state of the region reports and the UCAA quarterly newsletters are adequately publicising the work of its DCAAs and the association as well.

4.1.16. DCAAs Own Income Generation - UCAA planned to and encouraged its DCAAs to initiate own income generation (branch contributions, savings and credit schemes, governmental service providing contracts, etc.). One of the ways in which UCAA encouraged its DCAAs to mobilise resources locally was by discontinuing UCAA's financial support to DCAAs for conducting development forums. Of the Ush 170,767,611/= reported DCAAs income, only 20% (35,004,050/=) was reported to have been provided by UCAA. The remaining, 80% (135,763,561/=) of the DCAAs income was locally mobilised by the DCAAs themselves from fees, sales and grants. Therefore, UCAA is progressing well in meeting its target as stipulated in its five-year strategic plan that at least 70% of each DCAA's income is locally generated by the DCAAs themselves.

4.2. Impact Analysis: UCAA's Success in Stimulating Political Development Processes

UCAA subscribes to the school of thought that political development is a process in which the people of a community or nation democratically participate in political decision-making at the community level and in the election of their own representatives to higher levels so that decisions are made at the appropriate level, that accountability is increased, and corruption and favoritism eliminated. This is achieved through the elimination of the human causes of poverty and the development of unity and cooperation. UCAA through the activities described in this section and the previous section above, equipped poor rural men and women (change agents) with skills that helped these men and women to throw off the debilitating burden of personal disempowerment and motivated them to actively participate in decision-making processes that affect their lives.

The following impact indicators was set up by UCAA as a means to measure its success in stimulating political development processes during its strategic period of 2009 to 2013 and at the end of 2010 UCAA's progress in achieving this indicator was as follows:

4.2.1. Election of Change Agents in Local Councils

That during 2009 to 2013 at least 50% of Change Agents are elected Local Councillors at all levels (village, sub-county, municipal and district).

By the end of 2010, of the 1,100 Change Agents reporting, 31% (341) reported that they are elected councillors. It is worth noting that of the Change Agents that are elected councillors 155 are female and 186 are male. The majority, 53% (185) are elected councillors at village level (elected 2001), 24% (63) at parish level, 20% (79) at sub-county level, and the remaining 3% (14) at district level.

Here is a testimony from Egesa Richard, Change Agent who was elected as local councillor LC I for his village:

Egesa Richard, a Change Agent from Busia district was trained in 2004 and now working with 34 self help development groups largely attributes his achievements to the change agent training. He says that immediately after the training in 2004, Child Fund International identified him as a community leader, where he worked for only a year and was promoted to be responsible for identifying orphans and vulnerable children for training by Child Fund in a programme called "journey of life." He was also elected as community health distributor (Village Health Team), responsible for distributing mosquito nets, Contraceptives etc. He is also a succession trainer, training people in WILL making and Memory writing.

Egesa, (popularly known as "Bambala") reports that he was elected unopposed as the LC1 of his village. He says that right now, the whole sub county is eyeing at him for the position of LC111 of Dabani Sub County. He attributes all these leadership roles to the leadership skills he acquired from Change Agent training. He concludes with a smile saying "I am grateful to Uganda Change Agent Association for building my capacity. I have seen light".

The benefits of empowerment

Kataazimbe Alice, Change agent from Nkokonjeru Branch Buikwe(formally Mukono district) has this to say "I wish to extend my thanks to UCAA for enabling me realise my dreams. I want to testify that since I undertook the change Agent training, my life has improved personally, politically and socially. I am just on the right tract to economic empowerment and self reliance- Thanks to UCAA!

Through the UCAA trainings, I learnt to work voluntarily but the voluntary spirit that I exhibited has paid me greatly.

Politically I am the Vice Chairperson Local Council V of Buikwe district and I am optimistic that come 2011 election I will still be voted back. In council my opinions are always respected as they keep referring to me as 'Change Agent' and thus causing change in council. This has gone a long way to improve my social status as well. I am a member of the Christian Women Fellowship - a body that strives to keep integrity among women.

I weave and make my own bags and money purses out of banana fibres and palms locally known as 'ekikapo'. I have ready market for these products especially among members of the self help groups that I serve voluntarily. This too has improved my social and economic status.

As at the end of 2010, UCAA had not achieved its target as stipulated in its five-year strategic that at least 50% of the Change Agents are elected local councillors. The UCAA Programme Officers have explained that the status has remained the same because some change agents by nature of their work as rural development workers are not interested in politics. In addition, Elections have not been conducted in Uganda for the last five years and some Change Agents serve in different capacities like polling Agents, returning Officer and civic educators. Control of resources is not yet fully addressed especially women and this affect their participation since politics has become commercialised in Uganda. Lastly, political environment for multi-party politics is not yet levelled for full participation and some change Agent do not want to take sides in the multiparty politics due to political violence.

4.3. Challenges Facing UCAA in Stimulating Political Development

4.3.1. Political Maturity - One of the assumptions that UCAA holds, on which its success in stimulating political development processes depends upon, is that Uganda's return to multi-party politics does not lead to greater sectarianism in Uganda. To a great extent this assumption is not holding true.

Uganda's return to the Multi-Party System has the potential to and to some extent is being utilised to nurture tensions amongst different groups of people, especially sectarianism (tribal and religious). Cases in point are the following situational reports given by the UCAA Programme Officers on how Uganda's return to the multi-party democratic system of governance is impact communities in their regions:

The Programme Officers gave explanations that poverty and illiteracy are affecting the Change Agents participation or efforts in stimulating good political leadership especially the rural communities. Since people are poor and illiterate, they can easily be compromised with money. In addition, people still believe in individual merit politics and therefore, they are not loyal to their political parties. In addition, there is a misguided belief amongst members of parliament and the electorate, in general, that whilst debating in parliament the members of parliament may not articulate their own personal views, but that they must only articulate the expressed views of the party that they belong to. Therefore, to a great extent, the members of parliament are gagged and are not effectively representing their constituencies, since they are restricted from articulating opinions independent of their respective political party, even though they may be of special interest to their respective constituencies.

UCAA subscribes to the school of thought that the participation of people in all aspects of their community is the true form of democracy. That they participate in contributing to the economic, social and political developments in their community is what determines whether they are a developed people and that their community is a developed one. This is as opposed to only measuring development in terms of

the gross domestic product (GDP), for example. The measurement using the GDP does not take into consideration the proportion of the population that participated in generating and consuming the GDP. Development should work towards strengthening collective personality in which the men and women within a family, group or nation freely and richly express themselves. UCAA is committed to continue operating as a model association that allows for the members of its target group to genuinely participate in its governance. UCAA is convinced that the best way to teach good governance is through experiential learning. UCAA is committed to continue maintaining its character as a non-sectarian, non-religious and non-political association that does not discriminate in its membership on the basis of gender, ethnicity, religion or political differences.

4.3.2. High levels of illiteracy - As UCAA moves further down to the grassroots, one of the biggest challenge faced by UCAA, is the very high levels of illiteracy. Thousands of rural women and men are unable to read and write and are, therefore, unable to access UCAA training programmes, other development programmes, and to participate in decision making organs in their communities.

UCAA programme staff and the Change Agents actively advocated for and pleaded with parents to send their children to school. This is evidenced by high enrolment levels in primary schools. For example, we received a report from Ochamodek Albert, Change Agent, Kalaki Central branch (Kaberamaido district) that he is the coordinator of Functional Adult Literacy programme in Otuboi Sub County of Kaberamaido district. Ochamodek also proudly reports that he has been helping learners to form groups that are now engaged in farming and other income generating activities. To the Instructors of the adult literacy programme, he says he has taught those savings and credit which they are now engaged in and he has asked them to replicate the knowledge to the students. Some have already done it and the results are tremendous!

We are optimistic that the government's Universal Primary Education programme and Universal Secondary Education will go a long way in mitigating this challenge in the future. As one of the ways of helping poor rural men and women who are illiterate, UCAA has translated its key training materials to 14 Ugandan languages and we have training teams that are able to deliver training in the various Ugandan national languages. At every opportunity UCAA will advocate for more functional adult education programmes intended to assist rural men and women to learn how to read and write, either in the Ugandan languages and/or in the official language of Uganda, which is English.

5. STIMULATING SOCIAL DEVELOPMENT IN RURAL AREAS OF UGANDA

It is part of UCAA's mission to ensure that poor rural men and women are able to initiate, manage and sustain their own self-reliant social development processes. UCAA, therefore, is directing our efforts to addressing the situation in which a large number of rural men and women in Uganda have a high level of dependency thinking, have accepted their social condition and are in apathy, and they despise themselves and think that they are inferior. In addition, UCAA is directing our efforts in addressing the situation of gender inequality. UCAA is doing this by facilitating processes that are enabling men and women at the grassroots to acquire psychologically emancipated attitudes. The training courses described under the section of Economic Development above were instrumental in providing an opportunity to the rural men and women who participated in those courses to go through a process of conscious awakening. The participatory way in which the UCAA courses were organised by giving the participants the responsibility of making decisions on some aspects of the course organisation enabled the participants to realise their own abilities.

Therefore, UCAA carried out the following activities that led to a situation in which social capital was mobilised through the active participation of poor rural men and women in self-help groups through which they are initiating and sustaining their own self-reliant social development processes:

5.1. Activities UCAA carried out to Stimulate Social Development Processes

5.1.1. Nurturing the Volunteer Spirit - UCAA has continued to encourage change agents to work voluntarily with self-help groups in their communities in order to promote positive change in their families and communities. One of the ways in which UCAA is promoting the volunteer spirit is through the UCAA Award of Merit to those outstanding Change Agents and other agents of change who make a significant contribution to the achievement of UCAA objectives. During the UCAA National Delegates Assembly held in April, the following Change Agents were awarded the UCAA award of Merit: Hon. Sauda Namugerwa, Woman Member of Parliament for Masaka district, Busone Brick Markers from Nakosongola district, Sipi Branch (Sironko district) and Jane Arach, Change Agent, Pader district. The details of the citation for these recipients were included in the UCAA newsletter published in 2010.

The Association also recognises the volunteer work of hundreds of Change Agents by awarding these Change Agents certificates of recognition annually for their loyal service to UCAA for either 5 years, 10 or 15 years. During January to April, during the District Assemblies, the UCAA Board of Directors and the guests of honour at these assemblies presented the certificates to those that qualified.

UCAA is also running competitions amongst its branches and amongst its DCAAs. UCAA annually judges its branches on 12 aspects including: registration with UCAA, payment of membership fees to UCAA National (full members, associate members and working partners), branch meetings, branch membership fees, branch accounts, implementation of Small Group/Sub-County Development Forums, branch income generating activities, branch savings and credit schemes, branch consumer unions, attendance at District Assemblies, collection of UCAA monitoring forms). UCAA awards branches that achieve 150 points and above certificates of achievement. UCAA also awards prizes to the branches with the highest points in each of the nine UCAA Programme Regions prizes. UCAA also awards prizes to the three branches with the highest points in the whole country. The top three branches for the year 2010 were as follows: Bukonzo East (Kasese), Kioga West (Lira) and Lira Central and during the National Delegates Assembly they were given prizes as a token of appreciation for the good performance.

In addition, UCAA judges its DCAAs on 7 aspects including: registration with UCAA, meetings of the District Coordinating Committees, accounts of the District Coordinating Committees, holding of District Development Forums, representation at UCAA Programme Branch Visits, attendance at functions of respective District Administrations and establishment of district offices. UCAA awards prizes to DCAAs that achieve 100 points and above certificates of achievement. UCAA also awards the DCAAs with the highest points in each of the nine UCAA Programme Regions prizes. UCAA also awards prizes to the three DCAAs with the highest points in the whole country. Therefore, the three top DCAAs for the year 2010 were as follows: Lira (Northern region), Kamuli (East Central region) and Mayuge (East Central region) and during the National Delegates Assembly, they received their prizes.



Change Agents of Bukonzo branch celebrating after winning a Trophy for hard work.

5.1.2. Register of Development Groups - In fulfilment of its five - year strategic plan for 2009 to 2013, UCAA continues to maintain registers of all self-help groups that Change Agents are working with. UCAA continued to up-date its registers in order to ensure that they have factual up-to-date information on these groups that UCAA can utilise for advocating for and with these groups. At the end of 2010, there were a total of 6,260 groups that were registered with UCAA.

5.1.3. Advocacy - UCAA has continued to advocate on and to raise consciousness on the negative effects of the activities of micro-finance lending institutions. UCAA's progress in advocacy in this area is articulate in the previous section of this report on stimulating economic development. In addition, the UCAA Programme Officer in Charge of West Nile and North Eastern regions has conducted research on the negative effects of the activities of micro finance lending institutions in the West Nile and North Eastern regions. Below are some of the findings of this research: 1) Most of the clients used the loans to meet their day-to- day responsibilities although the loan was meant to expand on their businesses 2) Friends or relatives developed most of the medium and small scale business through soft loans with short term repayments periods guaranteed with moveable or immovable assets as security. 3) Absence of participation of population in the design, implementation, monitoring of projects, insufficient public administration and rampant corruption. 4) Lack of coordination between donors who send to the government contradictory messages on policies and strategies adding to the weak capacities of local government to implement projects 5) Environmental crisis, rapid population growth and demand for basic products, in ability to utilize non agricultural activities.

Among the rural financial service providers there is a lot of effort to continuously improve the supply side of the industry and almost no effort to improve on the demand side but two things should be put into consideration a) Product development and Institutional capacity building b) Stainability, risk management and resource centres.

Most preferably, this largely explains why most of the rural finance initiatives in Uganda whether state funded or private sector funded has historically not produced tangible results. For example the 1990's Entandikwa Program of Uganda or Youth Entrepreneurship scheme, the story is closely similar. This failure is much to do with the inadequate attention paid to the demand side. The major assumption of the financial service providers always begin with is that money is the major missing link. That once money is availed, then people will be able to produce, sell, pay back and develop. This way we exalt money to being an end rather than a means. We may do well to define what end is rural financing intended to work towards and what are the supporting factors without which even the finances can't work? What is the role of rural development financiers in addressing these factors?

As noted above, it is very important for any institution that goes into the rural financing to begin with thorough social assessment of the community. This involves both the people dynamics and how they relate to available resources. It also involves disaffecting the prevailing belief and value system and premises on which they are based. Service providers ought to review their understanding of rural development. There is especially a need to check our faulty assumptions on which our operations are based. This will help service providers to revise their approaches, their priorities and their products.

The remaining Programme Officers have continued with their research on farming as a business and energy saving stove as a strategy for reducing environmental degradation in their respective regions. The UCAA Programme Officer South Western region reported that according to his research findings, the effectiveness of energy saving stove as a strategy to reducing the environmental degradation was still very low due to lack of sensitisation, enough funds and infrastructure. Very few households had the energy saving stoves and most families were not aware of them. While energy saving stoves lacked enough of the above mentioned resources, other forms of facilitation were not yet well developed. Such include effective self help groups, organized savings and credit schemes and strategies for improved shelter (permanent and semi-permanent kitchens).

The effectiveness of energy saving stoves requires a careful planning to solicit enough resources and sustainable support from household heads. The attitude of some men including some household heads were not strongly supportive towards construction of energy saving stoves as being a method to help in the reduction of workload for rural women and environment conservation. Despite the shortcomings of energy saving stoves work already noted, the findings also revealed minor achievements in this field.

Respondents especially women reported some possible benefits as follows: a) Having a smoke free kitchen hence improved kitchen hygiene b) Women and children get extra time for other activities and revision instead of walking long distances every now and then to look for firewood c) Allocating extra time for gardening for income generation d) Expenditure on buying firewood reduces and the money is used to do other activities e) Households with some woodlots reduce on trees cut every year.

UCAA is progressing well in meeting its target in its advocacy work in relation to the targets of its five-year strategic plan which stipulates that during the five-year period UCAA will advocate on at least three development issues of importance to self-help groups that Change Agents are working with.

5.1.4. Publishing UCAA Newsletter - UCAA planned to publish four quarterly editions of the UCAA newsletter during 2010 and by the end of December, UCAA had published four quarterly editions: 70th 71st 72nd and 73rd of its newsletter. The themes for these editions were on how population increase has contributed to environmental degradation, Universal primary education as the answer to illiteracy eradication, how poor land management has contributed to food insecurity in the communities and



Hon. Janet Kataha Museveni State Minister for Karamoja, Celebrating Safe motherhood Day with Uganda Change Agent Members in Mpigi District.

how rituals are regarded as a source of wealth in the communities. The Copies of these editions were circulated to UCAA members, UCAA funders, members of parliament, district administrations, relevant central government departments, and other development partners. UCAA is progressing well in publishing editions of its newsletter in relation to the targets of its five-year strategic plan which stipulates that during the five-year period UCAA will publish 20 quarterly editions of its newsletter. Therefore, at the end of 2010, UCAA had published 8 of the targeted 20 editions.

5.1.5. Maintaining the UCAA Website: www.ucaa.or.ug - UCAA in fulfilment of its five-year strategic plan continues to maintain its website on which information on the work of UCAA, the Change Agents, the groups that the Change Agents are working with is published and through which the views of rural men and women are being accessed worldwide.

5.1.6. Collaboration with Media Houses - UCAA planned to collaborate with media houses to ensure that the work of change agents and the self help groups that they are working with is published. By the end 2010, UCAA received media coverage inform of at least 7 photo stories and short stories published in the following national newspapers: Daily Monitor, The New Vision, Rupiny and Bukedde. In addition, during 2010, the work of the Change Agents received mention in at least 64 radio programmes broadcast by various national radio stations.

Television coverage - UCAA activities such as the National Development Forum, National Delegates Assembly, the work of Change agents and the self help groups that they are working with received wide television coverage on Uganda Broadcasting Cooperation (UBC), Nile Broadcasting Services and Record Television. The work of UCAA was also published to other development practitioners at different meetings, conferences and workshops which were attended by UCAA staff and members. A detailed UCAA media catalogue is available on request from the UCAA Secretariat in Kampala. UCAA is progressing well in meeting its target in its collaboration with media houses in relation to the targets of its five-year strategic plan which stipulates that during the five-year period UCAA will have its work publicised in at least 20 newspaper articles and at least 350 radio programmes.

5.1.7. Fostering Relations with Local Government - Throughout the year, UCAA continued to encourage its branches and DCAAs to participate in national events organised at district and sub county levels in fulfilment of its five-year strategic plan. By the end of December, UCAA branches and DCAAs reported that they had participated in national events held in their respective districts as follows: Apac and Lira Change Agents in Women's Day celebration, Moyo, Arua and Lira in Labour Day Celebrations, Lira Change Agents in Heroes Day and African Child Day celebrations, Mbale in the celebration of the Day of the Elderly, Change Agents of Kampala, Kasese, Moyo, Arua, Soroti and Lira participated in the Independence Day Celebrations, Kampala Change Agents participated in the International Peace Day celebrations. UCAA Programme Officers continued to remind and encourage Change Agents to encourage the self-help groups that they are working with to foster formal linkages with their sub-county and district administrations.

5.2. Impact Analysis: UCAA's Success in Stimulating Social Development Processes

UCAA subscribes to the school of thought that social development is a process in which a community or nation mobilises through taxation and manages through their political structures resources required to establish and sustain its own social services such as education, health, transport and communications, water supply, etc. UCAA is convinced that through group action, rural men and women have a better chance of making progress in ensuring that their communities attain social development. UCAA has evidence to show that the Change Agents, for whom UCAA has facilitated a conscientisation process, are in turn doing the same at group level for thousands of rural men and women. These Change Agents are encouraging gender equality and cooperation of rural men and women through participation in self-help groups. UCAA continued to promote its simple gender policy of equal participation for both men and women in all UCAA structures and training activities.

UCAA set the following impact indicators as a means to measure its success in stimulating social development processes during its strategic period of 2009 to 2013 and at the end of 2010 UCAA's progress in achieving these indicators were as follows:

5.2.1. Formation of Associations - That by December 2010 Change Agents will have initiated the formation of at least 35 associations.

During the year 2010, UCAA received reports that Change Agents initiated the formation of 231 associations countrywide. UCAA has met its target in achieving its impact indicator on Change Agents engaged and initiating the formation of associations. By the end of 2010, UCAA had achieved and surpassed its target of Change Agents initiating the formation of at least 35 associations by December 2013.

One of the Change Agents that have initiated the formation is Lorna Mubogi who is a member of UCAA Bunafuma Busiro branch, Mbale district (Eastern Uganda). She reported that after attending the UCAA training, she gained confidence and self determination which have encouraged her to join other likeminded people and formed self help groups. She also reported that they are operating successful savings and credit schemes, practising farming as a business and also engaged in individual income generating activities. Personally, Lorna is engaged in Dairy farming and crop farming and as a key player

in her community, she has benefited from a number of government and other NGOs programmes. In 1997, she was trained by UCAA as a trainer of trainers. She reported that this training has increased her capacity to train others in self reliant participatory methodology. The group that she has trained has formed marketing groups and association some to the extent of having their own savings and credit associations. Lorna has also managed to linked members of these groups that she is working with to other service providers and government programmes and they have benefited inform of knowledge, inputs and credit. According to her, UCAA knowledge has helped poor rural men and women to improve standards of living though the change agents.

5.2.2. Linking Poor Rural Women and Men to Service Providers - That during 2009 to 2013 Change Agents link at least 150 self-help groups that they are working with to other service providers

In 2010, UCAA received reports that Change Agents linked at least 465 self-help groups to other service providers. A detailed analysis of the self-help groups that were linked by Change Agents is available on request from the UCAA Secretariat in Kampala. UCAA has achieved its target as stated in its impact indicator on Change Agents linking self-help groups to other service providers. At the end of 2010, UCAA had achieved and surpassed its target of Change Agents linking at least 150 self-help groups that they are working with to other service providers.

Harvesting fruits of change

Yairo Odong Constantine, Change Agent of Agago county branch (Pader district) has this to say "Change Agent, Change Agent my home, my life and my eye opener was trained in 1999 and since then I have known nothing but peace. I have served in my district at various capacities, in the local government and NGOs, and of recent I have been with the district NGO forum as a Board Member. I have initiated and started the formation of a CBO in Agago County that is training more than one hundred groups of war returnees in Pader district in income generating activities like savings and credit. The CBO is also doing counselling and trying to give hope to the hopeless people in the district. We are being funded by Network for Africa with support from Jubilee Action. I am a well known member of the community and respected by all, these I owe it to the change agent training. Long live the association!"

5.2.3. Change Agents Voluntarily Working with Self-Help Groups - That During 2009 to 2013 at least 90% of Change Agents will be voluntarily actively engaged with self-help groups.

During the year 2010, UCAA trained Change Agents reported that they were in contact and working with a total of 2,153 self-help development groups that had a total membership of 58,420 of which 35% (20,195) were men and 65% (38,229) were women. Indeed, 84% (922) of the Change Agents reported that they were actively engaged with self-help groups and that they had assisted these groups to carryout their own group self-evaluations. Therefore, UCAA is progressing well in meeting its target. It is also important to note that many of our Change Agents are actively engaged with self help groups but they don't fill and submit the UCAA monitoring forms. Some of the Change Agents are fully employed by the Government and other Civil Society Organisations and they do not have time to work with self help- groups.

5.2.4. Formal Linkages of Self-Help Groups with Local Administrations - That during 2009 to 2013 at least 30% of the self-help groups that the Change Agents are working with have formal linkages with their respective sub-county administrations and/or their respective district administrations.

By the end of the year 2010, UCAA received reports that 55% (1,149) of the self-help groups that Change Agents are working with are formally registered with their respective district authorities. UCAA is

progressing well in meeting its target in ensuring that at least 30% of the Self help groups that the Change Agents are working with have formal linkages with their respective district administration.

Benefits of linkages

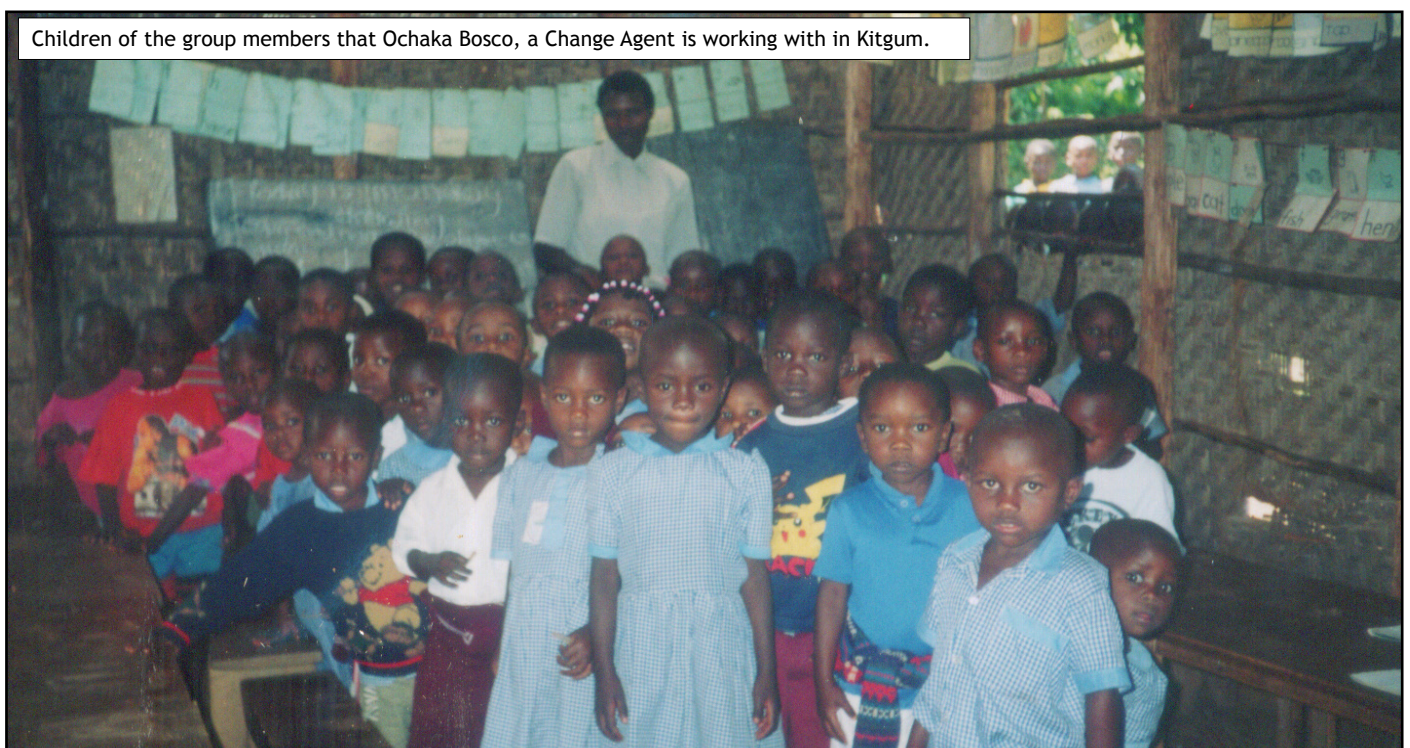
Aparo Disabled Group which is found in kaberamaido district is one of the self help groups which are fully registered with the local administration. Ekau Charles, Change Agent is working with this group. This group got six she goats from NAADs programme and training on animal husbandry in 2010. They also got 11 sheep from Ongino Leprosy centre Kumi. This has boosted the group some much. Aparo Disabled group was also given a cash grant of UG. Shilling 16.5 million by Abillis Foundation Finland for purchase of 30 heifer cows and training of the members of the group. The group has also submitted a proposal to the district to lobby for the fund for people with disabilities.

5.2.5. Gender Balance in Leadership of Self-Help Groups - That during 2009 to 2013 at least 50% of leaders of the self-help groups that Change Agents are working with will be women.

During the year 2010, of the 7,356 leaders, including chairpersons, secretaries and treasurers, reported by the self-help groups, 58% (4,252) were women. Therefore, UCAA is progressing well in meeting its target in achieving its impact indicator of gender balance in the leaders of self-help groups that Change Agents are working with. Therefore, at the end of 2010, UCAA had achieved its target of at least 50% of the leaders of self-help groups that Change Agents are working with are women.

5.2.6. Gender Balance in Education of Children - That during 2009 to 2013 at least 60% of children of the members of self-help groups that Change Agents are working with that are in higher education will be female.

By the end of the year 2010, members of the self-help groups that participated in UCAA impact assessment reported that they were supporting a total of 2,308 children in primary education of which 48% (1,106) were female. They reported that a total of 581 children of their members had completed primary school of which 45% (262) were female. They reported that their members were supporting a total of 470 children in secondary school of which 43% (203) were female. UCAA is not progressing well in meeting its target



Children of the group members that Ochaka Bosco, a Change Agent is working with in Kitgum.

in achieving its impact indicator of female children being supported for ordinary levels of education. The UCAA Programme Officers explained that many girl children drop out of schools without completion because of early pregnancy, early marriages, defilement, failure of parents to support girl child in school, starting school late when they are a bit old such that by the time they reach primary seven, they are already above 18 years and shame of menstruation periods because of lack of proper facilities for girl children in most schools. UCAA Programme Officer for West Nile region gave an explanation that Yumbe district which is about 90% Muslims has a negative attitude to educating girls since their religious doctrine has rated women low. But the current generation is trying to change their attitude so as to give equal opportunity for girls and boys in the district. UCAA trained change agents for example in Lira district have gone ahead to schools to try and empower these girl children, the teachers and even the foundation bodies of these schools. Parents and community leaders were also involved in ensuring of the completion of girl child education. In some district in western region a programme of "Go back to school and stay in school" was launched and the change agents as parents have embraced it. UCAA is also encouraging the change agents and the programme staff to continue with the sensitisation so as to change the negative attitude of not supporting girl children education.

5.2.7. Gender Balance in UCAA's Immediate Beneficiaries – That during 2009 to 2013 at least 50% of all participants on UCAA sponsored courses will be women.

Of the 1,017 immediate beneficiaries that participated in the training courses (change agent training courses, training of trainers courses, self-reliant participatory development training courses, management training courses, accountancy training courses, and fundraising courses) that were sponsored by UCAA and its DCAAs in 2010, utilising the external grant funding from its funding partners and DCAAs own income, 42% (432) were female. UCAA is progressing well in meeting its target in achieving its impact indicator of gender balance in participants in UCAA sponsored courses. However, by the end of 2010, UCAA had not achieved its target of ensuring that 50% of participants in UCAA sponsored training courses are women.

5.2.8. Gender Balance in UCAA Governance - That during 2009 to 2013 at least 50% of participants in UCAA decision-making organs will be women.

Of the 1,006 participants in the UCAA decision-making organs (national delegate's assembly, board of directors, officers of district coordinating committees, officers of branches, and the UCAA Secretariat) in 2010, 49% (488) were female. UCAA will continue to sensitize and encourage women to participate in



Leonard Sengonzi UCAA Chairperson April 2009 - April 2010 presenting Certificates to the best performing branches

UCAA decision making organs.

6. UCAA'S PERSONNEL (FULL-TIME PAID PROFESSIONAL STAFF)

UCAA planned to have a cadre of 23 full-time paid staff members during 2009 to 2013. However, UCAA has a total of 25 staff positions that are approved by its National Delegates Assembly. Although there were some changes in UCAA staff, by the end of the reporting year, UCAA had filled 23 of the 25 staff member positions with full-time paid staff members. Our personnel and administration team has continued to ensure that our programme has the right people at the right time and does their best to facilitate and enjoyable working environment. UCAA prides itself in changing the lives of thousands rural men and women in Uganda. This would be impossible without a committed and a dedicated staff. It is the commitment of our staff that differentiates UCAA staff from other organisations and realisation that people are our greatest asset that makes us an employer of choice. UCAA tries to be the best possible trainer of rural men and women. Therefore, it is from this that we draw our humility, strength and commitments to make a difference in the lives of the people of Uganda.

7. UCAA'S OTHER HUMAN RESOURCES (VOLUNTEERS, CHANGE AGENTS, AND DEVELOPMENT WORKERS)

UCAA also had access to trained Change Agents and UCAA members who assisted the UCAA Secretariat in implementing the approved UCAA programmes of 2010.

Full Members - As of 31st December 2010, there were a total of 3, 847 living Change Agents and of these Change Agents 49% (1,892) of them were female and 51% (1,955) were male. Of these Change Agents, 53% (2,055) of them were UCAA Full Members. Of these who were Full Members of UCAA, 49%



Some of the UCAA's volunteers singing at one of the certificate award ceremonies in Luwero District

(998) were female and 51% (1,057) were male. Of the UCAA Full Members, 78% (1,430) of them were fully paid up members, after having paid their membership fees (Ush 5,000) to UCAA for 2010. It is worth noting that since the provision of Life Membership was set up, 8% (183) of the Full members have paid Life Membership Fees. Sadly, nine of those who had paid Life Membership have since passed away. The membership of 3 of those that had paid life membership fees was terminated because of their misconduct. At the end of 2010, therefore, there were a total of 174 living Full Members who are Life Members. Of the Life Full Members 49% (90) were female and 51% (93) were male.

Associate Members - By the end of 2010, a total of 145 Community Agents of Change had joined UCAA

as Associate Members. Of these, 50% (73) were female and 50% (72) were male. It is worth noting that one of the male Associate Members have paid Life Membership Fees to UCAA.

Working Partners - By the end of 2010, UCAA had a total of 126 Individual Working Partners and 5 Institutional Working Partners. Of the individual working partners, 37% (47) were female and 63% (79) were male. It is worth noting that 24 of the Individual Working Partners (16 male and 8 female) have paid Life Membership fees and that 3 of the Institutional Working Partners, Quaker Peace and Service, Concern Worldwide – Katakwi and Enhancement of Universal Primary Education in Kampala (EUPEK) Project have also paid Life Membership fees.

8. UCAA'S FINANCIAL RESOURCES

In general, the year 2010 was generally not a good year for our Association. This is because we did not manage to obtain all of the funds that we required for the implementation of all of our plans for the year. However we were able to raise 102% (Ush 591,283,472/=) EUR 197,094 of our revised budgeted income for the year as compared to Eur 249,916.44 raised last year. Of note, Bread for the World, one of our funders gave us additional funding of Ush. 37,400,000/= (approx. Eur 12,467) specifically for buying computers of which a balance of Ush. 17,340,000/= remained and will be carried forward to 2011 to purchase the remaining computers.

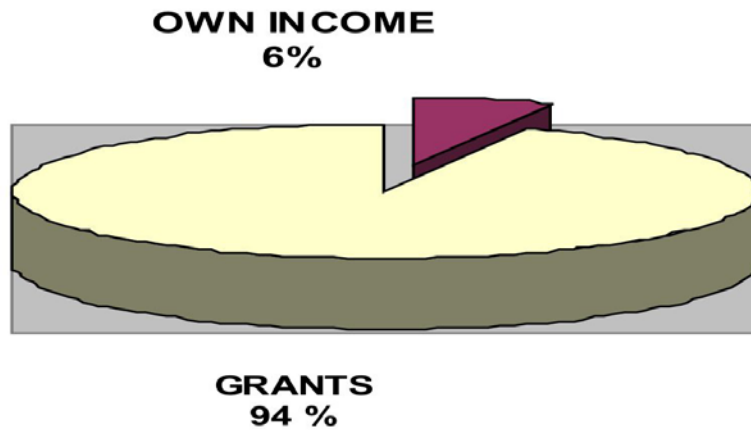
8.1 Expenditure – UCAA's total annual expenditure for the year 2010 was Ush 670,520,415/= (EUR 223,507) against a budget of Ush 772,994,100/= (EUR 257,665). Of note is that 3.5% (Ush 23,210,000/=) EUR 7,737 of the annual expenditure was on capital expenses for the purchase of the following fixed assets: Computers and Accessories.

8.2 UCAA's Own Income – During 2010, UCAA generated own income totalling Ush 34,347,437/= (EUR 11,449) against an annual budget of Ush 65,270,000/= (EUR 21,756). This income was generated from net income from contracts and consultancies that UCAA undertook, profits on sales of UCAA training materials and items, training fees, membership fees, participation fees, local donations, advertising income, rent of shops, hire of UCAA equipment and vehicles, interest income, sale of fixed assets. Therefore, in 2010, UCAA contributed to its own total income, Ush 34,347,437/= (EUR 11,449), which was approx. 6% of the total income that covered its annual expenses for 2010 as compared to 14% in 2009. A detailed breakdown of UCAA's own income is contained on page 4 of UCAA's Audited Financial Statements for the year ended 31st December 2010 that was prepared by UCAA's external auditors, Carr Stanyer Sims & Co., which UCAA will send together with this report to all its funding partners.

8.3. External Grant Funding - UCAA is indebted to all our funders: ICCO - Netherlands, Danish Church Aid - Denmark, Bread for the World – Germany and Finnish Church Aid – Finland who together granted UCAA a total of Ush 556,936,035/= (EUR 185,645) for our programmes in the year 2010. This was against our revised annual budget for external grant funding of Ush 511,454,151/= (EUR 170,485). Therefore, in 2010, our funding partners contributed 94% of the total income that covered UCAA's annual expenses for 2010.

A detailed breakdown of external grant funding is contained on page 12 of UCAA's Audited Financial Statements for the year ended 31st December 2010 that was prepared by UCAA's external auditors, Carr Stanyer Sims & Co., which UCAA will send together with this report to all its funding partners.

8.4. UCAA Reserve Funds – UCAA appreciates that, because of the nature of our work and of our target group, it is quite unlikely that UCAA can ever become financially self-sufficient. UCAA will continue to require external financial assistance in the long term. Since the Government of Uganda has the burden of servicing a high external debt and does not have the culture of providing NGOs with funding, UCAA, like most Ugandan NGOs, will continue to be dependent on external grant funding. However, UCAA is

SOURCES OF UCAA'S INCOME FOR 2010

putting in efforts to diversify its funding base and to build reserve funds from our own internally generated income. We are struggling to build up the necessary reserves from our own income that can be invested meaningfully without interfering with the implementation of UCAA programmes. In 2010, progress was made as follows:

8.4.1. Programme Fund: At the end of 2010, the unrestricted UCAA Programme Fund had accumulated to Ush (89,203,579)/= ((approximately EUR (29,734)) from the accumulated deficit of UCAA income from the previous years. At the end of 2010, the UCAA Programme Fund was valued at Ush (48,543,319)/= ((approximately EUR (16,181)).

8.4.2. Endowment Fund: At the end of 2010, this fund which is composed of funds that UCAA has set aside for investment had grown to Ush 1,289,245/= (approximately EUR 429).

8.4.3. Publicity (Chairperson's) Fund: This is a small fund to which members of the UCAA Board of Directors make monthly contributions during their meetings. These funds are set aside for the Board to utilise for publicity activities at their discretion. At the end of 2009, this fund was valued at Ush 435,000/= (approximately EUR 145). During 2010, the UCAA Board of Directors made contributions of Ush. 164,000/= to this fund increasing it to Ush 599,000/= approximately EUR 200.

8.4.4. Life Membership Fund: At the end of 2010, this fund, which is composed of life member fees paid by UCAA members, had grown to Ush 7,994,294/= (EUR 2,664).

8.4.5. Staff Gratuity Fund: UCAA has a staff policy that empowers the UCAA Board of Directors to give gratuity payments to staff members leaving UCAA after having successfully fulfilled their employment contracts. UCAA, therefore, is setting aside funds in the event that the Board of Directors choose to give a gratuity payment to a departing staff member. At the end of 2010, this fund had accumulated to Ush 10,361,588/= (EUR 3,454). During the year 2010, UCAA made additions of Ush 1,572,650/= (EUR 524) to the gratuity fund to reflect the period of service for each staff member, therefore, increasing this fund to Ush 8,788,938/= (approximately EUR 2,930).

However, due to the big income deficit that UCAA faced after it never achieved its planned income target, the Board of Directors authorised the use of some of these funds Ush. 8,788,938/= in order to carry out the planned UCAA activities. These funds are to be replaced during 2011.

9. UCAA BUILDINGS AND LAND

UCAA continues to own and maintain Change Agent House located on Plot 30 Rashid Khamis Road in Kampala in which the UCAA Secretariat and the UCAA Central Region Offices are housed. UCAA leased Plot 30 Rashid Khamis Road for 49 years effective 1st January 2002. In addition, UCAA continues to sub-lease a plot of land (12m x 12 m) from the Uganda National Farmers Federation on which another Change Agent House is built at the Agriculture Show Ground in Jinja. At the end of 2010, the UCAA

auditors valued the UCAA land and buildings at a book value of Ush 34,174,696/= (EUR 11,392). UCAA continues to rent offices in Arua for its West Nile Region Office, Lira for its Northern Region Office, Mbale for its Eastern Region Office, Fort Portal for its Western Region Office and Mbarara for its South-Western Region Office.

10. OTHER FIXED ASSETS

By the end of 2010, UCAA owned Four Toyota Hilux Four Wheel Drive Double-Cabin Pick-ups that it utilises for the implementation of its countrywide programmes. At the end of 2010, the UCAA auditors valued these motor vehicles at a book value of Ush 81,140,968/= (approximately EUR 27,047). UCAA owns an assortment of computers and computer accessories that its officers are utilising in the implementation of its programmes. At the end of 2010 the UCAA auditors valued the UCAA computers and accessories at a book value of Ush 24,478,978/= (EUR 8,160). UCAA also owns an assortment of office furniture, office equipment and training equipment that it utilises in the implementation of its programmes. At the end of 2010, the UCAA auditors valued this furniture and equipment at a book value of Ush 18,405,333/= (EUR 6,135).

11. MONITORING AND EVALUATION

11.1. Programme Internal Monitoring: In 2010, UCAA circulated its two internal monitoring tools as follows: Change Agent Census Form to all trained change agents to complete and return to UCAA, and the Group Self-Evaluation Report Form (GSE Form) to groups that change agents are working with to fill and return to UCAA. A total of 1,107 (29%) of the 3,847 Change Agents living in Uganda completed and returned Census Forms to UCAA during 2010. Similarly, a total of 2,092 (33%) of the 6,260 groups registered with UCAA completed and returned GSE Forms to UCAA. Indeed, the impact analyses contained in this report are based on the data from these forms that were completed and returned to UCAA.

11.2. Programme External Impact Assessment: During the year, the UCAA contracted External Field Assessors (EFAs) carried out their fifth annual assessment visits to the 44 groups that UCAA selected and the External Field Assessors first visited during 2006. In addition, the UCAA contracted EFAs carried out their fourth annual assessment visits to the 29 groups that UCAA selected and the External Field Assessors first visited during 2007. Indeed, some of the data generated from these assessments is utilised in the impact analyses contained in previous sections of this report. The list of the contracted EFAs is available on request from the UCAA Secretariat in Kampala.

12. CONCLUSION

UCAA will continue to build on the positive results that we have achieved so far so as to influence development trends in Uganda. UCAA believes that building people's capacity in order to transform their lives will achieve a double benefit by contributing to the goal of reducing poverty in our country. UCAA is satisfied that during 2010, together with our development partners we made progress in our

efforts towards the achievement of our mission of poor rural men and women able to initiate, manage and sustain their own self-reliant social, political, and economic development processes; and vision of standards of living in households of poor rural men and women improved through the self-reliant participatory efforts of members of these households. UCAA recognises the invaluable efforts of our volunteer change agents countrywide, who continue to invest their time and other resources in facilitating processes that are empowering rural men and women at the grassroots. Without those committed rural men and women and all those men and women who are working hard to bring themselves out of poverty UCAA would have no reason to exist.

We thank our funding partners for their continued valuable financial and moral support, without which UCAA would not be able to move on. UCAA is also grateful to the relevant government departments and other development practitioners who are supportive of our work.

UCAA SENIOR MANAGEMENT



Lucy Akello Ayena
Executive Director



Rev. Ogira David
Programme Director



Rosette Mpaulo
Finance & Admin. Director



Rose Ayenga Picho
Logistics officer



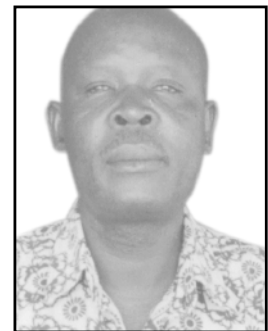
Kiiza Beatrice
Regional Liaison Officer



Akallo Dinah
Advocacy Officer



Persis Wagabaza
**Programme Officer
Central Region**



Aguta James
**Programme Officer
West Nile Region**



Bwambale Christopher
**Programme Officer
Western Region**



Akite Susan
**Programme Officer
Northern region**



Lekoyada Felix
**Programme Officer south
Western Region**



Julius Imuko
**Programme Officer
Eastern Region**

UGANDA CHANGE AGENT ASSOCIATION OFFICES

UCAA Secretariat

Plot 30 Rashid Khamis Road, Old Kampala
P.O. Box 2922, Kampala
Tel: 0414-236907, Fax: 041 234674
Email: admin@uccaa.or.ug

UCAA Regional Office for West Nile

Plot 5 Oluko Road in Mvara, Near ZOA offices
Tel: 256 0476 20547, Mobile Tel: 256 0782 407747,
Email: pown@uccaa.or.ug

UCAA Regional Office for Northern

Plot 7 Misaki Kirya Road Lira Town,
P.O. Box 651, Lira
Tel: 256 0473 20324, Mobile Tel; 256 0782 457819,
Email: pon@uccaa.or.ug

UCAA Regional Office for Eastern

Plot 53A, Nabowa Road
P.O. Box 1230, Mbale
Tel: 256 045434990, Mobile Tel: 0774 176649
Email: poe@uccaa.or.ug

UCAA Regional Office for Central

Plot 30 Rashid Khamis Road, Old Kampala
Tel: 0414 236907, Mobile Tel. 256 0772 648892,
Email: poc@uccaa.or.ug

UCAA Regional Office for Western

Rukidi III Street, Fort Portal Town
P.O. Box 868, Fort Portal
Tel: 256 0483 24474, Mobile Tel: 0772 956143
Email: pow@uccaa.or.ug

UCAA Regional Office for South - Western

Plot 47/49, Akiiki Nyabongo Road MBADIFA Building
P.O. Box 1042, Mbarara
Tel: 256 0485 22656, Mobile Tel: 0392 815622
Email: posw@uccaa.or.ug