



ANNUAL REPORT 2017

"BUILDING INCLUSIVE AND RESILIENT
LIVELIHOODS"

About AFARD

Our Vision:

A prosperous, healthy and informed people of West Nile region, Uganda

Mission:

To contribute to the molding of a region in which the local people (men and women), including those who are marginalized (children, youths, women, the elderly, and Persons Living with disabilities and HIV/AIDS), are able to participate effectively and sustainably and take a lead in the development of the West Nile region.

Where we work

Headquarters: Nebbi Municipality

Satellite offices: Maracha, and Yumbe

Outreach districts: Pakwach, Nebbi, Zombo, Arua, Maracha, Yumbe, Moyo and Adjumani.

Strategic Direction

Our 5-year Strategic Plan 2015- 19 aims to contribute to the socio-economic transformation of 150,000 vulnerable and marginalized people for inclusive and resilient livelihoods.

The plan's strategic pillars are:

- 1 Climate – smart and nutrition-sensitive agriculture to secure food and nutrition security.
- 2 Economic empowerment and asset building to lift targeted households out of extreme [asset] poverty.
- 3 Human capital building to reduce disease burden and increase in literacy rates.
- 4 Community-led advocacy for responsive and accountable local governance.
- 5 Community group strengthening to ensure strong sustainable member-owned and -managed groups.
- 6 Organizational growth and Sustainability to strengthen AFARD's operational and financial capacity.

Acronyms

AFARD	=	Agency for Accelerated Regional Development
AIDS	=	Acquired Immunodeficiency Syndrome
BCCE	=	Behavior Change Communication and Education
BO	=	Beneficiary Organization
BTVET	=	Business, Technical and Vocational Education and Training
CDP	=	Community Development Project
CSF	=	Civil Society Funds
EU	=	European Union in Uganda
FO	=	Field Officer
GAAP	=	Good Agricultural and Agribusiness Practice
HCT	=	HIV Counseling and Testing
HIV	=	Human Immunodeficiency Virus
IGA	=	Income Generating Activities
LLG	=	Lower Local Government
M+E	=	Monitoring and Evaluation
MRAL	=	Monitoring, Reporting, Accounting and Learning
MT	=	Metric Tons
ODF	=	Open Defecation Free
PLWA	=	Persons Living with HIV/AIDS
PWD	=	Person with Disability
SHA	=	Self Help Africa
SHG	=	Self Help Group
SNV	=	Netherlands Development Organization
UGX	=	Uganda Shillings
VSLA	=	Village Savings and Loans Association
YES	=	Youth Employability through Enterprise and Skills Development
YMF	=	Young Model Farmer



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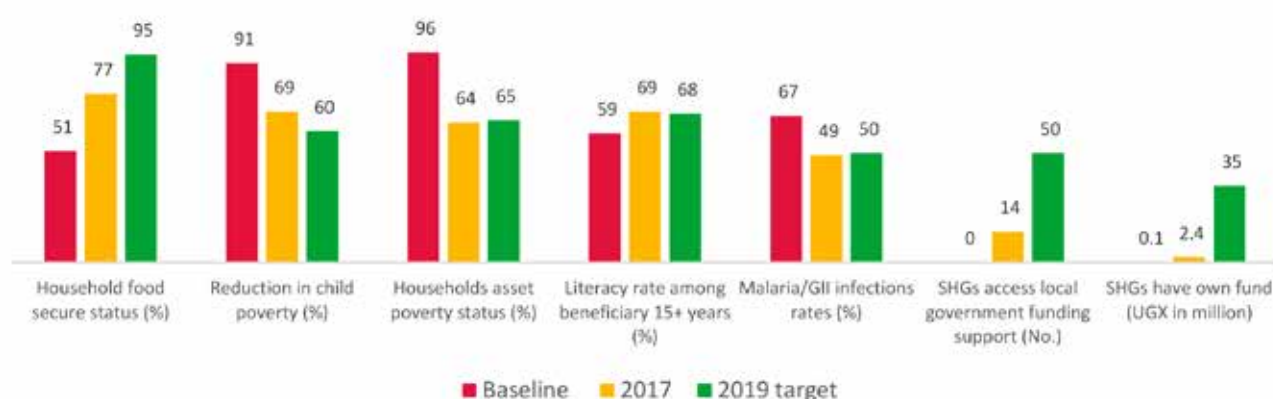


Foreword

We are delighted to present to you our Annual Report 2017 that presents our mid-journey of the 5-year Strategic Plan (2015-2019). Notable in 2017 are: AFARD witnessed a new learning curve in humanitarian initiatives. Equally we revamped our revenue mobilization to a peak of UGX 5 billion and retained cost-efficiency with 85% fund utilization into direct project investment. Finally, our outreach expanded to eight of the nine districts in West Nile region. The number of Self Help Groups (SHGs) that we supported increased from 747 in 2015 to 1,147. This bold expansion increased significantly the number of households served from 35,521 to 98,839 and the population reached from 210,761 to 453,394 people.

With a focus on results-based management, our impacts have been impressive. As is shown below, there has been a steady reduction in food and nutrition insecurity, child poverty, asset poverty, illiteracy rates, and disease burden (especially days lost to sicknesses). Slow progress has however been made in Self Help Group's access to public funding and accumulation of own funds.

Our Impacts



With these gains in the lives of the people we serve, the Board of Directors is very grateful for the financial and technical supports from its partners: the European Union, Austrian Development Agency, Kinder Not Hilfe, Danida, Manos Unidas, Sall Family Foundation, and the local governments of West Nile region. Finally, the Board and Management remains committed to ensuring multi-stakeholder engagement, results-oriented management, financial stewardship and accountability and invites like-minded partnership for the inclusive socio-economic transformation of West Nile region.



Rt. Rev. Dr. Ocan
Sabino Odoki
Chair, Board of Directors

+ H. Odoki



Dr. Alfred Lakwo
Executive Director

Highlights of 2017

In this third year of the 5-year Strategic Plan (2015-19), AFARD made impressive growths in outreach, revenue mobilization and enduring impacts as is shown below.

Geographical outreach:



8 of 9 districts

Pakwach, Nebbi, Zombo, Arua, Maracha, Yumbe, Koboko, and Adjumani

Self Help Groups served:



1,147 Self Help Groups



533 Youth only



184 Women only



430 mixed membership groups

Household reached:



98,839

Total household population impacted:



453,394



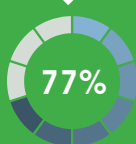
55% Females

Total revenue in the year amounted to

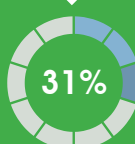


4,337,130,690

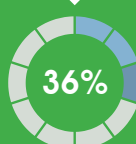
The results were:



households were food secure



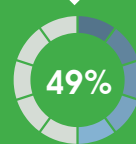
children faced no child poverty



households exited asset poverty



population 15 years and more were literate



population suffered malarial and GI illnesses

14 SHG

secured support from local governments

SHG

saved an average of UGX 2.4 million

Introduction



On December 21, 2014, the Board of Directors approved a 5-year Strategic Plan (2015-19) with the aim of,

“contributing to the socio-economic transformation of 150,000 vulnerable and marginalized people [children, youth, women and the elderly and Persons Living with disabilities and HIV/AIDS] for inclusive and resilient livelihoods.”

The implementation of the Strategic Plan commenced in January 2015. This report provides an umbrella view of the progress made this far with concrete evidences of achievements.

Table 1: Achievement of strategic plan targets, 2015-17

Indicators	Target	2015	2016	2017	Total	% achieved
Number of new projects	25	10	0	6	16	64
Number of self-help groups	857	498	720	1,148	2,366	276
Number of households	21,429	29,627	34,474	92,322	156,423	730
Number of people served	150,000	220,705	209,879	422,985	853,569	569
Total budget (UGX)	19,799,138,430	2,487,245,912	3,674,008,163	5,160,469,799	11,321,723,874	57

As table 1 shows, in the last three years, with only slightly above half the estimated budget, all the targeted number of Self Help Groups, Households, and Beneficiary population have been reached.

In 2017, AFARD was able to partner with 11 development agencies and implement 13 different projects in both refugee settlements and hosts' communities. Of the 422,985 people served, 110,432 (26%) were South Sudanese Refugees.

Unlocking Child Poverty Traps

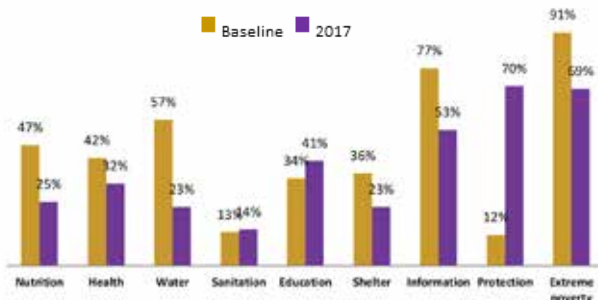
UNICEF and Economic Policy Research Center define extreme child poverty in Uganda as when a child is deprived of any two or more dimensions of (i) Nutrition; (ii) Water; (iii) Sanitation; (iv) Health; (v) Shelter; (vi) Education; and (vii) Information.

In 2017, 1,316 children were provided with child development support activities.

- 1 15 children and their leaders participated in an exposure tour of Entebbe zoo, botanical gardens and International Airport.
- 2 461 children (198 girls) were provided with education guidance and counselling.
- 3 04 children representatives participated in sub-county annual planning meetings.
- 4 908 children(412 girls) were trained on group leadership, recreational activities (music, dance and drama), life skills (tree and fruit nurseries), and child rights.

As a result, many households are providing for improved welfare of their children. Overall, figure 1 below also shows that within the 3 years, child poverty reduced by 22 percentage points from 91% to 69%. With increased awareness of children's rights and hence reporting of abuse, the need for protection of children from abuse – labour, heavy punishments, forced marriages, teenage pregnancies – is on the rise.

Figure 1: Key deprivations of children's rights



Children's group defends children's right

Awothol Aol is a children group (CGs) formed in 2013 with a total number of 17 members (11 boys and 6 girls) and is located in Ndheh sub-county, Nebbi district. The group members, with KNH support, were trained in the various skills namely formal learning, life skills, recreational activities, child rights and responsibilities. As a result, the group members engaged in picking and harvesting coffee and saved Ugx 50,000. They used this money to buy a goat, which they keeps with Onena Collins their members because his parents accepted to help.

However, in December 2016 when the goat was released to search for dry season pasture, a community member fraudulently sold it claiming that it was his. When the children went inquiring why he had sold their goat he simply ignored them. In response, the group members took the case to their Mungu Jamic CLA that mediated and recovered the goat. The CLA Subcommittee had this to say, "had the children not been in a group and had they not known their rights, this goat would not be recovered. Their pressure to report the theft to the Sub county Local Government hastened the process of recovering the goat."

Therefore, creating children's space and creating awareness about their rights helps children to defend their rights from being abused as a group member noted, "had we not known our rights we would not have fought for it. Our goat would have gone forever since we are only children and many people in the community tend to disregard children's voices."

Climate-smart and Nutrition-sensitive Agriculture

With the high influx of over 1 million South Sudanese refugees in West Nile region, food and nutrition insecurity is rife. While 70% of the nationals' eat 1-2 meals of non-nutritious foods daily, for refugees the World Food Programme (WFP) food ration is generally insufficient in quantity and dietary diversity and about 75% have poor and borderline food consumption score given that they mainly eat mainly cereals, vegetables, pulses, oil/fats and condiments.

In 2017, 1,099 farmer groups with 85,905 households (42,268 refugees) were provided with food and nutrition security support.

1

544 community extension agents were trained as trainers in good agronomic and poultry management practices.

2

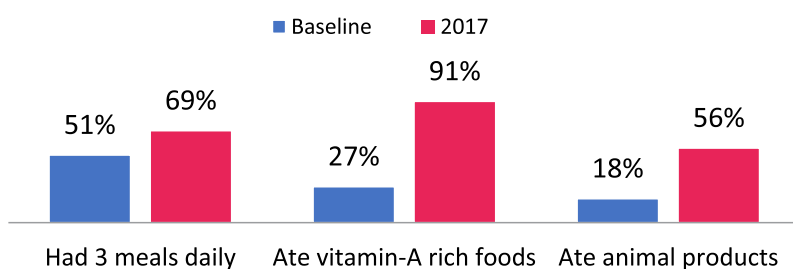
Distributed were 3,936 bags of cassava cuttings, 30 MT of maize seeds, 9.8 MT of cow peas seeds; 1,500 seedlings of gravellia, 1,500 seedlings of callinadria, 24 MT of assorted vegetable (kale, eggplant and okra); pumpkin, amaranth and paw paw seeds and 21,100 kuroiler chicken. In addition, 95 farmer groups secured animal traction.

3

Nutrition education was conducted in 828 farmer groups.

As a result, 77% of the households were food and nutrition secure. With improved awareness of balance diet, kitchen gardening increased; and diet diversity especially of vitamin A stabilized.

Figure 2: Selected food security indicators



Transforming Refugee Livelihoods

With funding and technical support from FAO, AFARD implemented a livelihood intervention for South Sudanese refugees in Adjumani, Moyo, Yumbe, and Arua districts. Ms. Agnes Lacek, a 26-year old mother of four children and originally from Pageri village in South Sudan was a beneficiary. When conflict broke out in September 2016, Ms. Agnes flee with her children to Ofuwa 4 village, Rhinocamp refugee settlement, Arua district. Ms. Agnes notes,

“before AFARD’s support, we only relied on the monthly food rations distributed by World Food Programme that was irregular (timing), inadequate (quantity) and incomplete (quality) for our living. Often we went without meals. To eat different food types, we also had to sell off part of the ration. However, this changed with the project (inputs and training) support because I was able to grow some beans, maize, cowpeas and vegetables. This has helped us to stop selling our food ration. We can now eat vegetables and sell part of it for income to buy fish/meat and other basic needs.”

This change was also true for Mr. Yakobo Lado a 62-year old family head of six people in Omugo II refugee settlement, Arua district who with only a 30 X 30 meters land in a rocky area could hardly plant anything. His start-up 10 Kuroiler chicken, with feeds and basic livestock management skills training has enabled him to sell cocks and eggs besides eating some.

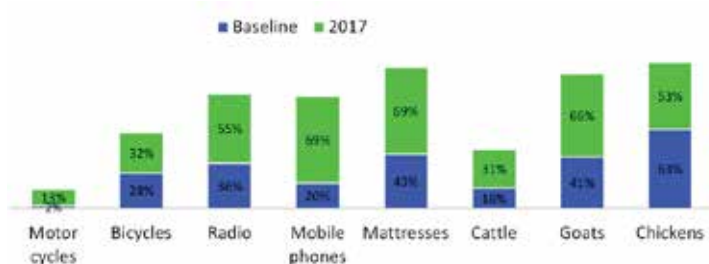
Youth and Women's Economic Empowerment and Asset Building

The 2017 Uganda National Household Survey revealed that 27% of the households in West Nile region lived in extreme poverty. While 49% and 21% of the households depend on subsistence farming and non-farm enterprises respectively, only 5% saved in formal banks/SACCOs, the monthly consumption expenditure was UGX 269,200 (\$73). To address livelihood insecurity, in the year:

- 1 898 farmer groups with 33,307 households were engaged in farming as a business (of cassava, rice, beans, sesame, onions, tomato, cabbage, poultry, and piggery). And 123 groups were trained in multi-peril crop insurance.
- 2 688 groups with 14,828 members (68% females) engaged in VSLA.
- 3 4,887 youth (63% females) got vocational and entrepreneurship, life and financial literacy skills training together with, start-up kits, business mentoring and exposure visits.
- 4 Collective marketing improved sales of simsim (52MT), rice (21MT), cassava (53MT), beans (27.5MT), and onions (5MT).
- 5 3 pilot irrigation schemes were established by Holland GreenTech for 72 youth for year-round production.

As a result, VSLA saved UGX 865 million. The farmers earned an average of UGX 1.3 million. The average annual household financial net worth amounted to UGX 4,057,788. Households also acquired various productive assets (fig 3). In Moyo district, a league of 10 youth is competing to construct "mabati houses." The youth in particular also provided employment opportunities for 12,135 fellow youth.

Figure 3: Household asset holding status



Savings with a purpose empowers single mothers

Ms. Toepista Odota, a single mother of three children is a member of Wacika Farmers group, Nyaravur Sub County, Nebbi district. Supported by a Danida funded DAR3 project, the group uses Village Savings and Loan Association methodology to promote savings with a purpose. Every year, members are encouraged to set a saving goal and she noted,

I started the year 2017 with a goal to buy at least two goats so that I can multiply my income sources besides storing my wealth and my own land so that I can be free from the harassment meted on me by my brothers on our family land.

With determination, I used the income from both the loans I took and invested in produce trade and share out money to buy a goat (that had increased to three goats) and my own one acre of land on which I have relocated. I am no longer a squatter on our family land but a land lord with total freedom to decide which portion of the land to farm or not.

Human Capital Development

Health is wealth is a common adage. Good health permits people to live long and productive lives. Yet unsafe water and sanitation accounts for over 65% of the total disease burden. This is why AFARD's Strategic Plan (2015-19) give priority to preventive community health.

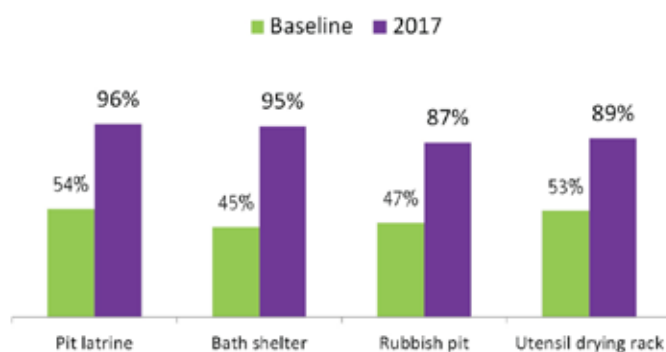
Nutrition competition triggers safe nutrition practices

In 2017, the following were achieved:

- 1 11,334 households (with 79,339 people) and 53 schools and health facilities were reached with sanitation and hygiene education, hand washing with soap campaigns, and sanitation competition
- 2 5 sanitation advocacy platform for sanitation entrepreneurs were conducted
- 3 968 people (699 females) were sensitized on HIV/AIDS
- 4 Education counseling and guidance was conducted for 461 pupils (198 girls)
- 5 Functional Adult Literacy classes were initiated in 05 groups with 124 learners (57 female).

As a result, there is increased utilization of safe sanitation and hygiene practices and education. There was also no reported case of cholera outbreak in our operational areas in 2017.

Figure 4: Household with Sanitation and Hygiene Facilities



Nidro Farmer Group, located in Kei Sub County, Yumbe district, has 30 members (16 females). Supported by Sall Family Foundation under the WENAGIC project, the group seeks to address malnutrition. Amidst the rich diversity of foods available in the community, families ate only the staple foods – cassava bread and beans as the group Chairperson remarked, ***“it would only earn a woman a beating if she dared to cook any other food apart from the local staple.”***

This practice changed after the gender sensitive nutrition training attended by married women together with their spouses. The training elucidated the importance of balance diet using locally available foods, nutritional needs of different social groups (children, the sick, pregnant and lactating mothers, etc.) and meal planning using the food pyramids.

After a 6-month family mentorship, an annual nutrition competition was held with a team of Judges drawn from the District Nutrition Coordination Committee.

Nidro Farmer Group emerged the overall winner and bagged a cash prize of UGX 300,000. An elderly female group member remarked:

This win was not cheap. It took us as a group an enormous effort from the time we were trained in safe nutritional practices to put the skills to use. Our husbands and elderly sons supported us. Because we knew that we need to eat diversified foods in order to be healthy, we started to also cook other foods. The quarrels of the past, for instance, if a woman cooked green vegetables, were no more. Many families started to plant kitchen gardens of local vegetables. As women we also changed our food presentation and preservations because we knew that ***“a badly served food will not encourage the family to eat.”***

Community-led Advocacy

Every year, local governments undertake participatory planning and budgeting. In this process, citizens (rights holders) and leader (duty bearers) dialogue into identify community needs and capacities for effective delivery of quality public services. Yet many citizens, especially women and youth, feel excluded from the invited space.

In 2017, 208 community groups engaged in advocacy:

- 1 789 leaders from local governments, religious and cultural institutions were trained on good governance and human rights.
- 2 2,696 youth and 1,365 women were trained as “champions” in advocacy skills.
- 3 Advocacy Fora were established for women and Youth in Nebbi, Zombo and Yumbe districts.
- 4 International day celebrations – Self Help Group Day and the Day of the African Child – were organized as as accountability days.
- 5 55 youth (17 female) were supported to participate in the Arua regional advocacy event.
- 6 08 radio talk shows, 10 mobile radio debates, 12 monthly radio spots were hosted on Radio Maria to create community awareness on human rights and local government planning processes.
- 7 14 community groups were supported to access local government budget worth UGX 49.4 million. In addition, 08 youth groups secured bean seeds from Operation Wealth Creation.

Jakony CLA Advocating for Child's Right in Erussi Sub county

To further children's rights to education, Universal Primary Education has compelled many parents to enroll their children in schools. In Oboth primary school in Erussi Sub county, Nebbi district there has been a marked increase in the number of children, especially girls. Members of Jakony Cluster Level Association (CLA) enforces children's education through home and school visits, dialogue with parents and children as well as providing direct scholastic support to very needy children.

However, during one of the school visit the CLA members noted that the number of pupils, especially girls, had declined from 1,004 (513 girls) at the beginning of the year to 733 (343 girls) at the end of term two. This finding instigated the members to probe why the high dropout rate. They interviewed the head teacher who disguised the reasons to lack of parental support. Not convinced with the head teacher's response, the members opted to interact with the children both in school and at home. “To our surprise” they noted, “the big girls reported that they were always selected to dig, cook and fetch water for the teachers during class hours.”

Armed with this evidence, the CLA mobilized and advocated the community and local government leaders for conducive learning environment for girl children. Leaders warned the school administration to desist from the practice of girl child rights abuse. With strict CLA follow, more girls returned to school.

Strengthening Community Organizations

To cost-effectively serve many poor marginalized population, AFARD works through Self-Help groups (SHGs) that are member-formed and member-managed. Strengthening the organizational capacity of these groups is therefore critical for effective project management, visible impacts and sustainability.

In 2017, the following were accomplished:

- 1 354 new groups were formed and registered with their various local governments.
- 2 17,744 group leaders and members were trained in various group dynamics and management skills.
- 3 5,960 youth (53% female) were trained in social inclusion and life skills.
- 4 Group uptake of VSLA increased from 281 in 2016 to 688 in 2017 and the average savings per group increased from UGX 2.1 million to UGX 2.4 million.

As a result, strong groups with participatory leadership is emerging in the communities. The group loan scheme has improved member cohesion, self-esteem, voice and visibility. The sense of togetherness can now be seen in how group members collectively pool their resources – skills, relationships, and funds, etc. – to address issues of common interests.

Building democratic communities bottom-up with group dynamic training

AFARD works with community organization in a process that involves the beneficiary communities in self-selecting their leaders according to member-formed constitutions. However, sometimes “rogue people” sneak into executive positions where they struggle to control members, resources (especially funds), and networks of their groups. While at the start group members look up to AFARD to help them deal with such leaders, “the persistent response from staff that group leadership is a members’ affairs has always left a bitter taste in our mouth” notes a member of Cana group.

Through regular training is group dynamics and quarterly performance review meetings that involve assessment of leaders performance, a number of group members realized that their democratic members’ rights include having leaders who manage in accordance with their group constitution and decisions of members. It was in this light that all leaders on the Executive Committee of Cana group were removed from office during the end of year meeting.

One leaders who wanted to resist removal from office was informed by the group members that,

This group is not a family but member-owned affairs. We and not you decide on who should lead us. After we assessed how your leadership was and found out that during your term of office you benefited more than us members from the loan fund, proceeds from group gardens, and sometimes from unauthorized expenditure of group funds, we cannot allow this to happen again next year while we watch.

The power to vote is in our hands. This exercising of members rights has instilled transparency and respect of group constitution in the newly elected leaders.



Summary Project Profile



Erussi -Ndhew Community Development Project



The Erussi -Ndhew Community Development Project is a 5-year KNH funded project (January 2015 - December 2019) that directly targets: 6,000 poor people, 1,200 Children, 3,200 Women, 1,600 Youths and indirectly 20,000 people. Its goal is, "to contribute to the reduction of child poverty in Erussi/ Ndhew Sub-Counties, Nebbi district, Uganda."

In 2017, the project worked with 53 Children Groups (with 1,023 members), 05 Youth groups (with 200 members), 136 Self Help Groups (with 1,975 members) and 12 Cluster Level Associations. The following were achieved:

- 1 1,080Kgs of bean seeds, 336 bags of cassava cuttings and 600 Kuroiler birds were provided with good agricultural practices trainings.
- 2 952 members were trained on safe nutrition, kitchen garden making and use of energy saving stoves.
- 3 05 youth groups with 200 members (35 females) were trained in group dynamics, entrepreneurship skills and various vocational skills - horticulture, motor cycle repairs, tailoring, knitting, poultry, and low cost housing.
- 4 Education counseling and guidance was conducted for 461 pupils (198 girls).
- 5 Health education were conducted on safe sanitation and hygiene (for 3,373 SHG members) and HIV/AIDS (for 968 people).
- 6 Two international events: SHG Day and the Day of African child were celebrated.
- 7 75 government officials and religious leaders were trained on women's rights and gender based violence.
- 8 15 children participated in an exposure visit to Entebbe and 907 (568 girls) attended Children's Christmas party.
- 9 Children-led advocacy events with Sub county local government leaders were supported and it secured UGX 1,5 million from the Community Driven Development (CDD) budget.
- 10 A Federation was formed (Nebbi Women Development Federation).

Children Group transforms indiscipline children

Positive child growth and development is a daunting task in Erussi and Ndhew community because of lack of good parenting. As a result many children suffer from drug abuse, early pregnancy, teenage marriage, and negative peer influence especially towards school absenteeism. One such victim is Vincent Orumnimungu a 16-year old orphan who lives in Messi central village, Erussi sub county, Nebbi district. He was reported by the peers as one who was very stubborn and was often involved in cases of theft of phone, mattress, and money. He was once apprehended by the local council court and detained in police cells.

This started to change when Vincent was enrolled in Abinindo Ongo Pican Children Group. The various trainings that he attended on children rights, life skills, and recreational activities together with counselling from members of his group and the group Facilitator positively impacted on him as he noted,

"The good advice from my group members against stealing and missing school made me to drop all my bad friends. Now I am preoccupied with playing football for my school and drama acting in our school drama club. I have also raised my own nursery bed from which I planted half an acre of coffee."

Everybody is now happy with Vincent. He has left theft altogether and is regular at school. Through the children groups, he acknowledges that, "I have been transformed. Without the children group, I would have been dead by now for theft and vandalism. I now plan to become a doctor."

Panyango Community Project

Panyango Community Project is a 18-month (March 2017 – August 2018) pilot project funded by KNH with a goal, “to set up People’s Institutions (PIs) that will empower people in Panyango Sub-County, Pakwach district to protect the rights of children and ensure their basic needs are met.”



In 2017 the project reached out to 897 poor women household (with 4,621 people) organized in 45 Self Help Groups (SHGs) and 03 Cluster Level Associations (CLAs). In addition, it:

- 1 Held 03 briefing meetings for 45 community leaders (5 female) about the project.
- 2 Selected 03 Community Facilitators (CFs – 01 females) and trained them on PI concepts and operations.
- 3 Formed and strengthened 45 Self Help Groups with 821 women in Pakia, Padoch and Lobodegi parishes.
- 4 Conducted assessment of all 45 SHG, formed 03 CLAs and in 25 sessions trained the CLA members on CLA concepts and features, roles and responsibilities, book writing, and vision building and goal setting.
- 5 Conducted 12 monthly CLA meetings and 09 bi-annual SHG self-assessments to review progress.
- 6 Conducted 06 routine management monitoring visits

SHG approach strengthens family bond

Ms. Akello Joyce, aged 38 years and a mother of five children, is a member of Bed Pinikuro SHG from Dispensary village, Pakia Parish. Before joining SHG Joyce was a subsistence farmer who only earned income from the sales of part of her farm produce. That yields were unstable, her family did not ably cater for most of the basic needs especially food, education and medical treatment. This was made worse, as she noted, **“by having an irresponsible husband who spend most of his income on alcohol.”**

However, when she joined SHG, she started saving UGX 500 per week and took a first loan of UGX 30,000, which earned her a net profit of UGX 50,000. After repaying the loan she was able to fully expand the business and earned UGX 100,000. From then on, life has not been the same again as he explained, “life is fair now. I can afford my family two meals a day. I no longer worry about financial support from my husband.”

In addition, when Joyce bought two chickens and they multiplied, her husband noticed the changes at his home and decided to ask how he could give a helping hand. He was accorded the opportunity to support in transporting goods to Panyimur Market. Now the family earns UGX 300,000 per month. Overall, to Ms. Joyce, SHG has “brought my family together. We plan and work together now and are happy.”

Danish Assistance for Refugee Hosting Districts (DAR3)

DAR3 is a Danida funded agricultural livelihoods improvement program. Its goal is to increase resilience and create equitable participation of Northern Uganda in the economic development of the country.



In 2017, the project achieved the following:

1

Supported 390 groups with 11,021 beneficiaries (7,024 females) to produce beans, rice and Sesame through setting demonstration and seed multiplication sites, training in group dynamics, good agricultural practices and postharvest management. These groups ploughed 7,133 acres of land.

2

Supported 80 farmer groups with animal traction technology. These groups ploughed 1,374 acres of land, earned UGX 47,386,500 and saved UGX 17,636,500.

3

Strengthened collective marketing through training 1,170 marketing committee members and regular market surveys and information dissemination. Overall 52,115 Kgs of sesame; 21,470Kgs of rice and 5,356Kgs of cassava chips and 504Kgs of onions were bulked and sold at fair price.

4

Mainstreamed VSLA methodology and mentored 232 groups. These groups saved a total of UGX. 230,732,000 and had a share out per capita of UGX 162,366.

Animal Traction for Increased Agricultural Productivity

Ms. Acayo Grace, a 42-year old mother of eight children, is a member of Dikiri Ber group located in Njau Umbanya village, Nebbi Sub County, Nebbi district. As a subsistence farmer, she used to grow cassava, beans, ground nuts and maize on small land sizes because the hand hoe “cannot allow old people to open large chunks of land” she noted. As a result, her family always had food shortage and inadequate income.

This changed when their group with DAR3 support selected rice as their strategic enterprise. With animal traction technology she plough 1.5 acres of land in the second season of 2017 and planted rice (Nerica 4 variety).

Although the weather was harsh, she harvested 18 bags. She sold 13 bags through the collective marketing approach worth UGX 1,8 million. Smilingly she narrated, “this was the first time in my entire life that I touched a million shillings. I did not sleep that night.” Ms. Grace spent UGX 600,000 to purchase 0.75 acres of land; making her a female land owner in her community. The balance she used to pay school fees, medical bills, buy two goats (that have now produced) and materials for constructing her permanent house now at plastering stage.

Youth Employability through Enterprise and Skills Development Project (YES Project)

The YES Project is a 3-year (2015 to 2017) EU-funded project implemented in Nebbi, Yumbe and Moyo districts with the goal of contributing to youth poverty reduction and sustainable youth economic opportunities.



In 2017, the project worked with 3,000 youth (57% female) in rural agribusinesses, urban microenterprises and VTIs (672 youth) and achieved the following:

- 1,849 Rural youth were supported with agro-inputs and GAP trainings by 384 cluster leaders and 178 YMFs for beans, cabbage, tomato, and onion production.
- 479 Urban youth were provided business management training, business start-up kits and business coaching and clinics
- 60 groups (with 1,616 youth) adopted VSLA and saved UGX 81,457,278.
- 1,990 youths were trained on group dynamics: life skills.

An external evaluations found out that: all 3,000-youth joined the labour market and employed 4,832 non-targeted youth. Their productive asset value increased from UGX 3.2 million to UGX 4.3 million and 39% of the youth (especially those in agribusiness) exited asset poverty. In addition, the project built a positive culture of hard work, hope and aspiration, savings, and it improved self-reliance, self-esteem and gender relations; and enabled 500 youth to access funding support from local governments.

Diversification as a strategy to build resilience against climate change Sam economic journey

Amandeku Sam is a 29-year old Young Model Farmer (YMF) in Metu Sub County-Moyo district. Since 2000, he has been growing vegetables on small land sizes using rudimentary skills and with low earnings. But this changed in 2015 when he was selected and trained as a YMF for horticulture. After the training together with his youth group they selected cabbage production. With some start-up input (e.g., high quality seeds of Baraka F1 variety), he invested UGX 288,000 to hire labour and earned UGX 2 million that he used to buy two cows at UGX 1,100,000 and two goats at UGX 120,000. He also saved UGX 570,000 in their local SACCO. Motivated by “the million shillings Sam notes that he increased his acreage in 2016 to 3.5 acres and targeted UGX 20 million. All seemed well until when the weather changed. Without rain for four weeks all his cabbage wilted and succumbed to various pests and diseases. In the end Sam earned a dismal UGX 500,000.

Desirous to recover the heavy loss he had made, Sam immediately used the dry first season of 2017 to relocated his garden next to an all-year- round spring where he used manual irrigation.

He planted 1-acre of tomato, irrigated, manured, mulched, staked, pruned, and protected his crop against pests and diseases. His efforts paid off. He earned UGX 4,5 million. In order to mitigate risks to his agribusiness he bought a milling machine that earns an average daily income of about UGX 65,000. As a strategy, Sam now grows cabbage during normal season and tomato during off season and has been able to build a house, buy a motor bike, open a small general merchandize shop and his kids are in good schools. Sam now plans to install a drip irrigation system.

MANZO Youth Empowerment Project (MAYEP)



The MAYEP is a 3-year project (2016-19) funded by the European Union and is implemented in partnership with Self Help Africa (SHA). Its goal is, "to contribute to sustainable poverty reduction among [3,000] youth Maracha, Nebbi, Zombo districts, West Nile Region, Northern Uganda.

Mr. Aziku Benard abandoned Khat (Marungi) for lucrative Piggery

In 2017, the project worked with 2,998 youth (1,497 females) and the following were achieved:

1 Worked with 100 Youth Agribusiness Groups (YAGs) with 2,998 youth (1,497 female) in onion, piggery, tomato and cabbage agri enterprise

2 Mainstreamed Village Savings and Loans Associations (VSLAs) and YAGs saved UGX 197,543,500.

3 500 (50% female) peer Young Model Farmers (YMFs) and Enterprise Skills Animators (ESAs) were trained as trainers.

4 Conducted various trainings for the youth in: group management and leadership (for 1,850 youth - 49.4% female); financial literacy (for 194 VSLA support trainers - 28% female), Village Savings and loan associations (for 100 Support Trainers - 30% Female); social inclusion (for 1,828 youth - 53% female); and life skills (for 1,843 youth - 51% female).

5 Linked YAGs to markets through regular market surveys, developing collective marketing systems, and monthly market information.

6 Established 10 district and sub county Youth Fora with 230 members (35% females). As a result, 05 YAGs secured UGX 25,5 million from Youth Livelihood Fund and Uganda Women Entrepreneurship Fund.

Mr. Aziku Ben Thomas is a 27-year old member of Poo YAG in Kijomoro sub-county, Maracha district. Unable to continue with studies because of lack of funds, he turned to farming of Khat (Marungi) as he noted, "What would I have grown to make good money on quarter of an acre of land, if not Khat? The crops my parents grew like beans, cassava, and potato were not profitable.

This changed when MAYEP project came to his village. He narrated that, **"when youth were being recruited, I willingly joined Poo YAG. During the group formation and registration process, I was voted as the group Chairperson. Later, I was also selected to attend Young Model Farmers' (YMFs) training of trainers course in pig rearing and management. At the VTI, we were introduced to farming as a business and I realized that piggery is a lucrative venture when compared to [my] Khat."**

After completing the YMF training Mr. Ben returned home and he bought two sows and one boar (Cambrough) at UGX 900,000 and used UGX 600,000 to build a simple pig sty, buy drugs and feeds. With good management, Mr. Ben's sows farrowed sixteen piglets. He sold three piglets for UGX 225,000 and used the money to buy drugs, supplement the locally produced feeds, and pay for added labour. With a stock worth UGX 5.5 million, he said, "I realized that I was wasting my time growing Khat that had never earned me a mere UGX 200,000 a season. I therefore cut down all my Khat (Marungi) plantation to create land for growing feeds (maize and soybean) for managing my pig enterprise." Mr. Ben is now focused on expanding the piggery enterprise to ten sows per production cycle and diversifying into vegetable production (tomatotes, green pepper and egg plants) to improve on his cash flows so that he can finish his commercial building (at beam level) in Kijomoro trading Centre and start a wholesale shop.

Youth Economic Empowerment Project (YEEP)

The YEEP is a 3-year project (2016-19) funded by EU and is being implemented in partnership with (CEGED) in the districts of Pakwach, Zombo, and Arua. Its goal is, "to contribute to youth inclusive economic growth and poverty reduction in West Nile region of Uganda through sustainable and gainful employment opportunities."



In 2017, the project achieved the following:

1

60 new youth-led VSLAs were formed, registered with local governments, trained in VSLA and equipped with saving kits. Thus the project has 125 youth groups with 2,500 youths (1,654 female). They saved UGX 132,2 million with an agroinput fund value of UGX 8,999,000.

2

Conducted entrepreneurship and life skills, advocacy and financial literacy training in 2,500 youth

3

Trained 130 Young Model Farmers who in turn trained 1,000 youth on GAP. These youth were provided start-up kit for poultry, onion, and tomato production

4

Trained 431 youths in various vocational skills and provided them start-up kits. A tracer study found that the different courses were marketable and earning at least a monthly income of UGX 100,000 per youth.

5

Mentored 2,883 youth that together with bi-annual VSLA quarterly performance review meetings improved youth business marketing strategies.

The participatory review identified the following outcomes: Increased youth weekly savings values and frequencies. Although the VSLAs stamp value has remained the same (UGX 1,000), many members are able to buy more stamps weekly and a few groups have doubled their stamp value; improved confidence to invest in agribusiness risk due to agro-input saving; increased adoption of GAP due to the regular contacts with YMFs; a rising number of income generating activity due to access to VSLA loans and entrepreneurship skills learnt.

Disability is not inability

Mr. Andama Machi is a 24-year old married youth with disability. He lives in Ayabu East village, Wadelai sub county, Pakwach District. In 2016, Mr. Andama cried out loud to YEEP project team during community sensitization about his marginalization from all government projects. This was how he was enrolled as a member of Young Generation Youth Group.

Before YEEP, he regarded farming not as a business. With continuous trainings, he accepted to farm tomato. He grew 0.4 acre of land and harvested 53 boxes that earned him UGX 1.6 million. This money made him buy five goats. He then decided to increase his land size to 0.5 acre in the second season of 2017 and was able to go for rehabilitation and buy one cow.

Now Mr. Andama has abandoned the growing of simsim and cotton as he said,

"The money that I earn from half acre of tomato is more than what I used to earn from two acres each of simsim and cotton. I was wasting my time and sinking in poverty every season. It was impossible to acquire any asset. Now you can see, I have a cow, over 10 goats and will soon start building myself a house".

West Nile Agriculture Improvement And Conservation (Wenagic) Project

The West Nile Agriculture Improvement and Conservation (WENAGIC) Project is a 2-year (2017-18) Sall Family Foundation funded pilot project whose goal is, "to support a sustainable and equitable food and income security of 450 smallholder farmer households in Yumbe District, Uganda."



Transforming livelihoods with agro-input savings and entrepreneurship skills training

In 2017, 15 smallholder farmer groups were supported through the following:

1

15 VSLA-led farmer groups with 450 members (195 females) were formed and registered with local governments, and by year-end they saved UGX 27 million. The groups also got IGA - SPM training and business mentorship.

2

30 Lead farmers (50% females) were trained in peer extension and agronomy of targeted agro-enterprises. And they set demonstration plots for GAP training and climate smart practices

3

The 15 farmer groups were supported with animal traction technology. 30 Lead Oxen Handlers were trained.

4

Beneficiaries received 150 bags of cassava cutting, 375Kgs of beans, and 3,000 seedlings of Grevillea and Calliandra.

5

123 group members (85 females) were trained by Jubilee Insurance on multi-peril crop insurance scheme.

6

117 farmers (67 females) were trained on safe nutrition and an annual nutrition competition was held.

7

132 members (74 females) were trained on group governance and management and women and human rights

Mr. Mr. Abdurazak is a 24-year old members of Mungufeni Farmer Group located in Apo Sub county, Yumbe district. With small seasonal income, poor feeding and clothing," he realized that to use good agricultural practices for better yields hence food and income security his family needed to adopt agro-input savings that was promoted by WENAGIC project. Asked why he responded, "when we want to buy improved seeds, we always don't have money. Loans from our VSLA is not enough for everyone." Narrating how this saving helped him, he said:

"My plan to own a motor cycle failed for 2 consecutive years. Routine savings and loan took me nowhere because annual share outs were unable to afford the motor cycle (of UGX 1.8 million). Through agro-input fund I strictly saved UGX 160,000 to buy onion seeds. While at year-end savings earned me only UGX 280,000, from 0.25 acres of onion I earned UGX 420,000. Using my entrepreneurship skills I invested the UGX 700,000 in selling cotton to Rhino camp ginnyery and brick making for South Sudanese refugees and agencies working in the refugee camps. Now I have UGX 1,500,000 from the cotton trade and UGX 1,800,000 from bricks (totaling to UGX 3,300,000). I have in 6-month achieved my goal. I bought a motorcycle!"

Finally, Mr. Abdurazak had this to say,

"The strategy of WENAGIC is truly for poor people to become economically well-off. With clear goals at the beginning of every saving cycle, business skills and access to business capital, the VSLA component of agro-input savings can make our village prosperous. Through it one is able to invest in a high impact enterprise that otherwise a normal loan cannot provide. With diversified investments, families will ably buy food from the market and they will be able to also diversify their diet. Most importantly, with VSLA, families can acquire livestock [productive assets] that can increase their wealth in the future after the project has closed. No government or NGO programme that I had known off had done this before".

Jangokoro Food Security Project



Jangokoro Food Security Project is a 2-year (2017 - 2019) Manos Unidas funded project being implemented in Jangokoro Sub-County, Zombo district with a goal of, “contributing to inclusive and sustainable poverty reduction in Nebbi Catholic Diocese.”

Started in November 2017, the project achieved the following:

1

An inception meeting was held with 40 representatives from Zombo District and Jangokoro Sub county Local Government officials and the project leaders. As a result, local governments pledged full support to the renewal of registration certificates of the groups.

2

25 community health frontline advisors (5 females) were trained as peer educators-cum-counsellors on safe sanitation and hygiene and HIV/AIDS communication and surveillance and they focused on improving the sanitation and hygiene practices necessary for open defecation free villages;

3

The Village Savings and Loans Association (VSLA) methodology was introduced in the groups and within two months the groups saved UGX 4,021,500 (of which 25% was agro-input fund).

Safe sanitation education improves self-esteem and household health

Ms. Mandhawun Loice, a 20-year old mother, is a member of Cana Food Security group, Zombo District. As a committed group member, she was elected and trained as a Community Health Frontline Advisor (CHFA). The training she got has improved her self-esteem as she notes,

Before the training, I had no idea why families needed safe sanitary facilities. We always, as normal, bathed and defecated in the coffee plantation. However, my household suffered from frequent severe diarrhea. Little did I know that we were losing many days [as sick persons or taking care of the sick] and money for treatment to sicknesses related to poor sanitation and hygiene.

It was during the training that my eyes opened to seeing the disease burden families face because of having no pit latrines, for instance. Armed with this knowledge, my mind-set changed immediately. I sat down with my husband and we talked about the benefits of safe sanitation and hygiene.

He bought the idea and we constructed a pit latrine with a hand washing facility, a drying rack, a dustbin, and cloth line in our home. Now I feel healthy. I have also noticed that all those funny sicknesses are no more. More so, I proudly host visitors in my home because unlike in the past when I would silently pray that a visitor should not ask for a place of convenience, now I am glad to show them that they should feel at ease if they needed a place of convenience.

Emergency Agricultural Livelihoods Support to South Sudanese Refugees and Host Communities in North and Midwestern Uganda

The Emergency Agricultural Livelihoods Support for Improved Resilience and Self-reliance of Refugees from South Sudan in North and Mid-Western Uganda was a 8-month (April – December, 2017) FAO funded project that was implemented in the refugee settlements and hosting sub counties in Arua, Adjumani, Moyo and Yumbe districts. The goal was to increase resilience of livelihoods to threats and crises.

In 2017, the project achieved the following:

- 1 Mobilized, sensitized, identified and registered 42,139 beneficiaries. These were composed of 33,487 households of post-July 2016 arrivals refugees in the districts of Arua, Moyo, Yumbe and Adjumani.
- 2 Received, stored, transported and supervised the distribution of the following agro-inputs: 37,100Kgs of maize; 23,193Kgs of beans; 40,210Kgs of cow peas; 3,183 packets of kale; 31,513 packets of collard; 34,622 packets of eggplants; and 35,497 packets of Okra. Also provided were 30,300 one-month old Kroiler chicks with starter feeds, growers' mash and vaccination.
- 3 Installed 07 micro- irrigation (03 in Mungula refugee settlement, Adjumani and 04 in Rhino camp settlement, Arua district) for vegetable production by 207 youth using cash for work basis.
- 4 Conducted various trainings of beneficiaries on agronomy and poultry management through the local government production departments of the districts and trained Community Resource Persons.
- 5 Conducted routine performance monitoring with post-distribution support by project staff, management team, and inter-agency visits and meetings.





HORIZONT₃₀₀₀





Secure Livelihoods for South Sudanese Refugees and Host Communities in West Nile region, Uganda

This is a 2-year (2017 - 2019) Austria Development Agency funded project being implemented in Yumbe district with a goal of ensuring that, “refugees and host communities have secure livelihoods and contribute to sustainable development within Rhino and Yumbe resettlement areas, in West Nile Region, Uganda.”

Started in September 2017, the project achieved the following:

- 1 A stakeholder briefing meeting was conducted for 67 political and technical leaders in Arua and Yumbe districts and Romogi sub county.
- 2 A consultant was hired to conduct a baseline study (on-going).
- 3 To provide holistic and quality controlled trainings, coaching and mentorship, 100 copies of manuals for Village Saving and Lending Associations (VSLA), Entrepreneurship and Apprenticeship were produced and disseminated.
- 4 A project launch (with visibility) was conducted at Yelulu, Rhino Camp refugee settlement in the presence of representatives from HORIZONT3000, ADA, UNHCR, OPM, Partner Organizations, and district and sub county local governments.
- 5 20 Farmer Field Schools (50% refugees) were formed with 500 members (69% females). To aid their operations 06 Farmer Field School Facilitators (FFSFs) were recruited and trained.
- 6 150 beneficiary youth (42% females) were selected from vulnerable but households to benefit from vocational skills training.
- 7 Basic stat-up kits were provided, namely; 750 hoes and hoe handles, 90 watering cans, 60 spray pumps. Seeds will be distributed in 2018.
- 8 To build strong group cohesion, business mind-set, and self-reliant groups the VSLA methodology was introduced in the groups. They also received VSLA kits and by year-end saved UGX 10,611,000 (including 1,295,100 Agro-input fund).



AFARD's Organisational Growth and Sustainability



To provide quality and impacting services, the Board of Directors pursued the following:

Board operations

The Board held two Board and three Board Committee meetings together with three on-site project visits to provide effective policy and oversight guidance.

Human resource development

The number of staff was increased from 65 in 2015; 82 in 2016 to 90 in 2017 with gender parity (50% females) in top management position. Internal performance based promotions were provided for 04 staff from Project Officer levels to Project Manager levels. Meanwhile 50 staffs received different customized trainings in “do no harm approach,” Climate Smart Agriculture (CSA), advocacy skills, animal traction, and post-harvest handling, among others.



Networking

AFARD retained its learning and advocacy membership in Uganda National NGO Forum; District NGO Forum in Nebbi, Yumbe, and Moyo; PELUM – Uganda Chapter; Uganda National AIDS Service Organizations (UNASO); and Uganda Water and Sanitation NGO Network (UWASNET).



Financial Stewardship and Accountability

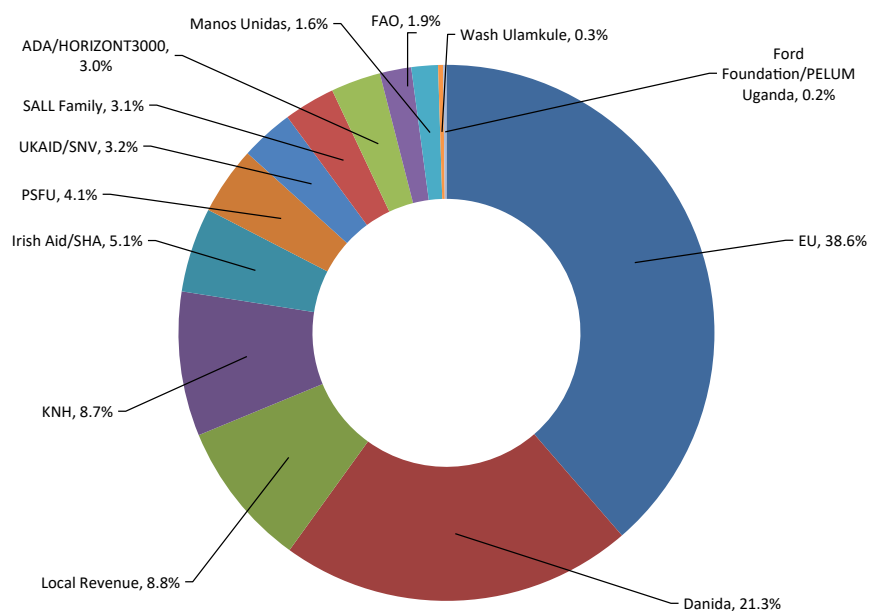
Annual revenues 2015-17

AFARD's 5-year Strategic Plan (2015-2019) is estimated to cost about UGX 20 billion. As the table below shows, to date 57% (UGX 10 billion) of the budget has been mobilized. Donor fund account for 91% of the total revenue generated as compared to only 9% raised locally. Over the years, revenue generation has increased by 74% from UGX 2.5 billion (24%) in 2015 through UGX 3.7 billion (35%) in 2016 to the current UGX 4.3 billion (41%) in 2017. Three key drivers have been responsible for this financial performance, namely; (i) a deliberate Board's decision for resource mobilization; (ii) improved donor trust leading to increased duration (long term) and volume (size) of funding; and (iii) partnerships with international NGOs.

Donors	2017	2016	2015	Total
European Union/Self -Help Africa (SHA)	20,000,000	323,534,371	532,406,332	875,940,703
Civil Society Fund (CSF)	-	-	139,375,000	139,375,000
Kinder Not Hilfe (KNH)	345,160,550	328,755,032	236,195,695	910,111,277
DANIDA	1,015,877,000	844,132,000	379,542,000	2,239,551,000
European Union/SNV	333,215,000	417,150,000	240,687,500	991,052,500
UKAID/SNV	66,368,263	116,977,681	149,529,500	332,875,444
Private Sector Foundation Uganda	-	-	429,729,000	429,729,000
Ford Foundation/PELUM Uganda	-	-	16,588,885	16,588,885
Sall Family Foundation	234,219,000	95,591,000	-	329,810,000
European Union/SHA	524,719,759	363,334,254	-	888,054,013
European Union/AFARD	878,883,000	842,679,802	-	1,721,562,802
Wash Ulamkule	-	4,111,000	25,964,000	30,075,000
Irish Aid	-	963,000	1,260,000	2,223,000
Manos Unidas	163,770,000	-	-	163,770,000
Austrian Development Agency/ HORIZONT 3000	310,670,318	-	-	310,670,318
Food and Agriculture Organisation of the UN (FAO)	199,880,800	-	-	199,880,800
AFARD (Local revenue)	244,367,000	336,780,023	339,968,000	921,115,023
TOTAL REVENUE	4,337,130,690	3,674,008,163	2,487,245,912	10,498,384,765

Donor ranking (from cumulative revenue 2015-17)

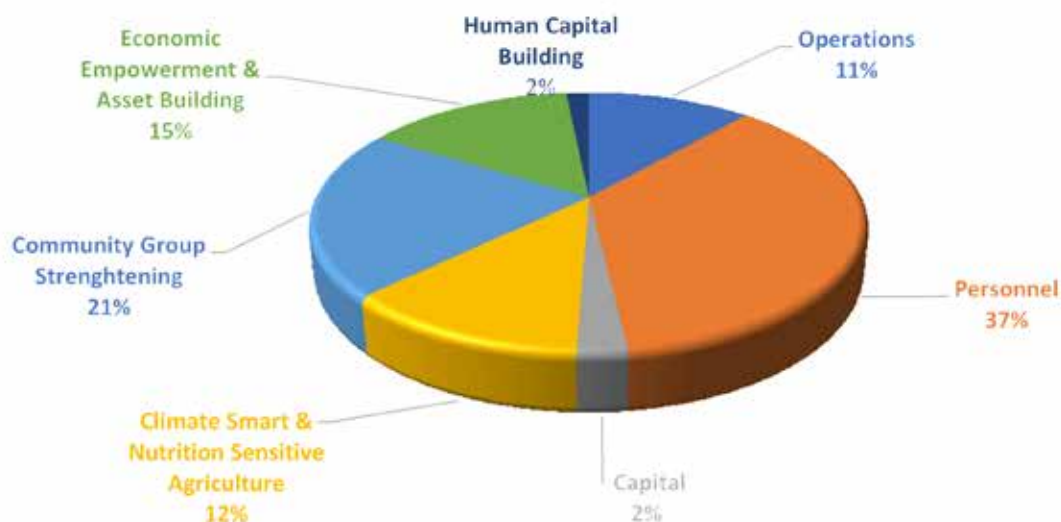
AFARD has been able to diversify its donor funding sources. Over the last three years, the European Union (38%) and Danida (21%) have been the two major donors that combined funded over 50% of the budget.



Expenditure in 2017 by strategic pillars

In 2017, 80% of AFARD's expenses were allocated for direct project implementation, 19% for administrative costs, and 1% for fund raising. The high expenditure on administration was due to the high personnel costs under the DAR3 programme (with 32 staff and 10 CBTs).

However, according to the Strategic Plan 2015-19 intervention pillars, allocations were directed towards; Economic Empowerment and asset building 15%, Community Group Strengthening 21%, Climate Smart and Nutrition Sensitive Agriculture 12%, and Human Capital Building 2%, as illustrated below.



Financial audit

To ensure efficiency in resource utilization and regulatory compliance, the Board of Directors operates a dual financial audit process. It conducts its own integrated financial audit by an internationally certified audit firm and permits individual project donors to conduct their independent audits. In this way, the 2017 financial audit was conducted by PKF, while KPMG and Davita Associate conducted independent audits for Danida and Self Help Africa respectively. All the findings indicate low risks with regards to strategic direction, financial control, regulatory and reporting compliance, and corruption and fraud.

REPORT OF THE INDEPENDENT AUDITOR TO THE BOARD OF DIRECTORS OF AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD).

Opinion

We have audited the Fund Accountability Statement of Agency for Accelerated Regional Development (AFARD for the year ended 31 December 2017 and the notes to the Fund Accountability Statement including a summary of significant accounting policies as set out on pages 14 to 18.

In our opinion, the accompanying Fund Accountability Statement presents fairly in all material respects the income and expenditure for the year ended 31 December 2017 in accordance with modified cash basis of accounting described in note 2(a) to 2(f).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Fund Accountability Statement section of our report. We are independent of the organisation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Fund Accountability Statement in Uganda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter- Basis of preparation

Without qualifying our opinion, we draw attention to accounting policy Note 2(a) of AFARD's Fund Accountability, which describes the basis of preparation. The Fund Accountability Statement was prepared to assist AFARD management to report to the members and its donor on the organization's financial performance and status.

Other information

The board is responsible for the other information. The other information comprises the report of the management, the schedule of expenditure and any other reports that comprise the annual report but does not include the financial statements and our auditor's report thereon.

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Partners: Charles Oguttu*, Frederick Kibbedi*, Alpesh Vadher**, Piyush Shah**, Sumesh D'Cruz**, Ketan Shah*** (*Ugandan, ** Kenyan, *** British)

PKF Uganda is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms

Our opinion on the Fund Accountability Statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Fund Accountability Statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Board of Directors for the financial statements

The board is responsible for the preparation of the Fund Accountability Statement in accordance with the accounting policies set out in note 2 and for such internal controls as the directors determine is necessary to enable the preparation of Fund Accountability Statement that is free from material misstatement, whether due to fraud or error.

In preparing the Fund Accountability Statement, the directors are responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Fund Accountability Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Fund Accountability Statement. As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the Fund Accountability Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner responsible for the audit resulting to this report of the independent auditor is:



Charles Oguttu (P0141)

Engagement Partner



Certified Public Accountants

Kampala

Date 2/4/2018

Ref: CO/AO76/046/18

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)

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